

# THE LAST-MILE PUSH

The India Today Smart Money Financial Summit had top experts discussing how technology could be leveraged to widen the reach of personal finance tools

By M.G. Arun

For a first, the India Today Smart Money Financial Summit, held in Mumbai on April 12, could not have had a more eminent galaxy of leaders and experts. They came from across the financial services spectrum—banking, mutual funds, insurance, stock markets and real estate. Delivering the keynote address, ‘Disruption as the new norm in financial services’, V. Vaidyanathan, MD & CEO, IDFC First Bank, elaborated on how new technologies such as generative AI, blockchain and hyper-personalisation are helping reach financial services to the common man. Digitisation, he said, can be used to create insights, which is one level above information. It is also cost-effective for banks and helps reduce paperwork. His bank, he said, found that it needed 28 pieces of paper for a microfinance loan of Rs 25,000-30,000. If one million loans are given, 22 million pieces of paper will be required. “Our executives are now using tablets. All documents are digitally acquired and uploaded. Disbursal of loans is also digital,” he added. And the bonus? The lower cost is passed on to the customer.

Taking that theme forward, the session ‘A changing landscape: Technology & innovation in financial services’ had Rajiv Anand, deputy MD, Axis Bank, talking about the all-round optimism about the economy. “The government and RBI handled Covid-19 well, the fiscal health is better, unlike the US where the fiscal deficit is at 8 per cent (of GDP),” he said. Manisha Girotra, CEO, Moelis India, said global investors were more upbeat on India than we are. “We have a young population and an up-skilled and re-skilled workforce. We have the potential to become an R&D hub, move up the value chain in several businesses.”

Delving into some of the solutions for the unmet financial needs of today’s customer, especially women and rural customers, was the session ‘Driving transformative changes in financial services’. Talking about the increasing interest in mutual funds, Narendra Mairpady, former CMD, Indian Overseas Bank, said banks took advantage of the liquidity and RBI’s lowering of interest rates during Covid to provide very low fixed interest



▲ DISRUPTION AS THE NEW NORM IN FINANCIAL SERVICES

“India is becoming a pioneer in open banking, where banks can share your information with a financial services provider or bank who can analyse your information and decide if they can give you good quality financial advice or loan”

V. VAIDYANATHAN  
MD & CEO, IDFC First Bank

rates. Fund managers, in turn, used this advantage to tell investors to opt for mutual funds, which explained their surge. However, Ridhi Doongurse, co-founder, LXME, rued that while women were fabulous savers and budgeters, they did not

plan their own finances well. They would have done well to tune into what Nilesh Shah, MD, Kotak Mahindra AMC, told audiences in the session titled ‘Indian stock market: Outlook and opportunities’. The Sensex touching the 75,000



▲ INDIAN STOCK MARKET: OUTLOOK AND OPPORTUNITIES

“A triveni sangam of flows, sentiments and fundamentals is driving our markets. Domestic flows are strong, as are inflows through SIPs in MF schemes. Eight consecutive years of positive stock market returns could be a world record”

NILESH SHAH  
MD, Kotak Mahindra AMC

mark, he said, was a dream come true. “We were always talking about a tsunami of retail investors coming into the market; now we are seeing it.” Top honchos from the MF segment took the theme forward in the session that followed—‘Asset management and the investment paradigm’—which saw

them discuss ways to open more avenues of investment to enable long-term investors into the industry. Shedding light on ‘Real estate as an investment avenue’, Abhinandan Lodha, chairman, House of Abhinandan Lodha, said why land is the best-return asset in real estate in India.



▲ REAL ESTATE AS AN INVESTMENT AVENUE

“The best-return asset in real estate in India has been the ability to own land and hold on to it for 10-12 years. On an average, most of our locations have delivered a 30 per cent CAGR in the past three years”

ABHINANDAN LODHA  
Chairman, House of Abhinandan Lodha

The summit ended with the session ‘Rest insured: New insurance tools in financial planning’, which saw Vinet Arora, COO, HDFC Life Insurance, and K.V. Dipu, senior president and head of operations and customer service, Bajaj Allianz General Insurance, talk about innovative tools in the segment. ■

▼ **ASSET MANAGEMENT AND THE INVESTMENT PARADIGM**



“We are growing at a hectic pace. Right now, we have more money coming in, chasing too few ideas, which is pumping up valuations”

**R. SRINIVASAN**  
CIO, SBI Mutual Fund



“Online discount brokers like Groww and Zerodha have brought a large number of investors into the fold. A lot of fundraising will be required to keep valuations in balance”

**RAJEEV THAKKAR**  
CIO & Director, PPFAS Asset Management



“When 40 per cent investment is in small caps, it shows a brash chasing of returns. A lot of work needs to be done to create more awareness for a long-term approach”

**SWARUP MOHANTY**  
CEO, Mirae Asset Mutual Fund



“When customers buy in a systematic way through SIPs, the volatility in the market aids them, rather than create panic”

**SUNIL SUBRAMANIAM**  
MD, Sundaram Mutual Fund



“The money that women save in banks is losing value due to inflation. As much as 98 per cent of women we surveyed had no retirement plans”

**RIDHI DOONGURSEE**  
Co-founder, LXME

▼ **A CHANGING LANDSCAPE: TECHNOLOGY & INNOVATION IN FINANCIAL SERVICES**

“Banking is a microcosm of what is happening in the underlying economy. Growth is good, margins are good, credit environment is benign”

**RAJIV ANAND**  
Deputy MD, Axis Bank



“Earlier, we'd get a lot of FII inflow, but that money can fly away. Now we are getting foreign strategic investors, private equity and sovereign wealth funds”

**MANISHA GIROTRA**  
CEO, Moelis India

▼ **REST INSURED: NEW INSURANCE TOOLS IN FINANCIAL PLANNING**

“Morbidity and mortality impact families as a whole. While penetration of insurance has been good, the amount of sum insured needs to improve”

**VINEET ARORA**  
COO, HDFC Life Insurance



“Some of our most widely-adopted innovations have been in agriculture insurance. Our apps in Indian languages are a huge success”

**K.V. DIPU**, Sr President & Head, Operations and Customer Service, Bajaj Allianz General Insurance

▼ **DRIVING TRANSFORMATIVE CHANGES IN FINANCIAL SERVICES**



“Banks need to design services that fit the requirements of those in the rural areas—for instance, an educational loan for farmers' children”

**NARENDRA MAIRPADY**  
Ex-CEO, Indian Overseas Bank