

Philanthropy - Helping clients make the right choices

Gautami Gavankar, Executive Director, Kotak Mahindra Trusteeship Services tells Hubbis about the challenges in the Indian philanthropy space and how her team helps their clients navigate them.



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PHILANTHROPY IS INCREASINGLY ACCOUNTING a more significant chunk of wealth management for HNWIs in India, according to Gavankar.

“Many people genuinely want to help under-privileged, or people who are not able to achieve what that want to achieve,” she says, talking about their motivations. “There could be a social factor to it in that people want to commit because they see a lot of people coming to philanthropy.”

However, Gavankar does not believe one should do philanthropy because of somebody else doing it. “I think there has to be a genuine belief that I want to do something in this space,” she says. “It has to come from within as well.”

Those who do want to engage in philanthropy in India fall into three distinct buckets, according to Gavankar.

“There could be clients who are running their businesses, and they are doing CSR [Corporate Social Responsibility] activities, which is now compulsory under Indian regulations,” she explains.

Then there are those who do CSR via their businesses but want to do something on the personal front as well, she adds. “The third category is of professional clients who are not running businesses but who also want to do some work in the charity space.”

In all these categories, besides probably the compulsory CSR category, Indians want to either form their own



entities or give money to different charitable organisations, Gavankar explains.

But these well-meaning ideas and initiatives come with their own set of questions.

“If I’m giving it to somebody I need to know what all is available in all these different sectors,” she notes. “But who does that diligence? And who comes and tells me that if you want to give for underprivileged kids, you can go to A, B, C, D, E, F organisations.”

“Also, if a client wants to form his charitable organisation, what is the best entity? Do I do a charitable trust? Do I do a Section 8 company? And what are the regulatory aspects relating to that?” she says. “Also, if you are running your own charitable organisation how do you perpetuate that organisation? Will you have your children

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manage it? You would not want all these charitable organisations to fall off when the originator of the tort is no longer alive.”

According to Gavankar, these are all questions that will have to be catered to in the long run if India is going

to see a lot of philanthropists coming up and doing a lot of charity.

Gavankar and her team at Kotak Mahindra are trying to answer many of these questions for their clients.

“We help clients in setting up these organisations in consolidation, or in discussions with the experts like lawyers and tax consultants,” she says. “We are happy to get the client to meet up with certain other philanthropists so that they can see the good practices they have adopted over time.”

Her team also helps clients in identifying causes which they would want to be involved in.

“We assist clients in getting them the right experts who they would want to appoint as their trustees or board members,” she explains. “Whether it’s an advisory board or a trustee board, we can connect people for these things as well.”

Overall, Gavankar and her team make sure that their clients do not make the mistakes so often seen in the Indian philanthropy sector.

“Losing interest may often happen and so can choosing a wrong cause,” she says, citing from her experience. “The only thing which one has to ensure is that ultimately it is going to the right cause, and to the people who need it.”

“Once you take a call that you want to do charity, you must put the right process and mechanisms in place to make sure that the money reaches the end objective,” she states. ■