

ANALYZING OPPORTUNITIES AND OBSTACLES OF FINTECH IN INDIAN FINANCIAL MARKET

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ABSTRACT

Fintech has become an integral part of every modern developed economy across the globe. It is inevitable for inclusive and sustainable development. Now it seems to be unjustified to envisage development in the absence of Fintech while surviving in the electronic age. The term 'Fintech' refers to the introduction of technology in the banking and financial services sector. This innovation in the banking and financial services sector intends to make financial services universally and easily accessible and affordable. It is not limited to the banking and financial sector rather it has reached every segment of our day to day life, whether it is economic or noneconomic, commercial or social, and professional or personal life segment. It is the outcome of the twenty-first-century technological world wherein technology is the basis of every successful life. The advent of the internet can be considered the foundation of today's Fintech. Fintech has become the basis of round-the-clock online delivery of customized banking and financial services to every customer. It has its own merits and demerits like other things. However, it is the demand of the time in order to remain strong, vibrant, updated and competitive in the economic world. Fintech has enormous potential to change the pattern of financial transactions in particular and habit of society in general. It has brought a revolution in the entire economic world and made society global from the financial perspective. It has led to the improvement and innovation in the delivery of banking and financial services. Its prominent features are inclusiveness, universality, common interest, and technology-oriented. Direct Benefit Transfer (DBT), Pradhan Mantri Jan Dhan Yojana (PMJDY), Digital India, Demonetization, Goods and Services Tax (GST), and the COVID-19 pandemic proved a catalyst in the promotion and extension of Fintech across the country. Though Fintech in India is in its nascent phase it has a long distance to cover ahead. On the one hand, it has ample opportunities to avail, on the other hand, it has numerous challenges to face while completing its overall journey of growth and achieving milestones in the Indian landscape.

Keywords: Fintech, Financial, Accessible, Innovation, & COVID-19.

1.0 INTRODUCTION

Fintech has become a buzzword in the contemporary economic world. It is the infusion of innovation and technology in the banking and financial services sector. It is concerned with technology-driven access to banking and financial services across the world. The current world is the electronic world wherein technology is an integral part of everyone's life, whether be it an individual or an institution. Fintech is the combination of two words, namely 'Finance' and 'Technology'. Thus, it implies the technology-driven delivery of banking and financial services

at the doorstep. It is a great achievement in the banking and financial services sector. The invention of the internet is the genesis of Fintech as it would not have been possible in the absence of the internet. Today, it is among us in a dominant form passing through many phases of its growth and development. It has been rightly said that necessity is the mother of invention. The Internet is among us for a long time but it produced Fintech when our society strongly felt its need. Fintech is a great achievement of contemporary modern society as it has not only improved the efficiency of the banking and financial sector but of the society and economy also. It is like a two-edged sword for the banking and financial institutions. On the one hand, it offers multiple opportunities for banking and financial institutions to improve and upgrade their services being offered to customers, on the other hand, it consistently poses numerous challenges against the existence of well-established banking and financial institutions. It has enabled the existence of a virtual bank that exists only in cyberspace, not in the brick-and-mortar (physical) form. The young generation is the major beneficiary of Fintech as they are techno-savvy and comfortable with newer technologies. However, the old generation is unfamiliar and unfriendly with technology-driven modes of banking and financial transactions. Therefore, the current generation frequently uses Fintech for different transactions whereas the old generation relies on cash for the transactions. Every new technology needs some time to be universal across society. So, the upcoming days are expected to be the time of Fintech. Thus, it has good scope in the future provided its existing inherent challenges are addressed and resolved immediately and properly in order to win the confidence of huge and heterogeneous customers.

2.0 OBJECTIVE OF STUDY

The main objectives of the study are as follows:

- To outline the concept of Fintech.
- To highlight the current and prospective benefits of Fintech in India.
- To disclose the challenges of Fintech in India.
- To identify its impact on existing banking and financial services.

3.0 RESEARCH QUESTIONS

This research article has attempted to address the following questions:

- What is the genesis and scope of Fintech?
- What are the advantages of Fintech in India?
- What are the major issues against Fintech in India?
- How will it affect banking and financial services?

4.0 RESEARCH METHODOLOGY

This research article is exploratory cum descriptive by nature. It is primarily based on secondary sources of information. Fintech-related facts and figures available in different online and offline articles and reports have been consulted while writing this research article.

4.1 Fintech: Conceptual Background

Fintech is concerned with technology-driven innovation in financial services, and it aims at promoting automation and driving more online business. Consumers and corporate bodies are prominent stakeholders of Fintech. The term Fintech stands for Financial Technology. Its objective is to make sending and receiving of funds convenient. It is too difficult to define Fintech as it is a very comprehensive and overarching concept. However, it can be taken as the introduction of technology into the banking sector to facilitate non-conventional financial services. Fintech is an ever-growing umbrella term for business organizations. It is technology-driven system leading to bring about change, automation and improvement in financial services being provided to both the corporates and consumers. It benefits a wider range of customers with accessibility, promptness and comfort. Fintech players have brought revolution in industries including payment processing and wealth management. The fundamental focus of Fintech is on payment processing. Moreover, it has provided momentum to the growth and expansion of cryptocurrency. Seamless, secured and speedy transfer of fund is the core element of Fintech (Lenders, 2022).

The term 'Fintech' refers to the innovative and emerging technology that attempts to bring improvement and automation in the delivery and usage of financial services. Fintech itself is the combination of two terms, namely fin (i.e. financial) and tech (i.e. technology), therefore, it manifests 'financial technology'. This term is the evolution of twenty first century and it denotes the technology being used in the financial sector. However, currently Fintech is not only confined to financial institutions but it has spread to different other fields including education, investment management and non-commercial fundraising ("Why India is at the forefront of a Fintech revolution" 2021).

Financial innovation has potential to offer enormous opportunities that goes beyond its impact on financial services providing firms. Financial innovation is the process of developing new financial products and services, new ways of interacting with customers and distribution channels, and new ways of working. Fintech has been emerged and evolved as a basis of financial innovation. Fintech is an umbrella term applied to manifest innovative technology driven financial services that could result in new business models, applications, processes or products with substantial impact on financial institutions and provisions for financial services. It has potential to create new customer centric ways of delivering financial services. It can accelerate the pace of financial inclusion by ensuring outreach of the financial services to underserved and unserved sections of the society that in turn will lead to the inclusive economic growth ("Digital Transformation in Financial Services: The Age of Fintech", 2020).

Fintech is concerned with startup business with a prime focus on technology and finance. It attempts to present the advanced version of products and services being offered by well-established financial institutions including banking companies, asset management companies, and insurance companies. Fintech companies are still today in the early phase of their development. They are working and expanding their business on conventional services being offered by banks. Banks are focusing on services whereas Fintech companies are focusing on customers. The term 'Fintech' implies the combination of technology and innovation in the financial sector in order to ensure the delivery of advanced and improved financial services in different financial sectors like banking, asset and wealth management, investment, insurance, mortgage, etc. (Karthika et al., 2022).

Fintech refers to the delivery of financial services through internet. Fintech sector growth is driven by innovation and technology. It includes mobile banking apps, mobile payment apps, blockchain, cryptocurrency, stock trading, etc. Fintech has made financial services more accessible and affordable. It is applicable to all the conventional financial services like saving, investing, loan processing, etc. Fintech is not just confined to traditional financial transactions rather it offers a plethora alternative financial services including crowdsourcing, net banking, mobile payment, etc. Fintech in the traditional banking and financial services sector has made transparency very effective and explicit (Sharma, n.d.).

4.2 Fintech: Building Blocks

According to Professor Mention, five critical building blocks of Fintechs are collaboration, awareness and expertise, economy and sustainability, internationalization, and innovation. Collaboration is very important for the prospective success of Fintechs. The future success of Fintechs is at stake in the absence of productive partnership to gains expertise and sharing resources. The awareness and expertise will help Fintechs to address the regulatory requirements. Fintech has to deal with multiple cross border regulatory authorities and jurisdictions in order to navigate business harmoniously and in a hassle free manner that is very challenging. Usually most of the Fintech companies start facing failure when they start operating business beyond their respective regional and national regulatory jurisdictions. The last but not the least building block of Fintechs is related to the innovation of business model. We have to establish an equilibrium between Fintech innovation need and adherence to regulatory environment (“Digital Transformation in Financial Services: The Age of Fintech”, 2020).

Fintech refers to the combination of finance and technology. Ever growing smartphone penetration and universal internet access with higher processing speed are major driving factors behind the ongoing digitization of financial transactions in India. It has been rightly stated that the necessity is the mother of invention. Digitization of financial transactions is the call of the hour. It is quite contradictory that India has a large unbanked population even when it is the one of the fastest growing economies of the world. India is going through the digital transformation phase where Fintech companies may play a vital role through the promotion of financial inclusion among people from all walks of life. Three major stakeholders of Fintech sector are banking industry, startups, and government bodies (Suneja, 2018).

4.3 Fintech in Indian Landscape: Evolutionary Background

India has the third largest Fintech ecosystem in the world and it is expected to grow at a compounded annual growth rate (CAGR) of over 20 percent. Digital payments, Neobanks, WealthTech, InsurTech, and digital lending are emerging segments under the Fintech sector. Post-COVID-19 period has observed a massive growth in digital payment domain. The Unified Payment Interface (UPI) has become the largest retail payment system in India. Fintech is extra-prompt and digitized delivery of financial services. It includes a large number of sectors and businesses including retail banking, investment management, crowdfunding, and so on and so forth. India is on the verge of Fintech revolution. Pradhan Mantri Jan Dhan Yojana (PMJDY) had been the largest financial inclusion programme in the world. Financial literacy has been consistently growing across all the strata of Indian society. Neobanks, financial institutions existing only in virtual/digital space partnered with conventional banks have transformed the

retail banking experience through advanced and appropriate technology. Indian neobanks are expected to create over hundred million consumers by 2025. Large investors have also manifested their strong confidence in neobanks. Ever growing smartphone penetration, COVID-19 pandemic, government initiatives (i.e. PMJDY, Direct Benefit Transfer, digital India, demonetization, GST, etc.) have played a substantial role in preparing ground for and accelerating the pace of Fintechs (Gutgutia, 2022).

The COVID-19 pandemic has led to an unprecedented growth in Fintech industry across the world. Cashless transactions were promoted at every level because of COVID driven fear of contamination. The COVID-19 pandemic driven lockdowns accelerated growth in digital banking segment. USD 125 billion of venture capital had been invested in Fintech industry across the globe in 2021. The government of India laid down the foundation of the modern Fintech infrastructure in 2014 by linking JAM trinity i.e. zero balance bank accounts (Jan Dhan for unbanked persons) linked with Aadhar (national biometric identification system) and Mobile numbers (Steiner, 2022). COVID-19 pandemic has enhanced the technology adoption rate that has resulted in wider outreach of Fintech in India. Constant increase in the number of technology driven startups has facilitated the growth and expansion of Fintech that has transformed Indian society. Contemporary innovations are desire driven, not basic needs based. The current generation is looking forward to better working conditions and flexible financial services. The current generation is more techno friendly than the old generation. Their early exposure to technology has made them different in terms of thinking, understanding and experiencing (Banu, n.d.).

Growth in Indian Fintech has been driven by many macroeconomic factors like demographic dividend, higher national disposable incomes, significant unbanked population, better internet access, ever growing smartphone penetration, and rapidly growing e-commerce market. Moreover, many government schemes have also played a significant role in the growth and expansion of Fintech industry in India. The growth rate of Fintech adoption in India has been unprecedented. However, Indian Fintech industry continues to face many challenges like data security risk, privacy leakage risk, poor financial literacy and awareness, Fintech platform downtimes, dynamic regulation, etc. Supply side factors (affordable and accessible widespread internet outreach, fast internet speed and wider coverage, etc.) and demand side factors (urgent need for inclusive financial services, high customer expectations, more faster, safer and reliable services at reasonable costs essential for business, etc.) are contributing to Fintech revolution across the country. Currently India has 21 unicorns (like BharatPe, BillDesk, Paytm, MobiKwik, PhonePe, Razorpay, etc.) out of 187 unicorns across the globe. There are numerous Fintech segments in Indian Fintech ecosystem like PayTech (Paytm, PhonePe, Google Pay, MobiKwik, etc.), LendTech (Google Pay, Razor Pay, M-Swipe, etc.), BankingTech (Crazybee, Khatabook, Yono, etc.), InsurTech (Policy Bazaar), WealthTech (Zerodha & Smallcase), etc. (Bhardwaj, 2022).

The growth and expansion of the Fintech ecosystem in India is driven by ever growing smartphone penetration, universal and affordable internet access and high speed internet connectivity among enormous explicit and implicit factors. India has observed a significant positive change in the payment infrastructure. It is because of the introduction of the emerging payment mechanisms and interfaces such as IMPS (Immediate Payment Service), UPI (Unified Payment Interface), BHIM (Bharat Interface for Money), etc. Digital India initiative of the

government of India and Reserve Bank of India have played a crucial role in accelerating the pace of Fintech development. Demonetization (2016), GST (2017) and COVID pandemic (2019) have given further momentum to the expansion of Fintech in India. Now digital payment has become a modern way of living across the country (“Why India is at the forefront of a Fintech revolution” 2021). The Global Financial Crisis of 2008 paved the way for the introduction and expansion of Fintech. People are gradually shifting to Fintech from the conventional banking and financial services. The introduction of Bitcoin (2009), Google Wallet (2011), and Apple Pay (2014) proved as catalyst for the growth and expansion of Fintech across the country. The 2016 demonetization driven cashless campaign had a significant impact on expansion of Fintech in India. The fast introduction of Fintech led to the foundation of many Indian Fintech companies like Paytm, PhonePe, MobiKwik, and Freecharge in a short span of time (Karthika et al., 2021).

The technological advancements are not the only driver of new method of financial intermediation that is Fintech. The rise of commercial internet, internet regulation, and creation of companies like PayPal, Xoom, and Xero after the burst of dot-com bubble, can be taken as the first wave of Fintech. The post-global financial crisis of 2008 can be observed as the second wave of Fintech. Lockdowns, physical distancing, and work from home culture driven by COVID-19 pandemic have increased the rate of digital adoption. COVID-19 pandemic driven acceleration of digitization like online shopping and contactless payments was expected to end the prominent position of cash. However, cash remains holding dominant position in the current market. Cash remains the preferred mode of payment in case of in-person transactions and young generation customers prefer electronic payments to hard cash payments. Major factors driving and promoting cash payments are absence of charges, universal applicability of cash, control over spending, privacy, and so on and so forth. Thus, cash is expected to be a popular and prominent means of transactions among majority of customers in near to medium term time period. The COVID-19 pandemic paved way for the digitalization of every segment of life (“Research Study: The Third Wave of Fintech Innovation”, 2021). Indian Fintech industry has been growing systematically in each segment of the financial ecosystem. Investment and neo-banking Fintechs are very popular among developed economies. However, digitization of payments is the introduction of Fintech in under developed and emerging economies. There are two largest American payment providers in India, namely Google Pay and Wal-Mart’s PhonePe. Indian digital credit market has made a new record during the last few years that is evidenced by over hundred percent growth in the total lending figure from 2017 to 2021. As per the RBI’s Working Group Report on Digital Lending, digital lending has increased to twelve times during the same time period. According to the estimate of Boston Consultancy Group, digital loans will constitute 50 percent of all retail loans by the year 2023 (Steiner, 2022).

The Reserve Bank of India launched the Unified Payment Interface (UPI) in April 2016 to transform the digital payment scenario in India. The Reliance Jio became publicly available on 5th September 2016. It is the largest mobile network operator in India and the third largest in the world. Demonetization of currency notes of Rs.500 and Rs.1000 denominations was announced in November 2016, and this decision of the government led the unprecedented growth in digital payments across the country. According to National Investment Promotion and Facilitation Agency, two-thirds startups out of 2100 Fintech startups have been set up during the last five year time period. Indian Fintech industry ecosystem includes Payments

Technology (Paytech), Lending Technology (LendTech), Wealth Technology (WealthTech), Personal Financial Management Technology, Insurance Technology (InsurTech), Regulatory Technology (RegTech), etc. COVID-19 pandemic driven restrictions on movement and contact prioritized and popularized online transactions in every field. The number of personal finance related apps available in our smartphones is enough to get the impact of Fintech on personal finance. Today, every existing financial product has its own app. Thus, Fintech industry in India has changed the financial habits in general and access to financial products in particular (Gupta, 2022). With consistent growth and development in Indian Fintech sector, the whole business segment has observed a drastic change. The expansion of internet during 1990s proved a milestone in the growth journey of Fintech. Web based business models and shopping, portable banking, and digitization of banks have led to revolutionary change in the entire business world. Fintech has improved client experience through customization option intending to address the individual customer's needs. Over 2000 Fintech companies have been existing in India. PolicyBazaar, BankBazaar, Unified Payment Interface (UPI), BillDesk, MobiKwik, Paytm, etc. are some of the leading Fintech companies in India ("Fintech Industry in India: History, Growth, and Future", 2021).

4.4 Fintech: Future of Indian Financial System

Fintech has been rapidly changing the appearance of the banking sector. Fintech extends substantial support and services to financial institutions and consumers to manage their financial operations and processes via specialized software and algorithms. It focuses on the development and application of cryptocurrencies but its major focus is on the traditional banking industry across the world. India has a lead role in the Fintech revolution. India is not only one of the fastest emerging economies of the world but it is also one of the fastest growing Fintech hotspots of the world. India has witnessed a massive growth in the adoption of digital payment systems in the recent past ("Why India is at the forefront of a Fintech revolution" 2021). India has the highest Fintech adoption rate (87%) across the world and it is far better against the global rate of 64 percent. Fintech was the only sector that experienced substantial growth during the COVID-19 pandemic because of COVID driven restriction on physical movement and contact. As per the study of the Boston Consulting Group (BCG) in association with Federation of Indian Chambers of Commerce and Industry (FICCI), Fintech industry has potential to touch the level of USD 150-160 billion by 2025. Over two thousand Fintech companies are existing in India. However, over two-thirds Fintech companies have been established during last five years. Exponential growth in funding has been observed in Indian Fintech industry (Bhardwaj, 2022).

Blockchain technology is an emerging segment of Fintech. It is a decentralized, secured and transparent system of tracking of fund flow. Fintech driven virtual banking and business transactions will remain ever growing leading to direct delivery of more affordable and accessible financial services to customers across the globe (Lenders, 2022). Technology has been transforming our life style for a long time. A drastic change has been observed in the banking, financial services and insurance across the country. Fintech startups have drastically changed the pattern of banking, investing, borrowing, lending, and saving. Fintech is an agent of transformation. According to statement of Nadan Nilekani, co-founder of Infosys and former chairman of Unique Identification Authority of India, change is on the way on many fronts including payment banking, financial product design, development and distribution (Gupta,

2022). Affordability, availability, and accessibility of internet and smartphones are the most important factors enabling digital financial inclusion among youths. Fintech companies are tying up with banks enabling banks to offer customized services to young customers with diverse backgrounds and necessities. The digital payments have become an integral part of our modern life. The widespread acceptance of apps like Google Pay and PhonePe among business organizations and vendors is an evidence of ever growing digital momentum in India. Fintech companies are playing a significant role in accelerating financial inclusion. Fintech industry is attempting to address the needs of the current generation. The underlying goal of Fintech is to convert India into a perfectly cashless economy. An ideal collaboration among banks, Fintech companies, and the government must be made to ensure digital freedom (Banu, n.d.).

According to Prime Minister Narendra Modi, Fintech revolution is inevitable for the financial empowerment of every citizen of the country, and digital ecosystem has been consistently progressing because of inherent strong faith of Indians in it. In his view, two strong features of Fintech like inclusiveness and common interest are major driving forces promoting Fintech in India. The Fintech industry has an amazing role in making finance and formal credit easily accessible to every citizen in the country. Moreover, Fintech innovation may not be considered complete unless Fintech security innovation is ensured. Finance is lifeblood of an economy and technology is its career. They are substantial for attaining the mission of ‘Antyodaya’ i.e. rise of the last person, and ‘Sarvodaya’ i.e. progress of all (“Fintech Revolution needed for Financial Empowerment: PM”, 2021). Fintech has immense potential to offer smart solutions leading to effective and efficient bank operations ahead. However, Fintech is still in its nascent phase. Banks have started adopting Fintech in order to address the customers’ aspirations and regulatory requirements. Regulatory technology is a derivative of Fintech that has potential to digitize regulatory risk management processes. A large number of regulatory technology (RegTech) solutions are available in the financial services industry to handle the Anti-Money Laundering, KYC requirements, and financial frauds. Fintech start-ups are specialised in financial technology. It is almost next to impossible for the Fintech companies to replace the traditional banks due to various implicit and explicit reasons. It is evident by the deep-rooted trust of people in the conventional banking system. Therefore, Fintech companies are cooperating instead of competing with banks. Worldwide digitization of financial system has increased the chances of security breaches and making banks prone to cyber-attack that may prove detrimental to bank reputation and customers’ confidence in banking system (“Banking Evolution: How to Take on the Challenges of Fintech”, n.d.)

Indian society is changing rapidly in terms of mode of transactions. People’s dependence on cash is gradually decreasing that is witnessed by widespread presence and popularity of digital payments. The introduction of Unified Payment Interface (UPI) has provided a leading position to India in digital payments domain. Technology driven solutions are on the way to bring revolutionary change in the retail credit market. Credit penetration has been steadily increasing because of the inclusion of new groups in the formal credit market segment. Indians hold relatively higher rank in terms of cryptocurrency adoption rate across the world. The Reserve Bank of India’s initiative to establish a new department for observing the activities in the Fintech industry is a worth appreciating step. According to RBI’s circular, new department has been established to focus on Fintech and to facilitate innovation in the Fintech sector while keeping dynamic changes in the financial landscape in the mind. It manifests sincerity and

seriousness of the apex bank in supporting and facilitating the growth and development of Fintech ecosystem (Dahiwadkar, 2022).

4.5 Fintech: Challenges Ahead

The well-established business models of the conventional banking companies are under pressure because of ever growing dominance of Fintech companies in the financial sector. The emergence of Fintech companies has both the pros and cons for the traditional banking industry. On the one side, Fintechs offer ways to improve and upgrade the services being provided by banks. On the other side, it poses intense challenges against the traditional banking and financial services in different forms and from every direction leading to the extinction of some most recognized institutions. As per the Business Insider's report, financial services are getting rapidly transformed by the different disruptive technologies like artificial intelligence, block chain, alternative lending, etc. Most of the banking and financial institutions are integrating technology based services to address the competition posed by the Fintechs. The clients of financial services have relatively strong confidence in the brick and mortar form of financial institutions. Fintechs have transformed every dimension of the traditional banking system that can be witnessed by going through the mobile banking, digital payments, paperless lending, and so on and so forth (Karthika et al., 2022).

Fintechs are playing vital role in developing conducive environment for startups and emphasizing on sharpening competitiveness, customer centric approach, and collaboration building. All these things are intending to benefit society in terms of competitive pricing, customized and convenient financial services. Fintechs are exposed to numerous challenges while delivering benefits to industry and common people. The major challenge of Fintechs is how to present their value proposition before investors and other stakeholders, and another issue is the procurement of sizeable fund for the commencement of business, establishing business model, and ensuring protection in terms of intellectual property rights. Moreover, it is very challenging for the Fintech companies to establish a trustworthy relationship with customers who are unfamiliar with non-conventional financial services. Therefore, Fintech needs a comprehensive support and uniform regulatory framework in order to prosper and progress across the world ("Digital Transformation in Financial Services: The Age of Fintech", 2020).

At present, there have been many players in the Indian Fintech industry. The Indian digital payment segment has been dominated by the multinational players like PhonePe and Google Pay. PhonePe has been promoted by Flipkart wherein majority stake is owned by US based retail giant Walmart whereas Google Pay has been promoted by tech giant Google. Newly established department on Fintech in the RBI will address the important issues and provide required direction to the Fintech industry. It is of great significance as banks and other financial institutions are tying up with Fintech companies in order to provide various financial services. Therefore, laxity in regulation or absence of clarity will not only affect the Fintech ecosystem but the entire financial services industry also. This can be very dangerous to financial stability of the country. Thus well regulated financial system with a supportive regulatory environment will create a strong Fintech ecosystem in India (Dahiwadkar, 2022).

5.0 CONCLUSION AND WAY FORWARD

Today, India is on the way of playing a leadership role in the Fintech world as it has enormous potential in the field that is evidenced by the presence of over 10 percent unicorns of the world, rapid growth and huge investment in the sector, and the second largest populous country with the largest consumer market in the world. Fintech in India is still in the nascent phase of its growth. Thus, it has an immense opportunity to grow ahead taking the proper advantage of the emerging economy scenario and the largest market of the world. However, it has numerous issues on the path of its further growth and development that must be addressed at the earliest in order to maintain the confidence and trust of the diverse customers across the country. Demand side and supply side factors must be taken into the consideration by both the Fintech companies and governments so as to avail the ample opportunity, and to appropriately respond to the challenges existing on the way of growth and development of Fintech in the country. On the supply side, accessibility, availability, affordability, and universality of high speed internet network and good quality smartphone must be ensured. On the demand side, cyber security, data security, privacy, high trustworthiness, digital education and awareness, etc. should be taken care of. The core objective of Fintech is to convert the cash economy into the cashless economy through technological innovation in the banking and financial services. It is meant with 24x7 online delivery of customized banking and financial services to customers. It is primarily driven by inclusiveness and common interest. However, we have to ensure that it may not become exclusive to serve the interest of a particular section of the society due to digital disparity and social segregation.

Every system and technique has its own inherent advantages and disadvantages that happens in case of Fintech also. Prevailing and prospective underlying challenges of Fintech is not a big issue provided Fintech companies, and banking and financial institutions are committed and dedicated to ensure the delivery of seamless, safe and secure financial services to every citizen of the country. Governments and Fintech companies are two very responsible stakeholders in the design, development, distribution and delivery of financial services to the people. Therefore, they are expected to discharge their responsibilities sensibly and sincerely. The government has to ensure the outreach of required education and awareness, availability, accessibility and affordability of the resources essential for Fintech. Fintech companies have to ensure the delivery of financial services that is beyond doubt supportive to high level protection and privacy maintenance.

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