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Foreword

The world is rapidly responding to India's digital revolution. The country is on the cusp of a breakthrough backed by several initiatives which are all anchored in digital technology. Since the demonetisation announcement on 8 November 2016, India has seen a concerted effort to move towards a cashless economy. Events from the last few weeks of 2016 illustrate both the challenges and tremendous opportunities for the growth of the mutual fund (MF) industry in India.

With approximately 14 lakh crore INR having recently entered through formal banking channels, a significant new universe is now not only an integral part of the banking fold but also potentially within the tax ambit. This will in turn encourage them to think more about investment avenues which not only are tax efficient but can also beat inflation in the long run.

As awareness increases, MFs could become one of the first choices for both short-term and long-term investments. While MF products are not suitable for all kinds of investors, the sector has shown tremendous growth by exceeding 17 lakh crore INR in assets under management (AUM), with inflows worth nearly 4 lakh crore INR in the last 2 years alone.[1]

The industry will see growth of above 25% over the next financial year, up from 14% to 15% in the current year.[2] Traditional products will continue to garner demand. However, to cater to different audiences and bring more investors into the fold, the industry will need to innovate and develop new specialised products. For instance, SEBI is promoting the alternative investment fund (AIF) platform, which will allow for product innovation around real estate and structured credit and eventually other forms of products such as infrastructure investment trusts (INvITs).

Looking back at 2016, much of the growth is attributed to an increasing number of investor accounts, steadily growing monthly investments into equity MF schemes from retail customers, beyond top 15 (B15) city applications and a surge in inflows into exchange traded funds (ETFs). A surprisingly sharp rise in systematic investment plans (SIPs) promoted more sustainable growth for the industry as more people moved away from the concept of large lump sum investments. Over the last 2 years, MFs have proved to be a low-cost, compliant and transparent entity to channelise savings towards financial investments.

With the demonetisation effect, rapid digitisation, government incentives, regulatory initiatives, and a deliberate push for improving investor education, the next 2–3 years should see the AUM reaching another great milestone. In the immediate future, with interest rates declining, it is reasonable to predict that debt funds will be the drivers of growth in the first half of 2017, while the effects of the Goods and Services Tax (GST) will be felt in the second half.

1 Economics Times. (Jan 2017). 'Mutual funds see Rs 2.86 lakh cr inflow in 2016'. Retrieved from http://economictimes.indiatimes.com/mf/mf-news/mutual-funds-see-rs-2-86-lakh-cr-inflow-in-2016/articleshow/56422364.cms

2 Hubbis. (Jan 2017). 'Readying for an AUM surge in India'. Retrieved from http://www.hubbis.com/articles-content/5628/1484906545/Readying%20for%20an%20AUM%20surge%20in%20India

Against this backdrop, the Indian Chamber of Commerce (ICC), with the help of PwC, has identified and highlighted new areas of growth and key influencers for the success and expansion of the MF industry in India.

This report is divided into two parts. The first part presents an analysis of the MF landscape, how it has changed in 2016 and the key trends which have impacted its growth in the last financial year. We have looked at how regulations as well as market conditions have helped the industry flourish in the last decade. The second part of the report identifies critical success factors and innovations that the industry needs to explore to enable a larger contribution to the GDP of the economy. In the future, customer service, financial inclusion and technology initiatives will play a significant role in the continued expansion of the industry. There will be a focus on fintech, digitalisation, and penetration into rural and semi-urban regions of the country, all of which are predicted to propel its rapid evolution and progress in the next 2–3 years.

We would like to thank ICC for engaging with the industry on this exciting and transformative journey. In addition, we thank Varun Udeshi, Pooja Parsram, Umang Bhatt, Amit Saxena and Pradipkumar Singh of the Financial Services team of PricewaterhouseCoopers (PwC) for researching and writing this report.

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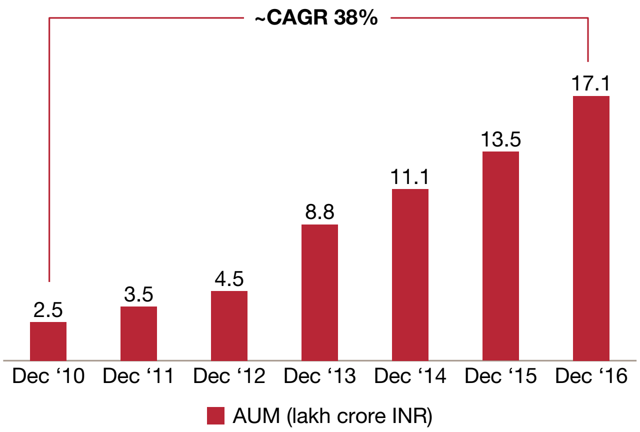
Looking back at 2016

The mutual fund (MF) industry had a compound annual growth rate (CAGR) of 18% over the past 10 years.[3] Despite the global economic slowdown of 2010–13, there has been a remarkable increase in MF investments in India. Till now, lack of awareness about financial instruments and prevalence of low financial knowledge resulted in a lower inflow of investments as compared to that in other BRIC nations like China and Brazil. However, factors such as favourable demographics, rising income levels and ongoing government initiatives continue to make it one of the most attractive sectors in the financial services industry.

The year that was: 2016

In an attempt to curb black money in the economy, the Prime Minister announced the demonetisation of Indian high-value currency in November 2016. Despite this move, the unlikely presidential win of Donald Trump, Brexit, uninspiring equity markets and surging oil prices, the Indian mutual fund (MF) industry did exceptionally well in 2016, recording its highest growth in 7 years and reaching a total corpus of 17 lakh crore INR.[4]

AMC assets grow to 17.1 lakh crore INR in 2016



Source: AMFI website

As an investment instrument, MFs played an important role in increasing the penetration of the Indian population into capital markets. At present, the penetration is just around 3%, but recent events illustrate both challenges and tremendous opportunities.

Asset management companies grew their average assets by approximately 30%,[5] adding nearly 4 lakh crore INR to their MF portfolios.[6]

SIP accounts reached 1.2 crore INR with close to 4,000 crore INR collected during the month of December 2016.[7]

Systematic investment plans (SIPs) were large contributors to this growth. Registrations increased significantly, with outstanding SIPs of the industry reaching over 1 crore customers in monthly subscriptions. According to Association of Mutual Funds of India (AMFI), the MF industry has been adding about 6.19 lakh SIP accounts each month, with an average SIP size of about 3,200 INR per SIP account. [8]

The SIP book makes up around 50% of the total contribution of the industry's monthly inflow in equity schemes.

Assets under management (AUM), particularly from B-15 cities, recorded a growth of about 33% in 2016[9] which was greater than the overall industry growth. SIPs formed a major portion of these investments.

[3] PwC analysis

[4] Economics Times. (Jan 2017). Mutual funds see Rs 2.86 lakh cr inflow in 2016' Retrieved from http://economictimes.indiatimes.com/mf/mf-news/mutual-funds-see rs-2-86-lakh-cr-inflow-in-2016/articleshow/56422364.cms

[5] AMFI website

[6] Livemint. (Jan 2017). 'Mutual funds record highest growth in 7 years, Rs3.71 trillion added to their kitty'. Retrieved from http://www.livemint.com/Money/NlqLYBLal46gyih1ILa09L/Mutual-funds-record-the-highest-growth-in-7-years-add-Rs-3.html

[7] AMFI website

[8] The Financial Express. (Jan 2017). 'AUMs at all-time high of Rs 16.46-trillion in December, may cross Rs20 trillion'. Retrieved from http://www.financialexpress.com/economy/aums-at-all-time-high-of-rs-16-46-trillion-in-december-may-cross-rs20-trillion/510357/

[9] Café Mutual. (Feb 2017). 'B15 assets on the rise, reach Rs. 2.86 lakh crore'. Retrieved from http://cafemutual.com/news/trends/806-b15-assets-on-the-rise-reach-rs-286-lakh-crore

To further popularise MFs and propel their growth, he Securities and Exchange Board of India (SEBI) has been introducing several new reforms. The introduction and rise of direct plans and extensive investor education campaigns have boosted the growth of individual investors, which stood at 23% year-on-year and 7.61 lakh crore INR in December 2016.[10]

Individual assets have come primarily from the top 15 cities, driven mainly by the distributors.

Despite these new initiatives by SEBI, direct investments account for only 12% of the individual assets, with 2% coming from B-15 and 10% from T-15 cities.[11]

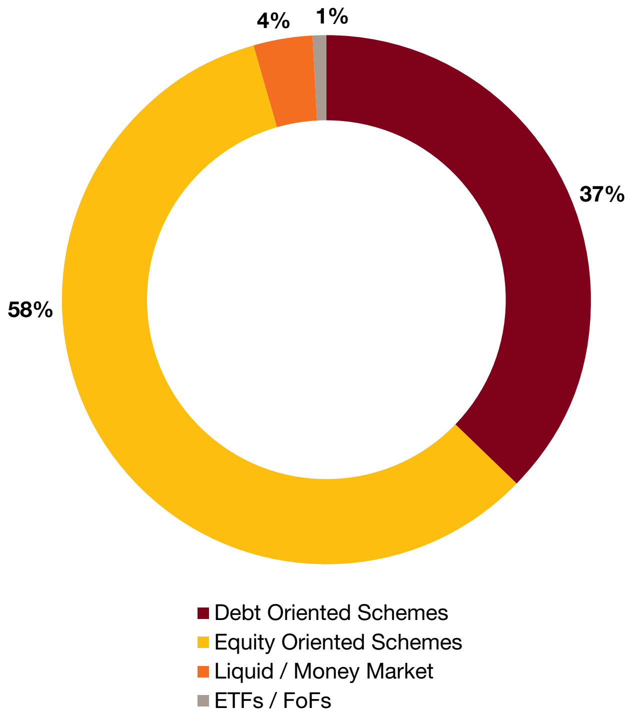
Four years after the B-15 regulation (2012), contribution from B-15 cities has slowly but steadily been on the rise. B-15 cities accounted for a total of 25% of the total individual investments (in terms of AUM).

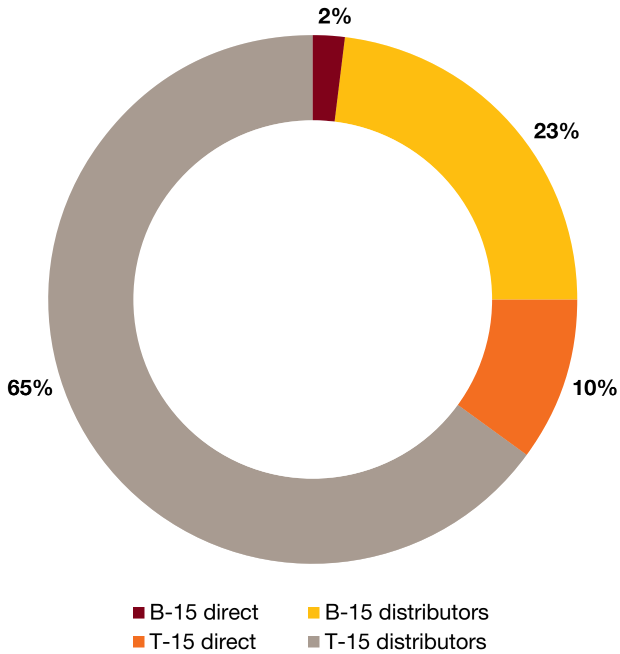
The increased contribution of B-15 cities could be attributed to the higher incentives received for servicing these customers—an additional 0.3% as expense if 30% inflows or 15% of average AUM (whichever is higher) in the scheme is from B-15 cities. MF houses had enforced revised commission and incentive structures for distributors in B-15 cities to attract more investors.

Also, recently, SEBI has allowed celebrities to endorse MFs, a welcome move which has long been employed by other financial services products. This will help in developing a better connect and relationship with investors from small towns/cities.

We continue to see immense potential as these customers have both the money to invest and a curiosity to learn and explore structured investment options. As they continue to seek constructive avenues for their future needs, fund houses will need to design customised bundles of value-adding products which address all their requirements—from retirement to children's education and pension plans.

No immediate impact of SEBI's introduction of direct plans as distributors still contribute to almost 90% of individual investment





[10] AMFI website. (Jan 2017). 'Individual investors'. Retrieved from: https://www.amfiindia.com/Themes/.../Individual-Investors-December-2016.pdf
[11] AMFI website

Along with new products, the industry will have to continue to focus on investing in digital technologies. While the industry is already one of the fastest adopters of technology, technology is only set to become a larger component of the overall framework in the next few years. Ease of transactions (e.g. e-KYC) for a first-time investor has seen a significant upward trend in the last five years. Also, MFs are the only industry in which a customer can comfortably execute an entire transaction on technology platforms. The regulator continues to look for ways to enhance expansion and penetration (tie-ups with e-wallets, e-commerce distribution, etc.).

However, the impact of these initiatives is concentrated in certain parts of the country. The divide among states is wide, with the northeast getting neglected.

Geographically, for the MF industry, the western region dominates with a contribution of around 50–55%.[12]

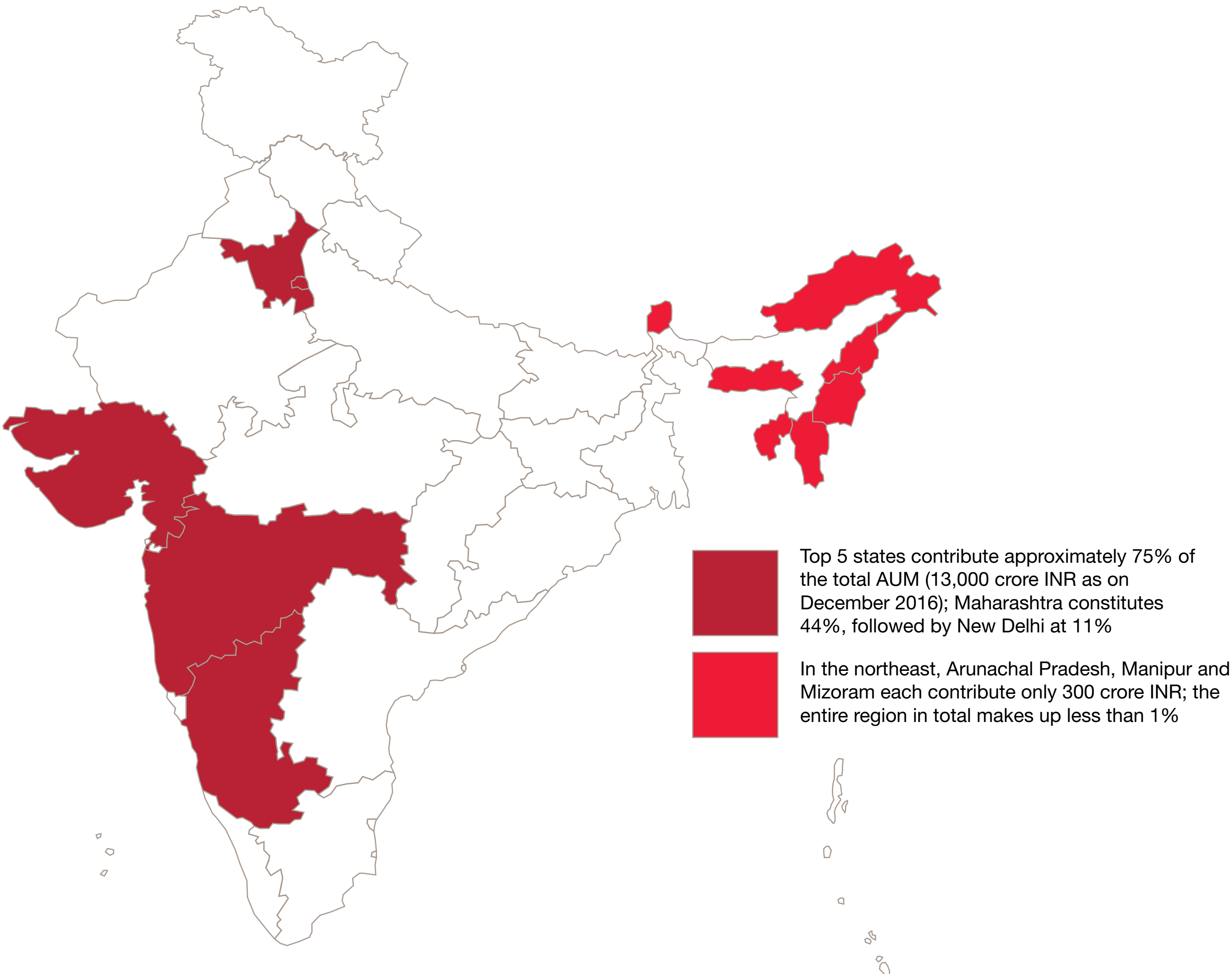
Ten Indian states contribute close to 92%. The five large metros constitute around 75% of the share of AUM. Mumbai makes up the largest share at 42%, followed by Delhi, Bengaluru, Chennai and Kolkata, together making up 26%. The northeast has only 34 branches and 9,200 crore INR of AUM.[13]

Various issues are leading this disproportionate penetration—for example, a weak underlying economy and inaccessibility. In addition, uneven financial prosperity of people and lack of uniform distribution of corporates impact the industry.

Fund houses are resistant to expanding in this region as it is considered unstable and a high risk centre.

Efforts are being made by the government to enhance connectivity, communication and develop infrastructure; however, progress remains slow and one cannot ignore the fact that investments from smaller towns and cities are primarily from the top 10 states in the country.

[12] PwC analysis
[13] PwC analysis



The way forward

The MF industry has a long way to go.

While its growth in 2016 may look significant in absolute numbers for a relatively new industry, as a percentage of GDP, it is very low at 8.4%.[14]

However, one should not get discouraged. There has been a visible shift in how households are investing, which is a good sign. This is due to an increasing awareness about the industry.

SEBI and asset management companies (AMCs) themselves have made several efforts to increase the familiarity retail investors have with investment jargon. This has made them more comfortable with the idea of investing in MFs over traditional alternatives such as real estate and gold.

MFs offer a more versatile combination of product options and plans, investing options and superior tax efficiency.

Gold and real estate have become unattractive for long-term investments, having failed to yield good returns in the last 2–3 years. With increased awareness and a better understanding of the MF industry, investors are instead taking advantage of SIPs, a disciplined way to build long-term portfolio and manage the inherent volatility of the equity markets.

The cost of MFs is also falling as the industry continues to build scale. Technology has played a significant role, with many opportunities for the industry to leverage.

[14] The Tribune. (Jan 2017). 'MF investments rising in smaller towns: CAMS'. Retrieved from http://www.tribuneindia.com/news/business/mf-investments-rising-in-smaller-towns-cams/342616.html

Technology: The game changer

Technology has now become an integral part of the MF industry and is used widely in each and every aspect—from fund management to transaction processing, and from customer servicing to distribution. With the increasing use of smartphones, there lies a huge opportunity for MF houses to leverage them for a successful business-to-consumer (B2C) model and pass on the benefit of commission to the end customer.

Robo-advisors, artificial intelligence, blockchain, cloud computing, big data and analytics are soon going to replace the traditional model. We expect that in the future, fund houses will primarily depend on such robotic applications to understand client requirements, their spending behaviour as well as future goals, and accordingly make calculated suggestions with regard to the right investment portfolio. This will make the entire sales as well as client onboarding process more efficient and help increase the market reach of the industry.

Both the government and the regulator (SEBI and AMFI) are supporting the adoption of technology by launching several initiatives to promote its use in the industry.

Key trends and opportunities

With lower bank interest rates and demonetisation, the AUM of the Indian MF industry are expected to touch 20 lakh crore INR sooner than expected.[15] Investors are increasingly concerned about keeping their surplus funds in savings bank accounts and the use of digitisation has made the industry more appealing. The industry will see robust growth in the next 2–3 years, driven by opportunities in the following areas:

Digitalisation and digitisation

- Improved distribution efficiencies has enhanced reach across the country as distributors can now provide ready analysis to customers on the field.
- Range of mobile and online apps for tracking and transacting—end-to-end platforms have enabled seamless customer experience.
- Mutual fund utility (MFU) has allowed investors to place orders with multiple AMCs and transfer funds seamlessly, all through a single window.
- e-KYC using Aadhar has proved to be a game changer for online investing; in the future, technology platforms and Aadhar will be leveraged for various government schemes.
- Increasing use of robo-advisory has made it simpler for investors to make decisions.
- Redemption of MFs (ultra-short funds) using a debit card—offered by two popular robo-advisory platforms, as well as top fund houses have made the transaction process more convenient.

Government initiatives and regulatory push

- Demonetisation has created a surge of inflows into structured investments such as MFs.
- Advisory regulations have allowed investors to get into advisory-only arrangements with financial advisors.
- Capping of MF commissions will help to prevent mis-selling; it also promotes innovation in customer acquisition and enables cost efficiencies.
- Special commissions for MF distribution in below 15 cities will increase penetration.
- SEBI has proposed allowing the sale of MFs through leading e-commerce websites.
- Introduction of payments banks and small finance banks has improved financial inclusion.
- For Budget 2017, SEBI had recommended that the period of holding in respect of long-term debt fund units be reduced to one year from the existing 3 years, and an increase in the investment limit for tax-saving MF schemes. However, this has been shelved till a later date.

Consolidation, specialty products and alternative investment options

- Debt funds dominate the Indian markets; however, with increasing investor education, equity funds have witnessed an increase in the past 2 years.
- SEBI has taken the initiative to consolidate fund houses and schemes to facilitate better understanding and increased investment.
- To promote investment in the semi-urban and rural parts of the country, fund houses are focusing on specific schemes for customers in these parts of the country.
- Within alternative investment funds (AIFs), exchange-traded funds (ETFs) are likely to be one of the main products to drive significant growth, propelled by the deflationary impact to rates from the blow of demonetisation.
- Recently, SEBI has relaxed the norms for real estate investment trusts (REITs)—allowing them to invest a larger portion of their funds (up to 20% from the current level of 10%) in assets under construction, along with proposed changes to facilitate easier entry for offshore fund managers.

[15] The Economics Times. (Jan 2017). 'AUM of Indian mutual fund industry may touch Rs 20 lakh cr'. Retrieved from http://economictimes.indiatimes.com/mf/mf-news/indian-mutual-fund-industry-may-touch-rs-20-lakh-cr-sooner-than-expected/articleshow/56335183.cms?from=mobile

Gearing up for growth

Emerging products and building new capabilities

The past year has been significant for the Indian MF industry. Both retail and institutional AUMs have shown strong growth numbers, with an increasing number of Indians now considering MFs as part of their regular investment choices.

Our analysis shows that several factors will boost the growth of investable assets in MFs:

- The rise in retirement savings as the ageing of population continues
- The shift in emerging markets from savings to investing cultures
- The rise in wealth accumulated by High-net-worth individuals (HNWIs) and mass affluent
- Greater demand for a shift towards alternative investments

A leading global AMC has proposed to launch an arbitrage fund for investment in a diversified portfolio of equity, equity derivatives and arbitrage opportunities with exposure in debt and money market instruments.

In a heavily crowded Indian MF industry with more than 2,000 schemes, MF offerings are highly commoditised.

To create differentiation, the industry is looking to introduce new products. Since the beginning of this year, draft papers for more than 64[16] new fund offers (NFOs) have been filed with SEBI to tap into the growing demand from retail investors. These filings include offerings around hybrid funds, retirement-focused funds, fixed maturity plans (FMPs) and simpler funds with Hindi names to connect with rural investors.

While the debate about Indian AMCs accessing the domestic pension corpus will continue, a significant portion of global pension and insurance funds is allocated for investment in Asian capital markets, including India. The opportunity to render investment advice to such fund managers is immense. It is estimated that 17–20% of Indian market capitalisation is held by foreign funds.[17] However, a remarkably small fraction of these funds is advised and managed by Indian asset managers.

One leading mutual fund house filed papers for a scheme to invest in equity and equity-related instruments listed on overseas stock exchanges across the world.

Industry peers across the globe employ a more extensive solution offering and thus are able to tap a wider basket of investors. Trends indicate that the real estate sector draws a lot of the investible surplus from the HNWI segment. The potential introduction of the REITs and infrastructure investment trusts is likely to permit investors to participate in the yield products of the sector.

A top mutual fund house had approached SEBI to launch a Korea-focused fund in the Indian market.

[16] MutualFundIndia.com. (Oct 2016). 'Mutual fund houses approach SEBI with 64 NFOs this year. Retrieved from https://www.mutualfundindia.com/MF/ResearchReportView/ShowDetails/2198

[17] First Post. (March 2016). 'Choosing funds on the basis of market capitalisation'. Retrieved from http://www.firstpost.com/investing/sponsored-choosing-funds-on-the-basis-of-market-capitalisation-2561832.html

Global trends in product innovation by MFs[18]

Globally, various new products are being introduced into the markets to meet the investment demand of the growing retail segment. Some of the global trends include:

Liquid alternative MFs

Various alternative funds have been introduced in the American and European MF market. Products like alternative/hedged MFs employ investment tactics like use of leverage, derivatives and short selling, and providing retail investors access to a diverse range of asset classes and investment strategies. Assets in liquid alternative MFs in the US doubled between 2011 and 2014.

Growth of ETFs

ETFs continued to achieve market share gains and witnessed record growth globally (fivefold, which translates to 2.9 trillion USD over the past decade [as of December 2015]) on account of lower cost, tax efficiency, liquidity, better risk management and transparency

Offerings for global pension funds

The move from defined benefits to defined contribution has resulted in the demand for alternative avenues to protect against volatility and improve returns. One major innovation within the pension landscape is collective defined contribution (CDC) schemes. Such mega-funds could be major investors in domestic funds. Funds would need to create attractive products for such offshore structures.

[18] European ETF Market Outlook for 2016, Lyxor Asset Management. Retrieved from www.lyxor.com/uploads/tx.../European_ETF_Market_Outlook_for_2016.pdf
Financial Times. (June 2014). 'What are proposed collective pension plans?'. Retrieved from https://www.ft.com/content/e5c29ee8-ea37-11e3-afb3-00144feabdc0
Towers & Watson. (February 2016). Global Pension Assets Study 2016. Retrieved from https://www.willistowerswatson.com/en/insights/2016/02/global-pensions-asset-study-2016
Towers & Watson. (February 2014). Global pension fund assets hit record high in 2013. Retrieved from https://www.towerswatson.com/en-IN/Press/2014/02/Global-pension-fund-assets-hit-record-high-in-2013

Trends in product innovation by Indian MFs[19]

Among the various factors influencing fund choices of investors, fund performance continues to hold the highest weightage.

Indian fund houses are looking to introduce newer products or variants as well as re-launch old schemes with different flavours so as to generate superior returns and provide greater flexibility and convenience to investors.

A leading online portal offers a 'value SIP,' which invests on the basis of a formula. For example, if you invest 5,000 INR every month, and the value of that investment appreciates to 5,500 INR the next month, the system would deduct only 4,500 INR from your account. If it depreciates to 4,900 INR, you invest 5,100 INR.

SIPs, which have previously seen the most interest from retail investors, are also witnessing some new variations.

A MF company offers prepaid SIPs provides an option of transferring a fixed amount from either a liquid fund or his bank account to an equity fund by setting up a trigger. If the Nifty falls by 1% or 2%, an investor can opt to shift a predetermined amount into an equity fund. If an investor used this prepaid SIP methodology to invest from his liquid fund to specific sector equity fund since January 2014, he would have earned a return of 19.88%, vis-a-vis a normal SIP, which would earn him a return of 15.76%.

Wealth managers and distributors are advising clients to invest in SIPs that work differently from the current system of investing on the same day every month, as lump sum investments and SIPs made in various equity scheme categories are showing losses.[20] A number of similar SIP variations are being offered by fund houses with the objective of improving fund performance for investors.

A leading asset management firm offers the 'power SIP': Here, investors need to start an SIP in a debt fund of the fund house with an initial investment that is equal to six times the chosen SIP amount. On the second of every month, a variable amount will be switched into a large cap equity fund. This amount would be based on a proprietary model developed by the fund house using BSE Sensex price to earnings (PE) Ratio. If the PE variation (defined as the deviation of trailing PE of CNX Nifty from long-term average PE of CNX Nifty) is less than -20% in a month, double the amount would be switched. If the PE variation is above 40%, no amount would be switched into equities.

Another leading asset management company offers SIP 'top-up facility': Under the variable SIP top-up facility, investors can increase monthly instalments by five percentage points starting with 10% (on monthly instalment), while under fixed top-up option it goes up in multiples of 500 INR. SIP top-up is one of the important features that can be used to reach financial goals faster by regularly increasing the SIP amount.

Using this facility investors can stay ahead of inflation by regularly increasing the SIP amount every year with the top-up facility and putting it on autopilot mode.

Linking of investments to debit cards has recently gained popularity. This innovation could replace a customer's bank account with a higher yielding liquid fund.

A debit card allows investors to spend the money that they have invested in MFs without going through paperwork and the delays typically associated with withdrawal from a scheme.

The card allows both cash withdrawals as well as purchases at various points of sale in a manner similar to debit cards linked to a bank account. The card can also be used at ATMs for checking the balance or total value of investments. It can currently be linked to both equity and debt schemes, and allows for withdrawals from the same subject to daily limits.

Product innovations in ETFs have also found traction amongst investors.

There is a specific product which allows investors to invest in a gold ETF even without a demat account.

Distributors selling ETFs often face an issue due to a dearth of demat accounts with investors, a prerequisite to hold ETF units. The industry therefore developed a product which allows investors to use the MF route to invest in gold, even in the absence of a demat account.

Such funds collect money from investors and act in the same manner as a feeder fund, investing on behalf of investors into the ETF.

The investors put their money into these gold savings funds and are issued units. The fund in turn holds the units issued by the ETFs. At the time of redemption, the fund can sell its ETF holding and pay back the investor.[21]

19 Economic Times. (Aug 2016). 'Mutual fund houses now offering SIPs with innovative variants for better returns'. Retrieved from http://economictimes.indiatimes.com/mf/mf-news/mutual-fund-houses-now-offering-sips-with-innovative-variants-for-better-returns/articleshow/49498615.cms

20 Economic Times. (Aug 2016). 'Mutual fund houses now offering SIPs with innovative variants for better returns'. Retrieved from http://economictimes.indiatimes.com/mf/mf-news/mutual-fund-houses-now-offering-sips-with-innovative-variants-for-better-returns/articleshow/49498615.cms

21 Business Standard. (Feb 2014). 'Investing in innovation'. Retrieved from http://www.business-standard.com/article/markets/investing-in-innovation-114020500067_1.html

Tapping new client segments[22]

It has been a little over 3 years since SEBI introduced the landmark regulation towards deepening MF penetration in the hinterland of India. Steps such as mandating MFs to set aside two basis points of their daily net assets for investor education and awareness initiatives (for school and college students, homemakers, women, etc.) and introducing the district adoption programme helped in striving for financial inclusion in the context of MFs. Rural India, or Bharat, indeed looks like a golden opportunity, the primary reason being its population of 870 million. Rural customers will constitute about half of all Indian Internet users in 2020. While the number of connected rural consumers is expected to increase from about 120 million in 2015 to almost 315 million in 2020—a compounded growth of almost 30% a year—rural growth will significantly outpace growth in urban centres.[23] With the MF industry largely becoming paperless and online friendly, it won't be long before this section of India comes to the forefront of the financial services industry.

22 NPR. (Nov 2016). 'FundsIndia.com launches gamification in mutual fund investing'. Retrieved from https://www.news-pr.in/fundsindia-com-launches-gamification-mutual-fund-investing.html

23 Livemint. (Dec 2016). 'The future of money'. Retrieved from http://www.livemint.com/Industry/asnVex3sF8Ca8l8I0zESYO/The-future-of-money.html

Spotlight: Gamification

In order to tap new client segments such as the millennial generation and rural households, fund houses and online distribution platforms are using games as a means of inculcating good investment behaviour in MF investors.

Gamification refers to the concept of applying game mechanics and game design techniques to engage players (investors) and motivate them to add value to their investment goals. Gamification has the potential to demystify seemingly complex MF concepts by using features such as interactive tutorials, quizzes, reward badges and peer ranking to communicate the benefits of investing.

There have been a quite a few attempts recently to use gamification in the online investing space in India.

A leading fund house launched a gamified investor education platform to introduce retail investors to investment planning and personal finance management in a way that is relevant, engaging, self-timed and self guided.

Similarly, an online investment platform also launched gamification features such as peer ranking to assess individual financial health among other investors. Apart from a score, the gamification platform allows investors to earn badges. Positive investing behaviour will earn investor badges, recognising their efforts toward disciplined investing.

Gamification models will surely increase customer stickiness and enhance customer experience, and will resonate better with the young and technologically savvy customer base.

In addition to the proliferation of technology, which is indeed a key enabler of improved penetration and awareness, in 2016, the unique event of demonetisation will be an indirect catalyst for the shift of household savings to market-oriented financial instruments such as MFs, equities and other capital market instruments.

It is an indirect catalyst as demonetisation per se does not create favourable conditions for capital market instruments. However, it does lower the attractiveness of physical assets and fixed return financial instrument.

In this context, to attract this new segment of market-averse customers, simple low-cost products (debt funds, for example) would be good initiators for first-time investors.

A significant number of retail or prospective investors perceive MF investments as surrogates or equivalents to stock ownership. First-time investors[24] could therefore be encouraged to start with simpler, relatively low-risk products, which give better returns than alternatives, such as the popular fixed deposit.

As awareness increases, investors will evolve towards investing in higher-risk products and be able to construct customised portfolios to suit their individual needs.

Such an evolution could take time, but is inevitable in the current market landscape.

Demonetisation offers an opportunity to invest in mutual funds

Volatility in the equity markets notwithstanding, the MF industry is confident of attracting new investors and hopes to benefit from the macro changes post-demonetisation.

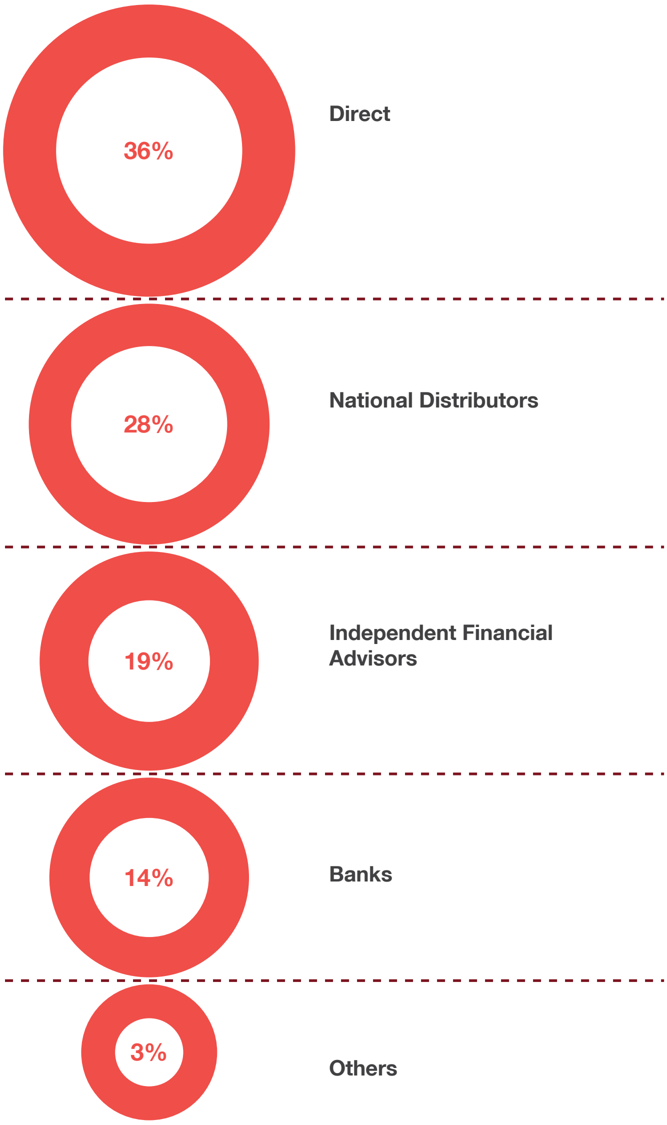
Demonetisation has created a new 'unlikely' class of investors in the Indian housewife. Like most financially prudent housewives, she has some 'loose cash' that she has saved over a period of time; the outcome of several years of haggling with sabziwallahs, the local baniya and autowallahs—in a nutshell, everyone from whom she was able to extract a good bargain. This little kitty of her savings is her prized asset.

For MFs, 'she' is an untapped new investor. Besides developing new products and services which are customised to her specific needs, technology will play a key role in increasing the penetration of this new customer segment. Social media and target marketing, customised distribution models and education using e-modules and video tutorials could help to channel these savings, thus further contributing to its upward trajectory over the next few years.

[24] Proptiger. (Nov 2016). 'Modi's demonetisation move has left Indian housewives "heartbroken"'. Retrieved from https://www.proptiger.com/guide/post/how-modis-demonetisation-move-has-shaken-indian-housewives-informal-economy

Innovation in distribution models

The MF industry has been operating on the 'open architecture' distribution model, with no tied agents.[25]



Share of AUM sourced among distributors

Although the ability to invest directly now exists, and AUMs under the direct channel have been growing steadily, the industry is still heavily reliant on the distributor fraternity at the front end.

Over the years, the distribution economics have been changed to correct a few anomalies such as churn. However, there is still a scarcity in terms of the distribution network, with just 1.45 lakh AMFI registration numbers (ARNs) active for MFs in 2016 as compared with over 10 lakh agents for LIC alone in the insurance space.

Commission paid to MFs agents is less compared to that paid to agents selling insurance.

While for an insurance agent, the first-year commission may be as high as 35% and around 7.5% in the second and third years, MF agents may earn 0% to 4% as a one-time brokerage and 0.50% to 0.75% as trail commission.[26]

Other challenges lie in aligning interests between the three stakeholders—investors, fund houses and distributors.

[25] Karvy Computershare Pvt. Ltd. (limited to Karvy serviced funds). (Nov 2016)
[26] AMFI website and IRDA website

Improving distribution[27]

Distributors play an active role in encouraging MF penetration. One of the ways of achieving their goals of expansion involves efforts to improve the distribution network. This does not necessarily mean only adding new distributors or channel partners but also entails enhancing the quality and depth of the engagement with them.

Revised Commission and compensation structures

- Issues of interest alignment may be partially mitigated by revised compensation structures; a blend of up-front and trail compensation.
- One method is by allowing investors to judge the quality and quantity of advisory services they receive to agree on compensation with the distributor.

Better utilisation of banking channels

- With a wide network and the trust of people, banks have a ripe opportunity to distribute mutual fund products.
- However, the conundrum for front-line staff might be the loss of CASA deposits while gaining distribution fees.

Investment by distrubutors

- With the help of AMCs, distributors can invest in and innovate their own businesses.
- Structuring the commission such that the distributor's interests are aligned with the interests of the investor will go a long way in attuning the distribution of mutual fund products to investor needs.

Using technology to enable distributors

The growing digital environment can provide a rich set of capabilities which will empower distributors and help drive disruptive changes.

Technology will become the key enabler in the distribution process and can be leveraged for the following:

- Leveraging or replicating the banking correspondents model for Independent Financial Advisors (IFAs) and advisors
- Usage of handheld devices to conduct transactions on real-time basis, with General Packet Radio Service (GPRS) or Code Division Multiple Access (CDMA) connectivity linking to banking systems, payment gateways and the overall MF transaction ecosystem
- The purchase of MF units will soon be allowed through digital wallets and electronic payment applications.
- Customer relationship management (CRM) systems can be used by fund houses not just to track investor relationships but also to engage with channel partners in a meaningful and differentiated manner.
- Enabling sales force and channel partners with relevant and actionable insights to manage day-to-day activities and sell better will lead to an increase in the distributor's business with the respective fund house.
- Usage of mobile and social platforms will be crucial in engaging effectively with the distributor community and building a mobile point of sale.
- Advanced analytics and big data collected from structured transactional data from Registrar and Transfer (R&T) and other sources can be leveraged and unstructured data from social media and other platforms will help to extract insightful information on investor or distributor behaviour. Using this information, there can be better targeting of specific investor groups.
- Analytic techniques can also be used to cross-sell or up-sell products and increase each investor's stake, among other applications.

[27] Café Mutual. (Apr 2016). 'Competition in online MF distribution heats up'. Retrieved from http://cafemutual.com/news/industry/5179-competition-in-online-mf-distribution-heats-up

Case in point: Two large global investment management firms

A large investment management group has consistently gained market share in the U.S. ETF providers, exploiting its low-fee strategy to grow more than three times as fast as any of its competitors. The two biggest ETF providers, Provider 1 (falling from a 48% share at the end of 2008 to 37.9% in 2014) and Provider 2 (dropping from 30% to 22.7% in 2014), lost share last year.

The firm has more than doubled its market share to 21.3% since 2008, when it had just 8.6% according to Lipper data. It has attributed its market share gains to low pricing and to an effort to increase fund sales through advisers and not just directly to individual investors. Its 1.66% gain was more than three times greater than its next fastest growing rival, which gained 0.5%.

The ascendancy of this firm has been a long, entrenched trend that has 'really accelerated' in the last couple of years. The flow of new ETF money stems from an effort the company initiated three years ago to boost sales and support staff for advisers. The investment made in supporting advisers has helped built momentum and earn people's trust.

Upcoming trends in distribution using technology

Robo-advisory: The next wave

Robo-advisors are provided as a service by various third-party platforms which help investors surpass traditional advisory firms and allow them to invest directly.

- **Global market:** BIIntelligence estimates 10% of global assets under management (AUM) to be managed by robo-advisors by 2020. Major players in this industry include Betterman and Wealthfront.
- **Indian market**: At the early stages, many start-ups have emerged in this space— Scripbox, FundsIndia, Arthayantra to name a few. Due to their inexpensive nature they will be used to target rural and semi-urban customers, which is where they will add the most value.

E-commerce

Mobile penetration has led to the growth of e-commerce companies across India. Thus, SEBI submitted a recommendation in May 2016 to leverage this trend.

- It is set to allow online marketplaces like Flipkart and Amazon to sell mutual funds on their portal.
- This is a very important step to bring in more innovation in the mutual funds distribution business.
- It would also garner trust and make MFs more accessible to the people residing in semi-urban parts of the country.

Automation of traditional channels

In addition to investing in new channels, many AMC companies across the globe are also using technology to improve their traditional distribution channels by automating them.

- One such example is the IFAXpress platform launched by DSP Blackrock.
- IFAXpress aims at solving the problems of independent financial advisors (IFAs) across the sales cycle while they recommend a scheme at the time of facilitating transactions due to cumbersome paperwork and those related to post sales service like account statements, portfolio monitoring and reviews, among others.

'Pass-porting': Using passports as a medium to access foreign assets

Pass-porting is a regulatory mechanism allowing Indian MF schemes to be sold in other Asian countries without requiring exclusive regulatory approvals from the countries in question. SEBI, along with the International Organization of Securities Commissions (IOSC) and Asian regulators, is working to make this plan successful.

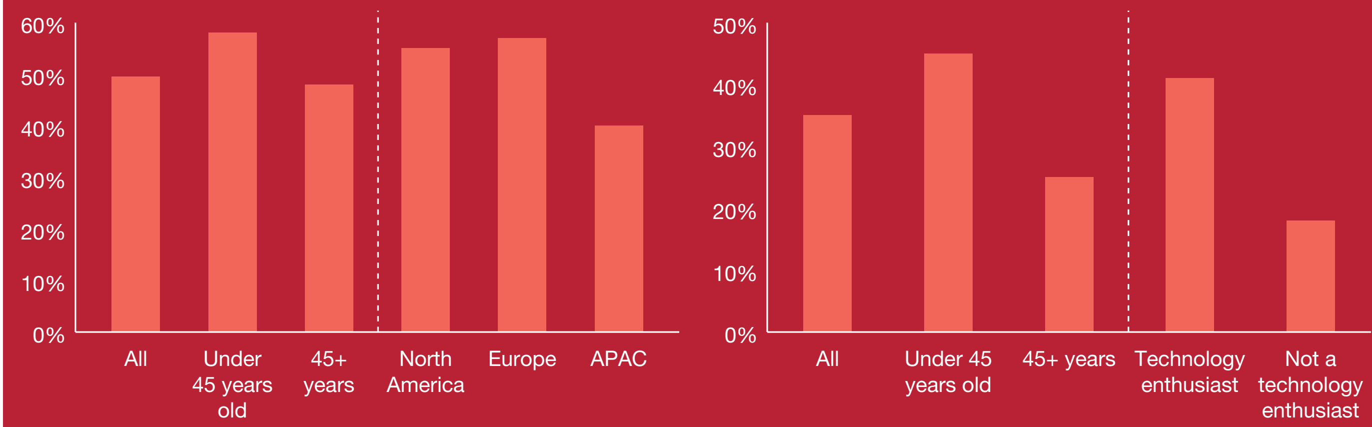
While Indian MFs could benefit from the move, schemes of these countries will also be permitted to be sold in India. India-based asset managers who are approved under the scheme will have access to foreign investors. Also, Indian investors will be able to buy foreign funds directly. This route has proved to be quite effective in cases like the ASEAN Collective Investment Schemes (CIS) and the Asia Region Funds Passport (ARFP).

Spotlight: Robo-advisory

Investments in the future will be based on algorithms and patterns charted by robots. Robo-advisory has emerged as the next big disruption in the space. The advent of technologies like big data, analytics, machine learning and automation has bolstered robo-advisory. Several factors are influencing its rising popularity in the financial services space:

- Growing online transactions rates are making it easier for companies to understand their users while creating a persona for them and assessing their risk appetite.
- Consumer financial data is abundant and easily available. Multiple financial imprints left by consumers through online transactions allow recommendation engines to evolve and customise requests.
- AI has come of age and is showing promise.

Increasing awareness[28]



Awareness of robo-advisors
(Source: PwC Strategy& Wealth Management Report)

Would consider using robo-advisors in the future
(Source: PwC Strategy& Wealth Management Report)

Type of robo-advisor	Who offers the service	What you get
Auto pilot	Scripbox	The company offers three mutual fund portfolios – equity funds, fixed income funds and tax saving funds
Direct plan	Bharosa Club, Invezta, ORO Wealth	You can invest in direct plans of mutual funds, it gives you an option to pick goals
Goal-oriented investments	Fundsindia, BigDecisions, Money Frog	Get advise based on your goal options, it also has a do it yourself option
Full service advisor	ArthaYantra, MyUniverse, 5nanee	Get a comprehensive plan with real time analysis of your portfolio and investments

Note: List not exhaustive

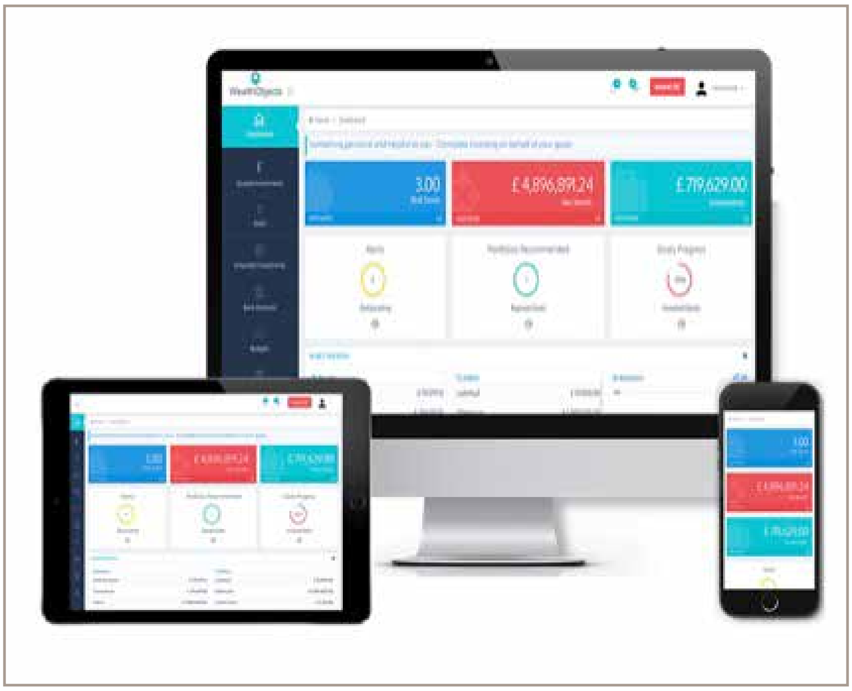
Robo-advisory will soon become a core product offered by MFs, banks and other financial services organisations. As the industry gets more commoditised, fintech companies will become services providers to the financial services sector.

As the cost of investment in the workforce and the capital required for customer acquisition increases, there will be a greater push to move to automated advisory services and hence robo-advisory.

[28] PwC Strategy&. (2016). 2016 wealth management trends: A revolution both loud and quiet. Retrieved from http://www.strategyand.pwc.com/media/file/2016-Wealth-Management-Trends.pdf
Livemint. (June 2016). 'Robo-advisory: Which one is for you?'. Retrieved from http://www.livemint.com/Money/MGNQT2wi0XEza7v93ykLwM/Roboadvisory-which-one-is-for-you.html

With the advances in technology, availability of more data, customer information and imprints, computing power and digital practices in investing, we expect more to explore the option of partnerships with fintech robo-advisors in the market to advise their clients and use interfaces where clients can take investment decisions easily.

Case study: Fintech robo-advisory services in India[29]



Source: WealthObjects

WealthObjects

WealthObjects B2B2C Robo-Advisory and Engagement platform helps banks, investment firms, and wealth managers to launch a next generation digital wealth or investment manager (or) enhance their current offering quickly and at a fraction of the cost (compared to building and maintaining own solutions) using customisable modules to serve their digitally savvy affluent/HNW customers, and/or attract a much wider mass customer base such as the millennials. It offers four customisable products that seamlessly integrate into existing systems:

- Automated investing module (robo-advisory solution)
- Financial planning module (wealth PFM solution)
- Client on-boarding module (simplified paperless solution)
- Digital engagement module (digital marketing solution)

Source: MintWalk

MintWalk

MintWalk is a goal-based MF investing platform which helps people 'realise their dreams'.

It draws from behavioural finance to offer clean, immersive and non-intimidating user experiences which are focused on what really matters for users.

- It is a mobile based application, which uses analytics providing solutions that are customized for each customer.
- It uses algorithms which understand and better anticipate the customer needs based on several parameters such as age, goals, tax bracket, etc.
- It has direct linkages to make KYC checks seamless and is 100% digital and paperless.

[29] WealthObjects website
Mint Walk website

Improving operations[30]

MF schemes have proliferated over the last few years, leading to both operational and cost inefficiencies.

Growing competition and falling margins have compelled fund houses to have more agile and lean operations. Operations are no longer synonymous with the workforce.

As the rest of the financial services industry adopts new ways of doing business, the MF industry has no choice but to keep up. From managing distribution costs to hiring the right skill sets, reducing marketing and advertising spends and upgrading its legacy systems, there are several ways in which the industry can become more efficient.

In addition, it is key for fund houses to manage their risk by investing resources in developing differentiated products and forming various business partnerships to be able to maintain their market share and retain their customers.

Blockchain: Revolutionising operations

A leading bank is already experimenting with the blockchain. In late 2016, it announced the pilot launch of block chain network for international remittances and trade finance. It won't be long before they adopt this technology for their mutual fund transactions.

Following in its footsteps, two more banks have wet their toes in this innovative technology (cross-border transactions, vendor financing) earlier this year.

Globally, fund houses in UK and Europe such as Schroders and Aberdeen Asset Management have already started using block chain or are in the POC stage.

How can the blockchain benefit the industry?

In settlements:

- Reduce costs (e.g. fewer reconciliation errors)
- Speed up settlement (e.g. faster validation)
- Increase resilience (e.g. no single point of failure)
- Improve transparency (e.g. easier to monitor)

With respect to transfer agencies:

- The increased transparency afforded by the blockchain provides the opportunity to disintermediate and create direct linkage between fund managers and distribution platforms.
- The prevalence of intermediaries (fund platforms and brokers) operating at an omnibus level changes the role of transfer agents.

Fund valuations:

- Enhances the accuracy and timeliness of record-keeping
- A time-stamped source of pricing data
- Opportunity to share a common view of data with service providers

The way forward...

2016–2018: Proof of concept tests aimed at assessing scale and cost-effectiveness

2017–2020: Shared infrastructures will emerge.

2021–2025: More assets will move out onto blockchain efficiencies.

[30] PwC. (2016). How fintech is shaping financial services. Retrieved from https://www.pwc.ch/en/publications/2016/PwC%20Wealth%20Management_Sink%20or%20Swim_Final.pdf

The emergence of frictionless payments: Fintech and more[31]

The growth in popularity of alternative payment methods, together with the increase in virtual commerce, is driving the payments industry.[32] New disrupters are affecting the customer relationships and business models of incumbents. The power dynamics of the industry are changing as people interact through new channels. In this new ecosystem, traditional players will seek new ways to make money in an industry seeing margin squeeze on the core transaction revenue stream.

The last few years have seen many fintech companies emerging in this space. E-commerce and banking are already reaping dividends by embracing digital channels and technologies such as ATM, POS, USSD, QR code and wallets. These technologies can reduce the overall layers required for making payments, reducing the time taken to collect payments.

MFs include UPI as a payment option

Earlier this month, two reputed asset management companies have added the Unified Payments Interface (UPI) as an additional option to make payments on their website.

Until now, if you wanted to invest in a MF online through Internet banking, there were only two methods: National Electronics Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS).

The UPI interface, built by the National Payments Corporation of India (NPCI; an organisation that the Reserve Bank of India [RBI] set up to unify all the retail payment mechanisms under one roof), has been introduced to facilitate the transfer of payments from one person to another more seamlessly (without asking for too many details) and faster.

The pros and cons...

- At the moment, you can invest only up to 1 lakh INR per transaction (20,000 INR if your bank account is not KYC compliant).
- UPI comes in handy if you want to invest in a liquid fund; money reaches the fund house today and you get yesterday's NAV.

Other mid-sized fund houses are planning to add the UPI interface on their websites.

End-to-end automation

Automation has already made some deep inroads into the industry with the likes of Upstox, Tavaga and Zerodha. These companies are already helping users maximise their returns by providing customised options which are based on their risk appetite.[33]

With technology, the MF industry can comfortably and seamlessly execute an entire transaction—from receiving money to investing and redeeming—on one platform.

Increasing demands of customer servicing, complexity of customer needs, rising diversity of financial products and rising pressure from the regulator on the commission have added to distributors' overheads on knowledge and skill upgradation.

To solve for this, distributors and fund houses have begun using various open source application programming interface (API) such as software as a service (SaaS) and cloud computing to control their overall distribution expenses.

In the future, crowdsourcing and open source technologies will be extensively used to reduce the overall IT spend and facilitate seamless interaction with customer.

[31] Livemint. (Jan 2017). Retrieved from http://www.livemint.com/Money/pBjKvTBetRTQZx0oS3buDL/Mutual-funds-include-UPI-as-a-payment-option.html
[32] Payments in the wild tech world
[33] Economic Times. (July 2016). Retrieved from http://economictimes.indiatimes.com/small-biz/startups/how-online-trading-service-providers-are-driving-automation-into-personal-finance-space/articleshow/53183265.cms

Budget 2017

The budget appears to be well balanced and growth oriented, with a focus on making financial markets better regulated and introducing measures to strengthen the same. From a broader and more holistic perspective, there are no negatives. However, there may be some missed opportunities.

Here are some of the highlights and views on how they could impact the overall industry:

- There is a deliberate thrust being given to sectors such as cement, housing and infrastructure and an impetus to the rural economy. This is a big positive as the housing sector is not only a big employment generator but also has a large multiplier effect for the economy.
- Banning cash transactions above 3 lakh INR will also facilitate digitisation and reduce transactions in the parallel economy.[34]
- The finance minister has also proposed a change to the base year for calculating the indexation benefit from 1981 to 2001 in the budget. Debt MFs qualify for long-term capital gains tax of 20% with indexation benefit if held for more than 3 years. Although this could affect the MF investor, individuals very rarely invest in debt funds for the long term. Also, only a marginal number of individuals are likely to hold debt funds which are pre-2001.[35]
- Other measures to perk up the financial sector include further integration of the commodities and securities derivatives market and a complete online process for registration of financial market intermediaries like MFs, brokers and portfolio managers to improve ease of doing business.
- With over 2,200 MF schemes being offered across various categories, in 2016, the capital market regulator was urging MF merge certain schemes. The government had also provided tax neutrality to the transfer of units in a consolidating plan of MF schemes. However, there remained some ambiguity regarding the holding period. This was clarified in the proposed Financial Bill, 2017, and will further boost the consolidation of MF schemes.
- The disposable income for individuals earning between 2.5–5 lakh INR will increase due to the reduction in tax to 5% from the current 10%. This will help to encourage lower- and middle-income groups to invest in instruments such as insurance, MFs and fixed deposits.[36]

[34] Economic Times. (Feb 2017). 'Mutual fund players share their view on Budget 2017'. Retrieved from http://economictimes.indiatimes.com/mf/analysis/mutual-fund-players-share-their-view-on-budget-2017/articleshow/56916911.cms

[35] Business Standard. (Feb 2017). 'Clarification on schemes' merger in Budget relieves mutual fund investors'. Retrieved from http://www.business-standard.com/budget/article/clarification-on-schemes-merger-in-budget-relieves-mutual-fund-investors-117020100952_1.html

[36] The Financial Express. (Feb 2017). 'Encouraging lower and middle class to invest in insurance, mutual funds, fixed deposits'. Retrieved from http://www.financialexpress.com/budget/encouraging-lower-and-middle-class-to-invest-in-insurance-mutual-funds-fixed-deposits/533633/

Conclusion

The MF industry has grown exponentially over the last decade. However, opportunities for further growth exist. The demonetisation exercise has disrupted the economy in general and the financial sector in particular. Digital payments have been further encouraged on the back of promoting a cashless economy, one of the key outcomes of demonetisation. The rural and semi-urban population is now 'financially included', indicating that there is potential to create specific products to suit their needs. Also, pension and insurance funds will see more traction and penetration into products such as ETFs will increase. As individuals start to invest directly and show interest in structured investments, the demand for investor education services and investment advisory is likely to increase. Robo-advisory firms will see a fillip in growth in the next 2 to 3 years. The overall outlook for the sector is promising. A few challenges remain, but these can be easily overcome as the regulator continues to declare more incentives through innovative initiatives.

About ICC

Founded in 1925, Indian Chamber of Commerce (ICC) is the leading and only National Chamber of Commerce operating from Kolkata, and one of the most pro-active and forward-looking Chambers in the country today. Its membership spans some of the most prominent and major industrial groups in India. ICC is the founder member of FICCI, the apex body of business and industry in India. ICC's forte is its ability to anticipate the needs of the future, respond to challenges, and prepare the stakeholders in the economy to benefit from these changes and opportunities. Set up by a group of pioneering industrialists led by Mr G D Birla, the Indian Chamber of Commerce was closely associated with the Indian Freedom Movement, as the first organised voice of indigenous Indian Industry. Several of the distinguished industry leaders in India, such as Mr B M Birla, Sir Ardeshir Dalal, Sir Badridas Goenka, Mr S P Jain, Lala Karam Chand Thapar, Mr Russi Mody, Mr Ashok Jain, Mr.Sanjiv Goenka, among many others, have led the ICC as its President. Currently, Mr. Aditya V. Agarwal, Director, Emami Group of Companies, is leading the Chamber as its President.

The Chamber has proven capabilities in business development across geographical boundaries and capacity building. ICC is the only Chamber from India to win the first prize in World Chambers Competition in Quebec, Canada. Also, ICC was selected as one of the top finalists at the 2013 World Chambers' Congress in Doha, Qatar. ICC was selected for its innovative project - the 'Better Calcutta Contest for Schools', which is run by ICC Calcutta Foundation, a charitable trust set up with the objective of promoting the well-being of Calcutta. In 2014, ICC was the only Chamber from India to have bid for the World Chambers' Congress to be held in 2017, and was one of the 4 Chambers to give the bid presentation in Tokyo.

The ICC also has a very strong focus upon Economic Research & Policy issues - it regularly undertakes Macro-economic Surveys/Studies, prepares State Investment Climate Reports and Sector Reports, provides necessary Policy Inputs & Budget Recommendations to Governments at State & Central levels.

While the ICC has grown rapidly over the last few years, and expanded its operations with the goal of serving Industry better across regions & states, and effectively addressing issues related to sub-national growth, the Chamber's major focus will continue to be on the East & North-East of India. Being headquartered in Kolkata, the Indian Chamber has worked closely with all the State Governments in the region, and particularly, has been the Govt. of West Bengal's partner in progress over the years. The ICC is recognized by the Ministry of DoNER, Govt. of India as the "Nodal Chamber" for the North-East, and has worked relentlessly for the progress of the North-East region which has unparalleled and majorly untapped economic opportunities. The Indian Chamber, along with the Ministry of DoNER, has been organizing the 'North-East Business Summit', the largest and most prestigious Summit cum Exposition on India's North-East region over the years. These Summits have been able to address key developmental issues of the NER by bringing together all relevant stakeholders from across sectors & regions. Apart from being the Partner Chamber in all previous North-East Business Summits organized by the Ministry, the Indian Chamber has also organized mega trade & investment shows on the North-East abroad, particularly in South & South-East Asian countries, which, the ICC feels, can be natural trade partners of the North-East region because of the latter's strategic location and proximity to these countries. Several high-profile Delegation Exchanges with South & South-East Asian countries like Bangladesh, Bhutan, Myanmar, Thailand, Vietnam & Singapore to foster trade through the NER have been organized quite frequently by the Chamber over the last few years, in sync with the Govt. of India's erstwhile 'Look East', and now 'Act East' Policy. The ICC strongly believes that if India has to 'Act East', the Eastern & the North-Eastern States have to play a significant role in connecting the whole of India with South & South-East Asia, and will gain tremendously through the various backward & forward linkages, in the process.

The Indian Chamber of Commerce (ICC) has set its Theme for 2016-'17 as - "Connect, Act, Transform", which refers to the overall growth & development of the country through substantial and sustained improvements in infrastructure & connectivity, connecting people & Institutions in sync with the 'Digital India' Mission ; prudent , reform-oriented and timely Policy Actions & implementations ; and a dynamic Transformation of the economy enabled by key strategies undertaken in some core areas & sectors.

The ICC headquartered in Kolkata, over the last few years has truly emerged as a National Chamber of repute, with full-fledged offices in New Delhi, Mumbai, Guwahati, Patna, Bhubaneshwar & Ranchi functioning efficiently, and building meaningful synergies among Industry and Government by addressing strategic issues of national significance.

For a Chamber which started in Kolkata and played an inspiring role in India's Freedom struggle by bringing indigenous businesses together, it has been a long and eventful journey. Today, as the Chamber continues to grow across states and regions, it is adhering more strongly to its primary aim of creating a conducive and sustainable environment to enable social, industrial and economic growth of the country.

ICC's flagship Annual Conferences include the North-East Business Summit, India Energy Summit, Agro Protech, ICC Insurance Summit, ICC Mutual Fund Summit, ICC Environment Partnership Summit, to name a few. These Summits take place all across India and abroad, and address key strategic issues in important sectors like Agriculture, Infrastructure & Energy, Environment, MSME, Capital Markets & Finance, etc.

As a pro-active Industry Association, thus ICC is directly involved in impacting Policy Making in the country by bringing Industry & key Regulatory Bodies together, and these Conferences & Exhibitions go a long way in creating the necessary forward & backward linkages required for industrial & economic growth. The networking opportunities that the ICC Conferences provide to the participants, are also significant, and these Forums create newer business opportunities in the process.

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Notes

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with more than 2,23,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

In India, PwC has offices in these cities: Ahmedabad, Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. For more information about PwC India's service offerings, visit www.pwc.com/in

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