



Flanders
State of the Art



AIU	HJI	WWE	PL
1,822	20,369	890	6,35
(-35)	(+580)	(-20)	(-20)
MBC	LJH	MJB	PO
3,605	9,542	2,609	7,69
(+210)	(-128)	(+35)	(+16)
YBV	QMN	MMJ	IIT
3,204	5,211	7,100	7,15
(-33)	(+136)	(-60)	(-15)
MBB	WFF	HJM	QL
3,320	7,12	134	2,07
(-120)	(+12)	(+5)	(-15)

FINTECH

IN INDIA

FLANDERS INVESTMENT & TRADE MARKET SURVEY

INHOUD

1.	WHAT'S DRIVING INDIA'S FINTECH BOOM	3
2.	GEOGRAPHY OF THE INDIAN FINTECH HUBS	4
3.	FINTECH DEMAND DRIVERS	6
3.1	Consumers	6
3.2	Banks & financial institutions	6
3.3	Business	7
3.4	Governments	7
4.	OPPORTUNITIES IN THE INDIAN FINTECH SECTORS	8
4.1	Insurtech	8
4.2	Lending	9
4.3	Payments	11
4.4	Investments	13
5.	CHALLENGES & OPPORTUNITIES IN INDIAN FINTECH.....	14
5.1	Lack of Fintech regulations	14
5.2	Lack of access	14
5.3	Industry Coordination	14
5.4	Need for innovation	15
6.	GOVERNMENT SUPPORT & RBI INITIATIVES	16
7.	ROLE OF INCUBATORS & ACCELERATORS.....	17
8.	WAY FORWARD: THE START OF SOMETHING BIG.....	20

1. WHAT'S DRIVING INDIA'S FINTECH BOOM

- MOBILE AND INTERNET ACCESS



The Internet & Mobile association of India (IAMAI) and [KANTAR – IMRB](#) in has estimated 627 million internet users by end of 2019. Rural India continues to drive the internet adoption in India and is expected to witness double growth. Of the total user base, 87% or 493 million Indians, are defined as regular users, having accessed internet in last 30 days. 293 million active internet users reside in urban India, while there are 200 million active users in rural India¹. Unsurprisingly, 97% of users use mobile phone as one of the devices to access Internet. In addition to the

sharp rise in smartphone penetration, easier access to the internet & e-commerce boom, India also has a large population of people who are financially and technically sound.

- LARGE UNBANKED POPULATION

The 2017 Global Findex report released by the World Bank stated India's unbanked population to be second only to China at 190 million ². The Indian Government's financial inclusion initiatives in 2017 led to a remarkable increase in the number of bank account holders (from 35 % of the adults in 2011 and 53 % in 2014 to 80 % in 2017). This number is only likely to improve going further as India's fintech landscape grows.

- APPETITE FOR INNOVATIVE TECHNOLOGIES

At 52 %, India ranks second only to China's 69% in terms of the global fintech adoption rates.³ According to EY's Fintech Adoption Index 2017, 33 % of digitally active consumers are already users of fintech propositions in a study of 20 markets across the globe. India far exceeds the global rate racing ahead of developed markets like the US, UK & Singapore. Belgium & Luxembourg stand at an adoption rate of 13 %. In this survey, adoption rates & trends were measured across five key areas: Money transfer & payments, financial planning, insurance, savings & investment.

¹ https://imrbint.com/images/common/ICUBE%E2%84%A2_2019_Highlights.pdf

² https://globalfindex.worldbank.org/sites/globalfindex/files/chapters/2017%20Findex%20full%20report_chapter2.pdf

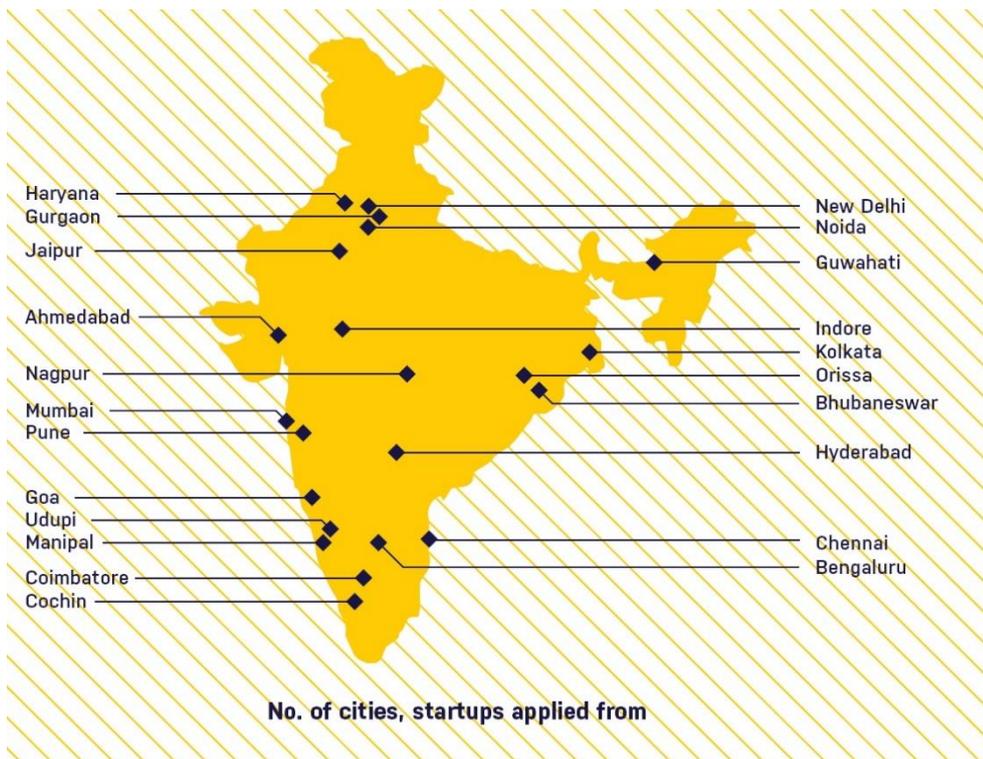
³ <https://www.ey.com/gl/en/industries/financial-services/ey-fintech-adoption-index>

- ROLE OF FINTECH FIRMS

The market traction has been significant across Fintech firms. The success in India can be attributed to the ability to tap into the tech-literate but financially underserved demographic. A recent report by YES Bank - India Fintech Opportunities Review (IFOR)⁴ enumerated the key trends defining the Indian fintech ecosystem. This report highlighted that fintech hubs, accelerators and incubators have played a key role in commercialisation. 74 % of all the respondents to the online survey are part of one or more accelerator program showing their ability to provide mentorship and access to investors, corporates and funding. In this study, we will elaborate on the developments of the Indian Fintech sector and how Flemish companies can support the development in India.

2. GEOGRAPHY OF THE INDIAN FINTECH HUBS

While the startup clusters are traditionally centred around metropolitan cities such as Mumbai, Delhi & Bangalore, Fintech startups are also emerging in smaller cities such as Jaipur, Vizag, Pune, Hyderabad & Ahmedabad. This is largely due to the State Governments initiatives, local investor confidence as well as availability of talent⁵.



Fintegrate⁶, a three-day multi format conference brings together Fintech stakeholders & curates the 50 best Indian startups across various fintech sectors. In the illustration here, we see that individual startups emerge from different cities across India.

⁴ <https://www.investindia.gov.in/sites/default/files/2018-04/Indias%20Fintech%20Landscape.pdf>

⁵ <https://www.forbes.com/sites/sindhujabalaji/2017/10/05/thanks-to-regional-rivalries-indias-startup-surge-is-spreading-across-the-country/#4d51d9a45231>

⁶ <http://fintegrate.zone/>

While we cannot ignore the development emerging from the smaller cities, fact of the matter is that companies are shifting their locations to larger cities. Cost, availability of talent, real estate and ease of signing customers are some of the factors entrepreneurs consider before picking a city for their headquarters.



Mumbai leads the pack with 462 fintech startups. Being the financial capital, it becomes an obvious choice due to its proximity to banks and regulators, however Delhi and surrounding areas of Gurgaon & Noida are not far behind with 441 startups followed by Bangalore at 393 & Hyderabad at 134⁷.

Banks often collaborate or acquire startups as the fastest way to build and introduce products such as AI interfaces, digitizing processes, wallets etc. Connectivity between cities and access to quality talent is the primary criterion for companies choosing technology hubs like Noida & Bangalore. Andhra Pradesh and Telangana are also making an effort to incubate and subsidise startups.

Yes Bank, which was until recently⁸ India's fifth largest private sector bank made a comprehensive survey about the start-up ecosystem in India. In the aim to map out key elements to make India a major global fintech hub like UK & Singapore, India Fintech Opportunities Review⁹ recommendations to the Government of India include setting up innovation labs in Tier II/Tier III cities such Guwahati, Ahmedabad, Kanpur, Hisar, Nagpur & Nashik.

⁷ <https://timesofindia.indiatimes.com/trend-tracking/tech-mumbai-finance-monopoly/articleshow/61081625.cms>

⁸ <https://www.livemint.com/companies/news/rescue-plan-in-place-yes-bank-gears-up-to-face-new-challenges-11584298080794.html>

⁹ <http://www.yesfintech.com/ifor2018/?act=report>

3. FINTECH DEMAND DRIVERS

The global FinTech sector is expected to become \$45 billion in value by 2020, growing at a CAGR of 7.1%. Given the impetus boosting this Sunrise sector, the Indian FinTech market is expected to reach 2.4 billion by 2020. The demand spectrum has been outlined below:

3.1 CONSUMERS

The obvious demand has been from the *consumers* with payments fuelling the trend, in addition to wealth management & remittances. Fintech start-ups provide a better payment experience with a superior user interface & faster processing. Driven by mobile wallets & the Unified Payments Interface (UPI) platform, consumers have embraced the use of mobile payments for day-to-day transactions. Furthermore, consumers are flocking to insurance aggregator & bank aggregator websites for comparison shopping. Platforms for high interest investments & online stockbroking & wealth management investments are becoming increasingly popular. Fintech companies have made inward & outward remittances simple and affordable.

3.2 BANKS & FINANCIAL INSTITUTIONS

These institutions have begun outsourcing core banking features such as loans, payments and credit risk underwriting to fintech startups. Banks are partnering with fintech companies and they are no longer viewed as disruptors. *Indian SME's & MSME's* are increasingly using fintech startups for micro finance, lending & credit underwriting. Alternative lending is the second most funded and one of the fastest growing segments in the Indian FinTech space. Fintech Trends 2017¹⁰ reports that around 37% of GDP is contributed by MSMEs but the supply of credit lines is disproportionate. As of October 2016, alternate lending in India received \$199 million in funding across 33 deals, almost doubling 2015's funding of \$103 million across 21 deals¹¹. The major contributors to this growth include a large amount of unmet demand for loans from MSMEs, with a gap of roughly USD 200 billion in credit supply. Banks also collaborate with providers in the areas such as voice enabled systems for new accounts opening, digital signature facilities and security enhancements

TERM OF THE DAY

Unified Payments Interface (UPI)

The Unified Payments Interface (UPI) system allows a bank customer to transfer money and make payments to another bank account on a real-time basis. While UPI uses the IMPS (Immediate Payment Service) platform, unlike IMPS, UPI does not ask for details about the receiver's bank account. All it requires is a UPI virtual ID which is like an email ID. Similarly, to receive payments, you just have to share your virtual ID.

Both the sender and receiver need to be on the UPI platform. UPI apps like BHIM app also allow transfer using the receiver's bank account details like name, bank account number and IFSC code.

¹⁰ Fintech trends 2017, Startupbootcamp Fintech & PwC

¹¹ Tracxn India FinTech Landscape, October 2016

4. OPPORTUNITIES IN THE INDIAN FINTECH SECTORS

4.1 Insurtech



In 2018, the country's life insurance penetration was 2.72% and general insurance penetration was 0.77%; In comparison, some of the emerging economies in Asia such as Malaysia (4.77%), Thailand (5.42%) and China (4.77%) have a higher insurance penetration than India¹³. While the Government of India's Economic Survey 2018¹⁴ reports an increase in insurance penetration, the size of India's significantly underinsured population makes Insurtech an attractive proposition. Companies such as [Policybazaar](#), [Coverfox](#), [Easypolicy](#), [AskArvi](#) etc are involved in policy comparison & distribution. These companies have digitised the process and made it paperless. Insurance companies are approaching this sector with an experimental approach, not as an innovation milestone. The government regulations around this industry are seen as a barrier for innovators. Startupbootcamp FinTech Mumbai and PwC research Fintech India trends 2017¹⁵ suggests ideating different approaches to claims management, underwriting and risk management. Relevant technologies such as artificial intelligence, big data and analytics, blockchain can have a major contribution to the insurance value chain by providing faster claims settlements, easier onboarding, fraud control and other benefits. One such company is Amazon backed Acko which uses technology to provide personalised insurance products based on user behaviour patterns. The leading life and non-life insurance players have been actively collaborating with start-ups and providing them testing ground and access to data. Besides digitising initiatives, [Bajaj Allianz](#) has been investing in predictive analytics for policy

¹³ <https://timesofindia.indiatimes.com/business/india-business/insurance-penetration-in-india-has-risen-to-3-49-economic-survey-says/articleshow/62696220.cms>

¹⁴ <http://mofapp.nic.in:8080/economicsurvey/>

¹⁵ Fintech trends 2017, Startupbootcamp Fintech & PwC

renewals.¹⁶ [Max Bupa Health insurance company Ltd](#) (JV between Max India & Bupa Finance plc, UK) has committed to spending upto 40% of marketing spends on digital. They also have a specialised app for agents called '[Instasure](#)' that issues a policy almost immediately.¹⁷

4.2 Lending



[Creditvidya](#), a b2b player which helps lenders assess credit risk for loans has appraised six million customers until now. Creditvidya uses an algorithm & artificial intelligence to assess the risk when a customer applies for a loan and thus works with more than 25 lenders such as Tata Capital, ICICI Bank, State Bank of India etc. Peer 2 Peer (P2P) lending is where an online platform connects an individual lender to an individual borrower. P2P changed the mix in India where there is a large presence in the informal lending sector.

The growing interest in the sector and its popularity has meant investors are keen to put their money in genetic start-ups. According to Tracxn¹⁸, Mobile payments (\$212 million) and Lending (\$199 million) accounted for nearly 80% of the total funding that went into the Indian FinTech space in 2017. Although,

¹⁶ <https://cio.economictimes.indiatimes.com/news/corporate-news/how-bajaj-allianz-life-insurance-will-transform-into-a-fully-digitalized-organization-by-2019/61006916>

¹⁷ <https://cio.economictimes.indiatimes.com/news/strategy-and-management/transitioning-to-a-digital-enterprise-can-help-insurers-build-up-new-business-models-max-bupa-coo-gujral/55710400>

¹⁸ <https://blog.tracxn.com/2016/10/28/fintech-india-report-october-2016/>

in terms of overall funding, there was an almost 64% year-on-year decline at \$512 million, total funding at the seed stage rose to \$27 million, while the average investment ticket size at the Series B saw a 24% increase at \$15.4 million. As per Tracxn, there are 19 start-ups in the P2P marketplace segment and five have been funded. Companies such as [Faircent](#), [Loanframe](#), [Neogrowth](#), [Lendingkart](#) leverage digital data footprints and technology targeting the middle class, millennials & SME's. As compared to traditional loan institutions, they are able to dispense loans at lower cost with minimal paperwork and more quickly. Entry barriers are high as losses are on their own books. In September 2017, the Reserve Bank of India (RBI) issued a notification on P2P lending and regulated these companies as a Non-Banking Financial Company (NBFC).

Hunting for credit has always been the biggest challenge for millions of small businesses in a country like India which has more than 50 million MSMEs operating at present. They run from pillar to post to get finance for working capital or any other financing requirements. Digital access to loans has massively impacted the MSME sector that has been playing a vital role in the Indian economy for the past five decades¹⁹.

The Silicon Valley based Y Combinator & Lightspeed Venture partner backed [RedCarpet](#) has partnered with ecommerce sites such as Amazon, Flipkart, Bookmyshow, Makemytrip etc. College students can finance everything from holidays to online shopping through the RedCarpet app. Micro lending sites such as [ZestMoney](#) have an extensive data mining team analysing a customer's ability to pay. With no access to credit cards and being financially unviable for banks to lend small amounts, these apps can lend even INR 500 (approx. 7 dollars)

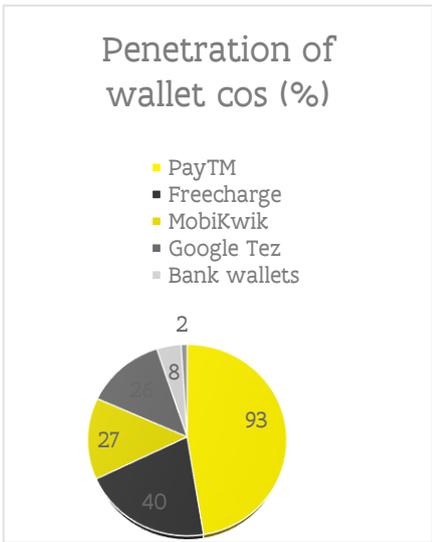
¹⁹ FICCI financial foresight 2017



4.3 Payments



One can safely say that India is the only country with a plethora of options for payment modes. Apart from debit, credit and online bank transfer, innovation in the Indian payments industry has made it very easy for a customer to process a payment online. Post the government-imposed demonetisation in Nov 2016, there has been a big leap from cash to online transactions.

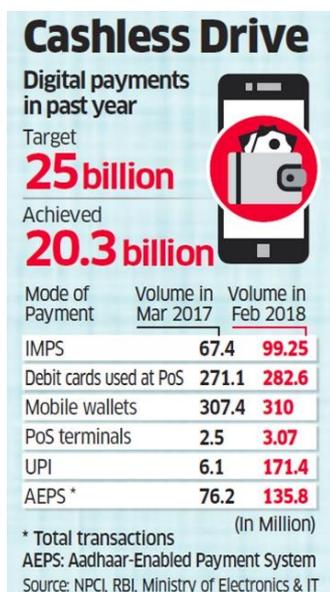


PayTM has emerged as the country’s most preferred digital payments platform, accounting for third of the 190 million unified payments interface (UPI) based transactions.²⁰ PayTM is followed by PhonePe, a Flipkart owned payment application with 42.4 million payments registered through Yes Bank. Private sector banks like Axis, HDFC & ICICI have generated large volumes as well. As per the data shared by the National Payments Corporation of India (NPCI), Axis Bank recorded 26.3 million while HDFC & ICICI recorded 16.7 million & 15.6 million respectively. Facebook owned WhatsApp chose India to be the first country to support in-app payment on its platform. After beta testing its app integration with banks such as ICICI, Axis & HDFC, they are

²⁰ Economic times, May 8 2018

currently facing regulatory hurdles after reaching its permitted number of 1 million users.²¹ Google pay has also heavily invested in the Indian payments field.²²

With the Urban youth displaying a high acceptancy towards eWallets, a race of sorts is on to capture and digitise the market. UPI based payment solutions are giving global card companies like Mastercard & Visa a run for their money.²³ India which is pegged as the most innovative payment market in the world gained a top score of five amongst more than 40 countries tracked by US based Fidelity National Information Services Inc in 2018. According to the regulator Reserve Bank of India, since the introduction of UPI in August 2016, these apps reached almost half the value of debit & credit cards swiped at stores. On November 8, 2016, when PM Modi announced the demonetisation of all currencies of ₹500 and ₹1,000 banknotes, eWallets such as [PayTM](#), [Oxigen](#), [MobiKwik](#), [Freecharge](#) etc. recorded the highest traffic ever.



With the government setting specific targets on banks & payment companies to boost the volume of digital transactions, 30 billion transactions were set to take place in 2018-19. Although the target for fiscal year 2017-18 was 25 billion transactions and we fell short of by 18 % having achieved 20.3 billion.

A proprietary survey by UK based YouGov-Bernstein was conducted across 500 bank customers in 21 cities in India.²⁴ 89% of the people surveyed use some form of mobile wallets. The report shows a big leap from cash to online transactions as opposed to point of sale (Visa, Mastercard) to online. Low value and mundane transactions like buying milk and groceries, getting to work by cab, auto, bus or train, paying for electricity, water, rent, parking, entertaining activities such as eating out or watching movies or even holiday bookings are all fulfilled by eWallets.

²¹ <https://economictimes.indiatimes.com/industry/banking/finance/mark-zuckerberg-says-whatsapp-pay-in-6-months/articleshow/73788511.cms>

²² https://techcrunch.com/2016/08/16/indias-whatsapp-rival-hike-raises-175m-led-by-tencent-at-a-1-4b-valuation/?_ga=2.93687133.1588203374.1533187388-780957644.1533042057

²³ <https://www.livemint.com/Industry/ul9ILQhxlVlQCwIM8FvyUI/UPI-gains-in-Indias-hot-payments-space-beats-Visa-Masterc.html>

²⁴ <https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/urban-youth-reach-out-for-ewallets/articleshow/63179776.cms>

4.4 Investments



Wealth management & investment services are becoming an enticing opportunity for the fintech industry as, so far, only 2% of India's population invests money in trading platforms. Given the strong potential for development in the sector, serial entrepreneurs are investing heavily in this sector. Industry giant PayTM will complete a year of its mutual funds investment app – [PayTM Money](#).²⁵ The founders of Flipkart incorporated 'Sabin Advisors' with the possibility that investments could be routed through this firm.²⁶ Startupbootcamp Fintech, Mumbai noted that wealth management was one of the most popular segments with 25% of their applicants focussed on empowering and enabling investors to easily invest in market traded securities.²⁷

In the B2B space, use of robo-advisory & AI has been redefining the asset management & wealth management industry. Banks and investment managers now rely on such tech platforms. Chennai based [Kaleidofin](#) (which recently raised USD 2.8 million seed fund) partners with financial service providers in credit, savings, insurance & investments & uses algorithms that match the appropriate solution to a customer's goal. Kaleidofin has tied up with leading non-banking finance companies & microfinance institutions to acquire customers through their network.²⁸

The popular apps [Scripbox](#), [Goalwise](#), [Finvasia](#) etc are enabling consumers & youngsters to invest & manage their wealth. These start-ups are mainly headed by former bankers who can fathom the shortcomings of the traditional investment & banking systems and are able to better manage the customer

²⁵ <https://economictimes.indiatimes.com/mf/mf-news/paytm-to-launch-a-dedicated-app-for-investing-in-mutual-funds/articleshow/63642086.cms>

²⁶ <https://www.thehindubusinessline.com/info-tech/flipkarts-bansals-diversify-kick-off-new-venture-sabin-advisors/article10007641.ece>

²⁷ Fintech trends 2017, Startupbootcamp Fintech & PwC

²⁸ <https://yourstory.com/2018/04/setting-one-indias-biggest-financial-inclusion-networks-former-ceo-cfo-start/>

6. GOVERNMENT SUPPORT & RBI INITIATIVES

The Indian Government has recognised the importance of fintech in driving the growth of MSME's in the country and as such has constituted a special committee²⁹. One of the objectives of the committee, which falls under the Ministry of Finance will be working on creating a 'regulatory sandbox' to promote innovations besides fostering cooperation with Fintech hubs from Singapore, UK, China etc. Additionally, the below initiatives have been launched by the Government:

JAM (JAN DHAN YOJANA, AADHAAR, MOBILE) SCHEME

- Financial inclusion has grown significantly throughout the country due to Pradhan Mantri Jan Dan Yojana. The previously unbanked now benefit from direct transfer of Government benefit schemes, Insurance & overdraft facilities. Aadhaar (<https://uidai.gov.in/>) is the biometric based Indian equivalent of the Belgian National Identity Card.

INDIA STACK

- IndiaStack is a set of API's (Application Programming Interface) that brings Governments, businesses, startups, developers & consumers into the digital infrastructure. Essentially it is a presence-less (Aadhaar), Paper-less (Aadhaar eKYC, E-Sign and Digital Locker) & Cashless layer (UPI & aadhaar enabled payment system)

UNITED PAYMENTS INTERFACE (UPI)

- UPI is a mobile application interface developed by the National Payments Corporation of India. The objective is to allow exchange of payments across banks & wallets in a real time environment. 29 banks in the country have integrated UPI with their own mobile app. Once one creates a UPI id, transferring or requesting for money is easy.

PAYMENT & SMALL FINANCE BANKS

- Eleven Payment banks and ten Small Finance banks had received a license from RBI to start banking operations in India. Small Finance banks provide basic services like deposits & withdrawal. Payments banks can accept a restricted deposit upto 1 lakh (approx. 1250 euro) per customer. They are not allowed to issue a loan or a credit card. However, only three serious players have managed to circumvent the RBI's restrictions. Payments & Small finance banks were recently allowed to offer a government pension scheme called Atal Pension Yojana.

²⁹ <http://pib.nic.in/newsite/PrintRelease.aspx?relid=176943>

7. ROLE OF INCUBATORS & ACCELERATORS



In India, the fintech industry falls under the purview of several regulators and governing bodies including the [Reserve Bank of India](#) (RBI); the capital markets regulator – the [Securities and Exchange Board of India](#) (SEBI); the telecom regulator – [the Telecom Regulatory Authority of India \(TRAI\)](#), the insurance regulator – [Insurance Regulatory and Development Authority \(IRDA\)](#). While there are no dedicated industry associations for the fintech industry in India, accelerators & incubators thus provide the perfect environment for startups to imbibe collaborative work efforts & synergy between their organisations. Please find herewith alphabetically listed accelerators & incubators:

	CITY	DETAILS
- 10000 Start-ups by NASSCOM	- Visakhapatnam	- Nasscom's initiative aims to enable funding, acceleration and incubation support to 10,000 technology startups in India over the next 10 years. The Startup 'warehouses' are based in several cities including Mumbai & Pune
- 91springboard	- Gurgaon	- Offer incubation and plug & play co-working spaces across cities in India.
- Barclays RISE	- Mumbai	- RISE, created by Barclays operates Fintech hubs around the world. Other locations include New York, Tel Aviv, Vilnius, Cape Town & London.
- Axis Thought Factory	- Mumbai	- In partnership with Zone Startup, Thought Factory is an innovation lab by Axis Bank that accelerates inventive technology solutions for the banking sector.
- Axilor Ventures	- Bangalore	- Accelerator and a seed fund company that provides a tech-led solutions.

- CIIE Initiatives, Centre for Innovation, Incubation and Entrepreneurship	- Ahmedabad	- Established by IIM Ahmedabad, specializes in seed, start-up, incubation, and early stage investments
- GSF Accelerator	- Gurugram	- Apart from providing mentorship and angel funding, GSF Accelerator runs focussed accelerator programs for early stage tech product companies. Most recently launched a fintech specific accelerator program wherein they could invest upto 200.000 USD for upto 15% equity
- ISME ACE	- Mumbai	- Recently announced the first batch of six startups in which they have invested upto 200.000 USD. Besides seed funding, will offer startups access to the financial, investor and entrepreneurial ecosystem, workspace infrastructure support, advisory guidance, and need-based mentorship.
- Jio GenNext Hub	- Mumbai	- Intensive four month 'Scalerator' program is in collaboration with Microsoft Accelerators. Technology based Startups (including fintech) gain access to funding, business mentors, industry-specific technical and design experts, and a plug-and-play office space.
- Kstart	- Bangalore	- Programme is backed by venture capital firm Kalaari Capital. Kstart backs early stage startups across sectors
- Microsoft Accelerator & Accenture Ventures	- Bangalore	- Support growth-stage technology B2B start-ups in India specializing in artificial intelligence, Internet of Things, augmented/virtual reality,



		designed for technology related startups
- Zone Startups	- Mumbai	- Provides startups with an opportunity to pitch to a group of angel investors at the end of an acceleration program.

8. WAY FORWARD: THE START OF SOMETHING BIG

In discussions about Fintech, it is not usually India that comes up. We hope this study would give you an overview of why a Flemish entrepreneur should consider the Indian market.

India is now the most exciting fintech market in the world³¹. Never before have we witnessed such a huge population simultaneously coming online predominantly because of the deep mobile penetration. This creates some unique opportunities for businesses and products as mobile internet is the fastest growing in India.

The young growing demographic is used to using the mobile interface and keen on trying new products and services. They expect the same level of digital user interface from their financial services products which several banks are not yet ready to provide. This translates into effortless and ready adoption of new products (particularly in the payments sphere) which can make releasing new products in this market a very satisfying experience.

Secondly, in India banks have been quite slow to adopt technology for a variety of reasons basically linked to infrastructure and distribution. It is very challenging for a large bank to distribute financial products to the mass market thereby creating an opportunity for people who can use technology to find solutions for smaller distribution and ways of distributing financial services products that don't require a physical interface. Finally the Indian government's UIDAI initiative to biometrically tag every single person in the country creates huge opportunities. The aadhar database means over a billion people will effectively have a social security number creating the country with the most digitally authenticated data. The infrastructure has suddenly become very accommodating making this the perfect time to build and cater to the Indian market.

These opportunities come with some very unique challenges to the market. Although India has a progressive regulator but the speed at which they change the reality on the ground is relatively slow. An entrepreneur or a developer in this market needs to have a lot of energy and enthusiasm to keep pushing the boundaries. Language diversity and a low income market are the other challenges to look out for.

³¹ <https://yourstory.com/2020/02/fintech-startups-one-trillion-dollar-market>

The reason for adoption and integration of technology into any industry is to ensure enhancement of overall performance. Similar with Fintech, we see more and more technology integrating with the sector which is changing the way the finance industry functioned until probably a decade back. However, the rate at which technology is incorporated into the sector is directly dependent on the market itself, users, government regulations and approach towards digitization by industry and regulatory bodies. India's Fintech sector is still very nascent when you compare it with other markets such as Singapore, Switzerland, UK, Netherlands, Canada, US, China etc. India and Mumbai in particular ranks somewhere 29th in the Thompson Reuters 2018 IFZ Global FinTech Rankings³². The ranking itself is indicative of the fact that there is still plenty to be explored in India.

The Fintech landscape in India is currently at a cross section where we have startups, some of the reputed technology industry players, accelerators and incubators, government task forces who can quantify the considerable possibilities that can be explored in other area such as Insurtech, lending, investment, blockchain, risk analysis etc. Companies that work in an integrated manner and collaborate with markets who are spear heading the industry and international players who are out of the box thinkers but at the same time can offer tailor made solutions to tap into India's potential.



For Flemish fintech companies considering this market can look in the uncharted areas of fintech which are still not flooded with players like the digital payment platforms & wallets. Lending, risk analysis, blockchain, Insurtech offer room for growth for a new entrant in the market. Also, remember India is a dynamic destination as far as 'doing business' is concerned, it is best to look at identifying partners and collaborators who have the local market knowledge and access, to incorporate technology and innovation from Flanders.

Overall India looks both promising and purposeful, albeit with its unique set of challenges. The ongoing disruption in the market is on the upward curve. With rising financial awareness, any Flemish company that comes to India would need to strike the right balance between their product and the market, invest in customer education, develop innovative business models and build Fintech in India.

³² <https://innovation.thomsonreuters.com/en/labs/portfolio/global-fintech-rankings.html#/>

