Business, Management and Economics Engineering
ISSN: 2669-2481 / eISSN: 2669-249X
2022 Volume 20 Issue 2

FINTECH IN INDIA: SCOPES AND TRENDS

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Abstract

Fintech is the newest buzzword in the financial industry. The most recent evolution of Fintech, driven by startups, presents challenges for market participants and regulators alike, particularly in balancing the potential benefits of innovation with the potential risks of new financial sector approaches. Traditional financial institutions now use FinTech. The expanding technology advancements in the financial sector are referred to as FinTech. The banking sector is progressively being shaped by FinTech. This study examines the adoption of financial technology services by the Indian market, to identify the services provided by FinTech in India, and the financial technology trends in India.

Introduction

Financial Technology (FinTech) is an industry that comprises a technologically-driven financial services market. This new form of the market is trying to replace the traditional system with a new and innovative method of applying technology in the financial sector. Access to financial services and products has become more attainable than ever before.

Financial Technology (FinTech)

The term "FinTech" is derived from the words "Finance" and "Technology." Although it's a broad term that can refer to a variety of things, it refers to the evolution of an industry in which new technology use cases are developed and deployed to streamline more traditional financial tasks. The term 'FinTech' has appeared recently in business journals to describe the disruptive challenge to the financial sector of the introduction of faster, cheaper, and human-centered financial services. The visionary statement made by Bill Gates in 1994 that "banking is important, banks are not" has become a self-reinforcing prophecy, with many FinTech businesses across the world now trying to get a slice of the banking industry's profitable business. Strategic advisory firms have already put the emerging FinTech trend at the highest of their agendas, to provide universal banks with a far better understanding of likely future scenarios. The growing interest in FinTech will soon be visible in the academic literature, but there's an outsized knowledge deficit about this field. FinTech is an evolving concept that has so far created little historical evidence or statistically significant time-series data for analysis, leaving researchers only secondary data with which to work, or sponsored research administered by large advisory companies. Assigns are already emerging that such financial technologies can significantly impact the use of cash and current banking and financial practices and may empower individuals living at rock bottom of the pyramid, the validity of research into the varied areas of FinTech and therefore the financial sector is apparent.

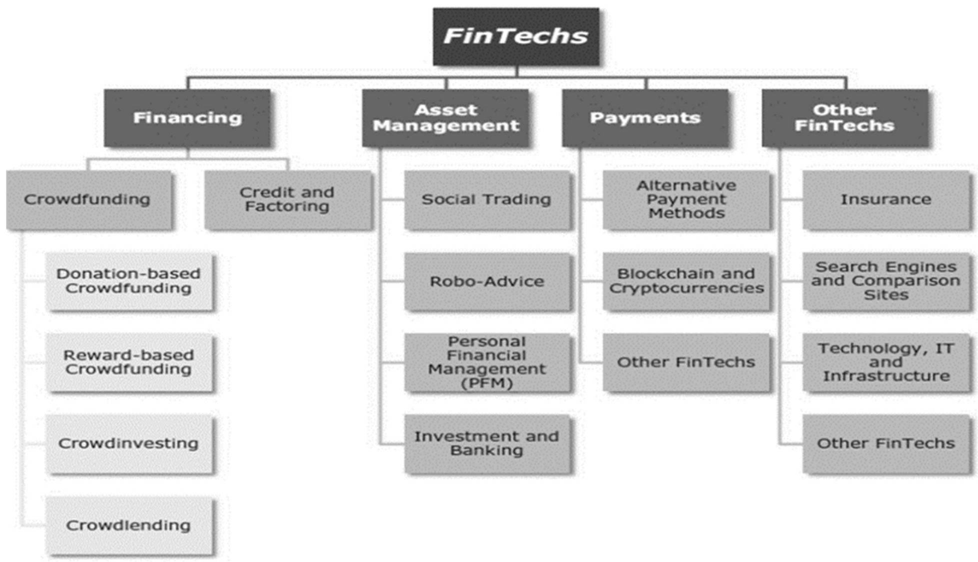

Figure 1- Segments of the FinTech Industry
Source: (Segments and Elements of Fintech (Dortfleitner et al. 2017: 37).)

I. FINANCING

Many FinTech firms are now lending loans directly to consumers. Borrowers can seek loans online and get them approved quickly. Firms assess the borrowers' creditworthiness and automate the underwriting process. There are two ways of financing - Crowdfunding and Credit & Factoring.

CROWDFUNDING

There are different types of crowdfunding options. Each one of them has its distinct benefits for businesses and investors. The customer has got to choose one among them according to his/her needs.

- Donation-based crowdfunding
- Reward-based crowdfunding
- Crowd investing
- Crowd lending

CREDIT & FACTORING

FinTech companies are offering online applications with just a simple mouse click. This provides a new way to access working capital for small business entrepreneurs. With an easy button push companies can sell the account receivables and have money in their accounts within a very short period.

II. PAYMENTS

The financial technology market comprises the other popular category ‘payments’. Companies of this category allow people to send money to every other without counting on banks. Banks are levying huge fees for easy payments like peer-to-peer transfers. FinTech companies allow consumers to send money cost-effectively and quickly. A few technologies like blockchain are making this possible for businesses to process payments more cost-effectively than banks.

- **Alternative payment methods**

FinTech companies developed alternative payment channels for the convenience of the customer. The majority of the purchasers, facilitate payment without logging into their bank accounts. A few companies even allow customers to form payments through social media accounts like Twitter and Facebook messenger.

- **Blockchain Technology and Cryptocurrency**

Blockchain is employed to stay a far better track of one's asset movement and also to record transactions. it's impossible to steal the information because it is been stored across a network of personal devices. It is cheaper and also helps you with quick payments as they don't have intermediaries like banks.

III. ASSET MANAGEMENT

Financial and investment advisory services are been provided to high net-worth individuals as a neighbourhood of Asset Management. Individuals can directly contact wealth managers and plan their financial needs like insurance, retirement, portfolio management, etc. They need not seek the help of multiple people or firms.

- **Social trading**

Traders from different parts of the globe are connected by social trading hubs, which create a network where the views and trades of various people are shared.

- **Robo advice**

Robo advisors are good financial advisors for people who don't want to require a monetary advisor or who can't afford one. It is largely automated investment advice based on algorithms. Robo advisors build customers a diversified portfolio of stocks, bonds, real estate and other investments.

- **Personal financial management (PFM)**

It helps customers check their income and costs, stick with the budget, and avoid debt. The firms have started targeting and invading big investment banks' business models.

IV. OTHER FINTECHS

The FinTech businesses which are providing other services apart from traditional banking functions like financing, payments, and asset management are described as other FinTechs. It includes insurance, Search engines & comparison sites, Technology, and IT & Infrastructure.

- **Insurance**

The majority of the companies are focussing on distribution in this category. These companies are trying to succeed in the purchasers through different apps. The companies try to partner with traditional insurance providers because the insurance market is very regulated.

- **Search engines & comparison sites**

This is a sub-segment that comprises search engines enabling the comparison of various financial products and services available from various service providers.

- **Technology, IT & Infrastructure**

The technology, IT, and Infrastructure sub-segment comprise FinTech which provides necessary technical solutions for different financial services providers.

As seen above FinTech has various segments and verticals in which it is spreading its wings, but India a nascent player in the FinTech market has a bit limited verticals to operate.

Research Objectives

1. To identify major financial services provided by FinTech in India.
2. To populate the data on financial services expedited by FinTech in India.
3. To discover the recent trends of FinTech business in India.

Research Methodology

The study is eventually based on secondary data gathered from various published sources like reports, websites, blogs, journals, and newspapers. The analysis is done using forecasting by examining historical data, trends, and scopes set for future possibilities.

Key FinTech Segments Driving Indian Economy

India is one of the top three markets by the value of capital funding and investments in the sector. The declaration of demonetization in 2016 completely altered India's digital payment landscape. FinTech investments totalled $1.47 billion between January and July 2020, a 60% increase from the same period in 2019. Key players in the market, including Zerodha, Paytm, PhonePe, and Groww, saw increased activity and consumers as more individuals opted for digital solutions.

The industry will be further protected thanks to a recent government push to create FinTech hubs and a budgetary investment of INR 15 billion to support digital payments. Financial organisations use a hybrid banking model, which combines brick-and-mortar and online banking.

Payment, Digital lending, Wealth Tech, InsurTech, and Neo-Banking are some of the leading segments for Fintech in India.

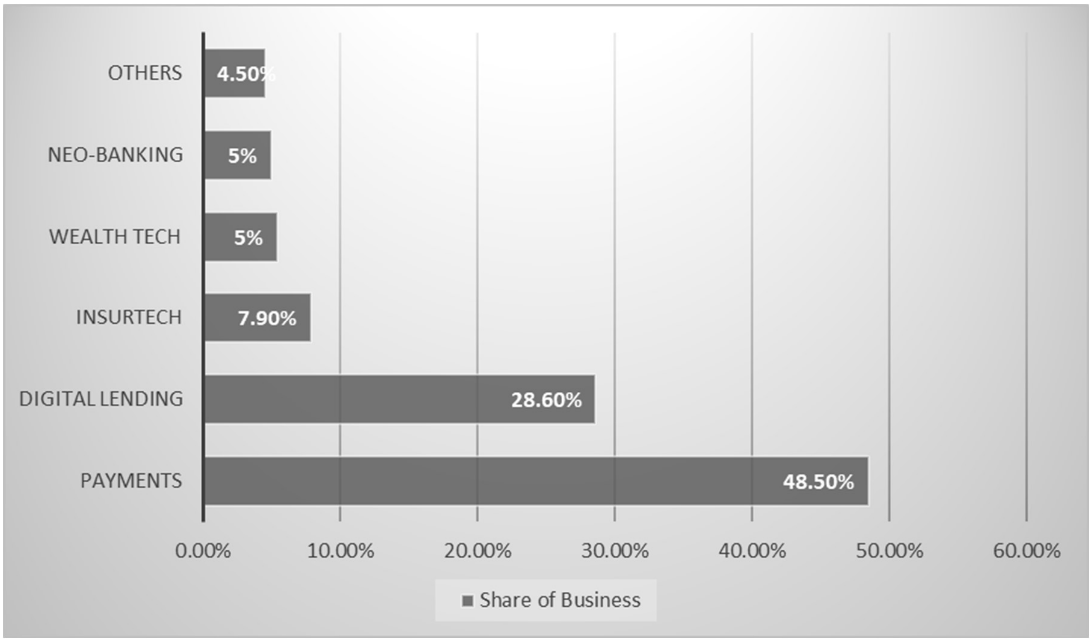

Figure 2- Distribution of FinTech Business Segments in India
Source: • India: fintech companies share by segment 2021 | Statista

PAYMENTS

The Indian FinTech industry has been led by digital payments. Numerous innovations have been introduced in recent years, including UPI, biometric payments, bank-initiated e-wallets, BharatQR codes, and sound-wave-based payment systems. One of the main causes is the Reserve Bank, state, and central governments' forward-thinking policies in India for bringing forth a revolution in digital payments there.

Indian FinTechs raised a record $9.03billion across 410 equity fundraising rounds in 2021. Payments topped the charts for drawing capital, with payment companies accounting for almost $4.11 billion. A privately held company valued at $1 billion or more is considered a unicorn.

As per RBI's vision for 2019-2021(Payment ecosystem landscape in India)

To service the underserved and unserved population, a "less cash" society and "less card" India must be established.

Two-pronged strategy: a) exemplary client experience; (b) a system of support for this eco-system; customer encounter.

The outcome of RBI's Vision is

- During the period of Vision there is a 35% increase in debit card transactions.
- Increase in the digital transaction from $273Mn to $1.1Bn between 2018 and 2021. Nearly four times rise.
- Reduction in paper-based clearing from 30% to 3% between 2011-2020.
- Over the vision period expected growth rate of NEFT is 40%.
- Expected rise in digital payment transactions relative to GDP to 14.80 in 2021 (at market pricing). (RBI report on Journey in the Second Decade of the Millennium)

The innovator has faced challenges in the payment ecosystem and converted them into opportunities.

The challenges are

1) Low penetration of the traditional financial instruments -ATM penetration is 0.5 times the global average and credit card penetration in India is 0.025 times as compared of the USA.
2) Low profitability - Bank and PSP income is reduced as a result of increased spending on modernising IT infrastructure capable of supporting a rise in digital transactions cash-oriented society.
3) The greatest preference is still for cash -a barrier to digital payments providers. Additionally fuelled by insufficient infrastructure in Tier 3 and Tier 4 cities has minimal digital literacy.
4) Lack of consumer loyalty - Difficulty gaining clients' trust in the absence of a physical brand presence.

To overcome challenges

1) Constructing world-class user experiences and aggressively funding the customer success team.
2) Establishing strong data security framework programs for the detection of fraud.
3) Working together to explore untapped markets, updated existing systems, and permit the use of digital solutions experience.
4) Increased emphasis on apps based on UPI attempting to be everyone's go-to place payment methods.

Forecasting and scopes in FinTech payments

The payment industry is expected to be $106 Tn inflows and $50 Bn in revenue terms in 2030.

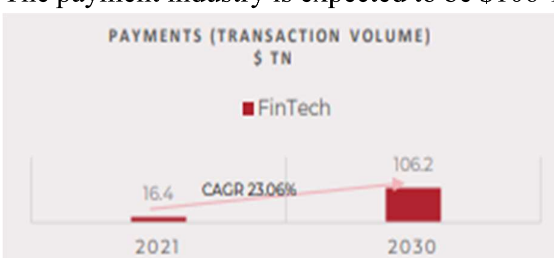

Figure 3-CAGR of the FinTech payment industry
Source- Chiratae Analysis

India stack that powers the digital economy.

eKYC-

- Paytm and PhonePe use eKYC to upgrade their wallet users as part of the
- Do away with risky paper-based procedures By making the distribution procedure more efficient

AEPS-

- Using Aadhaar to enable transactions at POS and micro ATMs
- 135 live banks
- 371.88 million transactions authorised with 24.2 million eKYC

UPI-

- Virtual Payment Address payments (VPA)

- Providing support for P2P, B2B, and M2M transactions

Payment innovation

SoftPOS- With the launch of Android Pay, retailers can now accept credit card payments right on their phone or device without the use of additional software. Only the Android OS is compatible with the software POS systems currently available.

mPOS- Merchants' shop transactions are processed via a mobile point-of-sale (mPOS) system, which consists of portable hardware and software. In addition to many other things, it computes sales totals, handles payments, monitors inventories, and gathers business data. Any tablet or smartphone may serve as a checkout station thanks to a mPOS system.

NFC- NFC, also known as near-field communication, is a method of contactless communication between gadgets like smartphones and tablets. Without touching the devices or going through a complicated setup process, contactless communication enables a user to wave their smartphone over an NFC-compatible device to convey information.

CBDC- Digital currencies are digital tokens that are issued by a central bank and resemble cryptocurrencies. They are linked to the value of the fiat money used in that nation. CBDCs are being developed by numerous nations, and some have even put them into practice. Understanding digital currencies and what they signify for society is crucial.

India will receive the most remittances in the world ($87 billion in 2021), and the CBDC is expected to promote less expensive digital transfers. The Reserve Bank of India intends to start issuing digital currency in 2022–2023, using blockchain and other technologies.

DIGITAL LENDING

FinTechs are focusing on the unmet loan demand from Indian MSMEs and consumers. There are already over 338 loan startups in India, expanding from a small niche a few years ago. Alternative credit scoring systems can help the rural population, who are unaccustomed to credit, avoid loan sharks.

Digital lending was $0.4 billion in 2017 and $1.2 billion in 2021, recording 3 times growth in total funding since 2017 (EY Analysis, 2022).

Major growth factors include:

- Simple market entrance and customised loan offerings thanks to the availability of massive consumer data sets
- Higher profit margins compared to other FinTech business models, like payments and other financial services
- By providing loan products alongside purchases, e-marketplaces are influencing consumer behaviour.

Buy Now Pay Later is now popular and growing quickly, making major inroads both in the B2C and B2B payments sectors.

BNPL GVM in 2021 in online retail is $2 bn and offline retail is $1 bn which is expected to rise to $24 bn and $11 bn by 2026 online and offline retail respectively (BNPL report 2021).

BNPL customer base in 2021 in online retail is $5 bn and offline retail is $2 bn which is expected to rise to $30 bn and $22 bn by 2026 online and offline retail respectively (BNPL report 2021).

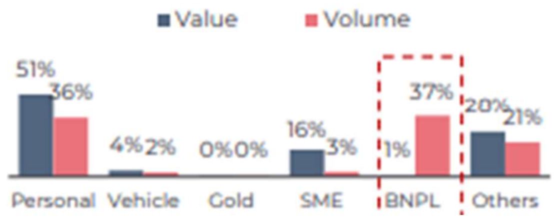

Figure 4-BNPL contributed to ~37% of retail digital lending by banks by volume in FY20.

Forecasting and scopes in FinTech Digital Lending.

FinTech facilitates lending to grow by $476 bn, to reach $514.6 bn in book size by 2030 a 1231% increase. (source- Chiratae Analysis)

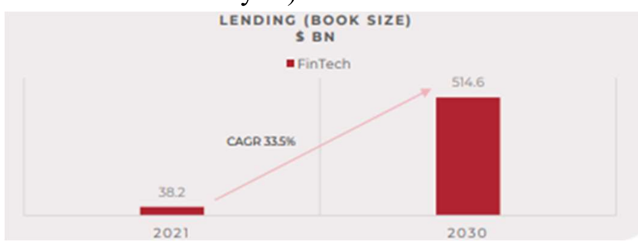

Figure 5- CAGR of FinTech Digital Lending

Various FinTech-based companies are now stretching their wings to a new dimension of digital lending apart from their core services like PayTm is now expanding in BNPL from its core of payment and wallet, Zerodha is expanding towards loans against securities from its core Wealth Tech.

The expansion of embedded finance has been fueled by the increased use of API services.

- Lazypay swiggi- BNPL offering at POS
- Make my trip and zest- Travel now pay later
- Ola Money postpaid- 15-30 days credit facilities.

  Co-Lending model evolution: moving away from FLDG

  Both lenders contribute to credit in the First Loss Default Guarantee (FLDG) arrangement, which results in considerable operational risk and subpar asset quality.
- Every provider of modern technology provides a guarantee for about 5% of the loan book generated by them.
- These players were successful in bringing on banks and NBFCs by providing this assurance and catering to niche markets like freelancers and micro businesses.
- Due to the lenders' increased reliance on third-party service providers as a result of Covid-19, 10-15% of lenders experienced defaults, creating counterparty risks and serious operational hazards.

  Co-lending is probably going to develop into a market model that helps lending partners reduce their risk exposure.
- More degree of participation and control belongs to the capital partner or lender. The bank/NBFC (acting as a capital partner) may decide whether or not to participate in lending based on the profiles of the borrowers.
- FinTech offers risk management and technical assistance.

- Borrower with credit profile, including demographic information, payback history, and credit score.

Due to Co-Lending, the market changes potential are - Better customer reach and integration of technology, Improved credit flow, and boosts growth, profitability, and assets.

WEALTHTECH

The number of affluent people in India has dramatically increased in recent years. In light of this, India has seen significant developments in the wealth management sector. The democratisation of investment advisory services has been taking place, with wealth managers using technology to provide accessible, low-cost investment advice to broad market groups.

Robo-Advisor in India: Startups are expanding beyond the distribution of mutual funds to provide digitised, long-term financial planning. As opposed to merely delivering advice, they are leveraging algorithms and artificial intelligence to better grasp the objectives and desires of users.

Thematic Investment: Thematic Investment is made possible through investment platforms. An idea-based, diverse portfolio of stocks makes up each theme. An investor might concentrate on his concepts rather than specific stocks. Like small case, Fyers, and Karvy.

Discount Brokerage Models: Discount brokers are firms that charge clients substantially lower costs than conventional ones and provide solely online trading services. Discount brokers are highly well-liked among traders worldwide because of their low-cost structure, but not among investors. For instance, Zerodha, 5Paisa, Upstox, and Samco.

Due to regulatory amendments implemented by SEBI, e-commerce businesses and digital wallets are now able to sell mutual funds through their apps. Consider Paytm and PhonePe, the financial division of Flipkart.

Hybrid Investment Advisory Models: Reputable financial advisors provide their clients with a hybrid model so they can benefit from the best of both worlds. The flexibility, accessibility, and cutting-edge technology of Robo-advisors are paired with the knowledge and expertise of conventional financial planners.

UPI to Act as Key Enabler for WealthTech Startups: By digitising mutual fund products, it will assist them in growing their digital footprint. However, there is a cap that has been placed by NPCI that prevents customers from purchasing units using UPI for more than Rs. 1 lakh.

Mutual fund recommendations are made based on a customer's age, stage of life, risk tolerance, and market conditions. After a customer invests in a goal, the portfolio is regularly reviewed and suggestions are offered when adjustments are necessary. E.g. upwardly.

WealthTech is facilitating the expansion of the base of retail investors.

- Global stock market liquidity has surged, driven by increased discretionary savings during COVID lockdowns and liquidity brought by government stimulus programmes.
- The Indian wealth-tech market is expanding: FinTechs have been developing over the past five years, focusing on the "new-to-investments" (NTI) and "new-to-workforce" (NTW) segments.
- Great potential for growth: While NSDL had 25.5 million investors and CDSL had 58.5 million (as of January 22), only 2% of Indians invest in equities, compared to 55% of Americans.

- By 2025, AMFI hopes to have roughly 5 times increase in AUM to $1.30 Tn (95 Lakh Cr) and 3 times increase in investor accounts to $1.7 Mn.

Market upheaval is imminent

- Innovations in products and business models to benefit NTI and NTW clients.
- Favourable demographics with larger money available to them and greater awareness of the process of building financial wealth.
- Rising use of digital technology, low-interest rates for traditional physical assets, and market forces that assist consumers, like industry groups and regulators.
  Forecasting and scopes in WealthTech.
  By 2030, the possibility for WealthTech is anticipated to multiply many times, reaching $237.4 Bn.

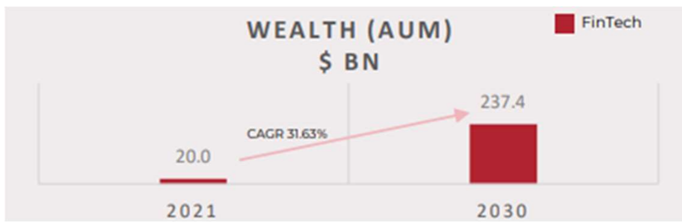

Figure 6- CAGR of WealthTech

Source- Chiratae Analysis

Retail investors now make up 45% of the market for capital markets (NSE) in PY 21, as compared to 33% in PY 16 up dramatically over the past few years. This trend is anticipated to continue as the system matures.

India WealthTech funding is $10.6Mn in 2017 which has risen to $896Mn in 2021.

New strategies for equities investing and stock trading

- Positive Outlook for Crypto and NFTs Investor interest is anticipated to increase in copy/social trading, thematic portfolio techniques, and investments in international companies.
- To increase revenue and fan following, traders are likely to link their accounts with social/copy trading sites.
- In the coming years, it will be interesting to witness how fantasy stock market platforms in India develop and how rules affect their development (e.g., Stocktry).

The Expected expansion of new asset classes

WealthTech will keep introducing new asset classes for online trading. For instance:

- Real estate fractionalization makes it possible for small-scale investors to buy commercial properties. For example, Strata, hBits, and PropertyShare.
- Few are testing out legal ownership of property via blockchain technology (E.g., RealX).
- Products like Gold ETFs, mutual funds, SGB bonds, and futures are very accessible thanks to players like Groww, Zerodha, and ET Money.
- On its platform, banks are now offering digital gold and MFs. such as Digi gold from HDFC.

- The market expects p2p players (such LenDenclub and Faircent) who offer competitive returns to gain more momentum.

INSURETECH

In India, the present insurance penetration is quite low, with 3.2% for life insurance and 1.0% for non-life insurance. With their capacity to draw customers and popularity among millennials, new-age insurers like Toffee, Digit, and Acko are currently dominating the Indian insurtech market.

- The insurance industry is looking into how to make the most of data insights and accelerate the shift from a reactive to proactive prevention strategy. From health insurance to home/equipment/automotive/transportation insurance, preventive insurance is gaining popularity throughout the whole insurance value chain.
- The practice of giving insurance coverage to customers while they are purchasing a good or service has started to be adopted by modern digital insurers. With the help of this POS insurance model, digital insurance is now able to reach the enormous customer base of online service providers and e-commerce aggregators.
- Since 2013, when a law regulating web aggregators was passed, the number of online insurers has increased significantly. Users can compare and purchase insurance policies from both traditional insurance companies and cutting-edge online insurers.
- Insurance plans costing less than Rs. 10 are becoming increasingly popular in India. Consumers can afford to be covered by policies with a value in the thousands of rupees. Startups, insurance companies, and government agencies are providing these bite-sized insurance contracts.
- Insurance products based on time, consumption and activity are replacing sophisticated long-term policies in the insurance industry. One of the more recent business models in this area is microinsurance on-demand. This trend is being driven by a concentration on niche markets.
- Insurance companies can use cutting-edge technology like Big Data to leverage a data-driven, risk-scoring model. This will enable them to make better risk coverage decisions across all lines of business. For instance, Health Vector and i3 Systems are using AI to help their customers manage their health and wealth.
- Chatbots can be used for direct-to-consumer (D2C) sales and personalised product recommendations. They can also help with claims and general enquiries from agents and brokers, and more.
- Insurance as a service (ias) businesses are set to emerge in India thanks to insurtechs. These infrastructure API players can enable product creation and distribution via digital channels. Consider Riskcovry, a cutting-edge and quickly expanding infrastructure APIs provider.

India’s InsurTech has recorded a tremendous rise from $191Mn funding in 2017 to $667.6Mn in 2021.

Drivers of growth

Substantial untapped market potential.

3.8% as of 2019 is a low penetration rate, and 30% of Indians, mostly those in the middle class, lack access to healthcare.

A rise in awareness following COVID-19.

better accessibility as a result of internet distribution, affordable prices, streamlined terms of service, and rising awareness, for instance, Digit Insurance reported a 2 times growth in the sales of health insurance between 2020 and 2021.

Increased usage of digital.

Web-aggregator platform, Policybazaar, reported a surge of 20-30% in their health insurance-related inquiries in March 2020. The Indian government's National Health Stack is also probably going to be crucial in boosting the usage of digital technology. (Economic Survey 2020-21; NITI Aayog; Crunchbase; Jefferies)

The government's push for digital health insurance is boosting positive trends.

- The government-backed restructuring of the health insurance sector is being aided by organisations like NITI Aayog.
- NITI Aayog noted that by combining digital and distribution, the penetration gap might be closed while also lowering costs.
- The National Health Stack (NHS), which NITI Aayog has suggested to standardise operations and cut costs, is probably going to assist close the protection gap.

Forecasting and scopes in InsurTech.

By 2030, the InsurTech market is anticipated to have increased by 15 times, reaching $88.4 Bn.

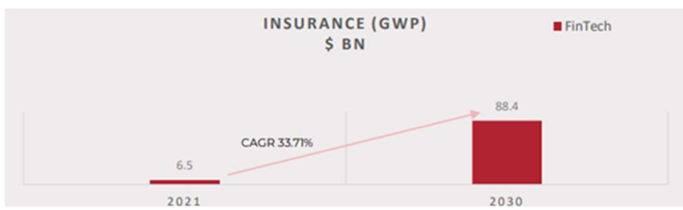

Figure 6-CAGR of InsureTech

Source- Chiratae Analysis

Health InsurTechs are experimenting with new technologies:

COVID is an insurance company specialising in providing coverage for extra costs, such as OPD costs, which traditional players are only now beginning to give post-COVID. The distribution innovation used to offer easy-to-purchase insurance plans with a higher degree of customization rather than giving generic insurance plans is a major differentiation that attracts SMEs.

A shift in emphasis from data dissemination to data accessibility for risk-reward sharing and underwriting innovation.

Value Chain transformation

Indian insurtech companies including Verak, ABI Health, RoadZen, and Sureclaim are now creating new usage-based pricing models and increasing the effectiveness of claims processing. InsurTechs are specialising in using AI/ML, wearables (GoQii), telematics, and behavioural economics to offer customised insurance policies. They are expected to work on novel risk-reward sharing models, like lendi, and break down distribution and production divisions.

Data fuelling underwriting innovation

Using data from IoT devices and third-party data providers, insurtechs are enabling innovation across a variety of insurance products with an emphasis on two key elements: improved risk prediction and optimal pricing.

- Auto insurance
- Life insurance
- Health insurance
- Parametric insurance

NEOBANKING

Neobanks is in charge of the second wave, or "FinTech 2.0," which aims to reimagine customer-centric consumer and business banking experiences. There are approximately 15 neobanks in India as of the publication of this study, many of them in the development or beta stages. Drivers of Growth

Neo-banks have a lot of opportunities thanks to the unbanked population and certain market sectors.

- With 190 million individuals, India has the second-largest unbanked population in the world.
- For a long time, markets like the MSME and gig economy went untapped.
- Today, the main services provided by neo-banks are MSME loans and pay-out mechanisms.

Customer centricity is necessary.

- India has nearly twice as many inactive accounts as the typical developing country, which is 25%.
- Traditional banks' digital banking services have been more focused on the product than the consumer.
- Neo-banks' excellent UI/UX aids in closing the engagement gap.

Sophistication in technology

- Infrastructure for disruptive technology, such as AI and biometrics.
- A new model for revenue growth is banking as a service.
  Integrated finance
- assisting companies in the B2B, B2C, and MSME categories in monetizing their customer bases.

Effects of the Budget 2022's new banking policies.

- Scheduled commercial banks are expected to establish 75 digital banking facilities.
- In the fiscal year 2022–2023, 1.5 lakh post offices are expected to be connected to the main banking system.

Impact of the Budget 2022's new banking policies.

- Effectively giving rural areas more credit.
- Encourage economic growth and financial inclusion on a local level.

Long-term competition for neo-banks from digital divisions and other strategic efforts of incumbent banks is anticipated to be fierce.

- Innovative services provided by conventional banks.
- Dependence on traditional banks for licencing; neo-banks may provide a front end for customers, but banks must handle the main back-end activities.
- Huge customer base: With 54 million monthly active users, SBI's digital-only arm YONO leads the neo-banking club.
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Forecasting and scopes in Neo banking.

By 2030, neo-banking is anticipated to grow from its current market share of 2.25% to 20.6%.

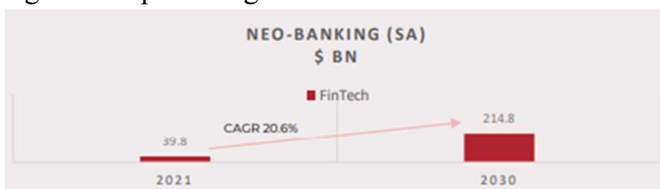

Figure 7-CAGR of Neo banking

Source- Chiratae Analysis

A robust digital banking licencing model is likely to develop in India as officials step up their efforts.

Source- Chiratae Analysis

Discussions on payment banks and digital bank licencing: A chance to become a full-stack bank

- A three-step licencing procedure was suggested by NITI Aayog. Before being permitted to operate in a regulatory sandbox, these FinTechs would first receive a restricted digital business bank licence.
- The FinTech can be granted a full-stack digital business bank licence once it meets standards such as having a minimum paid-up capital of $2.6.24 Mn (about 200 Cr).

CONCLUSION

FinTech is the new financial industry that applies innovation and technology to deliver services related to finance using various products, application processes, or business models provided as process end to end. The study shows that various segments of FinTech are flourishing in the global market but in India, the FinTech market has high adoption for financial services like Payments, Digital Lendings, WealthTech, InsurTech, and Neo Baking. But among these the most rapidly capturing market is payments. The Forecasting using CAGR shows that all five services have high scope in the coming years for upholding FinTech Industry. Scopes are vast in the segments because financial services in India are primarily untapped and slowly and steadily both the market and the regulators are understanding the need for a Financial technology-driven market.

To conclude, this report gave a general overview of the Indian FinTech Industry and government actions that support it. Their output is under the current situation. FinTech provides consumers with financial products and services more quickly. Therefore, the growth of the fintech industry is essential for both the international and Indian financial sectors. Future developments in the financial sector's use of fintech technologies.

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