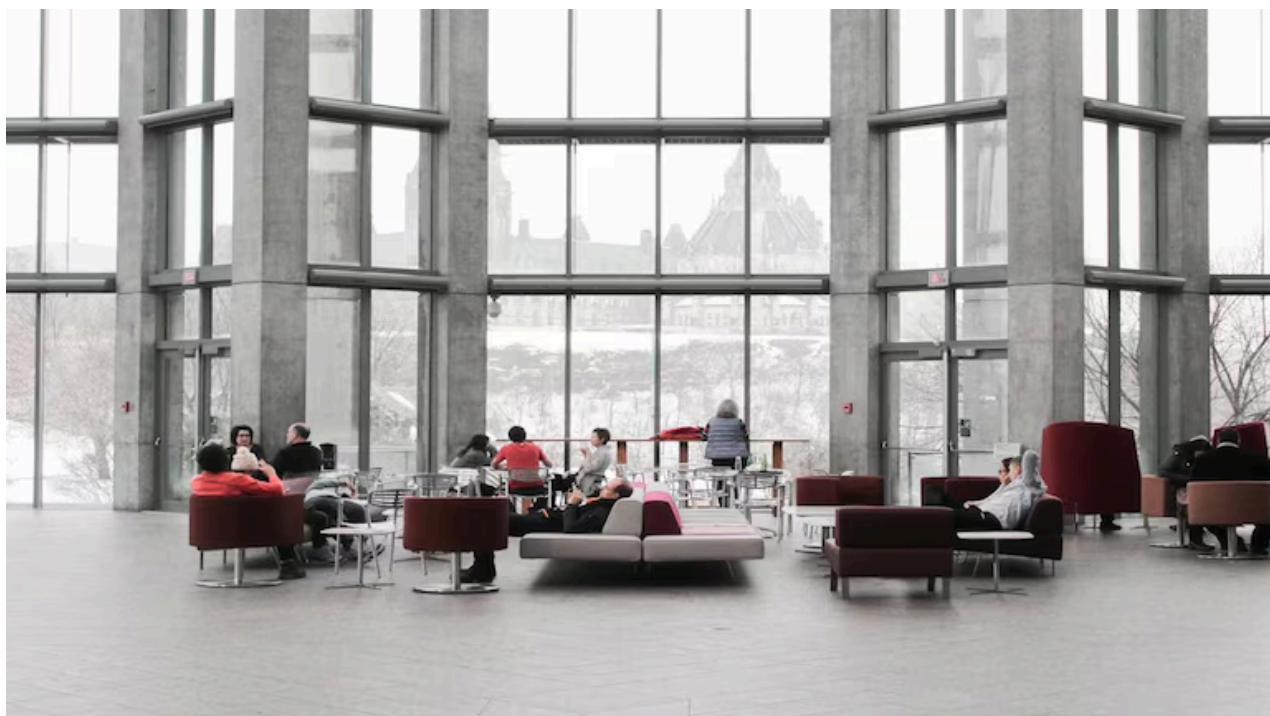


India's family offices boom: 7x growth in six years

moneycontrol.com/news/business/markets/number-of-family-offices-in-india-see-seven-fold-jump-in-six-years-12814984.html

The AUM of family offices in India is estimated to be around \$30 billion, which is a fraction of the global AUM of family offices, which is around \$6 trillion, as per a study by Sundaram Alternates.



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Family offices, which are set up to manage the wealth of ultra high net worth individuals or families, have seen a huge spurt in India with the number of such entities growing nearly seven-fold in the last six years.

The number of family offices have jumped from a mere 45 in 2018 to nearly 300 in 2024, as per data from consultancy major PWC.

Experts attribute this surge to a combination of factors, including families adopting a more professional approach towards investing and succession planning.

“The reason for this increase is because family offices have diversified their investments, professionalised their operations, and focused more on succession planning and philanthropy,” said Sraboni Harlalka, Co-founder, Wodehouse Capital, a multi-family office.

Multi-family offices typically work with multiple family offices while offering them wealth advisory services.

Data, meanwhile, shows that the list of most prominent family offices in the country include Catamaran Ventures, Premji Invest, Shubhkan Ventures, Natarajan Sekhsaria Family Office, and Nadathur Holdings among others.

Catamaran Ventures, owned by Infosys co-founder Narayana Murthy, is currently invested in a diverse portfolio of companies such as ACKO, Reddit, SpaceX, and the National Stock Exchange (NSE), among others, according to Tracxn.

Premji Invest, managed by Azim Premji, has backed companies like Lenskart, Canva, and Dezerv among others.

Meanwhile, the Natarajan Sekhsaria Family Office, founded by the emeritus chairman of Ambuja Cements, has made strategic investments in companies like Nykaa, Capital Small Finance Bank, and Pilgrim.

Similarly, Nadathur Holdings, backed by Infosys co-founder Nadathur Raghavan, has invested in enterprises like Medi Assist and Amagi.

Incidentally, while data related to the assets under management (AUM) of every family office is not available, the cumulative AUM of family offices in India is estimated to be around \$30 billion, which is a fraction of the global AUM of family offices, which is around \$6 trillion, as per a study by Sundaram Alternates.

More importantly, though, the AUM of family offices in India is expected to grow at a CAGR of 14 percent over the next three years, potentially increasing by 1.5 times, as per the study.

Falguni Shah, partner at PWC, is of the view that families, over the last few years, have realised the need for systematically managing the family corpus excluding the ones that are not invested in family business and this has given rise to formal family offices.

She added that some large-scale family offices have expert strategy teams with rich experience of different sectors, deal environment and ability to evaluate business performances. In these years, promoters who have exited their businesses have invested the exit proceeds in a systematic way using family office structures, she said

Another reason for the rise in number of family offices is that such entities are separating family wealth from business finances, says Ashutosh Bishnoi of Multi-Act Family Office. "Even if it's your own business, you can't just withdraw money haphazardly. Family offices help by adopting a more professional approach, carefully managing accounts and strategically investing funds derived from their businesses," said Bishnoi.

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