

A Report by

**SGA PR**  
Strategic Growth Advisors

# The Pulse

— FinTech 2025 —



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# Foreword

India's fintech and digital payments ecosystem is at an inflection point. The last decade was defined by rapid adoption and the creation of globally admired public digital rails. The next decade will be defined by something harder and more consequential: sustaining trust at scale through reliability, consumer protection, and institutional-grade governance.

In 2025, the ecosystem's priorities have visibly matured. Across payments, lending, and embedded financial services, firms are strengthening risk management, fraud controls, compliance capabilities, and operational resilience as core product fundamentals, not afterthoughts. This is a welcome shift. It signals that Indian fintech is moving from "growth-first" to "system-first", where durability and accountability become competitive advantages.

At the same time, the industry must confront an equally important question: how do we finance the continued expansion and hardening of the payments stack while preserving inclusion and innovation? PCI has publicly emphasised that the long-term sustainability of digital payments requires a predictable framework that supports investment in infrastructure, risk, and dispute resolution. In that context, PCI has sought a structured policy dialogue to examine design options for an appropriate MDR framework particularly for UPI transactions for large merchants, alongside a nominal MDR on RuPay debit cards without undermining grassroots adoption. This report is a useful attempt to capture the year's defining shifts: the centrality of trust, the rise of compliance-by-design, and the growing premium on sustainable models. PCI and FCC are pleased to support this report by SGA PR as a contribution to informed ecosystem dialogue. We hope it helps stakeholders converge on practical pathways that strengthen India's digital financial system secure, inclusive, and built to last.

**Dr. Subho Ray,**  
**President, IAMA**

# India at the Start of a New FinTech Decade

As India enters a new year, its FinTech ecosystem does so from a position of macro stability and institutional confidence. Inflation has moderated, digital public infrastructure continues to scale reliably, and regulatory frameworks have evolved from reactive oversight to structured supervision. As this report reflects, these shifts have fundamentally reshaped FinTech's role in the economy. The focus has moved decisively from expansion at speed to growth built on credibility.

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*Through this Annual FinTech Report 2025, SGA PR brings together data, market signals and narrative shifts that defined the sector over the year.*

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What emerges clearly is that India's FinTech momentum in 2025 was not consumer-led alone. It was increasingly driven by B2B and infrastructure-first models powering the financial system from within. Lending platforms, FinTech SaaS, RegTech and core infrastructure providers stood out as the strongest engines of value creation. Banks, NBFCs, insurers and enterprises are now relying on FinTech capabilities to strengthen underwriting, compliance, risk management and operational efficiency at scale. FinTech in India is no longer just a layer of innovation; it is becoming embedded financial infrastructure.

This does not signal a slowdown in consumer FinTech, but rather a maturation, where B2C experiences

across payments, lending, wealth, and insurance are increasingly powered by stronger, more compliant, and intelligent B2B foundations.

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*Artificial intelligence is accelerating this transition, but its deployment in India remains distinctly purposeful.*

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As the data in this edition shows, AI adoption has been most pronounced in compliance, credit decisioning, fraud detection, KYC and regulatory reporting. In a regulatory environment that has matured significantly, compliance-led AI has emerged as a growth catalyst rather than a constraint. Companies that combine automation with explainability and governance are gaining trust, partnerships and long-term capital. Innovation is increasingly aligned with regulatory intent, not positioned against it.

This convergence of AI, compliance and infrastructure is also redefining financial inclusion. The findings in this report show that inclusion is moving beyond account access to sustained financial participation. By lowering the cost of underwriting, enabling real-time monitoring and responsibly using alternative data, FinTechs are extending formal finance to MSMEs, gig workers, small merchants and first-time borrowers at scale. The emphasis is shifting from onboarding volumes to quality of credit, continuity of usage and resilience at the last mile.

India's digital public infrastructure continues to provide a critical tailwind to this evolution. Identity, payments and consent-based data frameworks have created an environment where innovation can travel from metros to tier-two, tier-three and rural markets with speed and consistency. As observed by SGA PR across engagements with founders, investors and policymakers, FinTechs are increasingly designing for outcomes rather than reach, with a sharper focus on sustainable unit economics and long-term impact.

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*Looking ahead to 2030, the opportunity is clear. India is positioned to build one of the world's most trusted and intelligent financial ecosystems.*

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One where B2B FinTech infrastructure quietly powers millions of compliant, data-driven decisions every day. One where AI strengthens governance and access simultaneously. And one where growth is measured not only by scale, but by how effectively finance reaches those who need it most.

The year ahead begins not with exuberance, but with conviction shaped by experience. As this report shows, India's FinTech journey has entered a phase where credibility, compliance and inclusion, alongside a consumer-first approach will define the next decade of growth.



# Introduction

# India FinTech 2025 - The Year Credibility Took Over

“

*2025 was the year India's FinTech narrative shifted from growth storytelling to credibility storytelling*

”

India's FinTech ecosystem underwent a clear recalibration in 2025. As growth capital became more discerning and regulatory oversight more structured, companies were compelled to move from scale-at-speed to sustainability-by-design. The year marked a transition from expansion-led narratives to credibility-led execution, where profitability, governance and compliance became central to long-term growth.

## What Changed in 2025 vs 2024

Dimension	2024	2025
Growth Narrative	Speed & Scale	Discipline & Durability
Policy Framework	Supervisory & Structured	Matured
Media Tone	Funding-Led	Risk & Governance-Led
Investor Focus	Valuation	Sustainable Scalability
Founder Messaging	Faster Growth at Cost	Accountable

*“2025 marked a clear shift for India's FinTech ecosystem. The focus moved beyond rapid digital adoption to whether consumers are actually benefiting from the financial products they hold. India has an impressive FinTech adoption rate of 87%, the highest globally, and the market is projected to reach USD 156Bn in 2025. Going ahead, FinTechs that put customers first by simplifying insurance decisions, improving clarity at critical moments, and designing products around real user behaviour will lead the next phase of growth”*

Saurabh Vijayvergia, Founder & CEO, CoverSure

# FinTech Industry Snapshot

India remains the  
3rd Largest FinTech  
Ecosystem Globally



FinTech Total  
Addressable Market  
Outlook (2029)

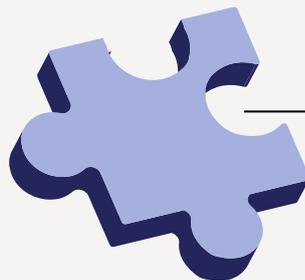
**\$420Bn**

**\$250 Bn**  
revenue by 2030



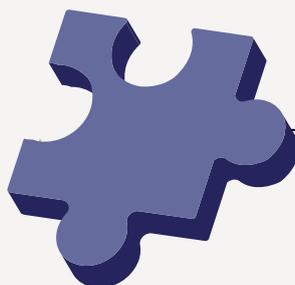
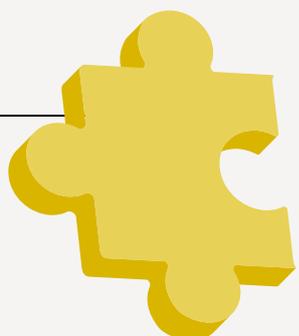
CAGR  
**30.2%**

**26**  
Unicorns



**41**  
Minicons

**10**  
Listed FinTechs



**12**  
upcoming IPOs



# Views from The Ecosystem

*"India's BFSI sector has entered a structurally different phase of growth, from a market capitalisation of INR 1.8 trillion in 2005 to over INR 105 trillion as of October 2025, the sector has compounded at 23% over two decades, accelerating to 25% CAGR over the last three years. Insurance has scaled meaningfully from being a fringe contributor a decade ago to over 12% of BFSI market cap today, capital markets now account for 6%, and FinTechs, virtually non-existent in 2015, already representing 4% of the sector, with further upside as more platforms come to market. Looking ahead to 2026, we believe the momentum will sustain, driven by DPI 2.0, supportive regulation, and the rapid commercialisation of AI across financial services. AI-native platforms are set to move from experimentation to the core, reshaping both enterprise workflows and consumer engagement. Multiple AI agents will increasingly operate in parallel to solve complex financial needs, discovery will shift towards intent-led interactions via personal AI, and payments will become inherently agentic."*

**Sagar Agarwal, Founder, Beam FinTech VC**

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*"With the increase in global acceptance of Indian payment system globally and Govt's push towards cashless economy, Indian FinTech's spread arms across segments over last few years. Whether its payment, lending, broking, insurance we have success stories across segments. However, the space is crowded now, especially in customer facing areas. With funding drying up, this space is expected to experience consolidation over next few years."*

**Debashish Mazumdar, SVAN Investments**

*"2025 ensured that nearly everyone in Indian FinTech tried to catch the AI wave. The year started with discussions around agentic commerce, model context protocols (MCP) to standardise the future of agentic payments, among other things. In 2026, we may see more action on the AI front with practical use cases bearing in mind security, regulatory clarity and frameworks on the usage of the emerging technology, whereas some companies may need to relook at their existing models. What happens to the existence of human points like apps if agents interact with one another to close the transaction by themselves?"*

**Leading FinTech Journalist**

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*India has emerged as a global leader in digital payments, with UPI transforming the way money moves across the economy. This leadership has propelled FinTech companies into a dominant position within the financial ecosystem.*

*Since 2021, several FinTech players have listed, investor outcomes, however, have been mixed. Most IPOs came during a bull market, often at aggressive valuations, even as many companies were yet to report profits. As market conditions normalised, investors began questioning business models that prioritised growth over sustainability.*

*Looking ahead, more FinTech listings are inevitable, but the yardstick has changed. The coming years will be a litmus test, as investors increasingly demand a clear road to profitability rather than just rapid user growth. Unit economics, operating leverage, and cash-flow visibility will become central to valuation.*

**Fund Manager from a Family Office**

*Traditional banks and NBFCs are also positioning themselves as FinTech-led institutions. While they bring capital strength, regulatory experience, and customer trust, many still lack the seamless technology and user experience of pure-play FinTechs. FinTechs, in contrast, excel in technology and data but often struggle with funding costs and balance-sheet depth.*

*This imbalance is likely to trigger consolidation. Acquisitions of FinTechs by banks or NBFCs could create powerful combinations-strong balance sheets paired with superior technology-benefiting both customers and investors.*

*The situation mirrors the post-1991 banking reforms, when many private banks were given license but only a few scaled successfully, with HDFC Bank emerging as a long-term winner. Similarly, FinTech will see consolidation before champions emerge. For investors, vigilance and selectivity will be key.*

A dark, stylized globe of the Earth is the central focus, rendered in a deep blue and black color palette. The globe shows the continents in a darker shade. Surrounding the globe are several glowing, concentric orbital lines that create a sense of motion and depth. The background is a dark, starry space with some faint, wispy light trails. The overall aesthetic is futuristic and cosmic.

# Macro Landscape

# FinTech Market (Macro)

## Canada

Canadian FinTech investment reached US\$1.62Bn across 60 deals in H1 2025, down from 2024 peaks due to normalization after mega-deals but still resilient amid global declines to \$44.7Bn. Q2 saw a 2.3x YoY funding surge to \$481Mn in 25 deals, with average deal size rising to \$19.2Mn.

## United States

- Largest FinTech hub globally by revenue and investment share (34% of global market)
- Raised \$11.5Bn across 1,082 FinTech deals in H1 2025, accounting for nearly half of global deal volume

## Brazil

Brazil's FinTech market reached USD 5.5Bn in 2025, up significantly from prior years, with projections for 14.9–19.3% CAGR through 2034 driven by **Pix expansion, open finance, and digital lending.**



## United Kingdom

- Europe's leading FinTech ecosystem, raising \$1.5Bn in funding in H1 2025
- UK FinTech funding in the first half of 2025 reached \$7.2Bn across 216 deals, down slightly from \$7.6Bn in H1 2024.

## China

- One of the largest FinTech user markets with >1Bn digital wallet users
- China's FinTech funding in 2025 totaled around \$395Mn (through Nov) across 22 rounds, down 4.54% from 2024, with investors favoring **SME finance and crypto platforms**



## Emerging and Fast-Growing Markets

### Africa

Kenya and Nigeria continue to drive rapid mobile FinTech expansion.

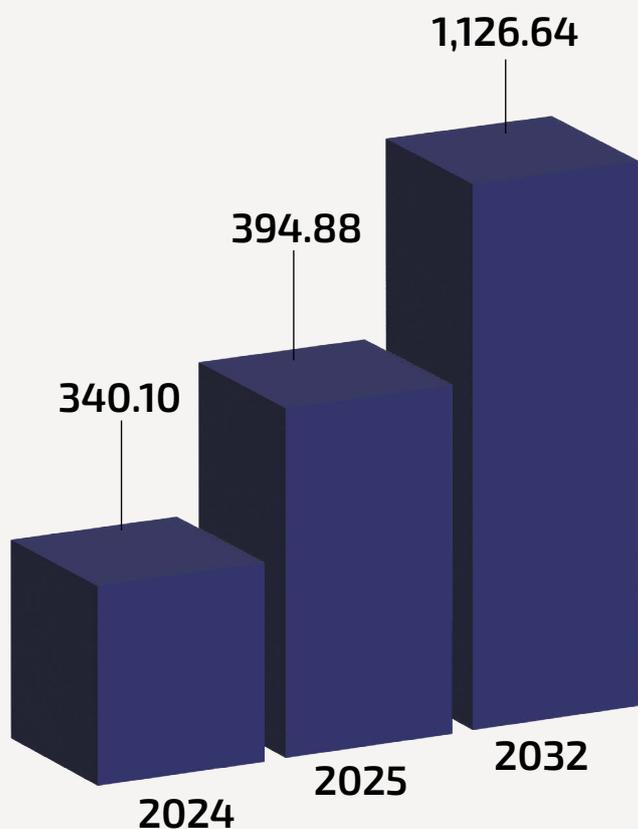
### Southeast Asia

Indonesia and Vietnam posting >20% FinTech adoption growth.

### Middle East

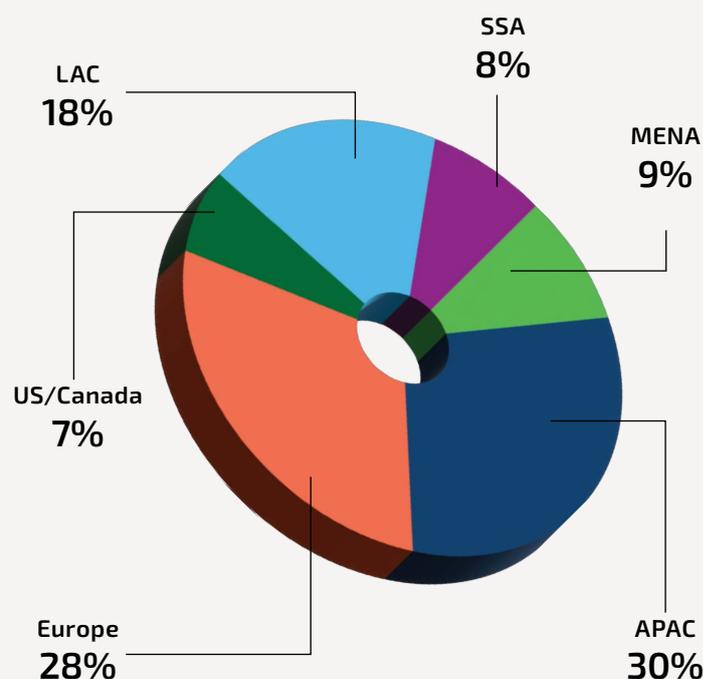
UAE, Saudi Arabia emerging as regional FinTech hubs supported by capital inflows and digital infrastructure initiatives.

## FinTech Market Growth (In \$ Bn)



## FinTech Firm Distribution by Region

FinTech firms are disproportionately concentrated in mature markets, yet emerging regions like APAC (30% share) signal rapid expansion potential. Data from a survey of 717 firms (The Future of Global FinTech: From Expansion to Sustainable Growth) reveals:

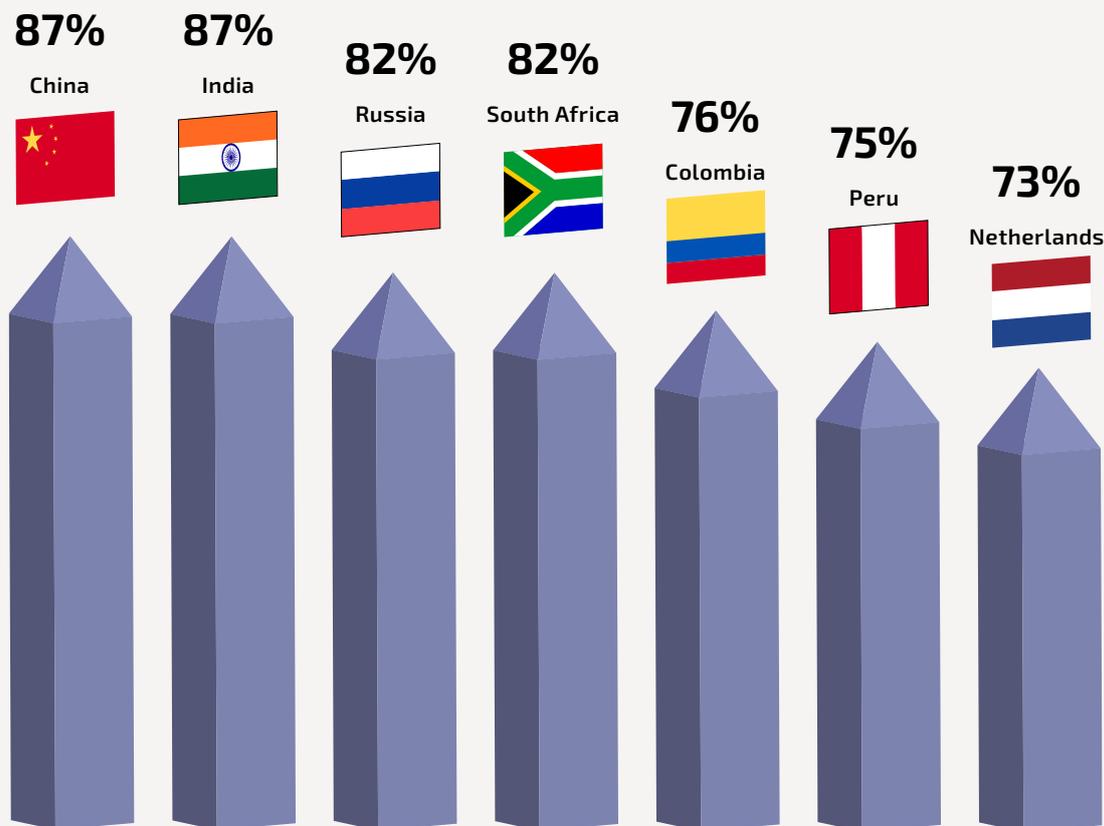


## Key Factors Impacting FinTech Adoption

Region	Top Supporter	Top Hindrance   Challenges
APAC	Consumer demand	Skilled talent access
Europe	Reg./financial literacy	Infrastructure
LAC	Skilled talent	Regulatory environment
MENA	Consumer demand	Funding access
SSA	Consumer demand	Infrastructure
US/Canada	Regulations	Talent gaps

Source: World Economic Forum

# Adoption of FinTech by Countries



India has historically ranked among the highest globally on fintech adoption. A widely cited global study conducted in 2019 placed India's adoption rate at 87%, comparable to China at the time. Since then, growth has been driven primarily by UPI, which today accounts for the bulk of digital payment volumes.

The RBI Financial Inclusion Index reached 67.0 in March 2025, reflecting FinTech's role in boosting access, usage, and quality of services like 10.9 crore loans worth ₹1,06,548 crore disbursed in FY 2024–25. This rapid penetration, supported by RBI's target of 1 Bn UPI users by 2030, underscores how seamless digital platforms have integrated underserved populations into formal finance, far exceeding global averages.

*"India's FinTech evolution is not just a transformation of technology - it is the reshaping of opportunity at scale. Today, India stands at a pivotal crossroads where innovation, policy momentum, and entrepreneurial energy converge to redefine financial inclusion. FinTech must go beyond incremental products and become the backbone of economic participation for millions of micro, small, and medium enterprises. By simplifying compliance, expanding access to formal credit, and enabling unified financial infrastructure, we can unlock the true potential of India's MSME ecosystem. The next wave of FinTech success will be defined by platforms that don't just serve transactions - they drive sustainable scale, deepen financial visibility, and give every entrepreneur the confidence to compete on a global stage."*

Gurjodhpal Singh, CEO, Tide India

# Macro and Regulatory Landscape

Jan  
2025

RBI's retail CBDC (e₹) pilot continued to expand through bank-led pilots and use-case additions (P2P/P2M), with broader experimentation across participants.

Feb  
2025

Union Budget reduced UPI/RuPay incentive allocations by ~78%, from ₹2,074 Cr to ₹437 Cr, signalling a pullback in subsidy-led payment support.

Mar  
2025

India Post Payments Bank (IPPB) continued its rural expansion and integration push, positioning its 650K+ post offices as last-mile onboarding and assisted access points for fintechs.

Oct  
2025

- Trade digitisation initiatives advanced through pilot programs, with platforms such as BharatTradeNet enabling invoice digitisation and MSME lending workflows for fintechs.
- Focus on alternative credit scoring for rural and MSME borrowers increased, with public-sector banks exploring cash-flow and non-traditional data for fintech-led credit.
- Payment intermediaries faced stricter licensing discipline, while regulatory sandboxes continued testing new innovations across UPI upgrades and AI-led fraud prevention.

Apr  
2025

Digital lending oversight tightened further, reinforcing direct lender-to-borrower disbursements and limiting the role of unregulated third-party intermediaries in fintech-NBFC models.

Nov  
2025

- Financial inclusion narratives shifted toward outcomes, moving beyond onboarding to measurable usage and benefit delivery across Tier-2/3 and underserved markets.
- Data protection readiness intensified across fintechs, with greater emphasis on consent management, data governance, and cross-border data controls aligned with the DPDP Act, 2023.

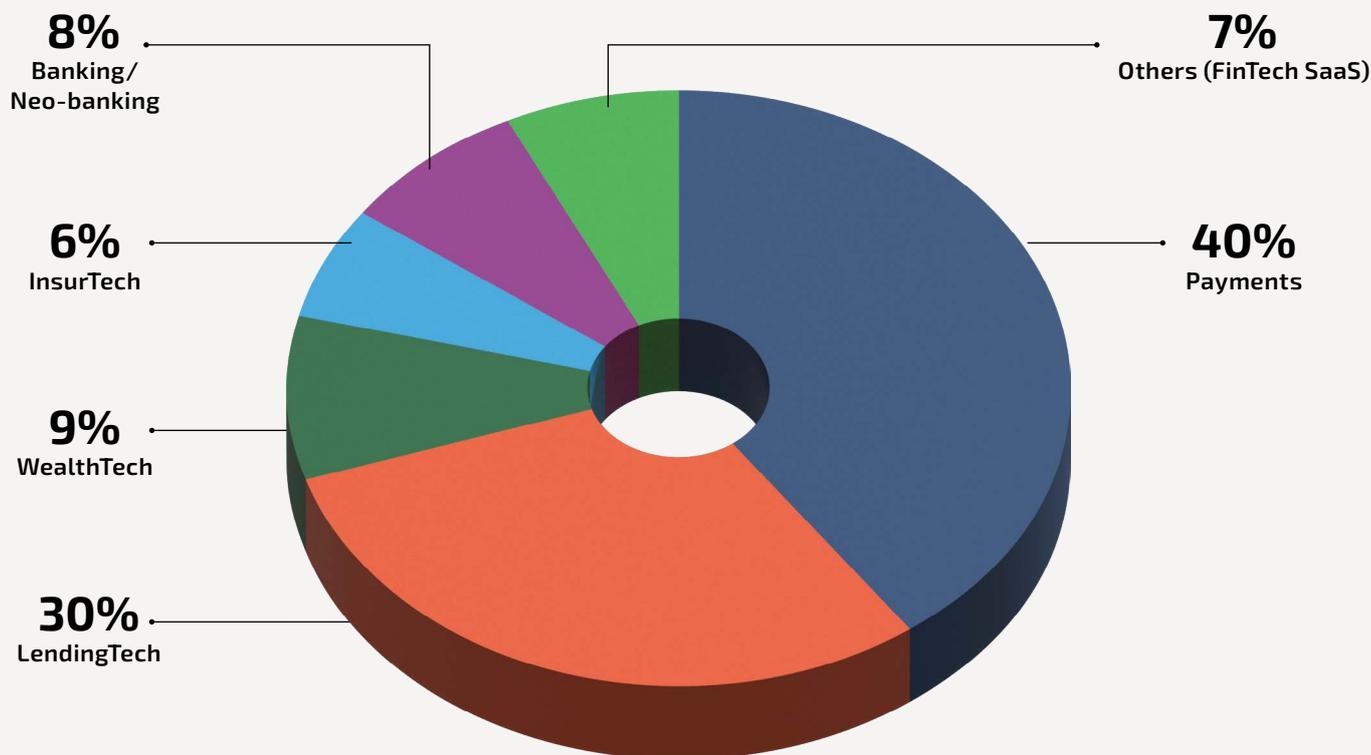
*"2025 was a defining year of consolidation for India's fintech ecosystem, marked by stronger governance, heightened regulatory alignment, and a clear shift from scale-at-any-cost to sustainable value creation. Fintech platforms focused on enabling formal credit access, particularly for MSMEs, gained greater relevance as transparency and resilience became non-negotiable. Looking ahead to 2026, the sector will be shaped by deeper integration with supply chains, accelerated adoption of digital trade finance, and advanced risk intelligence. Technology-led collaboration between fintechs, financial institutions, and regulators will be key to driving inclusive and responsible growth."*

**Sundeep Mohindru, Founder & Promoter, M1xchange**

A dark, stylized globe with glowing orbital lines and a starry background. The globe is positioned in the upper right quadrant, showing continents in a dark, textured style. Below it, several glowing, concentric orbital lines curve across the frame. The background is a deep black with scattered white stars and a subtle nebula-like glow.

# Micro Landscape

# Market Share Breakdowns in India



The above data has been compiled using publicly available information and is subject to interpretation.

*"Exporters are seeking Structured, Real-time Financing Options that keep pace with the Global Supply Chain rather than the older Banking Process. As digital trade platforms scale and lender participation broadens, including global banks, development institutions, and private capital, access to funding is becoming more efficient and more transparent. Looking ahead at 2026, enabling seamless financing won't just be about deploying capital. It will require shared data frameworks, interoperable systems, and deeper collaboration between regulators, lenders, and technology platforms will be critical. If the industry continues to move in this direction, we can unlock tremendous value for exporters and strengthen India's role in global trade."*

**Pushkar Mukewar, Co-founder & CEO, Drip Capital**

*"2025 was the year FinTech moved from Digitization to Intelligence, with AI reshaping how enterprises manage spends, risk and compliance. We saw a decisive shift toward platforms that use data and automation to drive real-time decision-making and financial discipline at scale. In 2026, AI-native, deeply integrated SaaS FinTechs will define the category, moving beyond transactions to become strategic operating systems for enterprises. The winners will be those translating AI into measurable business outcomes."*

**Dr. Raj P Narayanam, Founder & Executive Chairman, Zaggie**

# State Wise Breakdown

## Number of FinTech Startups

Gujarat	
2020	2025
35	100+

2.86x growth

### EMERGING STATES

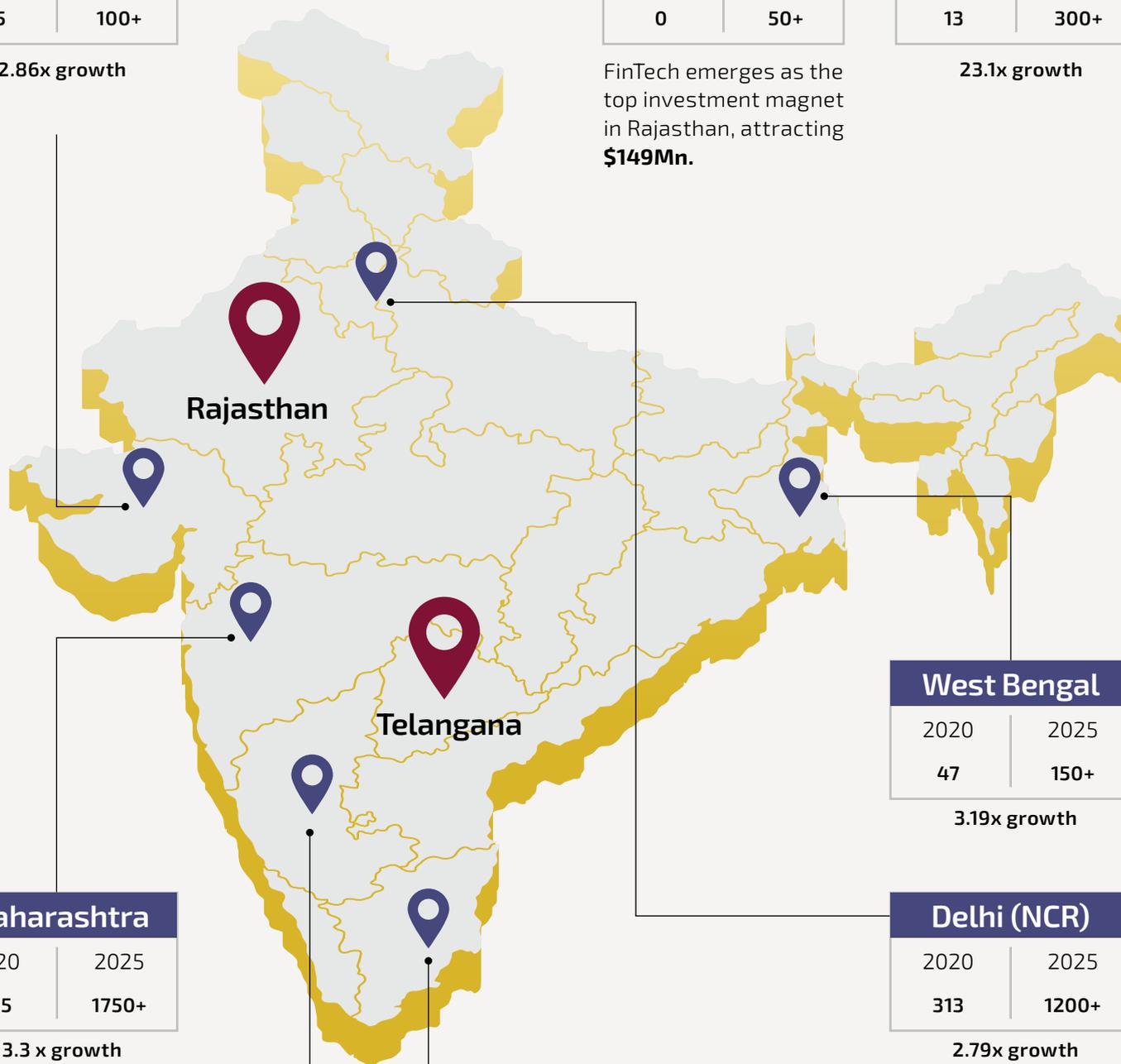
Rajasthan	
2020	2025
0	50+

FinTech emerges as the top investment magnet in Rajasthan, attracting \$149Mn.

Telangana	
2020	2025
13	300+

23.1x growth

The illustrated India map is not to scale and is for representational purposes only.



Maharashtra	
2020	2025
525	1750+

3.3 x growth

West Bengal	
2020	2025
47	150+

3.19x growth

Delhi (NCR)	
2020	2025
313	1200+

2.79x growth

Karnataka	
2020	2025
447	1700+

3.8x growth

Tamil Nadu	
2020	2025
104	500+

4.81x growth

# RBI FinTech Payment Licences (2025)

## Full-Stack Payment Aggregators



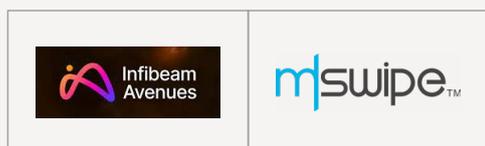
## Cross-border Payment Aggregators (PA-CB)



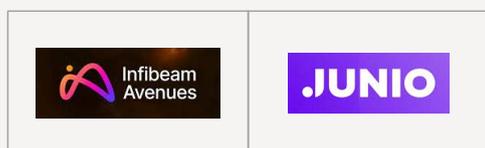
## Online Payment Aggregators



## Offline Payment Aggregators



## Prepaid Payment Instrument (PPI) Issuer



Source: Entrackr

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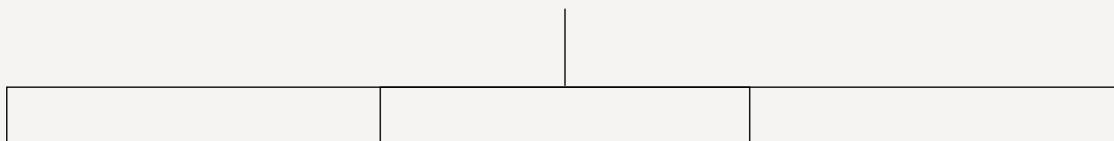
*"In 2025, FinTech moved from experimentation to execution, driven by stronger regulation, real-time payments, and AI-led efficiency. Innovation became less about speed and more about resilience, security, and inclusion. As we look to 2026, platforms that balance compliance with customer experience will lead the market. The future of FinTech lies in sustainable growth, embedded finance, and ecosystem-led collaboration."*

Ketan Patel, Co-founder and CEO of Mswipe Technologies

# Self-Regulatory Organizations (SROs)

RBI granted in-principle approval to the **Finance Industry Development Council (FIDC)** as the SRO for NBFCs on April 22, 2025, followed by formal recognition in early October 2025, enabling it to represent the sector and support regulatory goals

## SROs



Finance Industry Development Council (FIDC): Formal SRO for NBFCs since October 2025, promoting compliance and sector standards.



Self-Regulated PSO Association (SRPA): SRO for payment system operators, approved November 2025



Sa-Dhan and MFIN: SROs for microfinance institutions Since 2015 and 2014.



FinTech Association for Consumer Empowerment (FACE): SRO for FinTech sector, recognized in 2024.

## Proposed SROs

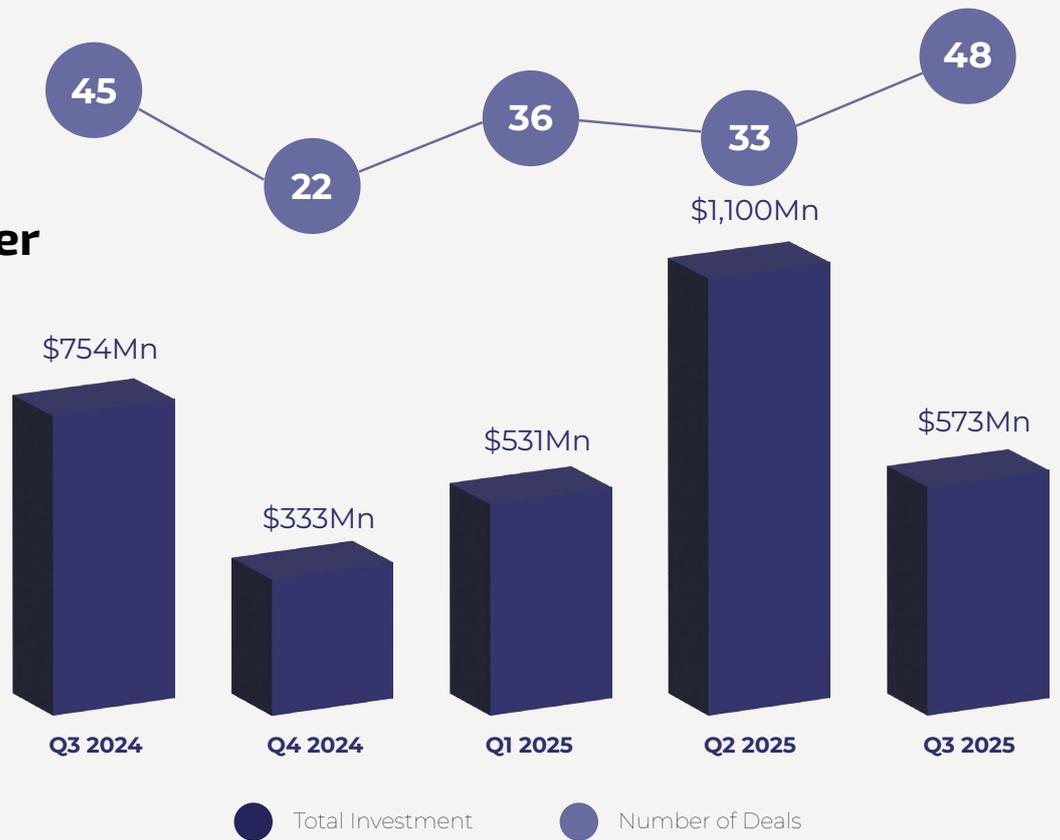


*"India's payments ecosystem has reached a stage where scale must be matched by stronger governance, shared standards, and consistent consumer outcomes. SRPA's role as a self-regulatory organisation is to help payment system operators institutionalise responsible conduct, risk management, and transparent compliance practices, while keeping innovation practical and interoperable. We look forward to continued engagement with the Reserve Bank of India and ecosystem stakeholders to strengthen trust in digital payments."*

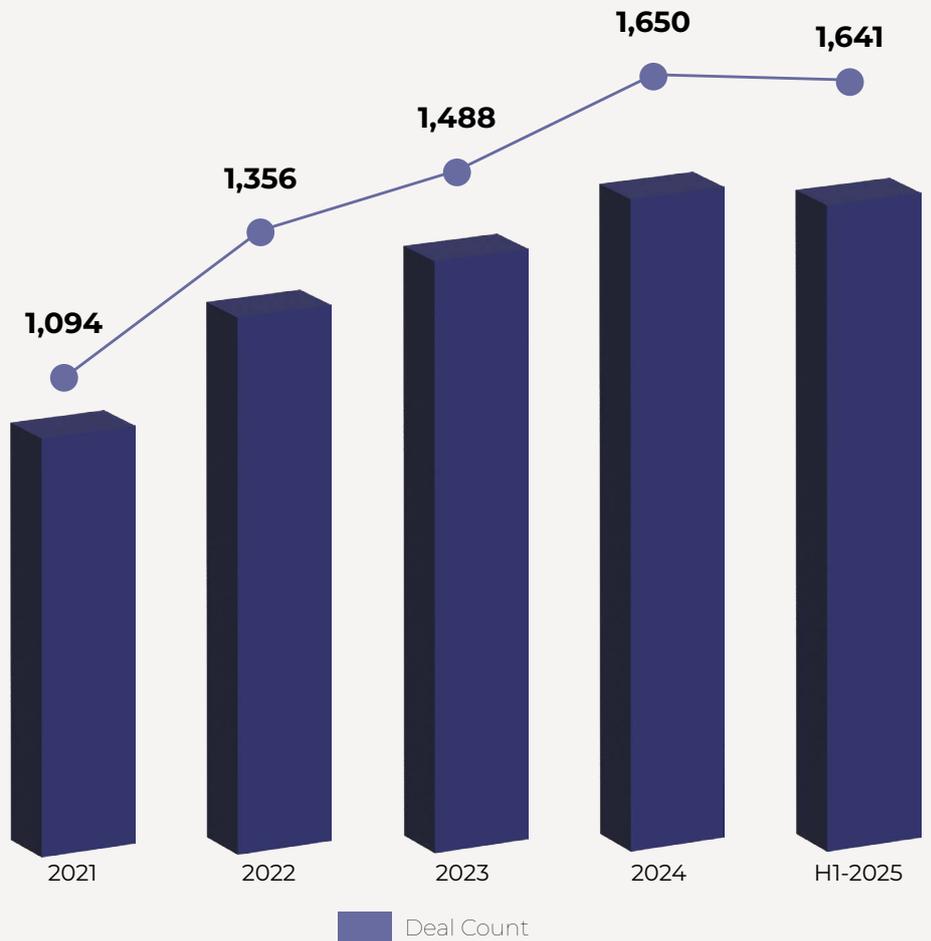
**Vishwas Patel, Director, SRPA, Joint Managing Director, Infibeam Avenues Limited & Chairman, Payments Council Of India.**

# Funding

## Quarterly Funding & Number of Deals (FY)

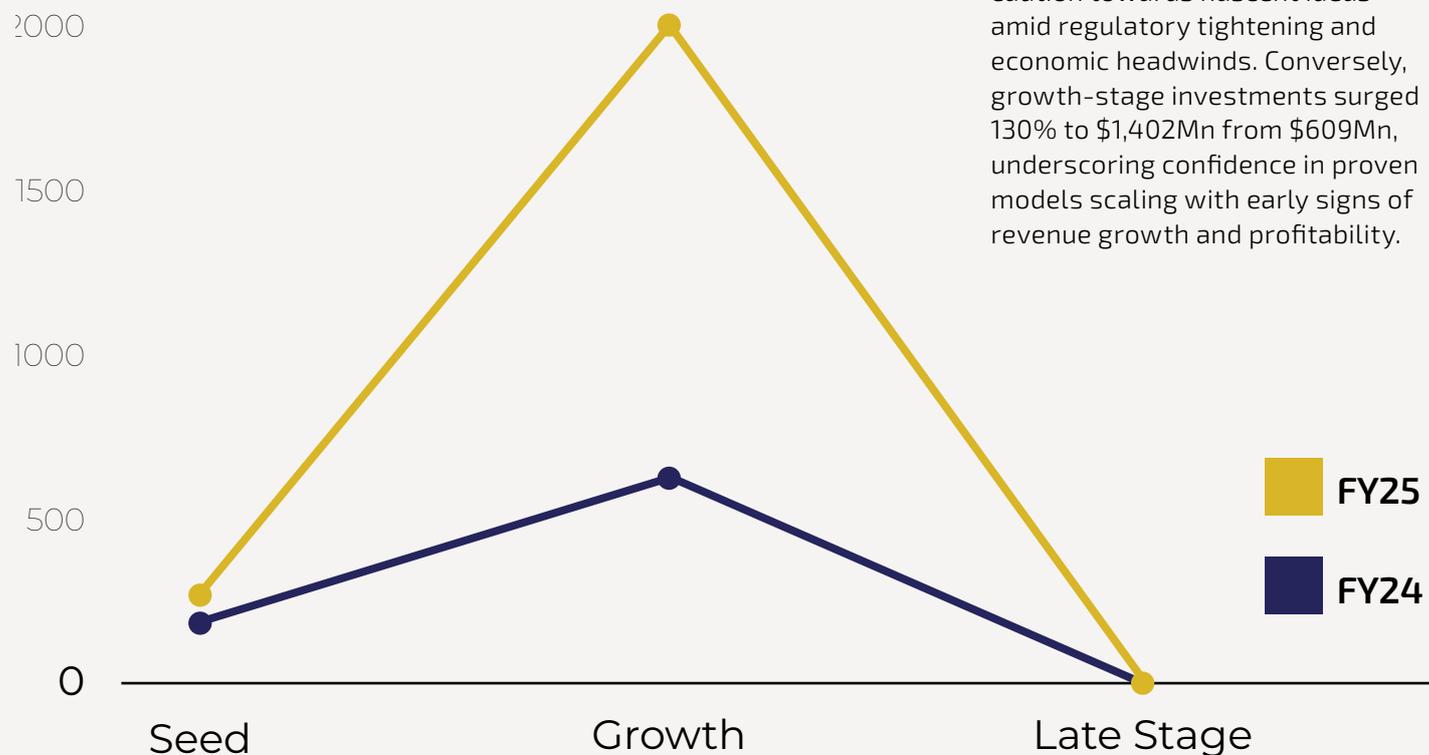


## YOY Funding (in Bn \$) | FY



Source: Inc42 Data Labs & FinTech Global

## Funding by Stage (in \$)



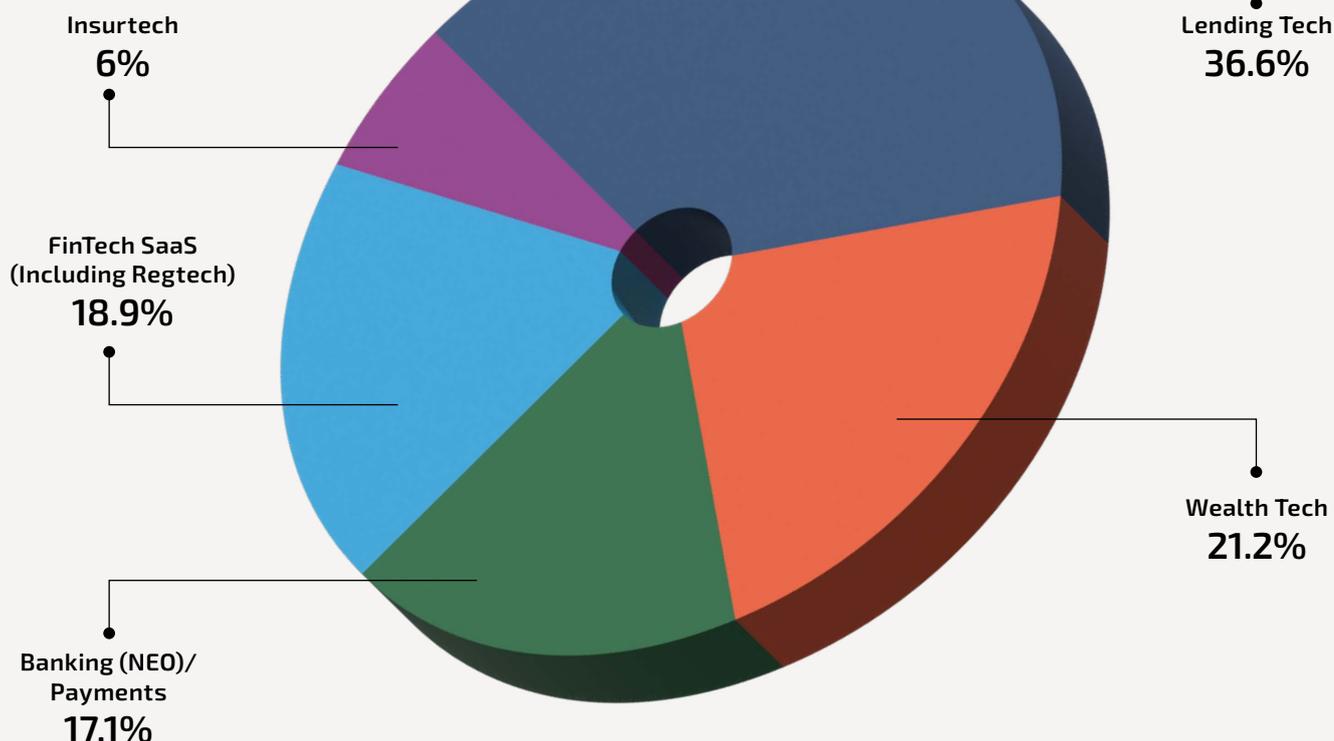
India's FinTech funding landscape in 2025 showed stark stage-wise divergence, with Seed rounds contracting 46% to \$88Mn from \$163Mn in 2024, reflecting investor caution towards nascent ideas amid regulatory tightening and economic headwinds. Conversely, growth-stage investments surged 130% to \$1,402Mn from \$609Mn, underscoring confidence in proven models scaling with early signs of revenue growth and profitability.

Source: Inc42 Data Labs

## Largest Funding Rounds by FinTech Startups in 2025

<b>Zolve</b> \$251Mn	<b>Groww</b> \$200Mn	<b>snapmint</b> \$125Mn	<b>raise</b> \$120Mn	<b>tide</b> \$120Mn
<b>CRED</b> \$75Mn	<b>true</b> \$75Mn	<b>InsuranceDekho</b> \$70Mn	<b>JUSPAY</b> \$60Mn	<b>Cashfree Payments</b> \$53Mn
<b>smallcase</b> \$50Mn	<b>RECUR</b> \$50Mn	<b>FLEXI LOANS</b> \$45Mn	<b>DEZERV</b> \$40Mn	<b>scapia</b> \$40Mn

## Sectoral Funding Trends



The above data has been compiled using publicly available information and is subject to interpretation.

AI drives key FinTech segments in India during 2025, particularly digital lending where it powers underwriting, fraud detection, and credit scoring models to cut costs and expand access.

Wealthtech leverages AI via robo-advisory for personalized investments, while Insurtech, payments/ UPI, and RegTech see nascent adoption mainly in early-stage pilots for claims, compliance, and monitoring.

This positions AI as an enabler rather than being a standalone tech infrastructure, fueling lending's 37% funding dominance amid \$2.27Bn Jan-Nov total

AI remains in its early stages within Indian fintech. However, it is increasingly being positioned as a foundational layer, shifting the ecosystem from product-led innovation toward intelligence-driven and agent-assisted decision-making. Global BFSI trends, where GenAI adoption is expanding rapidly, point toward deeper personalization over time.

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*2025 was when FinTech stopped chasing buzzwords and started building real value. AI finally moved from slides to systems, embedded finance became part of everyday experiences, regulation brought much-needed discipline, and capital returned to businesses with strong fundamentals. 2026 is about doing the hard work well - letting AI take on real responsibility, making trust and security a visible part of the brand, and seeing India contribute FinTech infrastructure to the world, not just startups.*

**Harshvardhan Lunia, Founder, Lendingkart**

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*In 2026, FinTech industry is likely to focus on platform maturity and operational scaling, AI adoption and creating differentiation in offerings*

**Jai Prakash Gupta, Co Founder, Dhan**

# Top PE/VC Funds Bullish on FinTech

Rank	Investor	Deal Count	Notable FinTech Brands Invested
1.	 <b>peak xv</b> PARTNERS	61	APTUS, Axio, Bank Bazaar, BharatPe, Coinswitch, Cred, DRIP Capital, Fampay, Finova Capital, Fintellx, Freo, Groww, Jupiter, Kredx, Mobikwik, Neo Wealth, Onecard, Pine Labs, Progcap, Razorpay, Rupeek, Scapia, Smallcase, Yubi, etc
2.	 <b>Accel</b>	38	Acko, Zolve, Juspay, Knight FinTech, PowerUp Money, Credgenics, Karza Technologies, LendingKart, etc
3.	 <b>TIGERGLOBAL</b>	35	BharatPe, Cred, Groww, Indwealth, Kreditbee, PhonePe, Policybazaar, Progcap, PineLabs, Paytm, Slice, Razorpay, Revolut, etc
4.	 <b>Y Combinator</b>	32	Groww, Razorpay, Paasa, Yenmo, CheqUPI, ClickPe, Gullak Money, Coupl, etc
5.	 <b>B E E N E X T</b>	30	BharatPe, BrightCHAMPS, Converj, Cube, Flobiz, IDfy, IndiaFilings, Instamojo, Jupiter, M1xchange, mewt, MyShubhLife, Open Financial Technologies, PAYGLOCAL, Phi Commerce Pvt Ltd., Raise, Savart, Small Case, etc
6.	 <b>VentureCatalysts</b> India's 1 <sup>st</sup> Integrated Incubator	30	AlgoBulls, Basic, Bharatpe, CredRight, GetVantage, Ideal Insurance, Junio, LenDen Club, LiquiLoans, NuPay, MoneyClub, Vested Finance, etc
7.	 <b>Better</b>	29	Slice, Rupeek, Open, Khatabook, Jai Kisan, M2P FinTech, etc

8.		26	Slice, Rupeek, Open, Khatabook, Jai Kisan, M2P FinTech, etc
9.		25	AndOr, Basic, Castle, Cautio, Controlz, CredRight, Dodo Payments, Ensureit, Homeville, Impact Guru, Insurance Samadhan, Kosh, LiquiLoans, MarketWolf, Memechat, NeoDocs, Niyo, OneStack, Oto Capital, Pinbox, Progcap, Rupeek, Snapmint, Tyke, Vested Finance.
10.		21	CrediVidya, razorpay, OneCard, Jupiter, FiveStar, DeZerv, EMTech, InPrime Finserv, ItzCash, Muthoot Finance, Nakad, OfBusiness, Oolka, Oxyzo, Scapia, SEEDS, Stable Money, Finnacle, MSwipe.

Source: Inc42 Data Labs

## FinTech IPO Frenzy 2025

	<b>Groww</b>	>	Raised Rs 6,632.30 cr	>	17.60x Subscribed	>	12% Listing Gain
	<b>pine labs</b>	>	Raised Rs 3,899.91 crs	>	2.44x Subscribed	>	9.50% Listing Gain
	<b>Finance Buddha</b>	>	Raised Rs 20.40 crs	>	4.43x Subscribed	>	10.56% Listing Gain
	<b>NPST</b> Innovation in every byte		NPST rallies over 2,800% since listing on SME platform; now moves to main boards NSE, BSE				

*"In 2025, embedded finance got a fillip from evolving customer behaviour & regulations. Financial products across the spectrum of savings, investing, banking and lending began to appear more naturally within commerce platforms, making access simpler and more intuitive for users. As financial services moved closer to the point of consumption, trust, transparency, and regulatory alignment became important differentiators for platforms.*

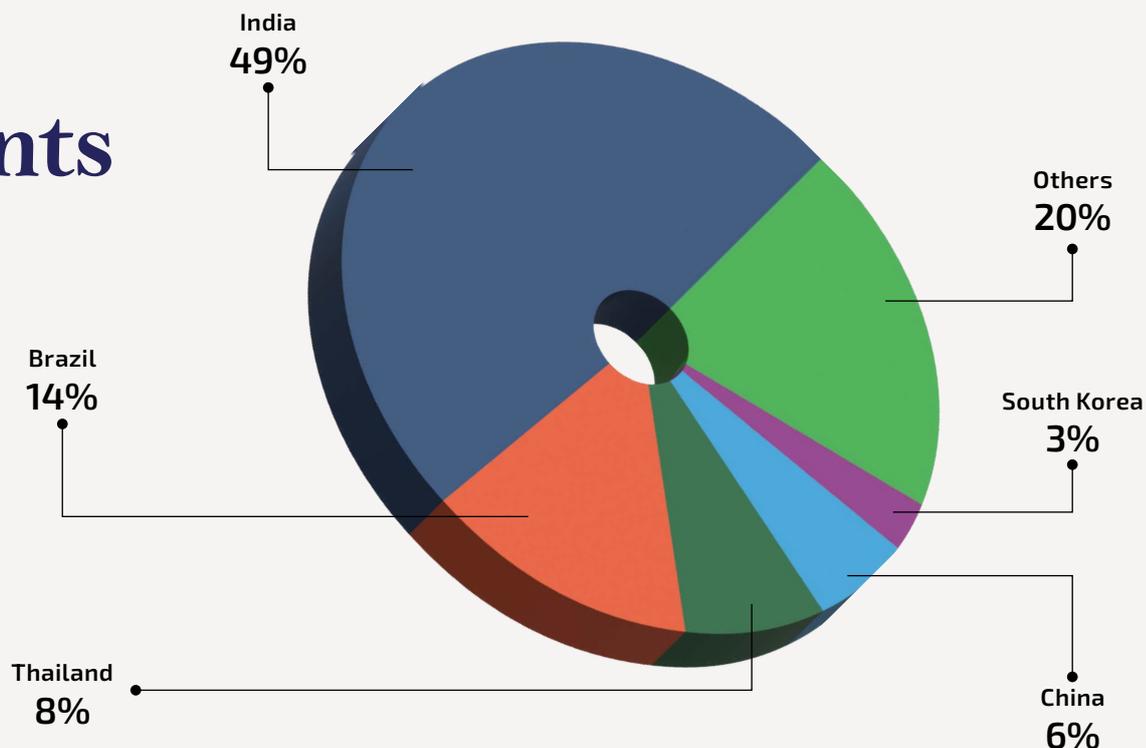
*How products were offered also changed. Instead of generic cross-sell, platforms leaned more toward contextual surfacing, focusing on deepening engagement within existing user bases rather than pure acquisition."*

Vasanth Kamath, Founder & CEO, smallcase



# Sectoral Deep Dive

# UPI & Payments



## UPI's status against other leading international real-time payment platforms

UPI ends 2025 strong, processing 200Bn+ annual transactions vs. 131Bn in 2024.

Metric	Dec 2025	YoY Growth
Transactions	~21.6Bn	+26%
Value	~₹28L Cr	+28%

## UPI Transactions



*"As the digital payment's ecosystem advances, our core responsibility is to ensure that innovation and trust advance in lockstep. Only by doing so can we ensure that India's payments architecture continues to serve as a global benchmark for accessibility, security, and scale"*

Ms. Savita Vashist, Co-founder and Executive Director, NPST

# UPI's Next Growth Wave



## 1. Credit on UPI

- Pre-approved credit lines integrated directly into UPI apps
- Every QR terminal becomes a credit acceptance point
- Expands formal credit access for new-to-credit users
- Enables micro-credit at transaction level
- Early use-cases: Flipkart Super money, Paytm BnPL, RuPay Credit on UPI

## 2. Virtual Credit Cards via UPI

- RuPay virtual credit cards issued within UPI apps
- Instant issuance and activation
- Higher usage due to embedded, context-driven payments
- Reduces dependence on physical cards and POS infrastructure

## 3. Voice Commerce & Sound-Based UPI

- 140Mn voice users; 55% rural penetration
- Enables payments without screens, literacy, or stable connectivity
- Tenaya: encrypted sound-based UPI payments
- Lays the foundation for Retail 3.0 and voice-first merchant payments

## UPI's Role in India's Digital Payment Mix

Share of Digital Payment Volume (Approx.)

Instrument	Share
UPI QR Payments	56%
Credit Cards	14%
Bharat QR	11%
Debit Cards	3%

Source: Inc42 Data Labs

"2025 marked a year of steady progress in expanding access and reinforcing trust across Bharat's last mile. It reaffirmed that when digital infrastructure is supported by strong local networks, participation in the formal economy becomes more consistent and sustainable.

Looking ahead to 2026, the next phase of growth will be driven by deeper UPI adoption at the last mile, stronger digital trust frameworks, and wider financial participation. FinTechs will need to intensify their support for retail partners and business correspondents as they guide first-time users through assisted digital payments and allied services."

Anand Kumar Bajaj, Founder, MD & CEO, PayNearby

Daily Transaction Volumes (Approx, in Mn)



Source: Inc42 Data Labs

## UPI's status against other leading international real-time payment platforms.

UPI Continues Its Record-Breaking Momentum

UPI transaction volumes rose

**33.5%**  
YoY

Transaction value grew

**29%**  
YoY



## QR Network Powers India's 'Scan-First' Economy

- India reached 709Mn active UPI QRs, marking a 21% increase since July 2024.
- Dense QR acceptance across kiranas, pharmacies, transport hubs, and rural markets has made scan-and-pay the default payment mode nationwide.
- PoS terminals grew 35% to 12.12Mn (July 2024–July 2025).
- Bharat QR stood at 6.10Mn, witnessing marginal decline amid the shift toward UPI QR dominance.
- Private banks led acceptance deployment, accounting for 84% market share.



## India's Payments Advantage

- Scale: 700Mn transactions processed daily
- Ecosystem depth: 490Mn users and 65Mn merchants
- Zero MDR & instant settlement: Removes cost and liquidity friction for MSMEs and startups
- Open, interoperable rails: Enables low-ARPU scale and rapid FinTech experimentation
- Founder leverage: Payments friction is largely solved, allowing startups to focus on credit, commerce, and monetisation layers

*"With innovations like biometric payments, Credit on UPI, UPI Lite, among others, India showed how technology, when paired with the right regulatory guardrails, can expand access without compromising trust. Tier-2 and Tier-3 India didn't just come online; they became active contributors to the country's formal financial economy."*

Reeju Datta, Co-founder, Cashfree Payments

# Lending Tech

- Lending tech captured 37.3% of all FinTech funding from 2020 to H1 2025, totaling over \$8.2Bn, outpacing other segments like payments and Insurtech.
- By 2030, it will generate \$133Bn in revenue, comprising 53% of India's projected \$250Bn FinTech revenue.
- The digital lending market alone hit \$350Bn in 2025, addressing a \$380Bn MSME credit gap through rapid scalability.

## AI-Driven Breakthroughs



**Loan Approvals: Milliseconds (Real-time decisions).**



**90 DAYS + DPD Delinquency Rate (March 2025): 3.6%**



**Fraud Detection: ML-driven anomaly flagging.**



**Unsecured Lending (2026 Projection): ₹10 Trillion at a 26.55% CAGR.**



**FinTech NBFC Performance: \* Disbursed approximately ₹1.06 Cr across 10.9 Cr loans.**

In FY 2024-25, FinTech NBFCs focused on digital-first credit lending. Average Loan Size: ₹9,786.



**FinTech Market Share: AI drives 60% of all innovations.**

**P2M (Person to Merchant): Up 35% in transactions.**

**P2P (Person to Person): Reached 37.46Bn transactions.**



**UPI Autopay Use Cases: SIPs, Insurance, and Loan Repayments.**

*"We are seeing interesting behaviour among young consumers who are increasingly investing in self growth and self care. Education financing for upskilling and specialised courses continues to rise. There is also strong demand for credit in categories such as cosmetic procedures, dental care, wellness treatments and other lifestyle enhancements that support their confidence, careers and overall quality of life. We expect these categories to grow further as personal investment becomes a mainstream priority. As we close the year, the trajectory is clear. FinTech in India is no longer limited to digital payments and basic credit access. It is about empowering young India, enabling aspiration and strengthening financial inclusion."*

Akshay Mehrotra, MD & Group CEO, Fibe

## BnPL Market

BnPL market is projected to reach \$21.95-\$30.88Bn in 2025, growing at 9.8-20.52% CAGR to \$35-78.5Bn by 2030, driven by e-commerce surge and low credit card penetration (5% of population). Key players like LazyPay, Amazon Pay Later, and ZestMoney lead with innovations in tier-2/3 cities and point-of-sale integrations.

Geographically, metros and Tier 1 cities are expected to contribute over 60% of market revenues by 2027, with Tier 2/3 cities expanding rapidly due to increased smartphone penetration and internet connectivity.

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*"2025 has marked a year of reset for the digital lending ecosystem. After two years of regulatory shifts, the industry has reached clarity, stability, and shared understanding with regulators. As we look ahead to 2026, I believe it will be the growth year for digital lending in its new form, serving as a foundational year where benchmarks are set and long-term models begin scaling sustainably. For P2P lending, lender confidence is at an all-time high, demand continues to outpace supply, and consistency is being prioritised. AI will play a pivotal role in enhancing credit models, streamlining operations, and enabling faster, more seamless customer journeys, benefiting quality borrowers and strengthening trust in the marketplace model."*

**Bhavin Patel, Co-Founder & CEO, Vartis Platforms & LenDenClub**

*"The future of lending will be defined not just by speed, but by the strength and reliability of data. While digital lending has scaled rapidly, property-backed lending continues to face challenges such as fragmented records, manual validations, and limited collateral visibility. In 2026, the use of real-time, authentic data intelligence will be critical in enabling faster, clearer, and more confident decisions across the HL and LAP ecosystem."*

**Amit Prakash, Co-founder & CBO, Urban Money**

## FinTech SaaS

### RegTech

India's RegTech FinTech SaaS segment expanded from ₹500 Cr in 2020 to ₹2,000 Cr in 2025 at 32% CAGR. AI-driven KYC solutions from providers like Signzy and IDfy have slashed per-verification times to 3-5 minutes (or seconds with biometrics), supporting scalable volumes for India's 1.4B+ population without instant processing of Bn.

### InfraTech

InfraTech powers core SaaS (40% of \$12.6B market), enabling embedded finance for 50% MSME lending and 99.99% uptime. Zeta, M2P, and Setu collectively power over 900 financial institutions, fueled by substantial 2025 funding rounds totaling around \$150M, amid rising cloud adoption by Indian banks

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*"RegTech is a strategic growth lever that enables further innovation while ensuring proper compliance and utmost security infrastructure. I believe, 2026 will see deeper automation, and more enhanced collaboration among FinTechs and BFSI companies with the regulator. Technologies such as AI will play a deeper and more integrated role leading to robust security protocols and enhanced decision-making. RegTech is set to shape resilient, future-ready financial systems."*

**Arpit Ratan, Co-founder and CBO, Signzy**

The convergence of FinTech and RegTech is shifting compliance from a burden to a competitive edge. By embedding transparency directly into innovation, we are building a financial future that is not just faster, but fundamentally more resilient and trusted.

Rishi Agrawal, Co founder and CEO, Teamlease

## Cross-Border

Cross-border thrives in SaaS via multi-currency APIs (19% YoY growth), handling India's \$100B remittances + \$29B outward flows at 7.6% global CAGR to \$620B by 2032-SaaS cuts 3-5 day delays, powering 25% transaction vols amid RBI rupee pilots.

Cross-border remittances come at a time when India's outward remittance market reached more than \$29Bn annually in FY25.

These trio drive 71% Tier-II growth, GenAI slashing AML 70-90% false positives, unlocking \$5-12B efficiencies 41% FIs full-SaaS by 2027 as DPDP/RBI sandboxes birth 5 unicorns.

## 2030 Horizon

\$30-50B projection; GenAI AML 70-90% accuracy, DeFi/open finance explodes cross-border 7.6% CAGR to \$620B -41% FIs full-SaaS by 2027.

TreDS platforms in India, authorized by RBI, facilitate invoice discounting for MSMEs by connecting sellers, buyers, and financiers digitally.

**C2treds**

**INVOICEMART**  
A joint venture of Axis Bank and mjunction

**RXIL**  
NSE - SIDBI JV

**kredX**

**M1**  
TOMORROW'S MONEY TODAY

Expecting 30-40% volume growth from regulatory pushes, AI-driven risk assessment, and cross-border expansions amid India's FinTech boom. Integration with UPI and green financing for sustainable MSMEs will boost adoption, though competition may intensify platform consolidation.

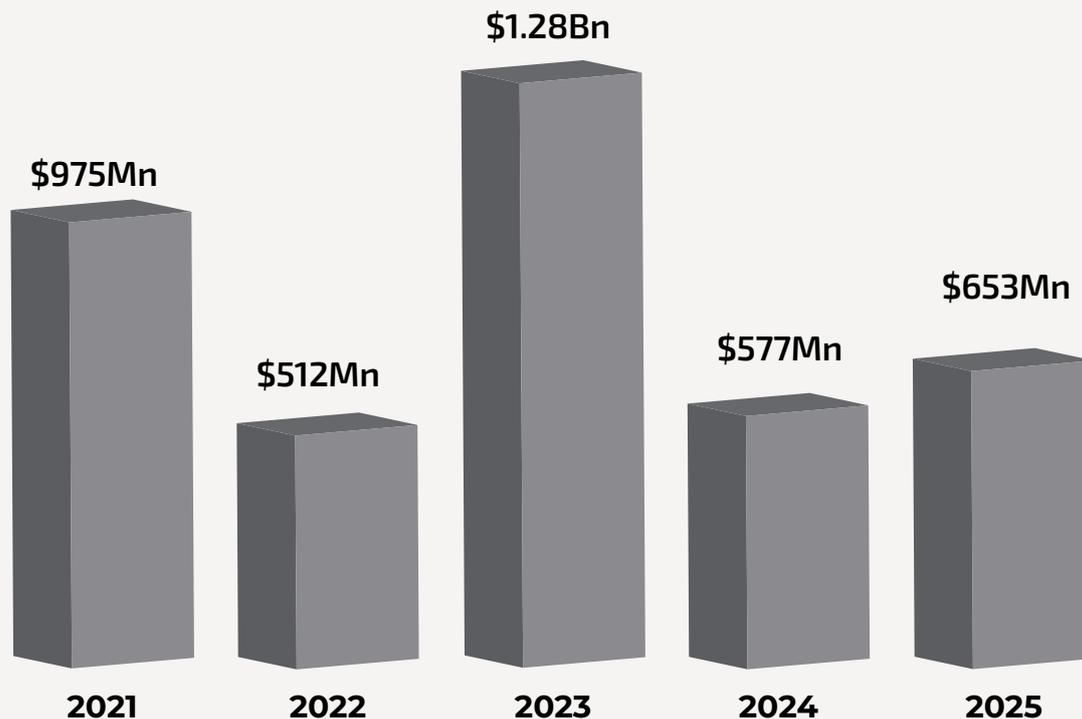
*"Scalable API infrastructure and practical FinTech innovations in his posts, emphasizing real-world applications like fraud detection and MSME lending. 2025 marks FinTech infra's maturity into robust, scalable platforms-think Decentro's API banking stack enabling seamless integrations for Paytm and BharatPe. Data intelligence dominates fraud/mule detection, while AI emerges as the ultimate co-pilot for devs consuming provider APIs and delivering consumer services. For 2026, anticipate AI-powered underwriting, calling for recovery, and cross-border leaps to unlock India's ₹69 lakh crore MSME credit gap."*

Rohit Taneja, Founder & CEO of Decentro

*"2025 marked a structural shift in India's FinTech landscape as payments began converging with intelligence and digital money. The emergence of agentic commerce, AI-native fraud detection, and conversational payments reshaped how trust and inclusion are delivered at scale. At the same time, retail CBDC pilots advanced through programmability, offline capability, and controlled sandbox experimentation. In 2026, agent-led transactions, AI-first payment systems, and broader CBDC adoption will define how payments, policy, and digital assets integrate seamlessly."*

Mandar Agashe, Founder & Managing Director, Sarvatra Technologies

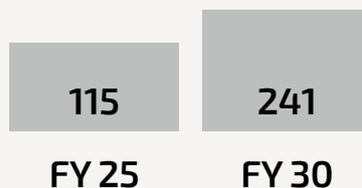
# WealthTech



## Wealth Tech Market Size (in Bn)



## Increasing Investor Base (in Mn)



India's AUM Surged, 6x in 10 years, climbing from \$ 207B in 2015, to 920Bn in 2025

- Demat accounts grew 4x to 178Mn
- Nearly 70% investors are under 40
- Around 50% come from Tier 2 and Tier 3

**Yet, penetration remains shallow. Mutual fund AUMs are still only 20% of GDP compared to 70–100% in developed economies.**

*Indian companies secured a third of the top 10 deals to emerge as global WealthTech market leaders for the first quarter*

The outward remittances from India have more than doubled from \$14Bn in 2019 to about \$29Bn around the end of 2025. Out of the \$29Bn, around 7 – 8 % went towards investments into equity and debt



## Robo Advisors

Hiring a financial advisor in India can be expensive. A professional wealth manager may charge between ₹25,000 and ₹1,00,000 per year or even more for high-net-worth individuals.

On the other hand, Robo charges a much lower fee sometimes as little as 0.25% of the investment amount

*"India's wealthtech sector is experiencing rapid growth as technology transforms the way people invest and manage their finances. Increasing digital adoption, especially among young and first-time investors, is driving demand for accessible, personalised investment solutions. The need to mitigate the risks in investing and diversification, for instance beyond India, is encouraging startups and established firms alike to leverage AI and data analytics to offer smarter, faster, and more efficient financial services. This momentum signals a new era of innovation and inclusion in India's wealth management landscape."*

**Viram Shah, CEO and Founder of Vested Finance**

## Insurtech

- India has 150+ Insurtechs, with cumulative valuations above \$ 15.8Bn and about \$ 0.9Bn in 2024 revenue, up 10x vs 2019.
- The space has 2 unicorns, 8 players between \$ 100Mn–1Bn and 45+ with valuations over \$ 1Mn, signalling a broad, layered ecosystem rather than a winner-takes-all market.
- The sector pulled in \$ 2.3Bn of funding between 2014–H1 2025 (about 10.5% of India FinTech funding), but the deal count CAGR is 14% over five years, with only 6% share of deals and 7.7% of recent funding, showing that capital still favours lending and payments even though product innovation is rich.

## Tech (AI, GenAI, IoT, Parametric)

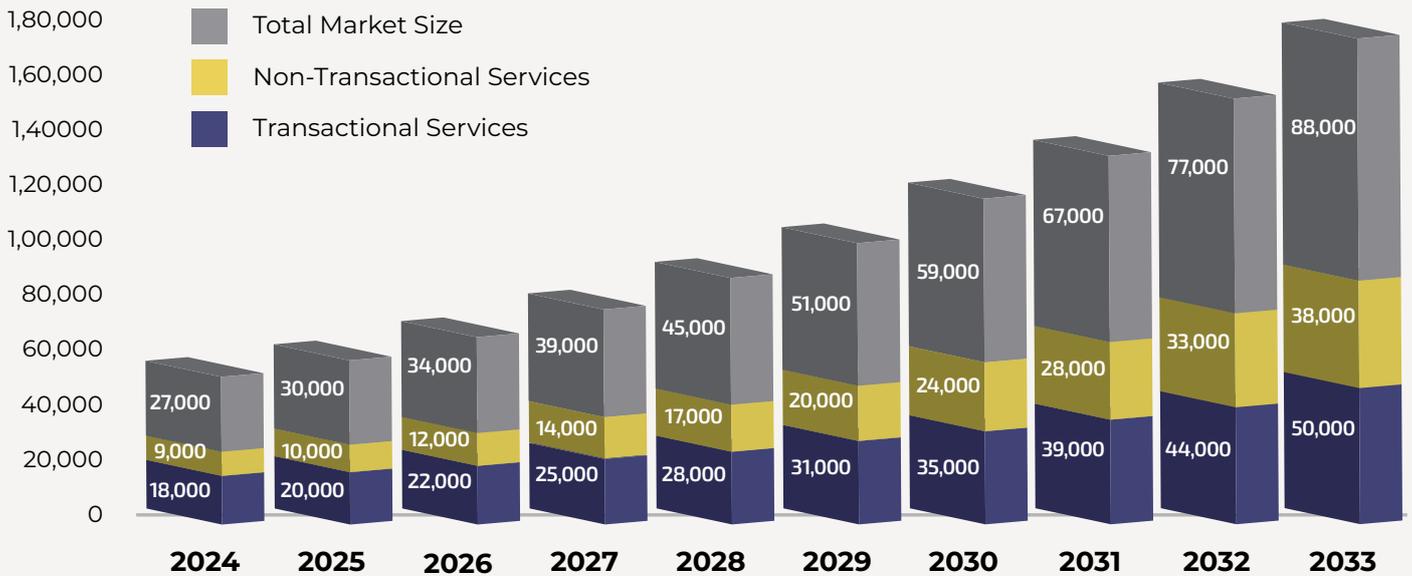
- Parametric weather APIs settled cyclone claims instantly for 5 lakh farmers, replacing weeks of paperwork with automated payouts and de-risking agri portfolios.
- GenAI chatbots now handle 80% of queries in Hindi and regional languages, opening up a \$ 4Bn profit pool in Tier-2/3 markets; that were historically under-served.
- AI cut claim processing time from 30 days to 2 hours, while fraud-detection models using blockchain + IoT telematics save insurers about ₹15,000 crore annually, by catching inflated auto and health claims before pay-out.

# FinTechs Enhancing Digital Banking

India hosts 100+ neo-banks and 150+ capital markets FinTechs, with cumulative valuations over \$ 14Bn (including Navi's \$1.7B entry) revenue (up 8x vs 2019). The space features 4 unicorns

Digital banking (India) market size/revenue has scaled sharply. The market, valued at about \$ 341.5Mn in 2024 and is expected to climb to \$ 936.2Mn by 2033, reflecting an annual growth rate of 11.86%.

## India Digital Banking Market Forecast | Size by Services (\$ Mn, indicative)

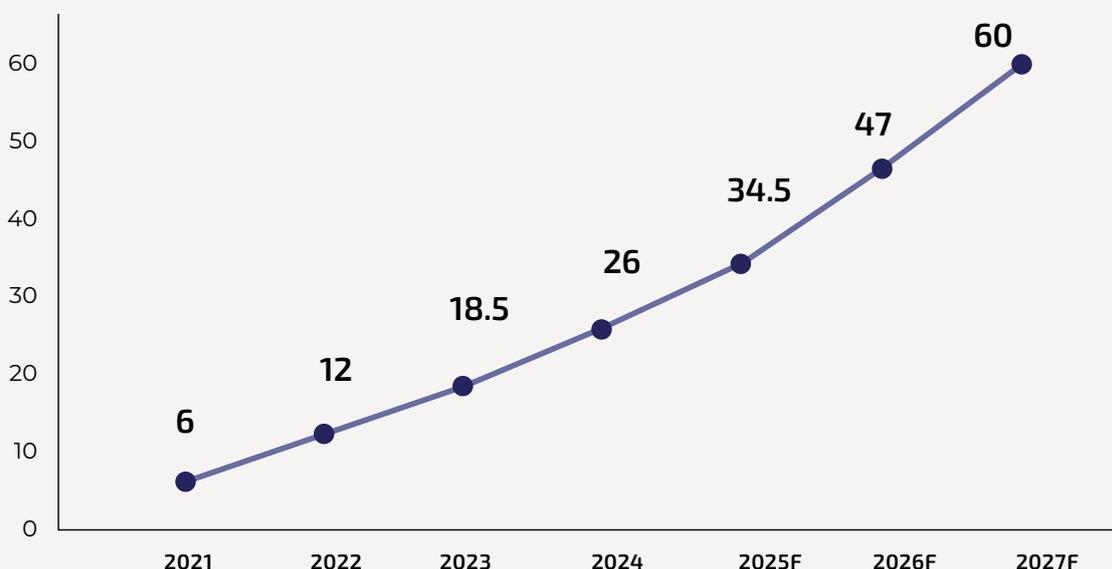


Source: Imarc Group

## Neo Banking's Growth Trajectory In India

India's neo-banking sector is on a steep upward curve. From 6Mn users in 2021, the number is projected to reach 60Mn by 2027, a tenfold jump in six years. This surge reflects

growing trust in digital banking and wider financial inclusion. India's strong mobile internet penetration and smartphone usage.



# Account Aggregator: Open Finance Infrastructure Enabling Data Access

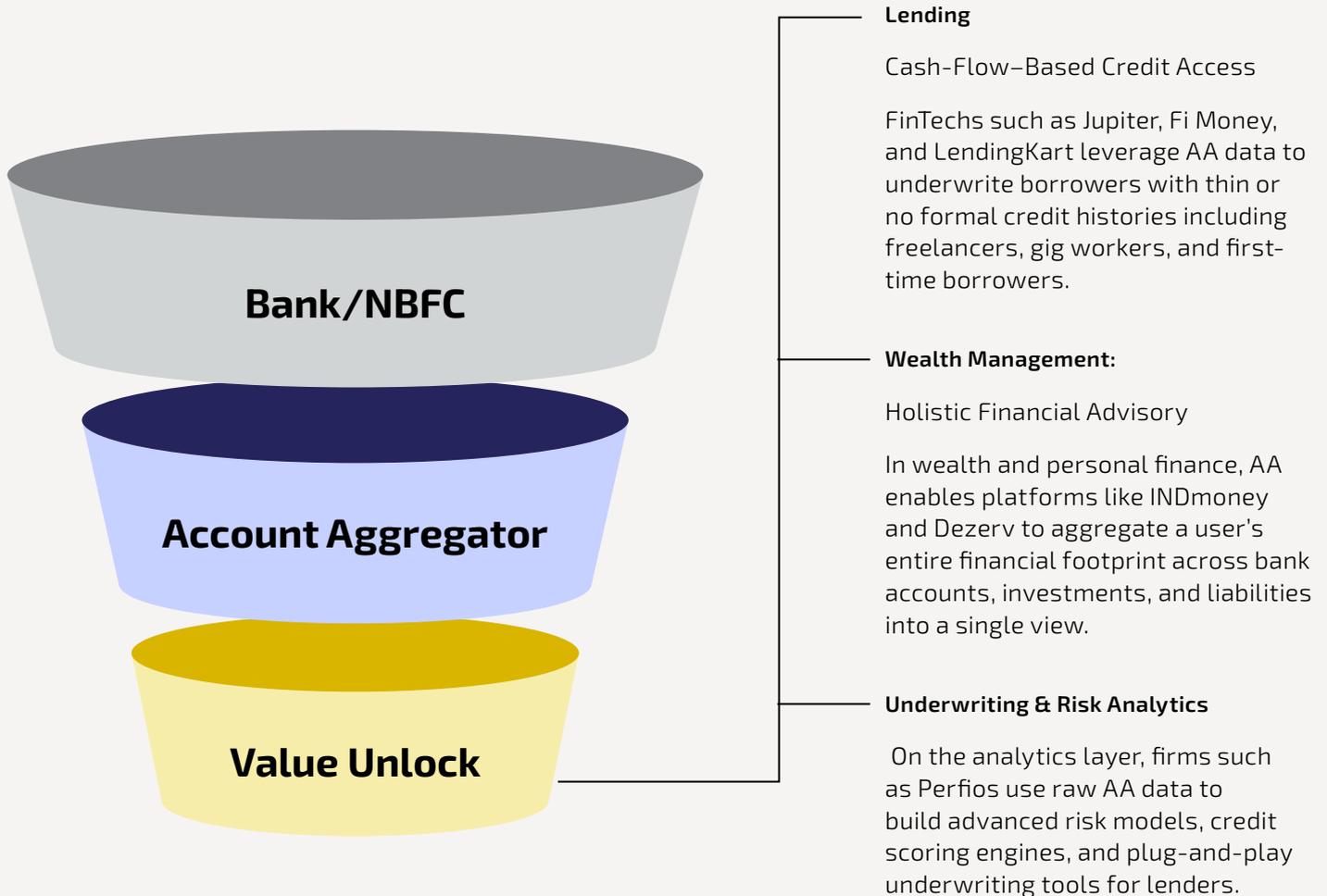
At its core, Account Aggregator (AA) acts as the data plumbing layer of India's financial system, allowing users to port their financial history seamlessly across institutions. This shifts financial access from collateral-based decisioning to cash-flow and behaviour-led underwriting.

## The AA Framework: Infrastructure Players.

A small group of infrastructure players power the AA ecosystem:

- Setu (Agya Tech) provides API infrastructure that underpins several major AA implementations.
- Perfios (Anumati) specialises in bank-grade data processing, enabling real-time credit assessment and underwriting.
- OneMoney, CAMSFinServ, Protean operate as large licensed AAs, focusing on scale, interoperability, and consent management.

## What the Account Aggregator Framework Unlocks



Source: Inc42 Data Labs

## **SGA PR**

SGA PR is the strategic reputation and business communications arm of Strategic Growth Advisors (SGA), one of India's fastest-growing fully integrated communications consultancy firms. Founded in 2010, SGA brings together expertise across investor relations, public relations, corporate reporting, branding, design, and social media.

The leadership team at SGA PR works closely with CXOs and founders as an extension of their strategic function, aligning communications with growth priorities, investor confidence, ecosystem positioning, and policy narratives.

The firm works with leading corporates, global enterprises, and industry bodies across technology, fintech and financial services, digital infrastructure, pharmaceuticals, renewable energy, mobility, and policy-led sectors.

The PR ensemble is a bunch of agile and proactive 'thinkers' and 'doers'. From curating communication properties to building bespoke narratives, our award-winning leadership brings a deep experience of deploying media, digital and offline strategies to build brand credence and fuel business growth.

SGA PR's fintech practice spans consumer and enterprise platforms, payments, lending, wealth tech, insure tech, and fintech infrastructure. Its mandate extends beyond visibility to enabling long-term business outcomes. The team supports companies as they scale in regulated environments, build trust with customers and stakeholders, and strengthen credibility with regulators, investors, and the broader ecosystem.

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## **Payments Council of India**

The Payments Council of India (PCI), formed in 2013, is the premier, representative body for India's regulated non-bank payments industry. With a membership of over 190 leading companies spanning merchant aggregators, card networks, prepaid issuers, UPI participants, cross-border remittance providers, payment banks, and technology enablers, PCI works to address industry-level challenges, drive policy advocacy, and foster innovation.

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## **FinTech Convergence Council**

Established in 2018, the FinTech Convergence Council (FCC) is an industry body representing the collective voice of FinTech companies in India. Since its inception, FCC has evolved into a leading platform with a diverse membership of over 200 FinTech entities across key segments including digital lending, wealth, insurance, digital financial services, RegTech, and credit bureaus. FCC's core mission is to address sector-specific challenges and provide a unified platform for dialogue within the broader BFSI (Banking, Financial Services, and Insurance) ecosystem.

The council actively engages with regulators and policymakers to help shape progressive policy frameworks and promote a balanced approach to innovation and compliance.

In addition to policy advocacy, FCC also focuses on knowledge sharing, strengthening consumer education, and promoting responsible finance through awareness-building initiatives on customer protection, digital literacy, and best practices in FinTech.

# SGA PR

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