

Amit Saxena from Nuvama Private on the Value of Scale in India's Fast-Evolving Wealth Market

For the past decade, Amit Saxena, Senior Managing Partner at Nuvama Private has been at the forefront of building the firm and has become one of the go-to specialists that Hubbis seeks out when looking for insights into the evolution of the Indian wealth management market. He was a part of our expert panel for the first discussion of the Hubbis India Wealth Management Forum on August 31 and offered delegates some valuable information and advice, which we have distilled in this short article.

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AMIT SAXENA
Senior Managing Partner,
Nuvama Private

By way of background, Nuvama Private is one of the most prominent and successful among India's independent wealth management firms, with clients ranging across

this remarkable success is forged by their agility and ability to consistently deliver an ever-evolving wealth management proposition.

Saxena initially provided insight into the Nuvama Private's approach. In their early days, they dedicated substantial time and effort to market analysis, meticulously identifying their potential clients and understanding their needs and expectations. Their primary clientele comprises business owners and family offices, both characterized by highly varied and diversified requirements.

"Our plan from the start was to become their trusted and true advisors, offering what we considered to be a 360-degree solution, wherein we would solve

their business and personal financial needs, it's their business where these clients are creating their wealth. We have consistently focused on preserving and growing their wealth," he explained. "In our initial years, we saw the need for technology to onboard clients, execute transactions, and report financial wealth across products and distributors." Hence a lot of focus and investment went into developing a top-notch tech platform for the back office, mid-office and front end, he reported.

In a discussion earlier this year, Saxena reported on some numbers that give the scale of the opportunity in India. He explained that as of March 2022, the cumulative pool of financial wealth in India stood at about

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New Age Entrepreneurs, Business Owners, Family Offices, CXOs and Corporate Treasurers. The firm caters to more than 3000 of India's wealthiest families and provides advise to ~0.8M high-net-worth individuals and other affluent clients.

Today, the firm reports that customer assets under advice have grown from about USD 2.5 billion in 2015 to some USD 29 billion at the end of fiscal 2023. Saxena says





USD 4.5 trillion as per research by various institutions.

And he had noted how, to everyone's surprise, the top 25 private banks together manage less than 10% of that pool, meaning the market is actually hugely underserved. This indicates an underdeveloped competitive landscape, presenting a substantial opportunity as approximately 90% of the market remains untapped by formal wealth management firms.

This serves as a backdrop for Saxena's comments on August 31 on the competitive environment and the quest for talent, agreeing with fellow panellists that they have a duty to help expand and nurture

the talent pool, especially as there is a serious dearth of experienced professionals in India's far-from-mature wealth markets.

"To solve this problem, we need to go to the root," he said. "Consumer banking and corporate banking have existed here since well before independence, but wealth management is a relatively recent development that has evolved over the past two decades. Therefore, our focus needs to be on cultivating fresh talent for the industry by hiring fresh management graduates."

He said Nuvama Private has been actively hiring management graduates from top business schools in India, inspiring them to embark on

a diverse and captivating career journey. The company remains dedicated to providing extensive training and fostering their talents for the future years.

His final point related to earlier comments from panel members on dealing with the rapidly rising operating costs of running a wealth management business. He said that these costs were driven by the rising cost of talent, investment into technology and at the same time margins for the wealth managers were diminishing.

"Technology today is an enabler, you can't fight against that tide, and you need significant and ongoing investment," he explained. "So, how do we offset those costs?"

He explained that the answer is going for scale. India will continue to grow at a rapid pace and this will lead to a significant spike in domestic savings for couple of decades. Wealth managers have a long runway to gather AUM today not just from tier 1 cities but also from tier 2 & 3 cities of India. We expect India to save 1 trillion dollars annually starting 2027," he concluded. ■

Getting Involved:

Interested in being part of the discussion? Be sure to save the date of our India Wealth Management Forum 2024, which is taking place on Wednesday August 28th, 2024.

Want to find out more about how you can take part? Get in touch at events@hubbis.com.