

# Why the sun is shining on India's wealth industry

*Speaking at Hubbis' Indian Wealth Management Forum 2017 in August – Karan Bhagat of IIFL Investment Managers believes that the 'sky is the limit' for the industry, if it can come together to innovate.*

India, and especially the country's investors, are facing a TINA situation ('there is no alternative) when it comes to investments as they look to take a more formal approach to savings in the wake of the government's demonetisation initiative.

This, along with other reform measures such as introduction of the Goods and Services Tax, is expected to lead to a significant shift from informal, non-productive savings to productive assets, says Karan Bhagat, founder, managing director and chief executive officer of IIFL Investment Managers.

Even the regulatory framework has changed to support businesses in the wealth management space, he adds, highlighting the unique situation India finds itself in.

Further, a commitment of as much as INR840 billion (USD13 billion) in Alternative Investment Funds has

given the domestic wealth management industry the ability and character to innovate – something lacking in the mutual funds industry. At the same time, clients today are smarter, better able to gauge the risks. They are therefore keen to participate in something new.

This all presents a good opportunity for the various segments of the wealth management industry to come together, notes Bhagat, to jointly innovate across portfolio management services, AIFs and mutual funds. The market could potentially quadruple in size, he adds.

To put it in perspective, Bhagat explains that if the assets accumulated over the last nine years were INR100, for example, then they have grown to around INR200 or INR225 in the last quarter alone. Such growth speaks volumes about the potential for the industry going forward, he adds. ■



**KARAN BHAGAT**  
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