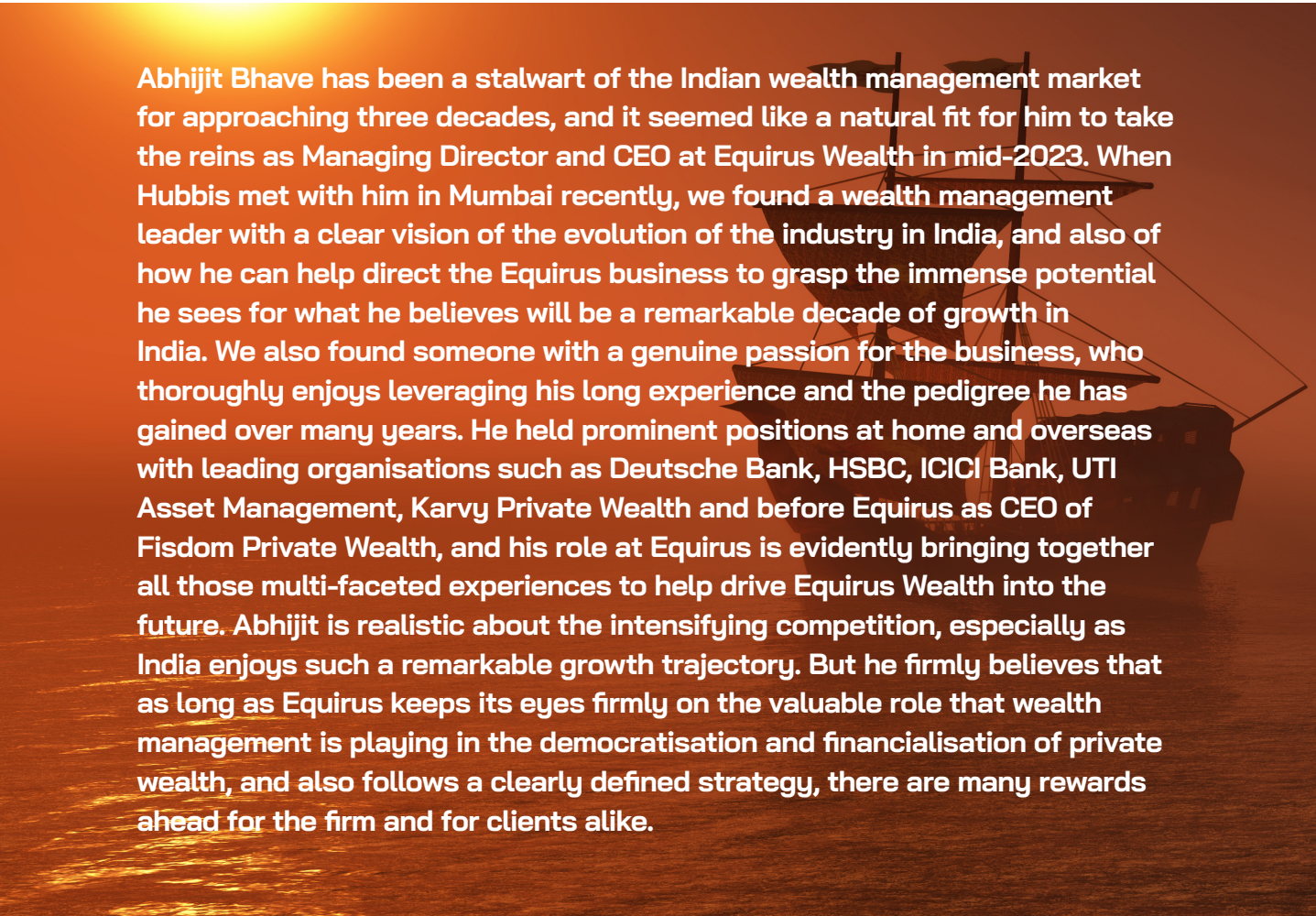


# Equirus Wealth Head on Riding the Rising Wave of India's High-Growth Wealth Market



Abhijit Bhawe has been a stalwart of the Indian wealth management market for approaching three decades, and it seemed like a natural fit for him to take the reins as Managing Director and CEO at Equirus Wealth in mid-2023. When Hubbis met with him in Mumbai recently, we found a wealth management leader with a clear vision of the evolution of the industry in India, and also of how he can help direct the Equirus business to grasp the immense potential he sees for what he believes will be a remarkable decade of growth in India. We also found someone with a genuine passion for the business, who thoroughly enjoys leveraging his long experience and the pedigree he has gained over many years. He held prominent positions at home and overseas with leading organisations such as Deutsche Bank, HSBC, ICICI Bank, UTI Asset Management, Karvy Private Wealth and before Equirus as CEO of Fisdom Private Wealth, and his role at Equirus is evidently bringing together all those multi-faceted experiences to help drive Equirus Wealth into the future. Abhijit is realistic about the intensifying competition, especially as India enjoys such a remarkable growth trajectory. But he firmly believes that as long as Equirus keeps its eyes firmly on the valuable role that wealth management is playing in the democratisation and financialisation of private wealth, and also follows a clearly defined strategy, there are many rewards ahead for the firm and for clients alike.

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**ABHIJIT BHAWE**  
Equirus Wealth

**“The future is** bright as we look forward today,” Abhijit claims, opening the conversation. “I particularly like what our Prime Minister said a few years ago, quoting a line from a Tamil poem that effectively translates to ‘This is the time; this is the right time (for India)’. I personally believe that the next 10 years are going to be the best years of my life and the best years for wealth management in India. I am remarkably inspired and excited by the prospects.”

It was in July 2023 when Abhijit arrived at Equirus Wealth, which is part of the long-established investment bank and institutional equities specialist Equirus Group. He is responsible for the firm’s wealth management, asset management, HNW broking and digital wealth management businesses.

### **A group-wide effort**

He collaborates closely with the long-established businesses of the group, such as with the highly successful in-house Investment Banking team, through which he is helping source new HNW and UHNW clients from amongst India’s deep entrepreneurial ranks.

And he works closely with many different providers to deliver domestic and global investment products and solutions to clients in India and also the Middle East. He also focuses on leveraging the in-house research capabilities to provide customised asset management and stock broking solutions to HNW & UHNW clients.

### **A clear vantage point on a growth market**

With these responsibilities, Abhijit can draw on his experience of the evolution of wealth management in India, right back to when he bought & sold his first mutual fund in 1996 as he began his multi-decade career in the industry.

He says his optimism about India is well-founded amongst leading experts who are very bullish about India’s economy. Indeed, the World Economic Forum website highlights India’s growth rate of 7.2% in fiscal 2022-2023, the second-highest expansion among the G20 countries and almost twice the average for emerging market economies that year. And the outlook is similarly exciting. And on January 15, the WEF reported that India’s economy should become the world’s third-largest by the end of this decade.

### **The Indian juggernaut**

“Numbers and projections aside, the plain truth is the momentum is with India, and massive wealth creation is happening,” Abhijit comments. “As this happens, more and more people are shifting from physical assets and plain vanilla bank deposits to financial assets, a trend that has been prevalent for several decades already but that is now accelerating. Incremental savings are flowing into financial markets and with 65% of the

working population below the age of 35, the flows will only accelerate further. Do not underestimate the power of the common man, or in this case the emerging private investor in India

He reports that projected company earnings growth of at least 12% annually for the Nifty 50 companies in each of the next three years will add further ballast to the market, helping to further buoy domestic demand for Indian listed investments.

Systematic Investment Plans, or SIPs, are vehicles for Indian investors to invest regularly in mutual funds, and their numbers have been growing apace. Moreover, as domestic indices rise and local liquidity increases, so too foreign money has been flowing into India.

### **A compelling story**

“More local money, more foreign funds through FII flows, and positive earnings momentum all add up to the stock indices performing very well in the coming years,” he reports. “We will obviously benefit from these flows and rising AUM numbers.” And he adds that the Indian mutual fund industry as a whole recently surpassed the equivalent of more than USD 600 billion.

### **Stability and optimism**

Abhijit also remarks that the political stability that India has enjoyed for some years already should endure at least another five years. Without going into detail, he says that this will help confidence in the financial sector and, therefore, further encourage private wealth clients to take equity and other exposures.

“There appears to be less fundamental risk now than historically,” he comments, “but as we all know, things can change. There could be geopolitical crises; the world economy could slump, and there could be a Black Swan event like Covid; so there are clearly some caveats. But right now, the outlook is rosy, and the Indian juggernaut rumbles onwards, especially if we view things through the ‘EEE’ prism, with E for economy and E for earnings both very encouraging and E for events here looking fine for now, albeit with the caveats I mentioned.”

### Focus and differentiation

Abhijit then turns his attention directly to Equirus Wealth, noting that the firm is around six years old and today has more than 100 employees across 23 locations, with clients across more than 400 cities, and approaching USD 1 billion in AUM. The business is part of the Equirus Group, which itself was formed some 16 years ago and is today a very successful investment banking firm, this year leading seven new IPOs in India, for example, and with a track record of proven expertise at identifying growth and potential. He notes that Equirus Securities Private Limited provides top-notch fundamental stock research covering 250 Indian listed companies, and handling high levels of investment flows from institutional investors, asset management companies,

insurance companies, hedge funds, and FII.

Filling in more of the history, Abhijit explains that on the back of the group’s success over many years, Federal Bank, a leading private sector Indian bank, took a significant minority stake some six years ago, shortly before the group launched Equirus Wealth Management.

### Launches and momentum

It was not long before Equirus Wealth launched some major portfolio management services, or PMS, strategies. The first, created more than five years ago, is a small-cap strategy that has grown rapidly and performed remarkably well. They then launched a successful multi-cap strategy, around a year back. Then in December 2023, they launched a GIFT City fund and a Category One venture capital AIF, or alternate investment fund, investing in technology start-ups

He points to several other developments that have been further elevating their proposition, such as the launch of a HNI (Indian parlance for HNWI) broking desk, beefing up their asset allocation offerings to include pre-IPO anchor investing, and improving their digital accessibility and client solutions.

### Broad market coverage

“We are now well on the way to becoming a USD 1 billion AUM

business, very soon,” he reports. “Our approach is to cover the entire wealth stack, from retail to mass affluent to HNI to ultra HNI and family office clients.”

He explains that the interface with the retail market will be 100% digital, mass affluent and HNI customers will come in locally through various channels including client referrals, open market sourcing, digital leads as well as referrals from partner banks, including Federal Bank. This also will address the needs of the NRI community primarily from the Middle East.

As the wealth of each client segment rises, so too does the delivery of a wealth manager, so that there is more of a hybrid human-led and also digital approach to HNI clients (nicely termed as “phy-gital” model), while the UHNI and family office clients are then serviced almost entirely with personal touch, supported by appropriate digital technologies to help both the advisors and the clients.

### Leveraging the Investment Banking franchise

Abhijit says their UHNW/family office offering is new to the firm, a launch Abhijit has championed since he joined the firm. “There are other models in India, such as Avendus, which have been very successful in leveraging their investment banking relationships

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to forge into the family office market, and we are pursuing our own version of that now," he explains. "The mission is to deliver curated portfolio management and sophisticated allocation advice."

Abhijit also notes that the firm might expand in the Middle East, perhaps alongside Federal Bank, with their eyes set broadly on Dubai, Abu Dhabi, Oman, Kuwait, and Qatar. "We are in the process of analysing what licenses we might apply for and where," he reports. "But it will not be immediate, as we have other pressing priorities here."

### **GIFT City as the conduit for foreign portfolio money**

As to the mission of drawing more foreign funds into India, Abhijit says their new GIFT City fund is a step in the right direction. He remarks that GIFT City is in its early days, but the new fund is their means of dipping their toes in, with a dollar-denominated fund targeted at Indian equities and riding on the back of their long-established and successful small-cap fund.

"The path through GIFT City is tax-free for foreign investors and indeed for NRIs, and there is little doubt that the wrapper-type

funds that have hitherto been the vehicles for foreign funds coming to India will migrate to strategies that access the market via GIFT City," he elucidates. "This will help both numerous NRIs wanting to participate in their home country's growth, as well as foreign investors."

### **Key Priorities**

Abhijit has been in the hot seat at Equirus Wealth for only just over six months, but he articulates a clear vision of his priorities for the next two years, the first of which is to boost their product manufacturing capability and to add more unique, innovative products.

The second priority is to leverage the firm's existing strength in investment banking. "We have barely touched the tip of the iceberg in this regard," he states. "The potential to unlock ideas, relationships and value through our IB expertise is huge. And going forward, every single entrepreneur whose value has been unlocked through investment banking will potentially become a loyal or regular customer of our wealth management operation."

The third key mission is to grow the footprint within India and outside India in the HNI and mass affluent space. "We will do this both by leveraging our partner banks' infrastructure and connections, and also by creating our own brand and outlets, which people can trust."

### **The offshore avenue onshore**

He elaborates on this, noting that the idea is that GIFT City will become the onshore-located offshore financial centre, like a local 'Singapore' for India, with seamless, tax-incentivised entry and exit. This may reduce the dependence on

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some other international centres, which have served this function in the past, but which are less well regarded from a regulatory perspective. However, GIFT City funds are under the regulation of the Securities and Exchange Board of India.

“The building blocks are coming into place, things are starting to happen, and the potential is clearly there,” he says. “But, as I said, these are early days, and there is a long way to go for GIFT City, in reality, to convert the massive business potential into reasonable scale of investments.”

### Perfect conditions

Abhijit then elaborates on the potential the firm sees amongst clients, from retail to mass affluent investors and upwards. He says the market is vast, with more than 18 million people able to invest at least USD 100,000, and with new HNI and UHNI clients being created continuously on the back of India’s remarkable expansion. “The wealth management market conditions and growth in India are so incredibly favourable, and the wind is truly in our sails,” he states.

He explains that they onboard a lot of HNI clients through partner banks, which have a strong presence and deep customer base across India. Besides leveraging that type of access, we also aim to differentiate ourselves in several ways, for example, we had seven successful IPOs in the past year, all from different sectors of the economy; these give us a great access point to HNIs and UHNI customers, including through our ability to place pre-IPO investments with the larger clients. The returns have been outstanding for many

### Getting Personal with Abhijit

Abhijit Bhavé drives the strategic vision and direction at Equirus as MD and CEO of the wealth management arm of the Equirus Group, focusing on a client-centric approach to create value and achieve consistent success. As a thought leader and oft-invited presenter and panellist, he has appeared in many forums and conferences, speaking about private banking and wealth management, digital transformation, product opportunities, and the impact of WealthTech solutions.

In a career approaching 28 years, Abhijit has established and helped scale both existing and new wealth management ventures in India and abroad, in organisations such as Deutsche Bank, HSBC, ICICI Bank, UTI AMC and Karvy Private Wealth.

Until he joined Equirus in mid-2023, he was heading the FinTech Fisdrom Private Wealth as CEO, where he helped build the wealth business from the ground up. In the 20 months he was there, they built AUM to roughly the equivalent of USD 650 million.

Before joining Fisdrom, Abhijit was mandated to revitalise the wealth management brand for the Karvy Group, where he launched customised investment solutions and introduced new digital capabilities for Indian clients and overseas markets. Before that, during his long association with Deutsche Bank AG, while he was managing multiple portfolios along with performance and growth initiatives, he was handpicked to co-lead the relaunch of the wealth business in Vietnam for a local bank, Habubank, on behalf of Deutsche Bank, who was a strategic investor & shareholder.

Abhijit holds a Post-graduate Diploma in Marketing and Finance from the Indian Institute of Management, Lucknow. He has also completed his degree in mechanical engineering from Mumbai University. He has authored articles on wealth management and has won several awards from leading industry publications and business associations.

When he is not working, Abhijit enjoys spending time with his family. He has been married to Shweta for 23 years, and they have a 15-year-old son and a three-year-old dog, who is very much a part of the family, he says. He enjoys other interests such as reading, music and writing. Quieter times at home might also see him meditating and re-energising.

of them, especially those who got in earliest, with performance of over 100% in six months, or even shorter in some cases.”

The second key conduit to service these clients effectively is through their research expertise covering 250 selected stocks. “This works very well with HNIs and right up to the family offices,” Abhijit reports. “Obviously we also deliver standard products as well, but we are always

looking out for being able to deliver something that other firms are not.”

### Loving the journey

Abhijit closes the conversation by reminding us of his passion for what he does. He says wealth management is a people business that suits his personality ideally and which he believes contributes to people’s financial and personal well-being.

“I am doing what I love, we are doing what we are best at, advising and guiding our clients, and hopefully that shows through in our achievements and our business culture,” he comments. “We are lucky to be in what is clearly an emerging Golden Age for wealth management in India, and it is up to us to seize that potential. So far, so good, I can report.” ■

For further insights into Equirus Wealth and Abhijit Bhave, see also this Hubbis report:

[Building Reach, Capability and Scale in Anticipation of a New Golden Era for Wealth Management in India -Asian Wealth Management and Asian Private Banking \(hubbis.com\)](#)



We are looking forward to discussing similar themes at our upcoming [Hubbis India Wealth Management Forum](#), which takes place on **Wednesday 28th August, 2024**.

Very simply, the event will explore the unfolding trends within India’s flourishing private wealth sector, highlighting the modernisation of wealth and legacy planning, the trajectory of insurance solutions, and the role of digital innovation in augmenting advisory services. Expert dialogues will encapsulate the challenges and opportunities inherent in catering to a multi-generational clientele, the collaborative dynamics between wealth managers and insurance professionals, and the strategic approaches towards ensuring a successful intergenerational wealth transfer, all against the backdrop of India’s economic and technological advancement.

Find out more about the forum by clicking [HERE](#).