

Why wealth management is crucial in today's Indian markets

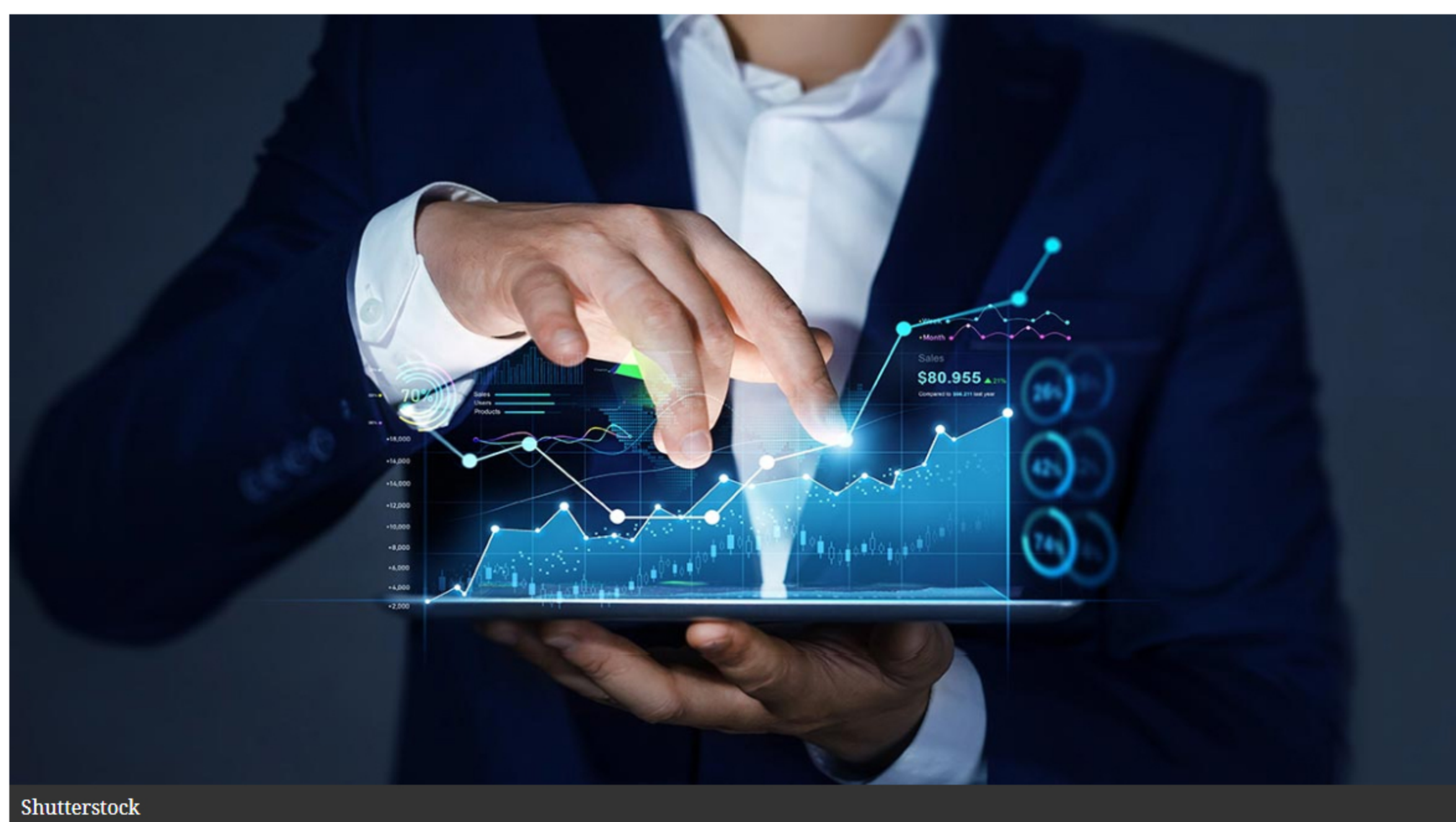
India's wealth creation is rapidly evolving, driven by strong market performance and a shift towards financial instrument



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India has witnessed significant wealth creation over the past decade, driven by strong performance in equities and real estate, and a thriving entrepreneurial ecosystem. There has been a clear financialisation of savings as well, with investors gradually shifting from traditional assets like gold and real estate to financial instruments.

“Many investors operate without a cohesive strategy—investments, insurance, taxes and retirement planning often exist in silos.”

This transformation is not just about more money, as the Indian investor is navigating a vastly expanded financial universe, one that demands discipline and a structured approach.

“This shift is further amplified by the explosion in product complexity. While investors once chose between fixed deposits, insurance and property, they are now navigating a wide array of sophisticated options such as PMS, AIFs, global

investments, structured products, private credit, and unlisted equities. Adding to this is heightened market volatility and macroeconomic uncertainty, shaped by events like Covid-19, interest rate cycles, geopolitical tensions, and inflation shocks, which have reinforced the importance of asset allocation and risk management,” said Parag Morey, head of sales, Emkay Wealth Management.

In essence, the rules of the game have changed. What worked a decade ago is no longer sufficient in an environment marked by inflation, volatility and interconnected global markets.

A generational shift is also under way. Younger inheritors of wealth are more financially aware, digitally savvy and open to professional advisory services. They are moving away from relationship-driven investing to a more structured, data-led approach.

This shift is further reinforced by changing consumer attitudes. Traditional avenues like fixed deposits and real estate are increasingly seen as inadequate due to relatively lower returns and the erosion of value caused by inflation. “An increase in income levels, particularly of the middle and upper-middle class, means that there is an availability of surplus money which needs to be allocated. Simultaneously, the financial markets are highly unpredictable and interconnected, with several variables. For an individual investor, it is extremely difficult to navigate the markets on his own,” said Gurmeet Singh Chawla, managing director, Master Portfolio Services Limited.

At a basic level, wealth managers address the fragmentation that defines most individual financial lives. Many investors operate without a cohesive strategy—investments, insurance, taxes and retirement planning often exist in silos. Wealth managers bring these elements together into a unified, goal-oriented plan.

“Wealth management companies help you create a cohesive plan with a large focus on your long-term goals. There are also several high-performing investments (alternative investments and structured products) that retail investors do not have easy access to. Wealth management companies will help you access these high-performing investments,” said Chawla.



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Individual investors are prone to emotional decision-making, driven by fear during downturns and greed during bull runs. Professional advisers impose discipline, helping clients stick to long-term strategies. “Indian equity markets have matured significantly over the last decade. We now have deeper participation, better regulation and a much wider product set than we had even five years ago. Alongside this, the Indian investor has become far more educated. Information that was once the preserve of a few is now freely available, and investors understand concepts like asset allocation, compounding and risk-adjusted returns in a way they didn’t before,” said Prabhakar Kudva, director and principal officer, Portfolio Management Services, Samvitti Capital.

At its core, the value proposition of wealth management lies in process and discipline. Most individual investors rely on instinct, news flow, and tips—approaches that rarely deliver consistent long-term outcomes. Wealth management firms counter this with structured investment frameworks, robust risk management, and access to a broader investment universe.

Modern wealth management firms have evolved far beyond their traditional roles. They are now full-stack financial partners, offering end-to-end solutions across the wealth lifecycle. Their services begin with investment advisory—designing asset allocation strategies and building diversified portfolios across equities, debt and other asset classes. This is complemented by access to a wide range of products, including mutual funds, PMS, AIFs, structured instruments, fixed income products and global investments. Beyond that, they provide entry into alternative and private markets—private equity, venture capital, private credit, real estate funds and pre-IPO opportunities—areas that are typically inaccessible to retail investors.

Another key pillar is wealth structuring. This includes setting up trusts, family offices and succession plans to ensure smooth intergenerational wealth transfer while minimising disputes and tax liabilities.

Tax planning, risk management through insurance, consolidated reporting, portfolio monitoring and even lending solutions such as loans against securities have become integral parts of the offering. The model has clearly shifted from product distribution to holistic wealth management.

The industry is moving towards fee-based advisory models, replacing commission-driven structures with more transparent and aligned client relationships. Technology is playing a pivotal role, enabling seamless execution, reporting and monitoring, while human advisory continues to anchor trust and decision-making.

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