

JM Financial Private Wealth Head Extols the Virtues of Delivering a Multi-Discipline Client Offering

JM Financial is a leading and respected integrated and diversified Indian financial services group. The group's primary business segments include investment bank, mortgage lending, alternative and distressed credit, and Platform AWS - the collective term for the group's asset management, wealth management and securities business. Hubbis recently interviewed Anuj Kapoor, Managing Director & CEO of Private Wealth and Alternatives Asset Management, JM Financial. With over 27 years of experience, Anuj is a qualified Chartered Accountant, and before joining JM Financial in April 2022, he was with UBS India as a Managing Director & Head, Global Banking. His past roles were with the Barclays Investment Bank, GE Capital, EY and Arthur Andersen. He offered some invaluable perspectives on the evolution of wealth management in India and explained how JM Financial is positioning itself for the next waves of growth in the country.



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ANUJ KAPOOR
JM Financial

Anuj opens the conversation by explaining that JM Financial is one of the oldest financial institutions in the country, delivering an integrated platform providing multiple services in

mass affluent customer coverage. Anuj also heads the strategy for alternative assets business, focusing on distressed debt and performing credit.

A broad-based proposition

He believes that the businesses he oversees, combined with the depth and breadth of products, services and expertise that the firm as a whole deliver, ensure that the often-complex needs and expectations of the core HNW and UHNW private clients are well covered by all the firm's key businesses.

For example, he notes that many such clients own private businesses and value JM Financial's corporate finance and investment banking expertise. Many of their wealthy

Much more growth to come...

Anuj is optimistic of robust economic growth outlook for India and is especially encouraged by the prospects of the expansion of the private wealth market in the country, as the penetration of wealth management services is quite limited thus far.

"You have rapidly rising per capita income, a rapid growth in private wealth, new mass affluent, HNW and UHNW clients being minted regularly, and there is a growing realisation that individuals and families need to plan their finances and their futures carefully and wisely," he observes. "Wealth management is a sunrise industry in India, and all these factors,

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the non-banking space around investment banking, private wealth, asset management, asset reconstruction, lending, venture capital, real estate investment and other related activities.

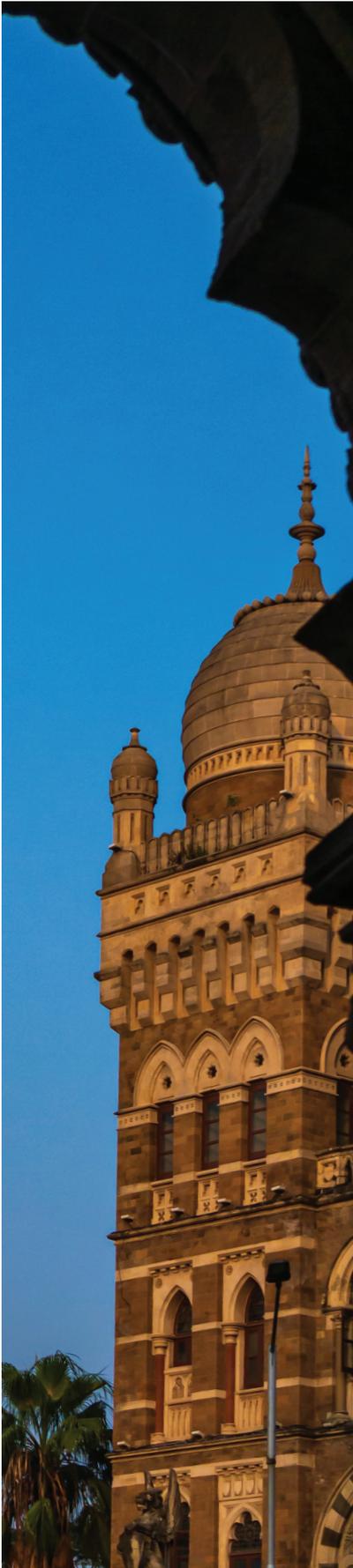
Anuj leads the firm's private wealth business, which focuses on HNW and UHNW clients, including the rising number of family offices in India. He says these wealth operations currently manage AUM worth approximately USD7 billion, and that a further USD3.5 billion AUM comes from their retail and

clients are likely to invest in the alternative and distressed credit opportunities the firm identifies and packages. And Platform AWS offers these clients access to specialised asset and wealth management services as well as broking services and expertise and access to a diverse array of funds.

"We are a skilled team of professionals who bring a diverse range of talents, knowledge and experience to our clientele, delivering top quality and bespoke solutions and services," he says.

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At the upper end of the wealth spectrum, Anuj notes evidence for such expansion in the arrival of more and more family offices, which were rare even 10 years ago. Today, he observes that many of the large Indian families in India and/or the large family business groups have created a family office



Key Priorities

Anuj reiterates that talent development is at the core of the businesses he heads, as talent remains the bedrock for business growth.

His second key mission is to build the ‘alternatives’ asset business as a best-in-class proposition keeping open architecture and objectivity as the focal point. “Our services are quality-driven, well researched and will continue to deliver value with our products,” he says. “And our ethos must be driven by a dispassionate selection of products and services and on delivering what is best for the clients.”

Thirdly, he wants to present the firm as a solution provider rather than a product provider. “As I explained, we want to offer a complete array of services and solutions. It is not just selling a product to the clients; we need to be aware of the client’s overall needs and cater to them proactively and comprehensively,” he elucidates.

setup. He says that these family offices are becoming increasingly organised and formalised in their operations, increasingly professional in their investment practices, and more and more global in outlook.

Elevated expectations and practices

Anuj expands on these remarks, noting that the staffing of these family offices nowadays includes specialists in different asset classes, perhaps experts in private or alternative and private market investments rather than just public sector assets. Their expertise will often extend to global markets as well as local investments as the trend towards more diversified and global portfolios emerge.

“High net worth Indian investors used to focus on real estate and gold as their core assets as well

as the local public equity and debt capital markets,” Anuj explains. “But today there is definitely a surge in interest for diversified alternatives, and a greater impetus towards private markets, including private equity funds, debt funds, higher yielding investments, and other more interesting and sophisticated assets.”

He says the trends seen in the growing family office space are clear – there is increasing centralisation of wealthy families’ control over their businesses and their investible wealth. And at the same time, family offices are part of a broader thrust that is moving towards more robust and formalised estate and legacy planning and structuring.

Another key trend Anuj sees playing out in India is around technology and digital transformation, not only at the

retail and mass affluent ends of the market, but also to varying degrees across the board, for example in terms of data analytics to help guide portfolio formation for HNW and UHNW clients. “Adoption of technology will continue to be a major distinguishing factor in the wealth industry here,” he states.

Taking a global perspective

Anuj believes that in terms of the value the firm can add to private clients, the ability to take a global perspective and offer advice from a global viewpoint rank high. He points to the rising internationalisation and sophistication of wealthy Indian clients, with property, financial investments and also often family members increasingly spread around the world.

“It is very important for us to be able to deliver more global perspectives than ever before,” he says. “Our advice and expertise must encompass a very strong understanding of the domestic markets as well as the capability to deliver access to interesting international opportunities and advice to these clients.”

He says such expertise is also vital in the context of regulatory changes that are also encouraging more formalised and structured offshore investment. “It is not only our ability to help identify opportunities and to structure the investments professionally that are important but also our ability to navigate regulatory implications and to make sure we tailor investments that are directly commensurate to the client’s own risk appetites.”

India’s GIFT

Expanding on the rising inflow and outflow of investments to and from

India, Anuj points to the continuing development of GIFT City, which is the Gujarat International Finance Tec-City, a fast-expanding business and financial centre in the Gandhinagar district in Gujarat.

By way of background, promoting itself as “the new epicentre of Global Finance and IT”, there are already more than 20 banks, over 35 FinTech entities and more than 60 Capital Market intermediaries already operating there, and more are moving in.

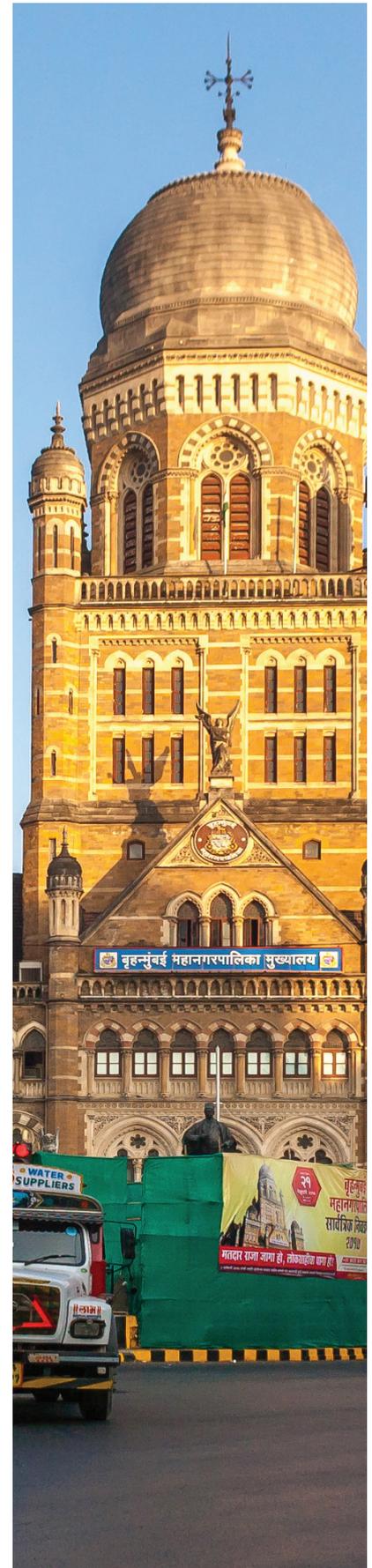
The GIFT City website reports: “With a vision of becoming a leading global financial & technology hub, the evolution of GIFT City is an opportunity to drive reforms towards providing a thriving financial ecosystem critical to support and expand businesses. GIFT City is inclined to provide a conducive business eco-system at par or above with leading global financial hubs.”

Building connectivity

Anuj explains that the government in India is increasingly promoting an appropriately regulated and also transparent two-way flow of money, trade, business and investments, and GIFT City is very much part of that drive. He says there is growing connectivity from GIFT City to offshore centres such as Dubai and Singapore.

“We are evaluating the prospect of setting up a fund management entity in GIFT City, and as we have already set up operations in Singapore, we will be able to become a gateway for Indian money being invested overseas and for foreign money flowing into India,” Anuj explains.

Similarly, he believes that such two-way flows to and from Dubai and the UAE will become increasingly important. Indeed, there is also



geographical proximity to Dubai, which is only a relatively short flight of just over three hours away.

“It is also relatively easy to open accounts there, and to obtain local residency status,” Anuj states. “In fact, I don’t see many places today offering the ease with which you can become a citizen or a resident as in Dubai.” He adds that the way they handled the pandemic was especially reassuring to Indian clients and that the general ease of mobility, visas and residence, conducting business and managing investments there are all very appealing.

The quest for talent

Anuj explains that given the exciting growth prospect of the Indian economy, talent will be central to the ability to capture that potential. But he says that growth expectations are far more robust than the obvious depth of the talent pool. He says they are looking at nearly 50% growth in the next two years, and talent is absolutely vital to achieving those goals.

With that in mind, Anuj is confident they are ahead of the curve on this, and are able to build their teams with the right talents who fit into the firm’s wider business culture. He says that during their five-decade long journey, they have been agile when it comes to acquiring talents from banking as well as investment banking sectors and turning them into top-level private wealth specialists capable of delivering services with commitment to quality and integrity to their clients.

“We are very focused on building our talent pool, and we have also been on-boarding young talent from the universities and nurturing them with the values and skills necessary to handle clients the way we believe in,” he says.

Getting Personal with Anuj Kapoor

Anuj Kapoor joined JM Financial as Managing Director and Chief Executive Officer, Private Wealth and Alternatives Asset Management, in April 2022, bringing with him at that time over 27 years of experience in financial services. He had previously worked with UBS Securities India, as a Managing Director & Head, Global Banking. Prior to that, he worked with Barclays Bank (Investment Bank), GE Capital, Ernst & Young and Arthur Andersen.

A graduate in commerce from Shri Ram College of Commerce, New Delhi, he is a qualified Chartered Accountant.

“I have been lucky to have a career starting from the excellent Arthur Andersen experience, and then more broadly into finance and investment banking, so I hope I bring these skills and perspectives to my roles here,” he says. “With my type of broad-based corporate finance and IB background, me and the team are well placed to serve the complex and diverse needs of our high net-worth clients.”

He hails originally from Delhi and has a child approaching eight years. He professes to be a sports fanatic, playing and watching cricket and also enjoying social games of volleyball and tennis. He loves to travel and aims for plenty of shortish trips throughout the year, giving him plenty to look forward to.

A recent trip was to Bhutan, which he describes as a place of “utter beauty”. “It was a complete revelation,” he enthuses. “It is both incredibly beautiful on a level beyond what one might imagine, and it is really untouched by the distractions, noises and complications of modern life.”

Multi-asset, multi-disciplinary

He also observes that their overall mission is to offer a more holistic client service with relationship managers covering areas like wealth management, corporate finance, capital raising, M&A, and other key areas that are important to wealthy clients, almost all of whom have private or public family companies.

He sees a notable vacuum in the ability to offer this type of

integrated and more holistic services across asset classes, products, the family offices as well as the underlying operating company needs. “We aim to build trust in one area, and we extend that trust into other key areas,” Anuj closes the conversation with a forthright statement of intent: “We are right there with our clients on their growth journey, as their trusted confidante. We are confident in our positioning as an integrated solutions provider and feel that the results will follow.” ■