

# BLENDED FINANCE IN INDIA'S HEALTHCARE SECTOR

Mobilizing Capital for Inclusive Innovation





# EXECUTIVE SUMMARY

India's healthcare system stands at a crucial tipping point. Even with strong economic growth and rapid digital innovation, healthcare remains severely underfunded and deeply unequal especially in rural and marginalized communities. The projected funding gap is staggering: over USD 156 billion by 2033. Public funds alone can't meet this demand. Private capital is urgently needed, but high risk and uncertain returns keep investors wary. This is where blended finance a combination of concessional and commercial capital becomes essential.

Blended finance is proving to be a game-changer by using public and philanthropic funds to lower investment risk and attract private players. Tools like first loss guarantees, concessional loans, and technical assistance are helping scale up impactful healthcare solutions in underserved areas. The report looks closely at these mechanisms and outlines the main barriers to private investment low financial returns, complex regulations, and the difficulty of reaching rural populations.

The report also features real world success stories like the SAMRIDH Healthcare Blended Finance Facility, which has mobilized over USD 250 million, reached 23 million people, and trained 15,000+ health workers. It highlights trailblazing organizations like ACT Grants, Lightrock, and Social Alpha, which are leading the charge with innovative public-private financing models. With detailed data on capital mobilization and impact outcomes, the report argues that blended finance isn't just a funding method it's India's clearest path to building a more resilient, inclusive, and high-quality healthcare system at scale.

## BLENDING FINANCE

Blended finance is a strategic financing approach that combines commercial capital with concessional resources such as grants, subsidised loans, and technical assistance to fund initiatives that deliver measurable social or environmental impact, especially in underserved sectors like healthcare.

In traditional finance, investments are driven by private returns and risk assessments. This often leaves high impact sectors underfunded particularly those with long-term benefits not directly captured by investors. For instance, a healthcare enterprise setting up diagnostic services in rural India may improve public health but struggle to attract commercial financing due to delayed returns and perceived high risk.

Blended finance addresses this gap by realigning the risk-return profile. Public or philanthropic funds take on more risk through first loss capital, guarantees, or below market loans making investments more attractive for private players. This model corrects market failures, especially where social returns outweigh financial gains.



The World Economic Forum and OECD define blended finance as the use of public and philanthropic funds to mobilize private investment for SDG aligned development. The IFC emphasizes its role in overcoming first mover barriers and enabling pioneering projects that wouldn't happen otherwise.

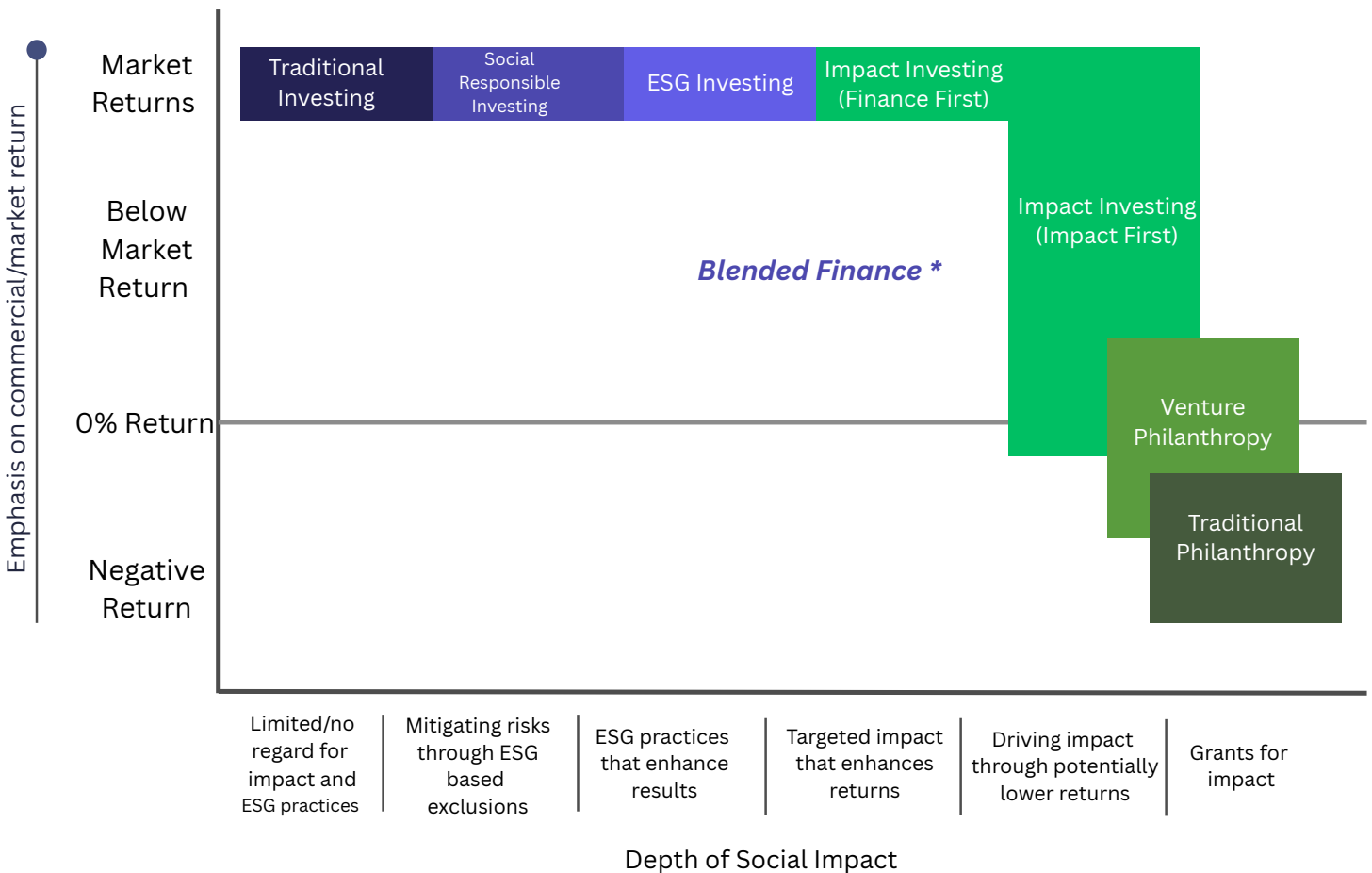
Blended finance is not an asset class but a flexible framework. It spans the spectrum from ESG investing (market-rate returns), to impact first investing (below market returns), to pure philanthropy, all working toward shared development goals.

**Core Principles of Blended Finance:**

**Leverage:** Use concessional capital to unlock commercial funds

**Impact:** Focus on measurable social/environmental outcomes

**Returns:** Offer appropriate, risk-adjusted financial returns By bringing together stakeholders with diverse risk appetites, blended finance structures scale solutions that are financially viable and socially transformative.



\*while different investors in a blended finance structure will have different return expectations , overall the transaction expects to yield a positive financial return\*

**Exhibit 1: Blended Finance the Social Finance Spectrum**

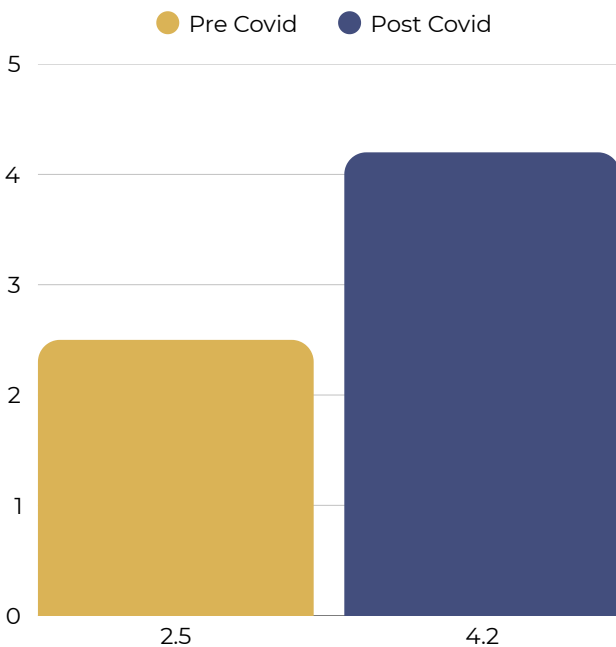


# BLENDING FINANCE: A CATALYST FOR INCLUSIVE AND SCALABLE IMPACT

## IN THE INDIAN CONTEXT

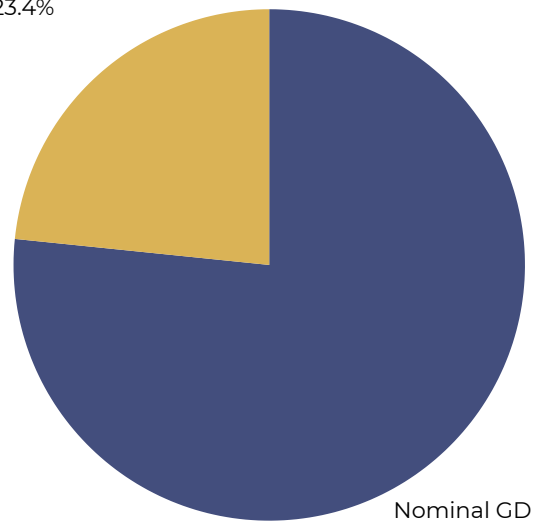
The year 2022 marked a historic milestone for India 75 years of independence. Over the decades, the country has successfully lifted millions out of extreme poverty while preserving its democratic foundation, emerging as a significant socio economic force on the global stage. Yet, this milestone coincided with another turning point: the world beginning to recover from the Covid-19 pandemic, which brought global growth to a near standstill for over two years. In India, the pandemic laid bare deep rooted inequalities exposing critical weaknesses in healthcare infrastructure, especially in rural areas, and devastating livelihoods across already vulnerable communities.

As we shift our gaze toward India at 100 years of independence, there is an urgent need to reimagine a socio economic framework that is not only inclusive and equitable but also resilient in the face of future crises. However, achieving this vision comes with serious challenges. The financial gap to meet India’s Sustainable Development Goals (SDGs), already substantial before the pandemic, has widened considerably.



Post-Covid, the global SDG funding gap jumped to \$4.2 Trillion; India’s share is ~25% of the pre-Covid \$2.5 Trillion gap (OECD).

Social Sector Funding FY22



Despite rising to ₹72 lakh crore (30% of ₹236 lakh crore GDP in FY22), public social sector spending faces tight fiscal space.



On top of that, the pandemic-triggered economic downturn has dampened consumer demand, reducing household incomes and weakening domestic consumption the core driver of India's economic engine.

In this context, India must pursue bold strategies to drive systemic change. The answer lies in deeper collaboration among the three foundational pillars of Indian society Sarkaar (the state), Bazaar (the market), and Samaaj (civil society). What is needed now is a deliberate and sustained effort to channel commercial capital into India's social sectors, where many non-profits and mission-driven enterprises remain small and under resourced, primarily due to the lack of timely, affordable, and patient capital.

To address this, the government must assume a catalytic role by shaping enabling regulations and policies that encourage private sector investment into development priorities. It's increasingly evident that traditional approaches to social investment and development finance are no longer sufficient. India must adopt innovative mechanisms such as Blended Finance an approach that combines philanthropic or public funds with commercial investment.

## FROM A HEALTHCARE LENS

### 1. Constraints on Public Health Financing

Given the persistent shortfall in public sector funding for healthcare, private investment is essential to bridge the financing gap needed to achieve national health objectives. Numerous innovative business models and technology driven healthcare solutions have emerged, offering strong potential to address complex challenges. However, despite their promise, these models face systemic barriers that prevent the effective flow of commercial capital. These constraints limit the ability of impactful market based solutions to scale and deliver long term, sustainable health outcomes.

### 2. De-risking Healthcare Investments for Private Capital

Private investors often hesitate to enter the healthcare sector due to the perception that health related enterprises carry high financial risk and offer lower returns compared to other industries. These concerns are rooted in several sector specific characteristics: the longer time required to realise returns on health interventions, the capital intensive nature of healthcare infrastructure, delays in product adoption, regulatory complexities, and the non marketability of health as a public good. As a result, health enterprises frequently encounter restrictive lending conditions such as high collateral demands or elevated interest rates which further restrict their access to affordable, growth-enabling capital.



### 3. Broadening Access to Diverse Capital Sources

India's healthcare sector is characterised by a significant mismatch between the types of capital available and the financing needs of impact-driven enterprises. These needs vary widely depending on the business model, maturity stage, and intended health outcomes. However, investors often offer standardised financial products that fail to align with this diversity. For instance, many mid- and late-stage health innovators continue to depend on equity financing for working capital, when more suitable forms—like structured debt—could be more appropriate and sustainable. Addressing this capital alignment gap is critical for enabling the growth of scalable, high-impact healthcare solutions.

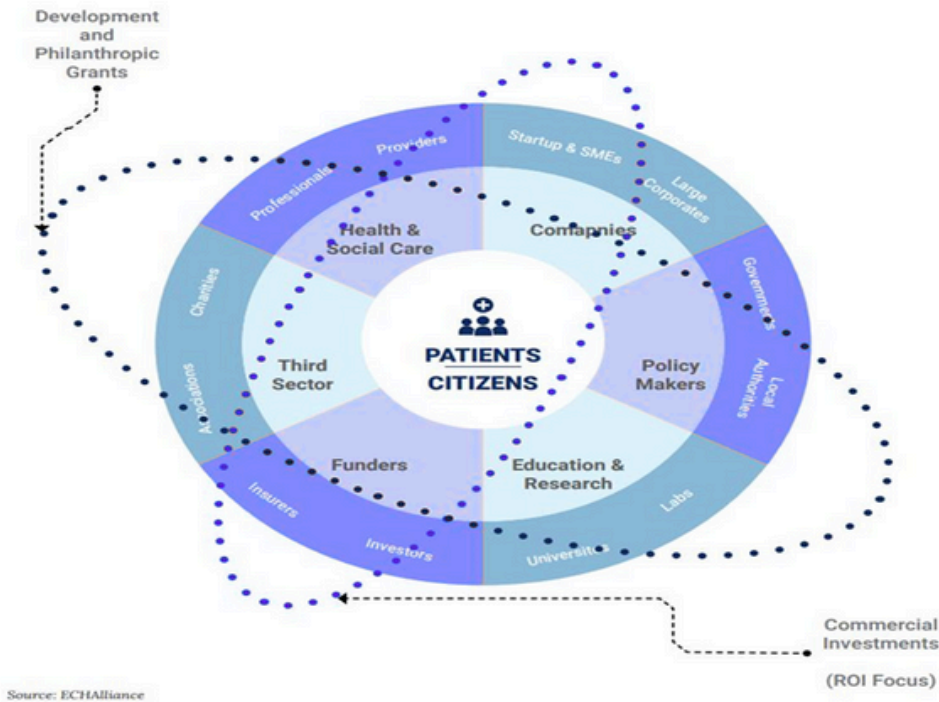
**Given the challenges mentioned above, blended finance can play a crucial role in supporting India's healthcare ecosystem**

- **Through the combination of debt, equity, and grant financing, along with pre-determined terms for investors, blended finance can help absorb losses and amplify returns.**
- **The strategic use of blended finance can make risky but high impact ventures attractive to private investors by using relatively small amounts of donor funding to balance the risk profile of the business/intervention.**
- **Through diverse instruments, including blended loans, partial risk guarantee, interest subvention, pay-for-performance models, and grants, blended finance structures can meet the unique capital needs of healthcare innovators and enterprises.**

## Powering Healthcare with Private Money

**India continues to grapple with one of its most critical social challenges in 2025:** ensuring affordable, accessible, and high-quality healthcare for all. Despite notable strides in economic development and technological innovation over the past decades, the country's healthcare system remains burdened by deep rooted structural issues. These include inadequate health infrastructure, persistent shortages of trained medical professionals, and high out-of-pocket expenses at the household level that often push families into debt.





The healthcare sector has grown into a major component of India’s economy—expanding at a CAGR of 22% since 2016 and directly employing more than 4 million people. Yet, despite its size and growing relevance, the sector still falls short in its ability to provide consistent, equitable care, particularly in the face of a growing population and the rising burden of non-communicable and lifestyle-related diseases. The scale and diversity of stakeholders have not translated into universal access or consistent quality of care.

Public health expenditure remains limited, hovering around 1% of GDP as of 2025. This contrasts sharply with global benchmarks—such as the United States (8.6%), Brazil (4%), and China (approximately 2.9%)— highlighting the severe funding constraints faced by India’s health system. Bridging this gap requires the mobilisation of affordable, patient capital to scale promising health innovations, strengthen healthcare delivery networks, and supplement constrained public funding.

It is estimated that under a business-as-usual scenario, India would need an additional USD 156 billion in healthcare financing to adequately address the sector’s challenges around access, affordability, and quality. Clearly, there is a need to move beyond traditional funding models and adopt more adaptive, sustainable financing frameworks that reflect the complexity and urgency of healthcare needs today.

Unlocking this level of capital will require deeper collaboration between the government, private sector, and philanthropic institutions. Blended approaches can pool resources more effectively, align diverse stakeholders around common health goals, and direct investments toward scalable solutions. This kind of cross-sector engagement is essential—not only to attract new sources of capital but also to ensure that investments are focused on achieving India’s long-term healthcare priorities in an inclusive and impactful manner.



## Intervention to increase Private Sector Participation in Healthcare Sector

Interventions to increase private sector participation	Potential Type of Interventions
Supporting innovations and critical research & development through grants	Grand Challenges, Innovation Grants, Incubation/ Acceleration
Conducting enterprise capacity building through technical assistance	Incubation/ Acceleration, Business Advisory
De-risking private investments through blended finance models, including credit guarantees and pay for success guarantees	Credit Guarantees, Development Impact Bonds, Blended Finance Pooled Facilities such as SAMRIDH, REVIVE
Increasing participation of large corporations through shared value partnerships	Shared Value Partnerships such as Project Kirana, Corporate TB Pledge
Creating supportive regulatory and policy environment to help private investors and enterprises to thrive	Policy and Regulatory Engagement with GOI. Engagement with Industry Bodies.

SOURCE: USAID Analysis

## EXPANDING QUALITY CARE TO RURAL INDIA

Improving access to equitable and high-quality primary healthcare is essential to detecting illnesses early and preventing the progression of diseases that require costly, advanced treatment. Strengthening primary care can significantly reduce the load on tertiary and quaternary facilities and ease the financial pressure on individuals seeking medical help. However, many people in India's semi urban, rural, and remote regions face a major shortfall in access to healthcare due to the limited presence of qualified doctors and medical infrastructure.

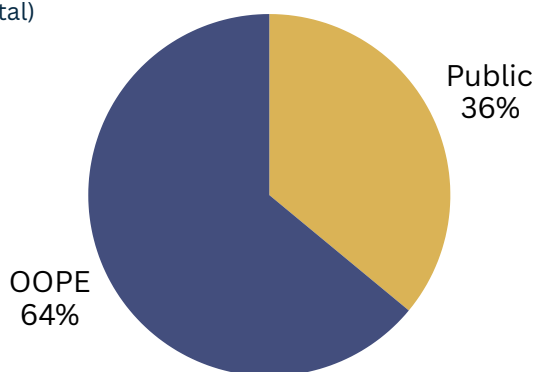


Although private healthcare providers have helped close some of this gap, their services are often focused on advanced hospital care and are largely concentrated in urban areas. This model remains inaccessible and unaffordable to much of India's rural and peri-urban population. With private hospitalization expenses reaching up to seven times higher than in public facilities, many families fall into poverty due to heavy out of pocket healthcare costs.

### OOPE accounts for 64% of the Total Healthcare Expenditure

OOPE as % of Total Healthcare Expenditure (2014)

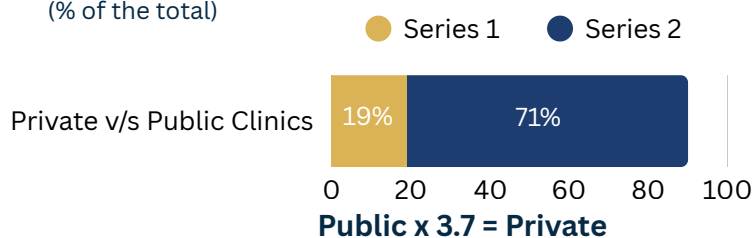
(% of the total)



### Private Clinics Dominate Service delivery over Government PHCS

Spells of ailment treated at public vs. private clinics

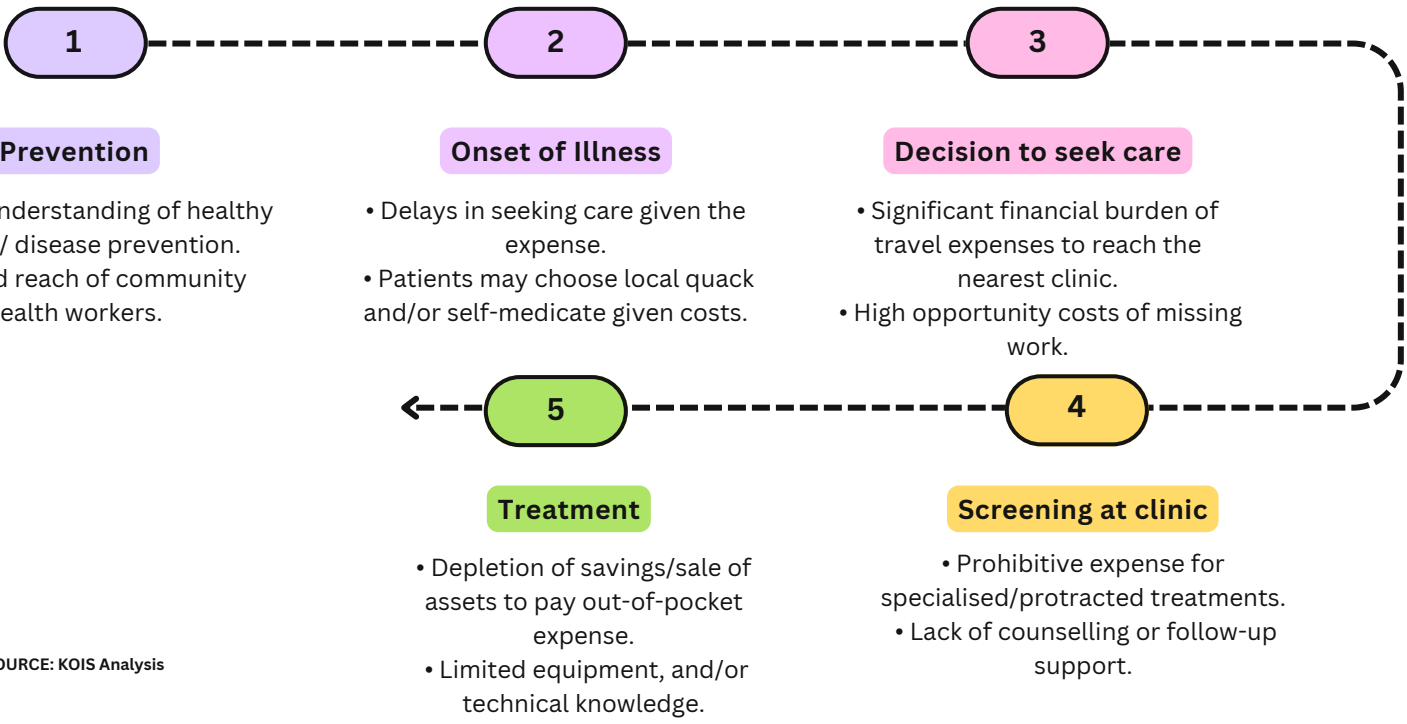
(% of the total)



- **OOPE = Out of Pocket Expenditure**

Beyond financial barriers, patients face numerous other challenges throughout the healthcare delivery process. These include limited awareness of preventive care, inadequate outreach by community health workers, and delayed health-seeking behavior due to perceived or actual costs. In many cases, individuals turn to unlicensed practitioners or self-medication, risking further complications. For those who do seek care, expenses related to travel, time away from work, and lack of follow-up support can be substantial. In rural settings, healthcare facilities often lack sufficient equipment or trained personnel, making specialised or prolonged treatment either impossible or prohibitively expensive.





SOURCE: KOIS Analysis

Innovative models like low-cost clinics, mobile health units, and point-of-care diagnostics are being piloted to improve access to primary care. While promising, these solutions face scaling challenges including low patient density in rural areas, poor infrastructure (power, internet), high capital requirements, and delayed reimbursements, making them heavily reliant on public or donor support.

Telemedicine has emerged as a scalable alternative. Valued at \$1.10 billion in 2022 and projected to grow at over 21% CAGR, digital healthcare is expanding with smartphone penetration and better connectivity. Government programs like the National Digital Health Mission (NDHM) and eSanjeevani (which has enabled 12 million+ consultations) are accelerating adoption. Notably, 80% of teleconsult users were first-timers, and 44% came from non-metro areas.

Still, Tier-3 cities and rural regions face adoption barriers—limited awareness, low digital literacy, and trust deficits. To unlock scale, tailored financing mechanisms are crucial. Blended finance solutions offering patient capital, flexible terms, and higher risk tolerance can catalyse private investment and fuel sustainable healthcare innovation in underserved areas.





## 01. Healthcare facilities in rural and underserved areas

### PROBLEM

- Low patient volumes from healthcare provider perspective.
- High cost of primary healthcare for low-income population groups.

### SOLUTION

Enable primary care providers to manage their cash-flows, particularly as they await repayments (from the government), insufficient payments due to low patient volumes, or subsidized costs to address primary healthcare needs of low-income population groups

### FINANCING NEED/GAP

- Working Capital and operating cost management
- Funding or community outreach programs

### MARKET READINESS/MATURITY

Low Maturity  
(e.g. Amanaya: Tribal Health Collaborative, NISHTHA: Transforming Comprehensive Healthcare in India, Utkrisht Impact Bond)

### RELEVANT INSTRUMENT

Concessional Capital / Outcome linked grant / Technical assistance, Impact Bonds

## 02. Low cost integrated tele-medicine services.

### PROBLEM

Cost and availability of specialized doctors in rural areas. Patients incur lost wages and high costs in travel to secondary centers. Enterprises providing telemedicine services have attracted venture capital but have not yet established profitability and are primarily focused on urban areas.

### SOLUTION

Low-cost basic care to target lower-income patients. Connect to regular / specialist doctors via teleconferencing facilities.

### FINANCING NEED/GAP

- High capital required to launch and setup
- Scale-up financing (e.g. product validation, marketing, customer acquisition)

### MARKET READINESS/MATURITY

Low-Mid Maturity  
(e.g. Karma Healthcare, Gramin Health Care, MedCords)

### RELEVANT INSTRUMENT

Concessional debt / Outcome linked debt instruments / Convertible debt, subordinate equity

## 03. Development of low-cost point of care diagnostic devices

### PROBLEM

Patients delays obtaining medical help due to lack of awareness. Lack of knowledge to objectively identify specialists.

### SOLUTION

Value added services by non-profit organizations to drive patient education, including diagnosis camps, dedicated helplines to identify centers and doctors

### FINANCING NEED/GAP

Financing to maintain and scale up regular operations / programs

### MARKET READINESS/MATURITY

Low-Mid Maturity  
(e.g. Swasth Digital Health Foundation, Samanvay Foundation)

### RELEVANT INSTRUMENT

Outcome-linked grants, Impact Bonds



# PUBLIC SECTOR BOOSTS PRIVATE HEALTH INVESTMENT

In India's healthcare landscape, where infrastructure gaps, affordability issues, and systemic inefficiencies persist, private capital is essential to accelerate access to quality services. Yet, private investors remain hesitant to enter this space due to perceived high risk and low financial returns. This is where the public sector plays a pivotal de-risking role through blended finance structures—mitigating investment risk, correcting market failures, and catalyzing private sector participation.

## 1. How the Public Sector Reduces Risk for Private Investors

The public sector—through government programs, development finance institutions (DFIs), and public-private partnerships—employs several tools to reduce real and perceived risks in healthcare investments:

### **First-Loss Guarantees and Credit Enhancements :**

Public or philanthropic capital is often structured to absorb initial losses in case of project underperformance. This lowers the downside risk for commercial investors. For instance, under the SAMRIDH Healthcare Blended Finance Facility, philanthropic and development capital provides a first-loss cushion to mobilize private funds into high-impact healthcare enterprises.

### **Interest Rate Subsidies and Concessional Capital :**

Government and donor funds offer below-market-rate loans or subsidized credit lines. This reduces the cost of capital and enhances project viability, especially for ventures serving rural and underserved populations.

### **Risk-Sharing Mechanisms :**

Public institutions may co-invest or co-lend alongside private players, thereby distributing risks. Facilities like SIDBI's credit guarantees and the National Health Mission's capital grants encourage banks and NBFCs to extend financing to health startups and service providers.

### **Technical Assistance Facilities :**

The government supports capacity-building and implementation via grants or technical assistance (TA). TA helps improve project quality, reduce implementation delays, and de-risk the pipeline by ensuring operational readiness. For example, NDHM-linked telehealth startups receive onboarding support from NHA (National Health Authority), reducing execution risk.





## 2. Understanding How Risk is Calculated in Healthcare Investments

Private investors assess investment risk through multiple lenses, and the public sector intervenes at each point of friction:

Risk Factor	Why It's a Concern	How the Public Sector Addresses it
Market Risk	Uncertain patient volume or payment capacity in low income areas	Patient subsidies (e.g., Ayushman Bharat), population health data
Operational Risk	Weak Infrastructure, logistics issues, talent shortage	TA funding, training programs, rural infra support
Regulatory Risk	Shifting healthcare policies or licensing delays	Single-window clearances, sandbox pilots
Revenue Risk	Delays in Insurance payouts or government reimbursements	Advance payment models, bridge financing
Technology Adoption Risk	Low Digital Literacy in rural markets	NDHM-backed digital public goods, telemedicine integration

In India, 70% of total healthcare expenditure is out-of-pocket, and only 27% of the population is covered under health insurance (NHA, 2023). These statistics reflect both the financial vulnerability of the population and the unpredictability of revenue for health service providers. Hence, the perceived risk profile is high unless some form of public co-investment or guarantee is in place.





## CASE STUDY ON SAMRIDH

**Launch Year:** 2020

**Instrument(s):** Concessional Funding, Partial Risk Guarantee, Returnable Grants, Social Success Notes, Interest Subvention, Results Based Financing for market expansion, Viability Gap Funding & Bridge Funding

**Target Geography(s):** India

**Target Sector(s):** Healthcare

**Target Financial Size:** USD 250+ Million

**Key Stakeholder(s) + Role(s):**

- **Philanthropic Donor** - United States Agency for International Development | The Rockefeller Foundation
- **Fund Hosting Entity** - Indian Institute of Technology, Delhi
- **Technical Support Unit** - IPE Global
- **Technical Partners** - Atal Innovation Mission, NITI Aayog | National Health Authority | Principal Scientific Advisor to the Government of India | NATHEALTH
- **Debt Financing Partner** - Axis Bank | IndusInd Bank | Caspian Debt

**EXECUTIVE SUMMARY** - Launched in response to COVID-19, USAID supports SAMRIDH and IPE Global implements it so as to drive investment into high-impact healthcare solutions. In only two years, powerful partnerships grew across government, finance, academia, and philanthropy.

SAMRIDH operates now as a \$250 million blended finance facility, mobilizing affordable capital. It offers more tailored advisory and technical support for healthcare enterprises through the use of grants, equity, debt, and other instruments.

SAMRIDH, focused initially on emergency health service gaps, now seeks toward building resilient health systems prepared for future crises as well as strengthen long-term delivery of affordable, quality care for underserved communities.

**Financial Structure** - SAMRIDH combines commercial capital with public and philanthropic funds to mitigate barriers to private investment in healthcare. To execute these “blended” transactions, its financial structure consists of two pools of capital – grant pool and debt pool. The ‘grant pool’ is housed under IIT Delhi, recognized as an Institute of Eminence by the Government of India. The ‘debt pool’ comprises of commitments by financial institutions.

Healthcare enterprises receive funding through blended finance mechanisms, where philanthropic capital— referred to as the grant pool is strategically deployed to de-risk commercial or debt investments. This structure enables the provision of blended loans that are disbursed more quickly and often require minimal collateral, making them more accessible to health-focused businesses.



The management of these capital pools is overseen by a Technical Support Unit (TSU) based within IPE Global. The TSU is responsible for administering the grant pool and coordinating with partner lending institutions to facilitate debt financing. These lending partners extend credit in accordance with their own internal guidelines and processes, while the TSU ensures the overall structure supports both financial sustainability and social impact.

## **Key Insights/Learnings -**

### **Standardized Models and Portfolio-Based Structures as Enablers for Scale**

One of the key challenges in scaling blended finance lies in its inherent complexity—arising from the involvement of multiple stakeholders, fragmented financial ecosystems, and regulatory hurdles tied to combining different sources of capital. These factors often result in high transaction costs and prolonged deal timelines. Developing templated transaction models that align with regulatory norms and are pre-evaluated for both impact and cost-efficiency can streamline this process. Additionally, adopting portfolio level approaches, where a structured framework is used across multiple partnerships, can significantly reduce time and effort by enabling a more systematic execution of multiple transactions.

### **Improved Impact Measurement Can Unlock Donor Participation**

A major barrier to wider adoption of blended finance, particularly among philanthropic organizations, CSR entities, and family offices, is the lack of consistent and reliable frameworks to demonstrate measurable social outcomes. To attract these forms of capital, the sector must embrace standardized and globally recognized impact measurement systems. Strengthening the ecosystem’s ability to track, evaluate, and communicate social impact will not only build confidence among donors but also enhance the legitimacy and attractiveness of blended finance as a tool for achieving sustainable development goals.

## **PIONEERS OF BLENDED FINANCE IN INDIAN HEALTHCARE: KEY ORGANIZATIONS DRIVING CAPITAL FOR IMPACT**

As India works toward strengthening its healthcare ecosystem and achieving SDG 3 (Good Health and Well being), a growing number of organizations have begun to structure blended finance models to bridge the healthcare funding gap. These actors—ranging from development finance platforms to advisory firms and philanthropic coalitions—play a critical role in mobilizing private capital through de-risking mechanisms, innovative financial instruments, and strategic partnerships.



Below is a snapshot of prominent entities leading the blended finance movement in India's healthcare sector:

### 1. Lightroad

**Type:** Impact Financing and Advisory Platform

Lightroad focuses on structuring blended finance vehicles that align CSR, philanthropic, and private capital for high-impact sectors—including healthcare. While its healthcare-specific projects are emerging, the platform is well-known for designing catalytic financing models, such as revolving loan funds and risk-sharing facilities, in underserved areas. Lightroad helps bridge the capital gap for social enterprises by designing sustainable funding strategies that leverage concessional finance to crowd in private sector investment.

### 2. Revive Alliance

**Partners include:** Michael & Susan Dell Foundation, Omidyar Network, GDI

Though broader in scope, the Revive Alliance applies blended finance to deliver healthcare-linked livelihood solutions—especially for informal workers and micro-entrepreneurs affected by the pandemic. The model combines returnable grants, bridge capital, and philanthropic contributions, offering recovery loans and skilling support for sectors including health services. Its approach demonstrates how healthcare financing can be blended with social protection and workforce development.

### 3. National Investment and Infrastructure Fund (NIIF)

**Supported by:** Government of India

While NIIF is not healthcare-specific, it plays a role in channeling institutional and sovereign capital into public health infrastructure projects through PPPs and blended models. Its investment in social infrastructure indirectly supports healthcare capacity expansion, especially in Tier-2 and Tier-3 cities, and provides templates for blending government grants with institutional capital for long-term impact.

### 4. ACT Grants & ACT for Health

**Type:** Philanthropic Collective for Healthcare Innovation

ACT Grants—formed in response to the pandemic—deployed over INR 100 crore in grant capital to support healthcare innovations, many of which leveraged blended finance by pairing ACT funding with venture capital, CSR contributions, or concessional loans. In 2022, ACT for Health was launched as a long-term vertical to fund tech-led healthcare startups, particularly in diagnostics, telemedicine, and public health infrastructure.

### 5. Social Alpha

**Promoted by:** Tata Trusts

Social Alpha supports early-stage startups with a focus on healthcare innovation, often through blended capital models involving grants, equity, and catalytic instruments. Through programs like the Lab to Market initiative and partnerships with entities like BIRAC and USAID, it helps de-risk healthcare technologies for underserved populations, while also unlocking scale capital through private investors.



# MOBILIZING MILLIONS: THE ROLE OF BLENDED FINANCE IN SCALING HEALTH SOLUTIONS

Initiative/ Organization	Capital Mobilized (USD Mn)	Type of Blended Finance	No. of Solutions Supported	People Reached (Mn)	Healthcare Focus Areas
SAMRIDH Healthcare Facility	250	Grants + Debt + Equity	25+	23+	Diagnostics, Telemedicine, Infra, IoT Devices, Vaccines, Training
ACT Grants / ACT for	13	Grants + CSR + Equity	50+	15+	Oxygen, PPE, Ventilators, Healthtech, Remote Monitoring
Revive Alliance	25	Returnable Grants + Donor Funds	5+	2+	Healthcare-linked livelihoods, informal workforce health
Lightroad	8+	Zero-Interest Loans + CSR	10+	N/A	Clean clinics, Med Infra, Community Health
Social Alpha	15+	Grants + Equity + Debt	30+	N/A	Diagnostics, MedTech, Primary Care
eSanjeevani (Govt. + Public Platform)	N/A	Public Investment + Infra	National Program	12.3+	Teleconsultation, Doctor-to-Doctor services

**ANALYSIS :-** The data reveals a promising but uneven landscape of blended finance efforts in India's healthcare sector. Among the leading initiatives:

- **SAMRIDH** stands out as the most structured and high-performing blended finance facility, having mobilized over USD 250 million in total, of which at least USD 74 million is leveraged private capital. It supports 25+ healthcare enterprises and has directly impacted 23 million people, making it the most scalable example in the ecosystem.
- **ACT Grants**, born during the COVID-19 crisis, focused heavily on tech-enabled health innovations. While relatively smaller in capital terms (USD 15 million in grant funding), it played a catalytic role by co-investing with VCs and corporate CSR to enable rapid health solutions.



- **Revive Alliance** took a cross-sector approach by integrating livelihood and healthcare outcomes. With USD 20 million in blended capital, it helped serve over 4 million people, particularly informal workers, through recovery loans and health-linked financial products.
- **Lightroad and Social Alpha** are early-stage facilitators. While Lightroad's healthcare-specific work is still expanding, its ability to design customized blended finance structures (especially around health access and digital solutions) indicates high future potential. Social Alpha's USD 12 million portfolio shows a strong focus on health-tech startups, helping them move from lab-to-market through both equity and catalytic grant funding.
- **eSanjeevani**, the government's flagship telemedicine platform, though not structured as blended finance, represents a massive public investment in digital health delivery. As of 2025, it has enabled over 140 million teleconsultations, serving as a backbone for universal health access, especially in rural and Tier 2/3 cities. It validates the need for blended public-private innovation, where digital infrastructure and service delivery work in tandem.

#### Key Trends:

- **Blended Finance is De-Risking Healthcare Investment:** Almost all successful initiatives used first-loss capital, concessional funding, or technical assistance to make projects viable for private investors.
- **Catalytic Capital Is Essential:** Small amounts of philanthropic or government grant capital (often just 10-15% of the total structure) are unlocking disproportionately higher amounts of commercial funding.
- **Impact Is Measurable:** Initiatives like SAMRIDH provide concrete data on lives touched, facilities upgraded, and professionals trained, offering a blueprint for what scalable, outcome-focused blended finance can look like.
- **Healthcare Is Still Underfunded:** Despite these successes, the estimated USD 156 billion funding gap in Indian healthcare (by 2033) means these models need to scale 10x in size and diversity to close the gap sustainably.

The combination of blended finance innovation and digital public infrastructure is creating a strong foundation for inclusive healthcare in India. Initiatives like SAMRIDH, ACT, and eSanjeevani show that capital, when strategically layered and risk-adjusted, can be directed toward sustainable health outcomes. Going forward, strengthening these frameworks and encouraging cross-sector collaboration will be key to unlocking billions in private investment for India's healthcare future.



## CONCLUSION

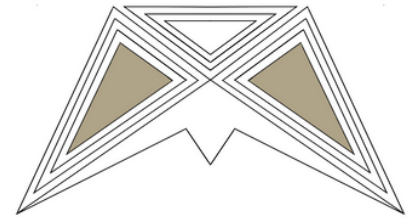
Blended finance is no longer just a theoretical solution—it's proving to be one of the most practical and scalable approaches to close India's healthcare financing gap. What this really means is that by strategically combining public, philanthropic, and private capital, we can unlock billions in new investment while ensuring that the capital actually reaches the people and regions that need it most.

Initiatives like SAMRIDH and ACT Grants have already shown what's possible when different stakeholders work together with a shared sense of purpose. These models are helping reduce risk for investors, improve access to quality care, and accelerate the growth of health innovations across India. But the job isn't done. With an estimated USD 156 billion financing gap still looming, blended finance must evolve from isolated projects to a mainstream tool—adopted widely across government programs, private investment portfolios, and CSR strategies.

To make that happen, India needs stronger institutional frameworks, standardized impact measurement tools, and more platforms that enable efficient collaboration between sarkaar, samaaj, and bazaar. This isn't just about capital—it's about coordination, trust, and long-term vision. If scaled intentionally and designed with flexibility, blended finance can become the engine that powers India's journey toward universal, equitable, and resilient healthcare—one investment at a time.



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