

# Shriram Wealth sees potential in 'emerging affluent' segment

Our Bureau

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As financial services major Shriram Group launches its wealth management business Shriram Wealth in partnership with Sanlam Group, the company sees opportunities in the "emerging affluent" segment with wealth lesser than ₹2 crore.

The ₹10 lakh – ₹2 crore segment is growing at a rapid pace driven by the salaried professionals in sectors such as technology, upcoming entrepreneurs and others, Vikas Satija, Managing Director & CEO of Shriram Wealth, said. "The way India's growth story is going, I personally believe that the emerging affluent will grow faster than the HNIs and Ultra HNIs," he adds.

To begin with, Shriram



(from left) Vikas Satija, MD & CEO, Shriram Wealth Ltd; Thian Fick, Executive-India & Group Initiatives, Sanlam Group; Mervyn Shanmugham, Chief Executive-Emerging Markets Strategy, Sanlam Investments Group; and Subhasri Sriram, MD & CEO, Shriram Capital, in Chennai on Friday BUJOY GHOSH

Wealth is launching the HNI segment, where it will manage clients' wealth of ₹2 crore – ₹5 crore. It is targeting to launch its mass emerging affluent segment in six to nine months. Shriram Wealth is targeting to manage ₹50,000 crore in Asset Under Advice (AUA) over

next five years.

The company pegs India's professional wealth management market at \$1.2 trillion and anticipates this to grow to \$10 trillion in the next two decades. In India, only 15 per cent of the financial wealth is professionally managed compared to 75 per cent in

matured markets, Shriram Wealth notes.

Chennai-based Shriram Group and South Africa headquartered Sanlam plan to collectively invest about ₹200 crore in their new 50:50 joint venture – Shriram Wealth. The venture will begin operations in India's top 10 cities, expanding to 20 cities in next year, with a strong focus on Tier 2 and Tier 3 markets.

## NATURAL PROGRESSION

"We see this as a natural progression of our relationship. We see a lot of opportunities in our partnership in the asset management and wealth management space,"

As for the insurance space, Subhasri Sriram, MD & CEO, Shriram Capital, said that there is interest from Sanlam to up their stake and the partners are awaiting regulatory approvals.