



The evolution of family offices in India: From managing family investments to maximising family capital

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A growing number of business-owning families in India are setting up a family office to manage their wealth. But, as **Falguni Shah and Jayant Kumar** explain, the future for family offices lies in doing much more—acting as the cornerstone for sustaining and building family capital in all its forms.

The Indian economy is booming. This boom is powered by family businesses, which are leading the way in virtually every sector and collectively constitute the country's main engine of growth.¹ The families who own these businesses are increasingly establishing family offices to oversee the wealth they generate. In fact, from just 45 in 2018, the number of structured family offices in India has surged to more than 300 as of 2024²—and counting.

Most of these entities are set up initially to undertake the traditional function of family offices: acting as wealth and investment managers for the family's financial assets. There's a widespread perception that this is all that family offices can or should do. However, such a siloed and limited view of their remit is increasingly becoming outdated.

Why? Because a family's overall wealth—'family capital', as we term it—encompasses far more than just its financial assets. And family offices in India can play a pivotal and powerful role in managing and maximising family capital in all its forms, within the broader ecosystem that surrounds it.

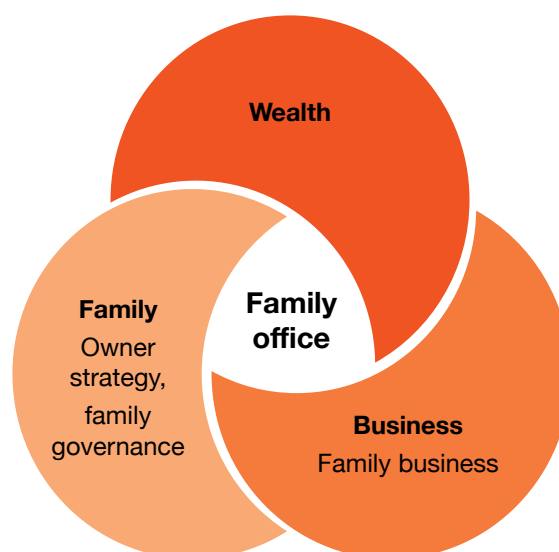
Family capital: The big picture

To explain the evolution that family offices are undergoing, we first need to explore what we mean by family capital, and how it differs from previous concepts. In simple terms, family capital consists of the combination of a family's tangible and intangible assets. As such, it has three core pillars which are closely integrated with each other:

- **Wealth** – such as financial assets and investments
- **Business** – including family-owned operating companies and ventures
- **Family** – encompassing family governance, legacy, next-generation talent and culture

The relationship between these pillars is illustrated alongside. The family office sits at the intersection of the three pillars. Thus, it is uniquely positioned and equipped to orchestrate and maximise value across all the pillars—acting as the cornerstone of family capital stewardship and growth.

The family office's central role in managing family capital



1. CII, 'Family business'

2. PwC, 'Creating holistic value for family businesses'



Unpacking the family capital ecosystem

A close look at the elements that make up a family's overall assets reveals that every family has its own family capital ecosystem, typically comprising four key components. Some families have only one of these elements, while others—generally larger family enterprises—have all four.

The first is the **family company**, usually consisting of family-owned operating businesses—whether privately held or publicly listed—where a family is the dominant owner.

The next is the **family office**. As we've already mentioned, this part of the ecosystem is undergoing radical change, moving beyond investment and wealth management to become a holistic private office serving the family's multifaceted needs.

The third component is the **family foundation**, the philanthropic arm through which the family seeks to drive positive societal and environmental impacts. In many cases, this element of the ecosystem is an increasingly important priority for the family.

The final—and often newest—part of the family capital ecosystem is **non-core ventures**. These are entrepreneurial initiatives that look to generate value by leveraging family talent and resources outside the core business. Examples include venture capital investments, private equity funds, joint ventures, start-ups, consultancies, and social enterprises. India is a leader in this area: PwC's Global Family Office Deals Study 2025 finds that family offices in India rank third worldwide on venture capital deal volume (behind the US and UK) and fifth on deal value (on par with Australia).³

These various components interact and interrelate to make up the comprehensive family capital ecosystem, with the family office increasingly undertaking overall coordination and governance. India's growing ranks of private billionaires and ultra-high-net-worth individuals are helping to shape the evolution of these ecosystems, driving greater maturity and professionalism in how they're structured and managed.

3. PwC, 'Global Family Office Deals Study 2025'



The dominance of family businesses in India—and the changing role of family offices

As we highlighted earlier, the growing number and scale of family businesses in India mean they're a driving force behind the country's economy, estimated to account for more than two-thirds of GDP and over 60% of employment.⁴ As these businesses have grown over many years, they've spawned family offices focused mainly on managing the surplus wealth they generate.

But today, with the business environment becoming increasingly complex and families' aspirations rising, this model is evolving rapidly, and family offices are transitioning from investment vehicles to holistic architects of family capital. It's a transformation that we examined in our point-of-view paper 'Creating holistic value for family businesses'.⁵ And it's one that's seeing family offices across and beyond India develop a growing array of new functions and capabilities.

These include, but are not limited to, activities such as:

- Strategic investments into family businesses for growth and value optimisation
- Managing legacy, brand, and visibility to perpetuate the family identity into the future
- Enabling smooth and successful succession through governance frameworks, training of next-generation family members, and empowering strategic ownership
- Building networks of trusted advisors as extended institutional family 'members'
- Leveraging new and emerging technologies like data analytics and AI to enable better informed decision-making and pursue global opportunities
- Developing sophisticated deal-making capabilities to identify potential acquisitions and exit opportunities

The majority of these functions in the family office lie outside the core expertise of most family business founders. This means there's a strong case for professional management to be brought in to replace founder-operators, with the next generation moving into strategic ownership roles.

As this change takes place, new prerequisites emerge in the drive to make family capital sustainable. One is robust governance: it's vital to put in place strong governance structures to provide transparency and oversight across the family's businesses and wealth. Another is training: Next-generation family members need tailored education and mentorship to prepare them fully for their multidisciplinary strategic roles.

Again, the family office is uniquely placed and qualified to manage and facilitate these processes, helping to ensure continuity and cohesion in the transition between generations—and thereby safeguarding family capital.

4. The Hindu Business Line, 'Family businesses power over 70% of India's GDP, finds Great Lakes study'

5. PwC, 'Creating holistic value for family businesses'



Four strategic imperatives for maximising family capital in India

As family offices expand their remit and horizons, what steps should families and family offices take to ensure they maximise family capital across the ecosystem? In our view, they need to embrace a holistic, integrated approach focused on delivering against four imperatives:



1. Aligning family values with wealth creation, business growth, and social impact to maintain consistency and coherence across the family capital ecosystem



2. Investing in technology, governance, and professional management to enhance agility and resilience, boosting value creation



3. Aligning IPOs and strategic exits with broader family capital objectives to unlock further value



4. Expanding investment perspectives globally to diversify into new geographies while also continuing to nurture domestic opportunities

PwC can support you through this transformation. We offer bespoke advisory and management solutions that help family offices build stronger governance, professionalise management, and drive sustainable growth—increasing the ability of family businesses to preserve and expand their capital in today's complex environment.

Conclusion: The future of family offices—primary guardians of family capital

The overarching message? Today, family offices are evolving from single-focused investment managers into comprehensive enablers and stewards of family capital. And for families, this transformation enables them to navigate the journey from founder-led enterprises to professionalised, family office-driven family capital management.

It's a radical reinvention that will equip the family office of the future to play a pivotal role in sustaining family legacies, growing family wealth, and nurturing family cohesion in an increasingly complex world. And Indian family offices' dominant and dynamic role in the economy makes them uniquely positioned to lead this transformation, paving the way for future generations.





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Contact us



Falguni Shah
Partner and Leader
Entrepreneurial and Private Business
PwC India
falguni.shah@pwc.com



Jayant Kumar
Partner, Deals
Family Office Leader
PwC India
jayant.kumar@pwc.com

Contributors

Priti Jhangiani

Editor

Dion D'Souza

Design

Akshay Wadhawan

pwc.in

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