



THE CAPITAL PLAYBOOK

2026

Your Guide to Alternative Investments in India

₹162 Lakh Crore

Total wealth held by India's HNI community

40%

Now Flows to Alternatives

85,698

HNIs in India (2024)

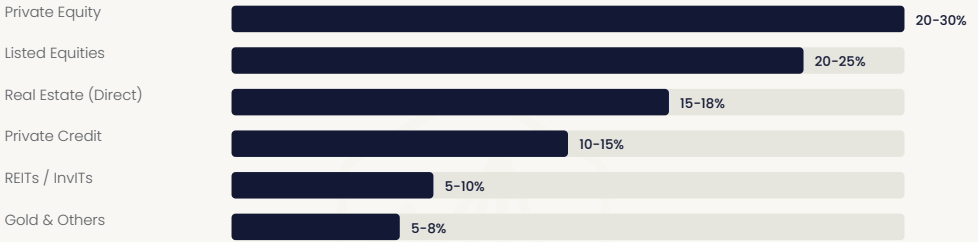
WHERE INDIA'S WEALTH IS MOVING

Family Offices, HNIs, and the Shift to Alternatives

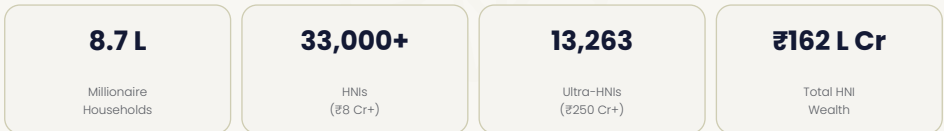
India is home to over 85,000 high-net-worth individuals and roughly 300 single-family offices managing a combined ₹2.5 lakh crore. Over the past five years, a quiet shift has taken place: the share of wealth flowing into alternative investments has grown from around 15% to nearly 40%. This means more families and business owners are looking beyond traditional stocks and fixed deposits, choosing to put their money into private equity, real estate, credit funds, and other alternatives.



HOW FAMILY OFFICES AND HNIs ALLOCATE THEIR WEALTH



INDIA'S WEALTH TRAJECTORY



“India’s wealth is not just growing - it is being redeployed from passive savings into active, institutional-grade alternatives.”

– Knight Frank Wealth Report 2025

UNDERSTANDING ALTERNATIVE INVESTMENTS

What They Are and How You Can Participate

Alternative investments are anything beyond traditional stocks, bonds, and fixed deposits. In India, these are regulated by SEBI through Alternative Investment Funds (AIFs), which have grown from a niche category to over ₹15.7 lakh crore in commitments across 1,700+ registered funds. As an investor, you can participate either by investing in these funds or by exploring direct opportunities in the asset classes they cover.

AIF CATEGORIES AT A GLANCE

Category	What It Covers	Typical Returns
Category I	Venture Capital, SME Funds, Social Venture, Infrastructure	15-35%
Category II	Private Equity, Private Credit, Real Estate, Debt	14-25%
Category III	Hedge Funds, Long-Short Equity, Public Market Strategies	12-18%

BEYOND AIFs - OTHER WAYS TO PARTICIPATE

Investment Type	Minimum	Key Feature
Portfolio Management (PMS)	₹50 lakh	Professional stock picking by fund managers
REITs (Real Estate)	₹10,000-15,000	Own a share of commercial properties
InvITs (Infrastructure)	₹10,000-15,000	Own a share of roads, power grids, towers
Gold ETFs / SGBs	₹500 / 1 gram	Invest in gold without physical storage
Direct Co-Investment	Varies	Invest alongside a fund in a specific deal

WHAT IS CHANGING IN 2026

- 01** Lower AIF Thresholds - SEBI is streamlining accredited investor norms, making alternatives accessible to a wider pool of qualified investors.
- 02** Pension Fund Access - New guidelines allowing pension funds to invest in AIFs, bringing long-term institutional capital into the market.
- 03** SM-REITs - Small and Medium REITs let you invest in commercial properties from ₹10-50 lakh, instead of crores.
- 04** Co-Investment Rules - A new framework for co-investing alongside AIFs directly into deals, giving investors more choice and control.

PRIVATE EQUITY & VENTURE CAPITAL

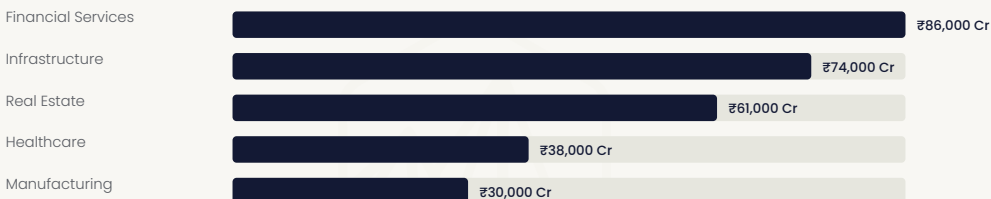
Two Distinct Paths of Growth Capital

In 2025, a total of ₹5.07 lakh crore was invested across 1,475 private equity and venture capital deals in India. This includes both domestic and global investors. While the headline number is large, it is important to understand the difference between PE and VC, as they serve very different types of businesses.

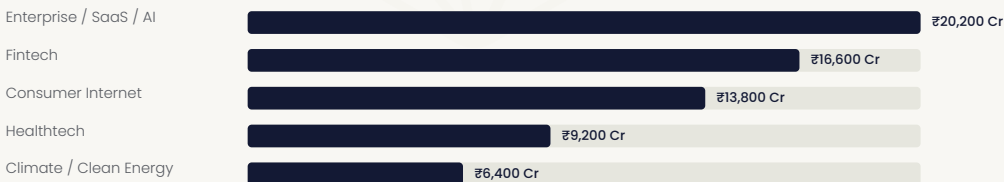
PRIVATE EQUITY vs VENTURE CAPITAL

	Private Equity	Venture Capital
Invests in	Established, profitable businesses	Early-stage, tech-enabled startups
Sectors	Manufacturing, infra, financial services, healthcare, RE	Software, fintech, AI, deeptech, consumer tech
Typical ticket	₹50 Cr - ₹5,000 Cr	₹1 Cr - ₹200 Cr
Returns	18-25% IRR	25-35% IRR (higher risk)
Exit timeline	4-7 years	5-10 years

WHERE DID PE CAPITAL GO IN 2025?



WHERE DID VC CAPITAL GO IN 2025?



Total VC investment in 2025: ₹92,000 Cr across 900+ deals. AI-focused funding surged 58% YoY.

HOW TO PARTICIPATE

Route	Min Investment	Lock-in	What You Get
AI Fund Cat II (PE)	₹1 Crore	5-7 years	Diversified PE portfolio returns
AI Fund Cat I (VC)	₹1 Crore	7-10 years	High-growth startup exposure
Fund of Funds	₹50 Lakh	5-8 years	Multi-fund diversification
Co-Investment	₹25 Lakh+	Case-by-case	Direct deal participation
Listed PE ETFs	₹500	None	Liquid PE market exposure

REAL ESTATE

India's Largest Tangible Asset Class

India's real estate market is valued at roughly ₹44.7 lakh crore and is expected to cross ₹107 lakh crore by 2034. In 2025, institutional investors (both domestic and global PE funds) put in ₹94,120 crore into Indian real estate. For HNIs, real estate continues to be a preferred asset class - whether through direct ownership, fund participation, or the newer REIT and fractional ownership routes.



HOW CAN YOU PARTICIPATE IN REAL ESTATE?

Route	Minimum	What You Get
Direct Purchase	₹50 Lakh+	Full ownership of land, apartments, or commercial space
Real Estate AIF	₹1 Crore	Pooled investment in curated projects with professional management
REIT (Listed)	₹10,000	Own a fraction of Grade-A office parks, earn 6-8% annual yield
SM-REIT	₹10-50 Lakh	Own a fraction of specific commercial properties
Fractional Platforms	₹25 Lakh	Co-own commercial assets via regulated platforms

TOP PERFORMING SEGMENTS

Segment	Returns	Key Hotspots
Warehousing / Logistics	12-15% IRR	Mumbai, Pune, Chennai, NCR
Data Centres	8-12% yield	Mumbai, Chennai, Hyderabad, Pune
Grade A Office	7-10% yield	Bangalore, Hyderabad, Mumbai, Pune
Luxury Residential	8-12% total	Mumbai, Hyderabad, Delhi NCR, Goa
Plotted Development	15-25% appreciation	Hyderabad, Bangalore, Pune periphery

KEY TRENDS SHAPING REAL ESTATE IN 2026

- 01** Infrastructure Push - ₹61 lakh crore government infrastructure budget driving land values and connectivity across tier-1 and tier-2 cities.
- 02** SM-REITs Launch - 5 SM-REITs already registered with SEBI. This opens up institutional-grade real estate to investors from ₹10 lakh.

HYDERABAD REAL ESTATE

India's Fastest-Growing Property Market

Hyderabad recorded over 20,000 housing units sold in Q3 2025 alone - a 52.7% surge from the previous year. Residential prices have risen 13-19% year-on-year across key micro-markets, while 2.83 million sq ft of office space was leased in Q3 2025. The city ranks among India's top 4 for both commercial absorption and residential growth.

20,000+

Units Sold
Q3 2025

52.7%

Sales Growth
(YoY)

2.83 MSF

Office Leasing
Q3 2025

13-19%

Price Rise
(YoY)

HYDERABAD MICRO-MARKET SNAPSHOT

Micro-Market	Avg Price/Sq Ft	Key Driver
Kokapet	₹9,000-10,000	Premium residential, proximity to Financial District
Gachibowli / HITEC City	₹7,000-10,000	IT corridor, GCC expansion
Narsingi / Puppalaguda	₹7,500-9,500	Western corridor growth, metro connectivity
Tellapur / Kollur	₹5,500-7,500	Emerging residential with rapid appreciation
Shamshabad / Airport Zone	₹4,500-6,500	Logistics hub, warehousing growth

INVESTMENT STAGES IN HYDERABAD

Stage	Typical Returns	Risk
Land Stage (pre-development)	25-40%	High
Project Level (construction)	18-28%	Medium-High
Pre-Lease / Appraisal	14-20%	Medium
Completed Asset	8-14% yield	Lower

Growth Corridors: Metro Phase 2 expansion, Regional Ring Road completion, and Pharma City development are creating new investment zones. Land prices in Kollur, Tellapur, and Ameenpur projected to appreciate 12-18% in 2026.

PRIVATE CREDIT

Higher Yields Without the Volatility of Stock Markets

Private credit means lending money directly to businesses - outside the banking system. In India, this market has grown to ₹2.1-2.5 lakh crore in AUM and deployed ₹1.04 lakh crore in 2025 alone (a 35% jump from the previous year). These funds typically offer 14-22% annual returns, significantly higher than traditional fixed deposits (6-7%) or bonds (8-10%).

₹2.1 L Cr+

Total
AUM

₹1.04 L Cr

Deployed
in 2025

14-22%

Annual
Yields

35%

Year-on-Year
Growth

TWO MAIN TYPES OF PRIVATE CREDIT

Type	What It Is	Returns	Risk
Performing Credit	Loans to healthy, growing businesses that banks may not serve due to size or speed	14-18%	Moderate
Special Situations	Lending to companies in temporary financial stress, restructuring, or turnaround	18-25%	Higher
Mezzanine Debt	A blend of debt and equity; ranks below senior debt but offers equity upside	16-22%	Medium-High
Venture Debt	Lending to funded startups alongside equity investors; shorter tenure	16-22%	Medium-High

WHY PRIVATE CREDIT IS GROWING

- 01** Banking Gap - Indian banks cannot serve all businesses. There is an estimated ₹8 lakh crore+ gap in credit availability, which private credit funds are filling.
- 02** Low Correlation - Returns from private credit are largely independent of stock market swings, making them a good diversifier for your portfolio.
- 03** Regulatory Framework - SEBI's AIF rules and RBI guidelines have created a robust framework, ensuring transparency and investor protection.

HOW TO PARTICIPATE

Route	Min Inv.	Tenure	Typical Yield	What You Get
Private Credit AIF	₹1 Cr	2-4 yrs	14-18%	Steady income, low equity correlation
Corporate Bond PMS	₹50 L	1-3 yrs	10-14%	Professional credit selection
Invoice Discounting	₹5 L	30-90 days	12-16%	Short-term high-yield income
Revenue-Based Finance	₹10 L	6-18 mo	16-22%	Growth-linked returns

GOLD, REITs & OTHER OPTIONS

Accessible Alternatives for Every Portfolio Size

Not every alternative investment requires crores. Gold, REITs, and InvITs offer ways to diversify with smaller amounts while still accessing institutional-grade assets.

GOLD - India's Time-Tested Safe Haven

Gold has delivered an 11.1% CAGR over the last decade and 17-23% over five years (depending on the period measured). With ₹1.19 lakh crore in Gold ETF assets and ₹13,000 crore in digital gold platforms, investors now have multiple ways to own gold without physical storage hassles.

Vehicle	Minimum	Key Feature
Physical Gold	Any amount	Tangible; storage and insurance costs apply
Gold ETFs	₹500-1,000	Trade on stock exchange; backed by physical gold
Sovereign Gold Bonds	1 gram (~₹7,500)	2.5% annual interest + gold returns; 8-year tenure
Digital Gold	₹1	Instant buy/sell via apps; stored in insured vaults

REITs & InvITs - Own a Piece of India's Infrastructure

India now has 5 listed REITs with a combined market cap of ₹1.34 lakh crore, offering 6.5-7.5% annual yields. InvITs provide access to infrastructure assets like power transmission and highways. Together, these instruments let you own institutional real estate and infrastructure from as little as ₹10,000-15,000.

Name	Type	Focus
Embassy Office Parks	REIT	Office (Bangalore, Mumbai, Pune)
Mindspace Business Parks	REIT	Office (Hyderabad, Mumbai, Pune)
Brookfield India REIT	REIT	Office (NCR, Kolkata, Noida)
Nexus Select Trust	REIT	Retail malls (17 cities across India)
India Grid InvIT	InvIT	Power transmission assets

New in 2026: SM-REITs let you invest in specific commercial properties from ₹10-50 lakh. 5 already registered with SEBI, more expected this year.

HOW TO GET STARTED

Vehicle	Min Investment	Liquidity	What You Get
Gold ETF / SGB	₹1 / ₹1,000	High	Gold price upside + 2.5% interest (SGB)
REIT Units	₹10,000-15,000	Med-High	Regular rental income + capital growth
SM-REIT Units	₹10 Lakh	Medium	Specific property ownership exposure
Gold Fund of Funds	₹500 (SIP)	High	Diversified gold exposure via SIP

HOW RETURNS COMPARE

A Simple Comparison Across Asset Classes

The table below compares typical returns across traditional and alternative asset classes to help you understand where each one sits. These are historical ranges - actual returns depend on specific fund, timing, and market conditions.

Asset Class	Typical Returns	5Y CAGR	Risk Level	Min Investment	Liquidity
Fixed Deposits	6-7%	6.5%	Low	₹1,000	High
Govt Bonds/G-Secs	7-8%	7.2%	Low	₹10,000	High
Listed Equities	12-14%	14.8%	High	₹500	High
Gold	11-17%	17.2%	Medium	₹1	High
REITs/InvITs	6-8%+	8.5%	Medium	₹10,000	Med-High
PMS (Cat III)	12-18%	15.1%	High	₹50L	Medium
Real Estate	10-18%	12.5%	Medium	₹50L+	Low
Private Credit	14-22%	16.8%	Med-High	₹1Cr	Low
Private Equity	18-25%	20.3%	High	₹1Cr	Low
Venture Capital	25-35%	N/A	Very High	₹1Cr	Very Low

KEY TAKEAWAY

Higher returns typically come with lower liquidity and longer holding periods. The art of portfolio construction lies in balancing these trade-offs. A well-diversified portfolio might combine the stability of fixed income and gold with the growth potential of private equity and real estate - tailored to your specific goals, timeline, and risk appetite.

“Do not put all your eggs in one basket. But make sure you know which baskets your eggs are in.”

- A timeless principle of wealth management

2026: WHAT LIES AHEAD

The Trends Shaping India's Investment Landscape

India enters 2026 as the world's fastest-growing major economy, with GDP growth projected at 6.4-7.4%. Here is what the investment landscape looks like for the year ahead:

- 01** Alternatives Go Mainstream - AIF commitments are on track to cross ₹18 lakh crore. More HNIs are allocating 30-40% of their portfolios to alternatives, up from 15% five years ago.
- 02** Private Credit Boom - Expected to deploy over ₹1.25 lakh crore in 2026. Performing credit and special situation funds are attracting family offices looking for steady 14-22% yields.
- 03** AI and Deep Tech - AI-focused investment surged 58% in 2025. India's deep tech ecosystem is maturing with over 3,000 startups and growing institutional interest.
- 04** Real Estate Continues to Rise - Data centres, warehousing, and SM-REITs are creating new sub-asset classes. Hyderabad, Pune, and Bangalore lead commercial absorption.
- 05** SEBI's Investor-Friendly Reforms - Lower thresholds for accredited investors, co-investment frameworks, pension fund access to AIFs, and SM-REIT guidelines are making alternatives more accessible.
- 06** ESG-Linked Investing - A growing number of AIFs are incorporating ESG criteria. SEBI's disclosure framework is pushing transparency in fund reporting.
- 07** Cross-Border Capital via GIFT City - IFSCA's framework allows global investors to access Indian alternatives efficiently. This is opening new pools of capital for domestic deals.

HOW WE HELP

Working with Alternatives and RedeFin Capital

RedeFin Capital is a boutique investment banking, research, and advisory firm helping HNIs, family offices, and institutional investors access the best opportunities across alternative asset classes. Here is how we work with you:

- 01** Raising Capital - We help businesses and projects raise equity, debt, and structured capital from institutional investors, family offices, and AIFs across all stages.
- 02** Investing Capital - We connect qualified investors with curated opportunities in private equity, venture capital, real estate, and private credit - with rigorous screening.
- 03** Decision Insights - Through Kedge, our investment research arm, we provide institutional-grade research, sector analysis, and investment intelligence to support your decisions.
- 04** Real Estate Advisory - From land stage to asset acquisition - we advise on direct real estate investments across Hyderabad and other high-growth markets.
- 05** Private Credit Access - We help you access performing credit and special situation funds offering 14-22% annual yields, with proper due diligence and risk assessment.
- 06** Portfolio Construction - We work with you to build a diversified alternative portfolio that matches your goals, timeline, and risk appetite - across all asset classes.

“Our role is simple: help you access the right opportunities, with the right information, at the right time.”

- RedeFin Capital

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Boutique investment banking, research, and advisory firm
helping HNIs, family offices, and institutions access
India's alternative investment landscape.

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