3 Strategic Intervention in Fintech: A Study of Ecosystem Convergence in Bharat's Financial Landscape

Dr. Rashmi Goel[1], Dr. Yashika Verma[2*] & Mr. Shivansh Kaushik[3]

[1]Assistant Professor, Department of Commerce, Shyama Prasad Mukherji College for Women, University of Delhi.

[2]Assistant Professor, Department of Commerce, Deen Dayal Upadhyaya College, University of Delhi, India.

[3]BBA, Institute of Innovation in Technology and Management, GGSIPU, India.

*Corresponding Author: yashika.verma.delhi@gmail.com

Abstract

The financial technology (FinTech) industry in Bharat solidified its position as a global leader and is marketing itself as a key driver of Viksit Bharat. The present study highlights and discusses the major steps taken by different institutions within the financial ecosystem in Bharat, such as the central government, state government, financial institutions, etc. The current research relies on secondary sources and collected its data from various websites, articles, blogs, etc. Initiatives such as UPI and the successful launch of the Fintech Fest Mumbai, along with several other efforts by various institutions, are discussed and delineated in the current research, reflecting the future trajectory of the fintech sector in Bharat. Discussion on various initiatives will help in identifying the role of government and other similar institutions in supporting the FinTech sector. By focusing on these efforts, the paper sheds light on the landscape of Bharat's FinTech economy and its potential for future development.

Keywords: FinTech, Unified Payment Interface, Global Fintech Fest, Viksit Bharat, Initiatives.

Introduction

The development of the fintech sector in recent years has led major economies to place importance on it, similar to that given to defence, education, health, etc. According to UNCTAD, this sector is valued at $255-305 billion and is expected to grow $938 by 2034. Various estimates exhibit that the fintech economy sectors bring in money each year exceeding $2 trillion and provide jobs for around more than 3 lakh individuals globally. Integration of technology within financial services not only ensures accessibility within the financial systems, but also helps in smooth flow of money within the economy. Introduction of digital payments and other banking systems on a single click ensures reduced transportation costs, saving of money spent, as well as time. Recognizing the multifaceted benefits of technology, the Indian government and various other institutions have thus acknowledged the tremendous potential of this sector not only as a financial generator but also as a stage to showcase the country's true potential. The government views Fintech as a significant tool to expand financial inclusion among people in rural areas, small businesses, and undeserved population by introducing large-scale digital infrastructures like Aadhar, real-time payment systems, and digital platforms for documents. As a result of these thoughts, Bharat has emerged as one of the leading global Fintech ecosystems with highest Fintech adoption rates and startups. Alongside, the government also introduces friendly regulation frameworks from time to time to support new ideas and foster innovation in the sector by integrating technologies like AI and blockchain. Ultimately, these initiatives and efforts by the individuals and institutions within Bharat's ecosystem contribute to making Bharat a global leader in Finance Technology and economically developed. Comprehending the Fintech economic value is necessary since it acts as the employment catalyst, propels innovation, and helps the nation to become globally competitive. The National Payments Corporation of India (NPCI) serves as a perfect example of the government's commitment towards financial infrastructure as well as fostering the spirit of entrepreneurship. These institutions aim to achieve a better environment for the sector by utilizing raw talent, developing infrastructure, and financial support development, thus ensuring a smooth execution of digital payments and other activities related to finance. Despite various efforts undertaken by various institutions in Bharat, several limitations related to Fintech exist, acting as a hindrance to its growth. Low availability of internet and other related services in the rural areas, risk of data theft and fraud, and the need for more infrastructure might be some of the blocks that can slow down the process in this very active sector of the economy. Financial literacy is also one of the issues that people face while interacting with financial services and products. By identifying gaps and noting the actionable solutions, the paper aims to contribute to a more robust framework for supporting financial endeavours. By shedding light on government efforts and industry dynamics, this research aims to provide a comprehensive overview of the evolving Fintech landscape in Bharat. In a nutshell, this paper highlights the importance of introducing new policies and guidelines, launching new initiatives to promote the Fintech industry, as well as strategic planning and collaboration among various stakeholders to harness the full potential of this sector. In doing so, it seeks to ensure that Fintech creative industries remain an integral part of Bharat's ecosystem and economic development, paving the way for a vibrant and innovative future.

Literature Review

Ahmad et al. (2022): This paper attempts to capture the essence of all the studies done on the Fintech sector using content analysis on a total of 56 papers.

The study categorised the perspectives of regulators, incumbents and new entrants into three categories of innovation. Regulators were found to drive many initiatives, especially in regulatory policies; incumbent-led facilitators were in the shape of corporate ventures and co-working spaces,and innovators contributed to the start-ups by raising capital. The paper contributed to enriching the existing literature on incubators and Fintech literature.

Abdur et al. (2026): The aim of the study was to examine the impact of Fintech adoption and sustainability performance on employee green behaviour and sustainability competitive advantage. The research employed PLS-SEM and ML in its methodology to analyze the data and capture the goal. The results revealed that all the hypotheses were accepted and that the mediation analysis revealed that employee green behaviour substantially mediates between the variables. The study contributed to the literature of behavioural science by capturing the impact of Fintech on decision-making.

Vijayi (2019): This paper noted the challenges and opportunities within the Fintech sector in India. The industry provides digitalization and a secure environment to its users, ensuring smooth flow of payment. Overall, these services are going to reduce the cost and save time for the users while performing financial services. In conclusion, the services in the Fintech will affect the habits and behaviour of the whole industry.

Pant (2020): The study intends to highlight the emerging trends within the fintech sector globally. Qualitative methodology was used to discuss the emerging trends and review the related literature. The findings exhibited that future trends might involve leveraging Fintech for cross-border payments, augmented reality for customer satisfaction, crowd investing, robotic advisory, etc. Also, the study showed that the integration of Fintech in India has received less attention from academicians and can be addressed in future.

Patil (2025): This paper discusses the overview of India's Fintech industry from stakeholders' perspective, identifying the role of government, financial institutions, technology providers, etc. The results indicate that framework for India's Fintech sector stands on five major pillars that are policy and regulation, infrastructure development, stakeholders, education and policies for financial inclusion. Additionally, the study analyses the lessons from various developing countries to propose framework to implement Fintech policies in India.

Objectives

- The study aims to highlight the initiatives taken by the government of Bharat and various financial institutions to promote Fintech industry in the country.
- The study seeks to review the initiatives taken by the financial institutions and highlight challenges faced by the Fintech industry.

Research Methodology

The present study is purely secondary in nature. Based on secondary sources, government websites, newspapers, magazines, and other pertinent sources that are available in this regard are used to gather information for the study about the various government initiatives that have been undertaken to promote the Fintech industry in Bharat, particularly focusing on initiatives taken by various governments, financial institutions, businesses, etc.

Initiatives Undertaken by the Government to Promote the Fintech Industry in Bharat

- **Unified Payments Interface:** An initiative launched by the National Payments Corporation of India (NPCI) in 2016 aimed to provide asingle interface for transferring funds from one bank account to another with a single click. It proposes features like QR codes, cross-border transactions and integrates multiple bank accounts into one platform. Its contribution in Fintech has helped in leveraging the digital infrastructure and mobile technology to facilitate seamless financial transactions. Overall, a revolution has been initiated in the digital payments sector in India through UPI, contributing to financial inclusion and a cashless economy.
- **RBI Regulatory Sandbox:** This initiative was launched in 2019 by the Reserve Bank of India with the objective of providing a controlled environment for innovation and testing under regulatory supervision for Fintech firms and financial institutions. It acts as a Fintech enabler as it provides support to the innovation while also mitigating the risk associated with new technological advancements. Overall, regulatory sandbox ensures financial stability while maintaining regulatory oversight and innovation.
- **GIFT IFSC Fintech Framework:** It was launched in the year 2020 under the control of the International Financial Services Centre Authority, to foster innovation in Fintech within the Gujarat International Finance Fin-Tech City (GIFT City). Additionally, regulatory support, including a sandbox and various incentives, is provided under this scheme. In conclusion, this initiative boosts cross-border financial services and attracts global Fintech firms while advancing the technology.
- **Mumbai Fintech Hub:** In the year 2018, the Government of Maharashtra launched the Mumbai Fintech Hub, aimed at fostering innovation and growth in the Fintech sector through funding startups, mentorship and collaboration with industry stakeholders. In addition to it, this step helps in building an ecosystem suitable for Fintech development by promoting partnerships between regulators, financial institutions, and technology firms. To sum up, this initiative helps in strengthening the firms and creating employment in the sector.

- **Global Fintech Fest:** It is an annual global conference inaugurated in 2020 by the National Payments Corporation of India (NPCI). This exchange between the industry stakeholders, policymakers, and investors involves discussion on trends, innovation and challenges in the sector. Also, it plays an important role in promoting Fintech by facilitating knowledge exchange and global collaboration. Finally, Fintech fest helps in enhancing Bharat's visibility and leadership in the global Fintech ecosystem.
- **Unified Lending Interface:** It is an API-based digital platform introduced in the year 2023 to streamline the lending process by connecting lenders with various data sources for faster loan processing. In the context of undeserved segments, it reduces information asymmetry make credit delivery easy. Additionally, it applies technology-centric solutions to lending efficiency, transforms digital credit delivery and expands access to formal finance.
- **Digital Protection Data Act (DPDA), 2023:** This act was introduced by the government of India in the year 2023. In the digital ecosystem, this regulation helps in governing the collection, processing and storage of personal data. The act emphasizes user content, data security, and accountability of data fiduciaries. The act strengthens trust, enhances data protection, and supports sustainable growth of Fintech in India.

Conclusion

Bharat is home to creative minds that can bring drastic innovation that can not only help us but also the world. A few years back, the situation of innovation and R&D, especially in the sector of financial technology, was not good. People were struggling with the problems of theft, lack of infrastructure, and low level of financial literacy. People were heavily dependent on cash and minimal support from financial institutions like banks for transferring money from one bank account to another. Now, the sector is seeing a revival as various government schemes like UPI and PMJDY have spread various financial and infrastructural support all over Bharat. This has instilled confidence in the minds of the population to deal with their day-to-day transactions directly from their bank accounts and contribute to the growth of their sector. Following this, the government has introduced additional initiatives for the various stakeholders, like the Global Fintech Fest and Mumbai Fintech Fest, to enhance the financial ecosystem in the country with the aim of reaching the goal of a cashless economy. These initiatives will aid in the overall expansion of the Fintech sector and attract foreign investments in our country. To regain our status as Vishwaguru (World Leader), we also aim to establish Bharat as a centre for the Financial technology industry by fusing our expertise and innovation in startups and businesses to promote Fintech.

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