

Tech-trends revolutionising the financial sector in the Country

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Abstract:

India is the fastest growing market for fintech with a population of nearby 1.4 billion. Fintech, or financial technology, refers to a company that combines the newest technological trends to offer its clients better financial solutions through digital payments and transactions. In the recent five years, fintech has grown quickly in India, and in the near future, more growth is anticipated. It refers to the financial technology challenges such as investment management, customer management and regulations. We believe that this study could serve as a reference for researchers, particularly from technology, background as well as finance, on how to identify and develop new fintech solutions. This research study is based on secondary method data collection to present the evaluation of the firm. The firms and present financial technology How The fintech services are going to change the habits and behaviour of the Indian financial sector.

Keywords/area: cashless society, cashless economy, digital economy, financial innovation, financial services, fintech startup.

Introduction:

Around the world, new financial technologies (FinTech) have sprung up. FinTech, or Financial Technology, is a company that combines emerging technology trends in order to provide clients with improved financial solutions through digital payments and transactions. In recent years, a number of startups have entered the Indian fintech market. Several startups have entered the Indian fintech business in recent years. With each new company, the sector has developed significantly and is now building a reputation for itself on a worldwide scale. These 20 Indian fintech companies have been named among the 250 most promising startup companies in the world by CB Insights polls, and UPI, BHIM, Payment wallet, digital bank, and many other services are available and we utilise them on a daily basis.

Speaking through video conference to the 2nd Worldwide Fintech Fest-2021, he declared, "India has the highest FinTech adoption rate in the world, at 87%, compared to the global average of 64%".

The cashless Economy in India has been amplified with the Indian Government's initiative of [Digital India](#). This is a flagship programme with a vision to transform India into a digitally empowered society and knowledge economy.

In 2022, a lot of fintech organisations and seasoned professionals will continue to be innovative in these and other areas, so financial services companies should pay special attention to fintech IT advancements.

These are the top three digital advancements in the fintech sector that will have an impact on it in 2019.

So let's get going and explore the realm of the most recent fintech developments in banking!

1. Blockchain

The world of financial solutions has undergone a radical transformation thanks to the Internet of Things and blockchain autonomous database systems.

Internet of things has the potential to dramatically enhance the capabilities of financial and banking applications.

For instance, a linked security camera installed inside a bank may spot any unusual customer behaviour or potential safety hazards and alert regulators right away.

Blockchain is now acknowledged as the most secure database management solution across all industries because it works on a set of standards that ensure maximum openness for all partners' actions while also making it difficult to erase and tamper with any data, recording each exact change, data transfer, and effort made to adjust data as independent data entries.

2. Artificial intelligence

In the future, businesses will use more intelligent technology, from sophisticated algorithms analysing credit profiles to established institutions testing robotic advisors. Fintech is the future.

For those in the finance industry, the rise of artificial intelligence, machine learning, and robotic process automation has a number of advantages, including reduced loan default risk, improved risk management, process efficiency through data collection and analysis, and enhanced client experiences.

Robo-advisors, one of the most well-liked fintech trends at the moment, are among the most significant developments in artificial intelligence in the financial innovation space.

These internet technologies are capable of managing assets independently and providing a customised portfolio depending on user preferences.

They use cognitive computing technology as well as big data trends to create the optimal investment strategy.

3. Cloud computing

Public, hybrid, and private clouds are the three different kinds of cloud systems that financial institutions should be aware of. Cloud computing service providers own the infrastructure and offer cloud services to the general public or a variety of enterprises. Two or even more private and public clouds that operate independently but are joined by proprietary technologies make up a hybrid cloud architecture. The infrastructure is designed for a single customer's private use and can be set up in business data centres or through alternative hosting providers.

Fintech in india

Since it picked up steam following the introduction of internet services in the country, the fintech sector has experienced significant growth in India during the past ten years. India is one of the fastest-growing fintech marketplaces in the world, with a fintech adoption rate of 87% compared to the global average of 64%. More than 6,636 fintech companies operated in India, creating a \$50 billion market in 2021; by 2025, it is anticipated to reach \$150 billion.

India's fintech industry is anticipated to expand at a CAGR of 20% to reach a transaction value of \$138 billion in 2023 with the introduction of creative reforms and technology developments in the digital payment landscape.

Unified Payments Interface (UPI), a cutting-edge mobile app-based payment system to transfer money between bank accounts created by the National Payments Corporation of India in 2016, is the driving force behind the Fintech revolution in India. In July 2022, UPI, a platform with over 338 banks registered, recorded more over 6.28 billion transactions totaling 10.62 lakh crore.

However, India still has the second-largest population without access to financial services, with 190 million unbanked people, despite experiencing exceptional growth in recent years, supported by the growing internet perception.

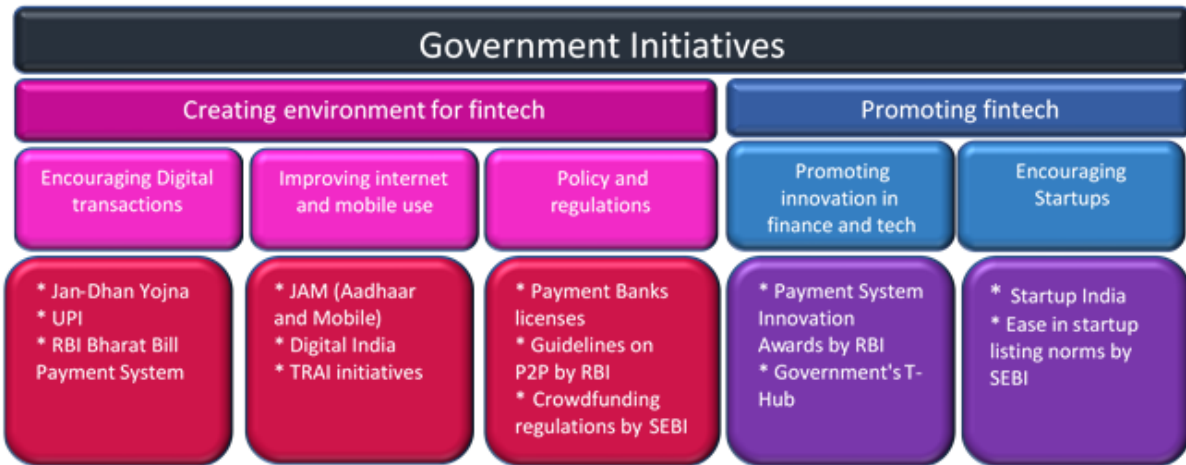
The Indian government has made numerous significant moves to make regulatory compliance for traditional banks as well as fintech companies easier in order to cover all populations under the umbrella of financial inclusion. As a result, there are now more companies offering financial services that are based on technology and offer banking services all throughout the nation. By collaborating with existing banks and utilising technology, fintech firms are offering banking services at a low cost and with little red tape to a sizable portion of the population.

Government initiative for fintech:

Through improved solutions integrating technology and creativity, fintech is revolutionising traditional financial services internationally.

The Government of India (GOI) is advocating for an aggressive approach at the level of financing as well as policy in order to assist the development of a robust fintech ecosystem and a cashless digital economy in India.

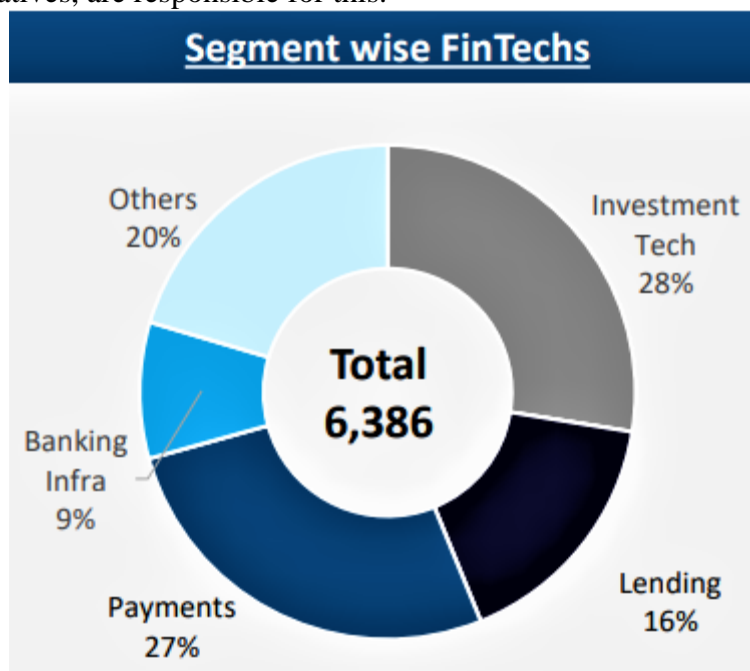
The following list summarises the main actions done by the GOI, along with other regulatory authorities including the Reserve Bank of India and the Securities and Exchange Board of India:



Source: Telesivory's Research

Overview:

The global FinTech market is expanding at a 23.4% annual rate. However, due to a lower financial services penetration rate, India continues to be an untapped market. In India, 14.6% of the population lacks a bank account, compared to 6% in the US, the survey states. Only 20% of SMEs have access to financing, while mutual funds and insurance penetration remain low. According to the report, Indian FinTechs have significant growth potential, particularly in the areas of digital lending, insurance, and neo banking. These untapped opportunities, along with high internet penetration, expanding middle- and high-income households, and supportive government initiatives, are responsible for this.



Source: BLinC Insights

Conclusion :

Fintech has the potential to revolutionise remittances, investments, and other financial services like insurance. Regulation must, however, promote rather than impede its progress.

Industries have been quickly transforming and developing thanks to technology. The positive effects of technological progress have been felt by the majority of industries.

Fintech is genuinely more than just payments technology. In the Indian financial markets, venture capitalists are making investments in a range of sectors, including lending, wealth management, and credit reporting.

This article has demonstrated how changes in the production of financial services brought about by digital innovation have an impact on the financial industry's industrial structure and are economically significant.

Improvements in connectivity and computing can help to enhance efficiency and competition.

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