

# Legacy companies pan focus on financial services for affluent, HNIs and UHNIs

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**Chennai:** Legacy companies offering financial products for the common man have turned their attention towards services for affluent, high net-worth individuals (HNIs) and ultra high net-worth individuals (UHN) investors. These groups with a strong footing in the financing space for the SMEs, commercial vehicles, consumer and enterprise, farm and construction equipment, besides engaged in retail stock broking, insurance and chit funds, have forayed into dedicated wealth management services for the sophisticated financial needs of the affluent segments recently.

With traditional lending models grapple with narrowing margins, rising regulatory burdens, and fintech-led disruption, decades old NBFCs and diversified financial institutions are increasingly entering the wealth management space, driven by a confluence of structural and strategic factors, according to industry experts. Further, wealth management is a natural extension that allows for cross-selling of products such as Portfolio Management Services (PMS), Alternative Invest-

## REACHING OUT TO THE RICH

► India is home to more than 3 million affluent, HNI and UHNI households

► India's wealth management landscape is undergoing a significant transformation, fuelled by the rapid expansion of



the HNIs segment, growing at a CAGR of 15%-20%

► The growing India's affluent segment demands sophisticated financial solutions such as investment advisory, estate and succession planning, and global asset allocation

ment Funds (AIF) and family office services for legacy institutions with established ties to SME promoters and entrepreneurial families, they observed.

HNIs are those with an investable asset of a minimum of \$1 million, while UHNIs are those with more than \$30 million assets. India is home for over three million affluent, HNI and UHNI households.

Last month, more than 50-years-old Shriram Group launched Shriram Wealth, a 50:50 greenfield joint venture with South Africa's Sanlam Group. The company will offer wealth management, lending solutions, protection solutions, global investment opportunities, and inheritance and legacy planning to the affluent and HNI investors. It is targeting an Asset Under Advice (AUA) of Rs 50,000 crore over next five ye-

ars. "Many of Shriram Group's long-standing clients have grown in their financial journey—from credit seekers to wealth creators. This upward shift in financial capability necessitates a more sophisticated, solutions-led approach to wealth. The move is also aligned with the group's vision of offering end-to-end financial solutions under one roof, ensuring customers continue to grow within our ecosystem as their financial needs mature," Vikas Satija, MD & CEO, Shriram Wealth said. The company is also planning to onboard 500 specialised wealth professionals for the purpose, he added.

A fortnight ago, seven decades old NBFC Sundaram Finance announced that it has expanded Sundaram Wealth as a dedicated wealth management offering to cater to the financial needs of

HNI, UHNIs and affluent families. It is targeting an AUM of Rs 20,000 crore – Rs 25,000 crore over the next four to five years.

Prime Securities, a listed Merchant Banker with three decades of expertise in the financial sector, has branched out into the wealth management arena with TriGen Wealth in 2024. "India is undergoing an exciting transformation with a significant generational wealth transfer and a surge of wealth creation by first-time entrepreneurs and young professionals. These developments are expanding opportunities at an unprecedented scale," said Sailesh Balachandran, founder and joint-CEO, Prime Trigen Wealth. It is targeting more than \$3 billion in Assets under Administration (AuA) in five years.

Mahendra Patil, founder and managing partner, MP Financial Advisory Services LLP said, "Legacy financial services firms are repositioning themselves as lifecycle financial partners for India's growing affluent class. With trust as their biggest asset and an existing base of promoter-driven relationships, these firms are well-placed to gain share in India's fast-maturing wealth ecosystem," he added.