# Fintech Insights Quarterly

Q4 FY26 | January - March 2026

## Insights from PwC India

**Autonomous digital enterprise: The future of financial institutions**

This paper explores how agentic AI and decision AI are redefining financial services, enabling banks and financial institutions to move from assisted automation to self-learning, self-healing operating models. As adoption accelerates over the coming years, advances in customer support, credit decisioning, fraud detection, and compliance automation are improving agility, resilience, and trust. With growing regulatory emphasis on responsible AI, human oversight, and governed autonomy, financial institutions are laying the foundation for a future-ready ecosystem that blends intelligence with accountability. To read more, **click here**.

For more such insights, please visit our **website**.

## Insights on FinTech developments in India

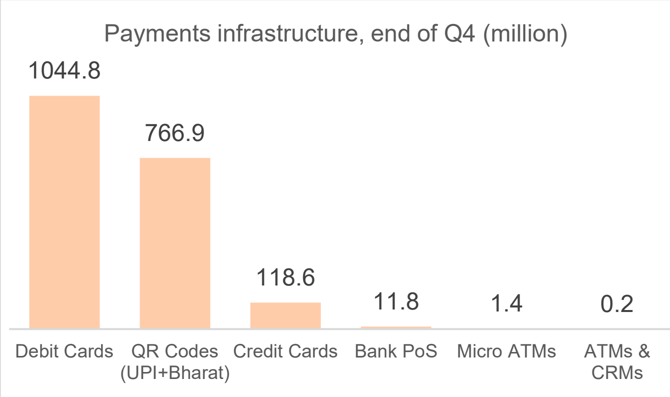
**FinTech growth metrics**

Mutual fund (MF) assets under management (AUM) saw a slight decline in investment values to reach ₹79.5 trillion. UPI transactions surged to ₹29.5 billion in volume with QR code deployments expanding to ₹766.9 million, reflecting deeper digital payment penetration. First-year premium and sum assured for individual and group insurance saw a decline as compared to previous quarter due to seasonality in consumer demand. Motor insurance remained flat with health insurance seeing a marginal growth of 2.5%.

**Highlights from the Indian FinTech sector**

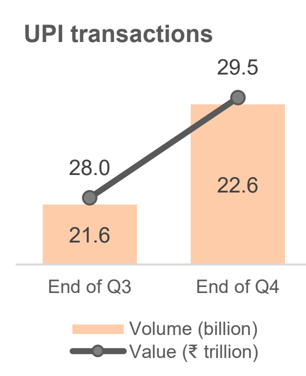
India's FinTech landscape in Q4 FY26 saw a surge in regulatory approvals for payment aggregators, cross-border payment providers, and UPI service operators, strengthening digital payment infrastructure. Strategic acquisitions by global and domestic players are focused on expanding merchant-acquiring and digital pension access while partnerships and integrations are focused on enabling investor protection, cross-border payment interoperability, and personalised financial products. Industry-led initiatives and regulatory reforms are advancing compliance, data governance, and innovation, reflecting a progressively mature ecosystem.

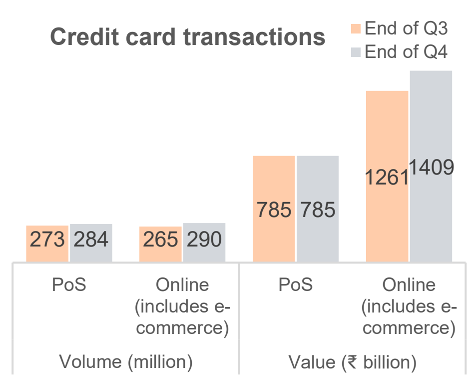
## FinTech markers in India (Q4 FY26)

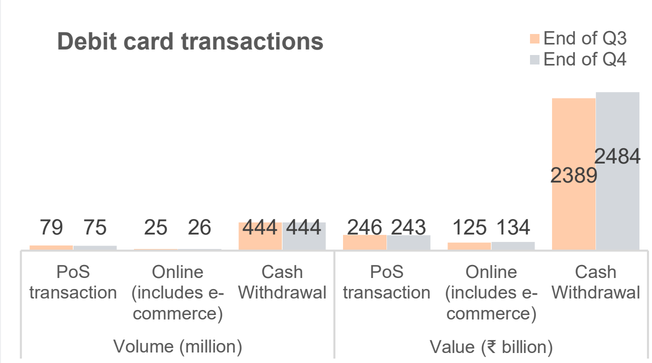


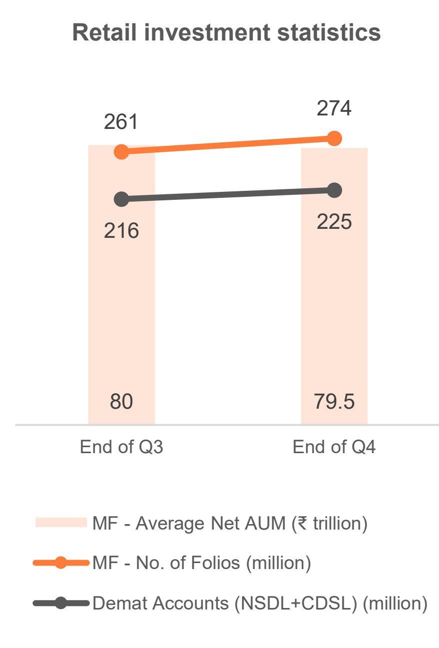

From the end of Q3 to Q4, following trends were observed:

- **Bank point of sale (POS)** saw a stable **1%** increase.
- Debit and credit card units both increased by **2%.**
- **QR codes** grew by **4%** and **UPI** saw a growth of **5%** in volume as well as value, marking a steady growth of retail usage.
- **Online transaction** values via credit and debit card increased by **11.7%** and **37.4%,** respectively.
- **PoS transaction** saw a **decline** in value per transaction via credit card and debit card both, indicating a preference for low value usage.

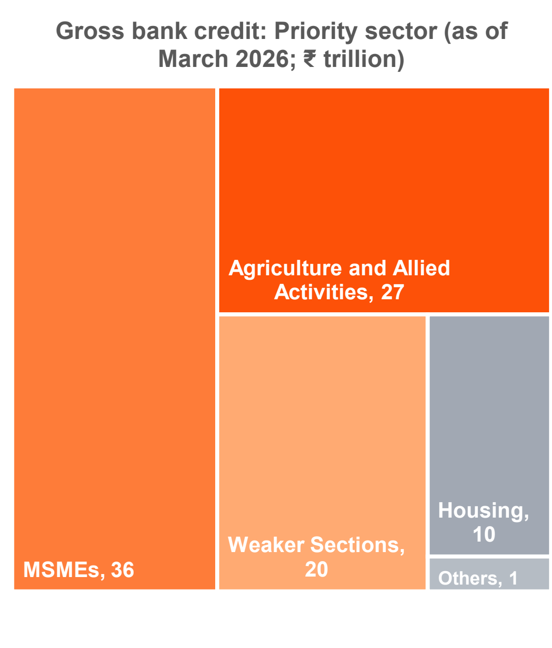


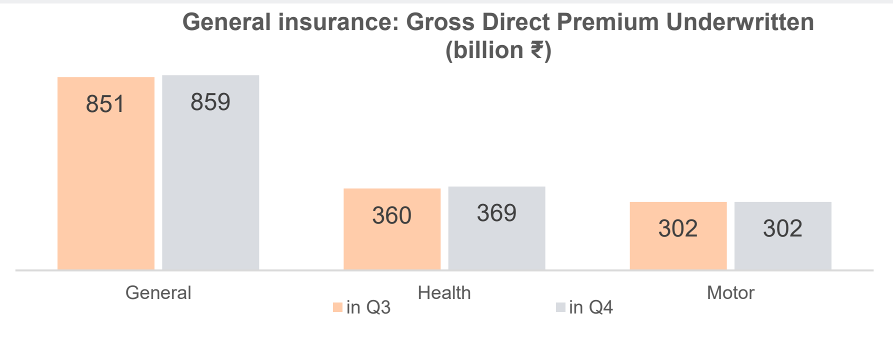



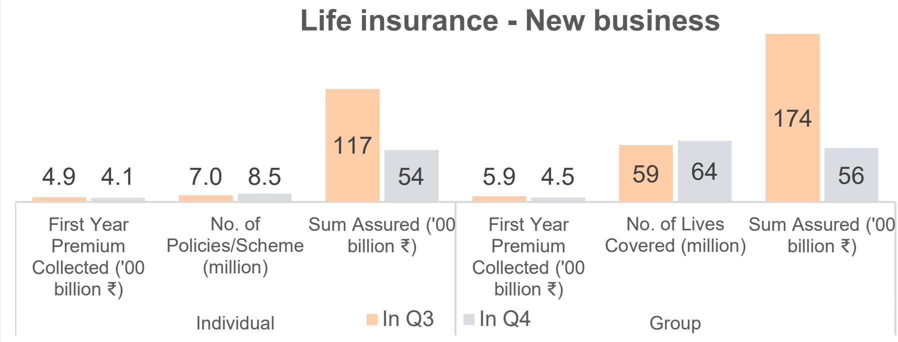

- Demat accounts increased by about **4%,** MF folios increased by **4.9%,** although average net MF AUM depleted by about **1%** from end of Q3 to end of Q4, indicating while there is a continued retail participation, the underperforming equity market have impacted some investors
- MSMEs dominate **priority sector lending** (PSL) as all eligible MSME lending counts toward multiple PSL sub-targets, while housing is limited to affordable loan thresholds and agriculture remains fragmented across small-ticket loans and borrower limits under RBI's PSL directions.




Below trends were observed from Q3 to Q4 for the insurance sector metrics:

- Motor insurance premiums growth was **flat,** while health insurance premiums increased by **2.5%** reflecting steady renewals and limited incremental growth.
- Individual life new business saw policy volumes grow by **22%,** while




first-year premium and sum assured declining by 15% and 54%, respectively, reflecting a shift toward smaller-ticket policies in Q4.

- Group life insurance saw mixed trends with number of lives covered up by 8% while sum assured down by 68% indicating large-volume but lower-value corporate cover additions.

Source: PwC analysis of data from NPCI, RBI, IRDAI, GICouncil, SEBI, NSDL, CDSL

## FinTech sector's highlights from India

Q4 FY26 witnessed significant developments in the Indian FinTech ecosystem. A few of these developments are outlined below.

**Industry initiatives**

- India launched the PM SVANidhi Credit Card, a UPI-linked revolving credit facility for street vendors aimed at instant liquidity and formal credit history creation. **Read more**
- BHASHINI signed MoUs with the RBI and PFRDA to enable multilingual, voice-based banking and pension services across India's digital financial ecosystem. **Read more**
- CKYCR introduced mobile-based KYC search for reporting entities through API/bulk/screen channels. **Read more**
- India to begin automatic sharing of cross-border crypto transaction data from April 2027 under Organization for Economic Co-operation and Development (OECD) Crypto-Asset Reporting Framework (CARF); Budget 2026 proposed stricter compliance penalties. **Read more**

**Industry innovations**

- NPCI launched 'UPI One World' wallet for foreign delegates at the India AI Impact Summit 2026, enabling UPI P2M payments without an Indian bank account or mobile number. **Read more**
- NPCI launched FiMI (Finance Model for India), a domain-specific AI language model powering the UPI Help Assistant for payments queries and grievance redressal. **Read more**
- NPCI to build a sovereign, payments-native AI foundation using Nemotron open models for population-scale payment systems. **Read more**
- PhonePe launched AI-powered natural-language search built using Microsoft Foundry, enabling intent-based navigation and support via voice and text. **Read more**
- NPCI partnered with an industry leading payment aggregator to launch an agentic payments pilot on Claude, enabling UPI-based commerce inside AI conversations using UPI Reserve Pay. **Read more**

**Partnerships**

- NPCI International (NIPL) partnered with PayNet Malaysia to enable interoperable QR payments between UPI and DuitNow with phased rollout. **Read more**
- Citi partnered with CredAble to launch a digital trade finance solution, leveraging invoice verification technology to streamline supplier financing for corporate clients. **Read more**
- TerraPay partnered with Raenest to enable faster local-currency payouts for freelancers in India and the Philippines, strengthening cross-border payment speed and reliability. **Read more**

**Acquisitions**

- BillDesk to acquire Worldline India payments business to expands BillDesk's offline and omnichannel merchant-acquiring capabilities. **Read more**
- Zerodha-backed Rainmatter acquired a 51% stake in PensionBox (PFRDA-regulated digital pension platform). **Read more**

**Approvals and licenses**

- Aurus Paytech Private Limited received RBI authorisation to operate as a payment aggregator for online channels (PA-O). **Read more**
- CRED received RBI approval to operate as a payment aggregator, supporting its consumer-facing digital payments ecosystem. **Read more**
- EximPe received RBI approval to operate as a payment aggregator, strengthening its cross-border and trade-linked payment offerings. **Read more**
- PB Pay received RBI authorisation to operate as a payment aggregator, expanding its payments capabilities within the broader financial services ecosystem. **Read more**
- Skydo secured RBI approval to operate as a payment aggregator, supporting international and exporter-focused payment flows. **Read more**
- Fingpay received RBI authorisation to operate as a payment aggregator, enhancing its digital and assisted payments infrastructure. **Read more**
- Xflow secured RBI approval to operate as a payment aggregator, strengthening its cross-border payments and merchant services play. **Read more**

**Regulatory updates**

- RBI issued draft directions to curb mis-selling as it bans forced bundling, defines mis-selling, requires explicit consent, prohibits dark patterns, strengthens DSA/DMA controls, and mandates refunds/compensation when mis-selling is established. **Read more**
- SEBI introduced tighter disclosure norms for regulated entities and agents on social media to curb impersonation and investor fraud. **Read more**
- RBI notified final Internal Ombudsman Directions with refined escalation timelines, clearer coverage, and updated appointment/removal governance. **Read more**
- IRDAI introduced a perpetual registration regime for insurance intermediaries, replacing the three-year renewal cycle with continuous validity subject to annual fee payment. **Read more**

## Key FinTech deals in India

**Investments**

Funding is concentrated in payments and consumer lending, with the largest rounds in identity verification/payments apps and retail credit. A second cluster sits in wealth/investment platforms and cross-border payments, while the remaining deals are smaller early-stage raises across adjacent FinTech categories suggesting investor interest is split between scale payment rails, credit distribution, and tools that improve payment operations. The key funding details for India's FinTech ecosystem in Q4 FY26 have been highlighted below:

| Start-up | Sector | Amount raised (USD) | Lead investors | Source |
|---|---|---|---|---|
| Idfy | Identity verification | $53 million | Neo's Secondaries Fund, Blume Ventures, Analog Capital, Elev8 Venture Partners, IndiaMART, and Kae Capital | Read more |
| Juspay | Payments app | $50 million | WestBridge Capital | Read more |
| Namdev Finvest | Lending | $37 million | IIX, Franklin Templeton AIF India, Symbiotics | Read more |
| Easy Home Finance | B2C lending | $30 million | Claypond Capital, SMBC Asia Fund | Read more |

| | | | | |
|---|---|---|---|---|
| Wint Wealth | WealthTech | $28 million | 3one4 Capital, Zerodha | Read more |
| Stable Money | Investment | $25 million | Peak XV Partners, Z47, RTP Global, Fundamentum Partnership. | Read more |
| Knight Fintech | Fintech SaaS | $23.6 million | Accel, Rocket Capital | Read more |
| AssetPlus | Investment | $19.3 million | Nexus, Eight Roads, Rainmatter | Read more |
| Xflow | Cross-border payments | $16.6 million | Square Peg, Stripe, Moore Capital | Read more |
| Prayaan Capital | Supply-chain financing | $12 million | Peak XV Partners | Read more |
| Mufin Finance | B2C lending | $12 million | Finnfund (debt financing) | Read more |
| GoSats | Payments app | $5 million | Konvoy, Y Combinator, Taisu Ventures | Read more |
| Mysa | Neo Bank | $3.4 million | Blume Ventures, Piper Serica, Ikemori Ventures, Raise Financial Services, QED Innovation Labs, Antler, IIM A Ventures, Neon Fund | Read more |
| GrowthPal | Financial services | $2.6 million | Ideaspring Capital | Read more |
| Intelend Technologies | Finance automation software | $1.2 million | Incubate Fund Asia, M Venture Partners, Atrium Angels | Read more |
| Arthum | B2C lending | $1.1 million | Caret Capital, Keynote Financial Services Limited, JS Global | Read more |
| Mylapay | Payments app | $1 million | CDM Capital, Credit Saison, GrowthCap | Read more |

Disclaimer: This is not an exhaustive list; only a few key highlights are mentioned.

Click **here** to share the subscription link to our newsletter.

## Contact us

**Vivek Belgavi**
Partner and Leader, FS Advisory
PwC India
vivek.belgavi@pwc.com

**Mihir Gandhi**
Partner and Leader, FinTech and Payments Transformation
PwC India
mihir.gandhi@pwc.com

**Deepti Banka**
Director, FinTech and Payments Transformation
PwC India
deepti.banka@pwc.com

**Author: Rudra Pratap**