

Creating more capacity and capability in India

Speaking at Hubbis' Indian Wealth Management Forum 2017 in August – Sandip Ghose of the National Institute of Securities Markets (NISM) says the industry must enhance competency standards and create the right mind-set for future generations.

There is a significant opportunity to tap into the ever-expanding amount of wealth within India. But this requires improvements in financial literacy and investor education to boost mutual fund penetration, and higher standards of competence of wealth managers and financial advisers.

If this can happen, hundreds of millions of potential buyers of insurance and investment products could emerge, says NISM director Sandip Ghose.

This “white space”, as he calls it, exists across Indian financial services – the 300 million or so people who are either entering the market or are already working. He sees these individuals as having earning capacity, but need help in managing their money.

The current focus by most industry players on HNIs and UHNIs represent only a fraction of the population of potential customers.

Ghose estimates that NISM connects with around 700,000 people every year in terms of financial education. This might involve, as an example of trying to fill the “white space” at a practical level, explaining to individuals why they should really buy insurance.

As part of its broader mission, NISM has six schools of excellence doing work in different areas under the auspices of SEBI. In short, the aim is capacity-building activities at various levels to enhance the quality standards of professionals and increase the participation in the securities markets.

This includes guiding individuals through the various life-stages, via understanding basic concepts such as the time value of money and compounding, for instance.

Another part of the mission involves training and certifying professionals for the financial markets, including running five major post-graduate programmes. ■



SANDIP GHOSE
National Institute of Securities Markets

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