



# A STUDY ON ASSESSING THE IMPLEMENTATION OF SUSTAINABLE FINANCE AND GREEN FINANCE INITIATIVES IN FINTECH COMPANIES

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**Abstract:**

Sustainable Finance and Green Finance in Fintech companies leads to achieving Sustainable Development Goals (SDGs) and implementation of new financial technologies accordingly. This has been done in a global level at a very small rate but by the increased interest and awareness about the inclusion of these to concepts in Fintech companies, will ensure promoting more sustainability and profit to the business. This research project aims to offer a comprehensive study of development of Fintech companies with Sustainable Finance and Green Finance, How Fintech companies are developing worldwide and in our country, A clear picture of how much of the fintech companies have contribution towards Financing Sustainability and green finance and also key factors that leads to increase and decrease of these companies share towards them, development throughout the years and predictions going forward.

**Keywords:** Fintech Companies, Sustainable Finance, Green Finance, Fintech Companies in India, Investments in Fintech

## INTRODUCTION

In the recent years, the establishment and development of Fintech companies across the world has been growing at a fast rate having a great impact on all sectors. These companies which are completely based on financing any type of technology also have the potential to become a separate industry as it is mostly the adaptation of all new features of every business sector. As this ventures are growing with more and more investments, new entrants, cross breeding and merger of ideas to develop new businesses, forecoming of entrepreneurs and hike in share prices everyday; the importance of Fintech companies has become an interesting hot topic around the globe. As of 2024, Sustainability has become a necessity rather than a need in all grounds. Most importantly after the hit of covid pandemic, the word sustainability has become a brand in itself. Business Sustainability has becomes a essential part of every business model.

Sustainable finance refers to the process of taking environmental, social and governance (ESG) considerations into account when making investment decisions in the financial sector, leading to more long-term investments in sustainable economic activities and projects Sustainable finance is a crucial part for any kind of venture to shine out and be in the industry for long years. In today's industrialized world, protection and enhancement of whatever nature we have left is crucial and a responsibility to every human being. Implementation of that in a business financing concept is beneficial to both to the people and the place we live in. Green financing enables the establishment of modern recycling facilities, bolstering the capacity to manage and process various waste streams efficiently.

## OBJECTIVES OF THE STUDY

- To evaluate the current implementation status of sustainable finance initiatives within fintech companies.
- To Identify and analyze the challenges and barriers faced by fintech firms in integrating sustainable finance.
- To measure and assess the environmental impact of implemented green finance initiatives within fintech companies.

## RESEARCH METHODOLOGY

### TYPE OF RESEARCH

The core of this study is rooted on analysation of implementations on sustainable finance and green finance in fintech companies and comparison of their impact in Global level and Indian level. This analyzation and comparison relies on secondary data sourced from various channels, allowing for a comprehensive evaluation of the differences and similarities.

### SOURCES OF DATA

The research should keep in mind that data is collected by secondary data.

### SECONDARY DATA:

These data already exist in the magazines. I collect the secondary data from:-

- information collected from newspapers
- Internet searches or libraries
- journal paper and magazines

**AREA OF THE STUDY:**

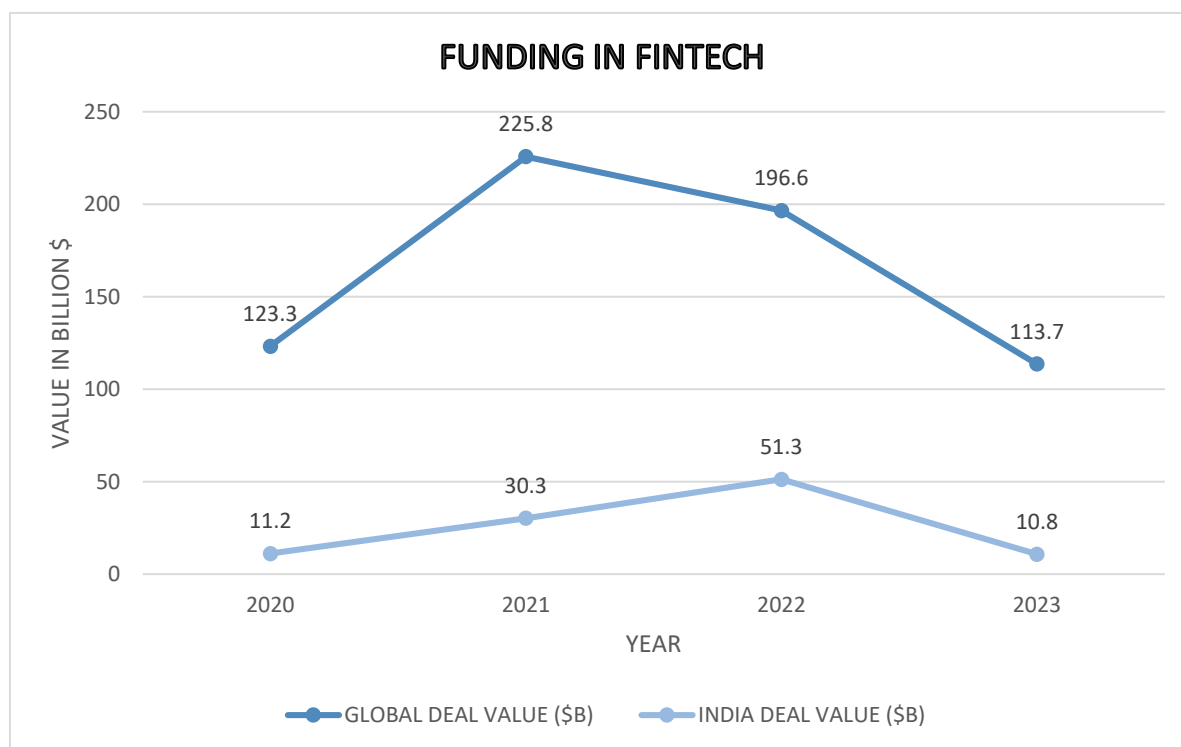
The area of study was detained to a period of 5 years from 2020 to 2024 involving data of comparing Financial Technology worldwide and India. Funding and Investments, Percentage of Development of fintech companies in different regions, Number of new start-ups and also their contribution in Sustainable Finance and Green Finance segments are the key areas concentrated.

**FINDINGS AND RESULT:****1.1. TABLE SHOWING VALUE FUNDED IN FINTECH COMPANIES**

<b>VALUE FUNDED IN FINTECH COMPANIES</b>		
<b>YEAR</b>	<b>GLOBAL</b>	<b>INDIA</b>
	<b>DEAL VALUE (\$B)</b>	<b>DEAL VALUE (\$B)</b>
2020	123.3	11.2
2021	225.8	30.3
2022	196.6	51.3
2023	113.7	10.8
<b>TOTAL</b>	<b>659.4</b>	<b>103.6</b>

**INTERPRETATION:**

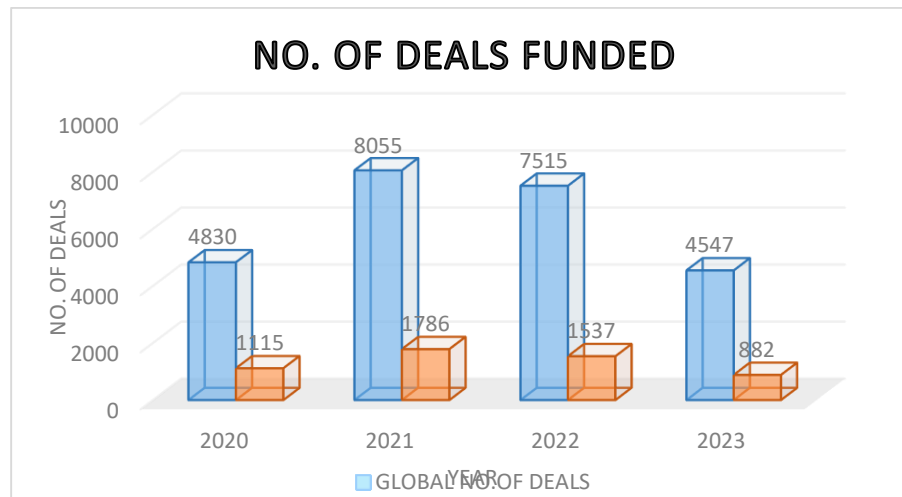
**TABLE 1.1** shows the investment funding for Fintech Companies during 2020 till 2023. This table has a comparative data collection of how much of the investment is being made Globally as well as in India at the same time period. In 2020, valuation of deals made was 123.3B\$ where as in India it was 11.2B\$ which is approximately near **10%** of the total funding around the world. The data also shows 225.8B\$ globally and 30.3B\$ in India during 2021, 196.6B\$ globally and 51.3B\$ in India during 2022, and 113.7B\$ globally and 10.8B\$ in India during 2023.

**2.1. EXHIBIT SHOWING VALUE FUNDED IN FINTECH COMPANIES****1.2. TABLE SHOWING NO. OF DEALS FUNDED IN FINTECH COMPANIES****INTERPRETATION:**

**TABLE 1.2** shows the No. of deals funded in Fintech Companies during 2020 till 2023. This table has a comparative data collection of how much of the investment is being made Globally as well as in India at the same time period. In 2020, number of deals made was 4830 where as in India it was 1115 which is approximately near  $\frac{1}{4}$ <sup>th</sup> of the total number of deals made during that particular period in world. The data also shows 8055 deals globally and 1786 deals in India during 2021, 7515 deals globally and 1537 deals in India during 2022, and 4547 deals globally and 882 deals in India during 2023 where made which shows the trend of India following Global one.

<b>NO. OF DEALS FUNDED IN FINTECH COMPANIES</b>		
<b>YEAR</b>	<b>GLOBAL</b>	<b>INDIA</b>
	<b>NO.OF DEALS</b>	<b>NO.OF DEALS</b>
2020	4830	1115
2021	8055	1786
2022	7515	1537
2023	4547	882
<b>TOTAL</b>	<b>24947</b>	<b>5320</b>

## 2.2. EXHIBIT SHOWING NO. OF DEALS FUNDED IN FINTECH COMPANIES



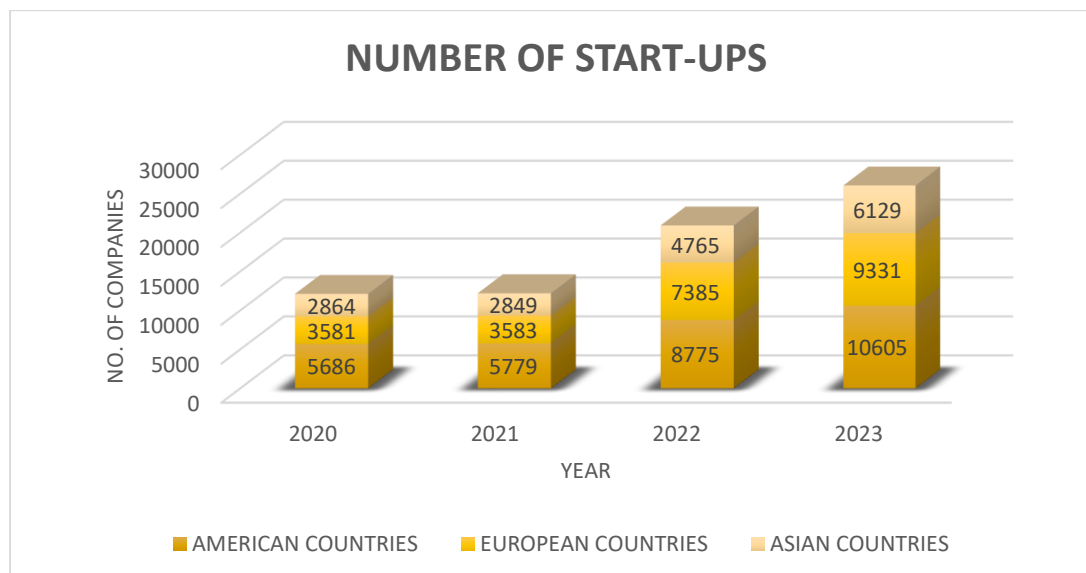
## 1.3. TABLE SHOWING NUMBER OF STARTUPS IN FINTECH SECTOR

NUMBER OF STARTUPS IN FINTECH SECTOR			
YEAR	AMERICAN COUNTRIES	EUROPEAN COUNTRIES	ASIAN COUNTRIES
2020	5686	3581	2864
2021	5779	3583	2849
2022	8775	7385	4765
2023	10605	9331	6129
<b>TOTAL</b>	<b>30345</b>	<b>22880</b>	<b>16607</b>

### INTERPRETATION:

**TABLE 1.3** shows the data of number of Start-ups being formed in from 2020 till 2023 year wise. As an growing sector, the number of new entrants tend to rise in a growing rate between periods and this data is not an exception. To also get a clear view of the consolidated data, it is divided geographically as American, European and Asian countries as a whole. Starting with 2020, 5686 companies in American 3581 companies in European and 2864 companies in Asian countries were started. As of 2023 latest data, 10605 American companies 9331 European companies and 6129 Asian companies has been started which shows **3 times** the growth rate by comparing data through years.

## 2.3. EXHIBIT SHOWING NUMBER OF STARTUPS IN FINTECH SECTOR



## 1.4. TABLE SHOWING SHARE OF MARKET SEGMENTS IN FINTECH COMPANIES

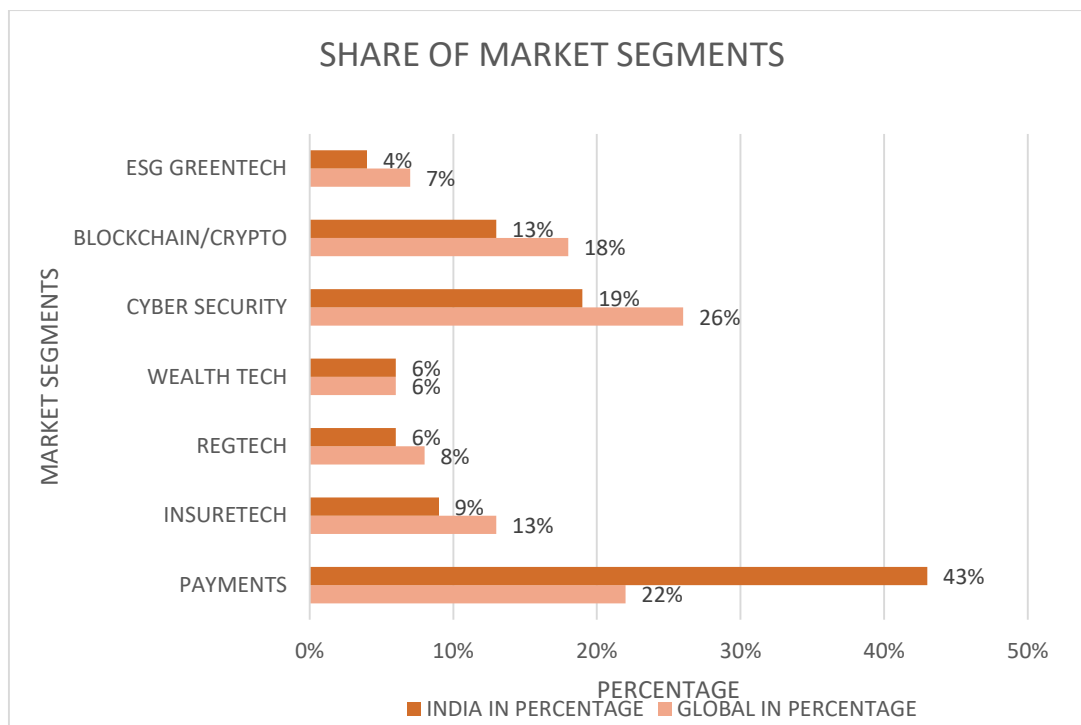
SHARE OF MARKET SEGMENTS IN FINTECH COMPANIES		
MARKET SEGMENTS	GLOBAL	INDIA
	IN PERCENTAGE	IN PERCENTAGE
PAYMENTS	22%	43%
INSURETECH	13%	9%
REGTECH	8%	6%
WEALTH TECH	6%	6%
CYBER SECURITY	26%	19%
BLOCKCHAIN/CRYPTO	18%	13%
ESG GREENTECH	7%	4%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

## INTERPRETATION:

**TABLE 1.4** shows in percentage of market share each main segment of Fintech companies which are Payments, Insure tech, Reg tech, Wealth tech, Cyber security, Block chain / Crypto and ESG Green tech have being listed. This data also have the comparision of how Global and Our National Fintech market is similar and deferred in aspects. This relative data shows that the **largest market share segment** in fintech globally is Cyber Security with 26% where as Payments being in lead with 43% share in Indian market. As of the **smallest market share segment**, 4% of market share is being held by ESG green tech and the same with 7% Globally. Wealth Tech shows same percentage of market share in both Indian market and Global market. As of others, Insuretech with 13% Globally and 9% in National market, Regtech with 1 percent higher than green tech Globally and 6% in National market, Blockchain / Crypto having 18% globally and 13% in Indian market. This table clearly shows which segment is

gaining more investments and pioneering the sector and which ones need more careful analysis and indepth research on to develop the underlying capacity of those segments.

**2.4 EXHIBIT SHOWING SHARE OF MARKET SEGMENTS IN FINTECH COMPANIES**



**1.5. TABLE SHOWING INVESTMENT IN SUSTAINABLE FINANCE BY FINTECH COMPANIES**

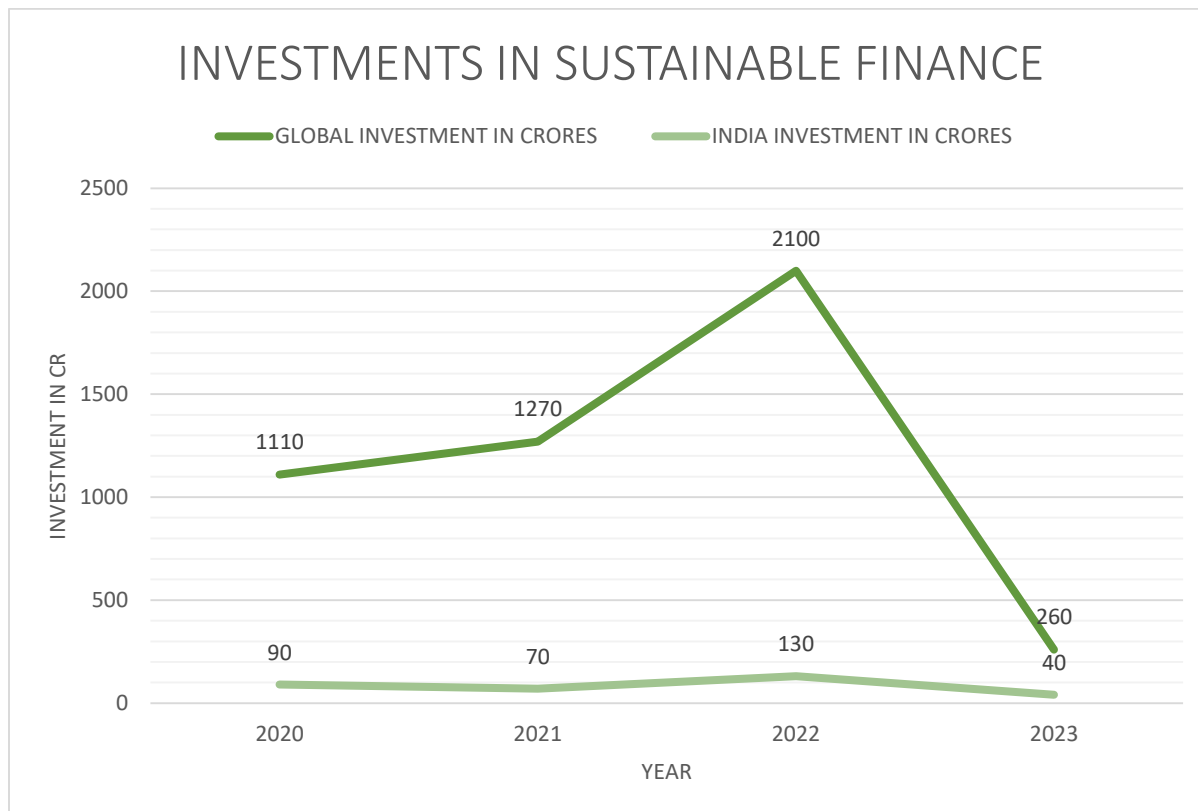
INVESTMENT IN SUSTAINABLE FINANCE BY FINATECH COMPANIES		
YEAR	GLOBAL	INDIA
	INVESTMENT IN CRORES	INVESTMENT IN CRORES
2020	1110	90
2021	1270	70
2022	2100	130
2023	260	40
<b>TOTAL</b>	<b>4740</b>	<b>330</b>

**INTERPRETATION:**

**TABLE 1.5** shows the amount of investment being done into Sustainable Finance segments within Fintech companies in between the years 2020 and 2023. This table also has a comparative data of how investments are done in Global level and in National level at the same time period. As on 2020, amount invested in Sustainable finance globally was 1110crs and 90crs in India. This singular data in itself represents that the global investment

is **12 times** approximately bigger than that of the Indian market investment. Continuing with the data collected of year 2021, amount invested in sustainable finance is 1270crs Globally and 70crs Nationally. During the year 2022, sustainable finance segment investment in fintech was around 2100crs around the world and 130crs in India. And finally to the latest data of 2023, overall Global investment is 260crs and National investment is 40crores into this segment.

**2.5. EXHIBIT SHOWING INVESTMENT IN SUSTAINABLE FINANCE BY FINTECH COMPANIES**



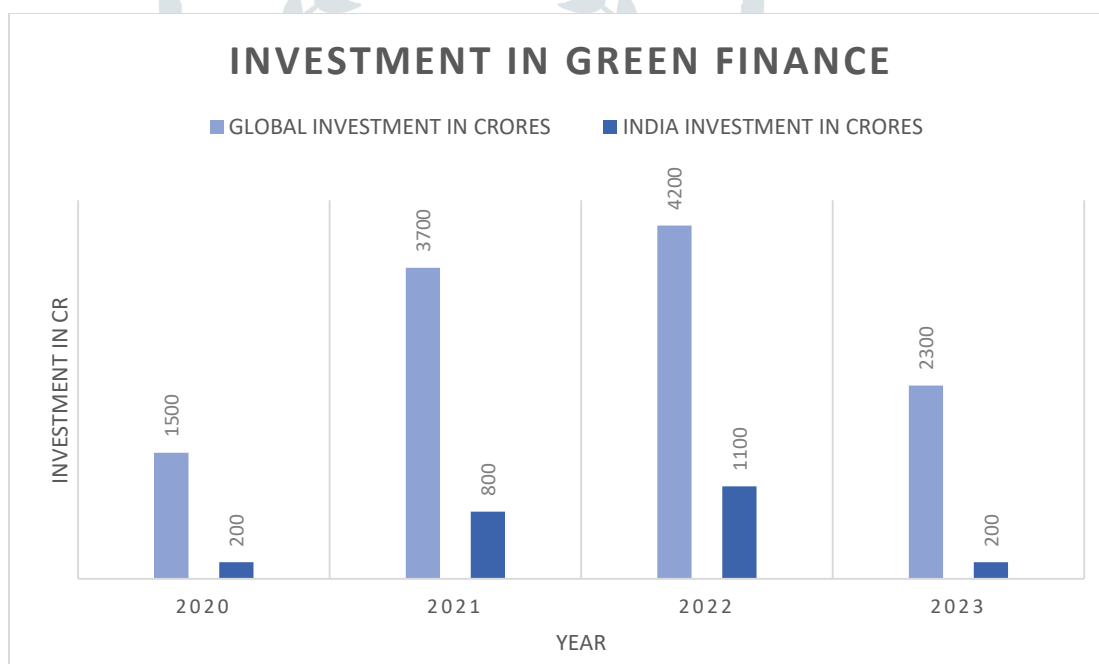
**1.6. TABLE SHOWING INVESTMENT IN GREEN FINANCE BY FINTECH COMPANIES**

INVESTMENT IN GREEN FINANCE BY FINTECH COMPANIES		
YEAR	GLOBAL	INDIA
	INVESTMENT IN CRORES	INVESTMENT IN CRORES
2020	1500	200
2021	3700	800
2022	4200	1100
2023	2300	200
<b>TOTAL</b>	<b>11700</b>	<b>2300</b>



**INTERPRETATION:**

**TABLE 1.6** shows the amount of investment being done into Green Finance segments within Fintech companies in between the years 2020 and 2023. This table also has a comparative data of how investments are done in Global level and in National level at the same time period. As on 2020, amount invested in Green finance globally was 1500crs and 200crs in India. This singular data in itself represents that the global investment is **7times** approximately bigger than that of the Indian market investment. Continuing with the data collected of year 2021, amount invested in Green finance is 3700crs Globally and 800crs Nationally. During the year 2022, green finance segment investment in fintech was around 4200crs around the world and 1100crs in India which is the largest improvement by far in any segment which in turn emerged from 7times greater to 3times greater data. And finally to the latest data of 2023, overall Global investment is 2300crs and National investment is 200 crores into this segment.

**2.6. EXHIBIT SHOWING INVESTMENT IN GREEN FINANCE BY FINTECH COMPANIES****CONCLUSION:**

In conclusion, this study sheds light on the intricate landscape of sustainable finance and green finance integration within the realm of Fintech companies. While there is a growing recognition of the importance of environmentally responsible financial practices, through an in-depth analysis of implementation, challenges, and outcomes and existing multifaceted barriers to their seamless integration within Fintech operations being analysed in depth, the elaborate explanation of what is Sustainable finance, Green Finance, Fintech companies and its functions, segments, How collaboration of Sustainable and Green finance in Fintech work, emerging trends, Analysis and Interpretation of data, and also how near does the theoretical data come near to the practical aspect is also shown

in this study. In short, a study for understanding these newer concepts and how they are interconnected and benefitted to us and to everyone is shown in an understandable manner.

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