



# FinTech

## Quarterly insights



We at PwC India have had the privilege of being a key knowledge partner for the Global FinTech Festival 2025, held in Mumbai from 7–9 October with key organisers being the Payments Council of India, National Payments Corporation of India (NPCI), and the Fintech Convergence Council. In its sixth edition, the event convened over 100,000 participants from more than 100 countries to explore the **role of augmented intelligence in shaping a smarter and more inclusive financial ecosystem**.

We moderated a panel discussion and launched thought leaderships covering themes such as AI in FinTech, integrated finance, next-generation borderless infrastructure, digital identity in the age of AI proliferation, risk management, digital rupee, and FinTech investment strategies. We also hosted **six roundtables** with 70+ BFSI and investor leaders, a **PwC lounge** with 150+ participants, and a networking dinner to strengthen client relationships. Additionally, we co-hosted a FinTech networking session with Prosus Ventures, connecting investors and founders to discuss trends, innovations, and investment opportunities shaping India's FinTech future. **Read more [here](#)**



### PwC insights of the quarter

#### The Indian Payments Handbook 2025-2030

The sixth edition of PwC India's Indian Payments Handbook underscores UPI's pivotal role in shaping India's digital payments ecosystem, with daily transaction volumes forecasted to hit 1 billion by FY28. Innovations in authentication, credit integration, and cross-border payments, along with expanding platforms like Bharat Connect and FASTag, are key drivers of growth. Emerging technologies and regulatory reforms are shaping a resilient and globally connected ecosystem. For additional insights, **[click here](#)**.

#### Balancing innovation with protection in India's FinTech ecosystem

Our latest perspective, 'Balancing innovation with protection in India's FinTech ecosystem', examines recent regulatory developments shaping the sector. It highlights a major shift towards strengthening borrower protection through enhanced transparency measures, including near real-time credit reporting and public disclosure of authorised lending apps. The analysis further stresses the critical need for proactive compliance and robust governance frameworks in light of new rules on risk management and transaction monitoring. For additional insights, **[click here](#)**.

For more such insights, please visit our **[website](#)**.



### Insights on Indian FinTech developments

## FinTech growth metrics

Mutual fund assets under management reached INR 76 trillion, supported by steady growth in demat accounts and folio additions. UPI transactions surged to INR 24.9 trillion. While QR code deployments expanded to 704 million, PoS terminals grew by 7%, reflecting deeper digital payment penetration. In insurance, general premiums rose by 5%, and group-life coverage increased by 22%.

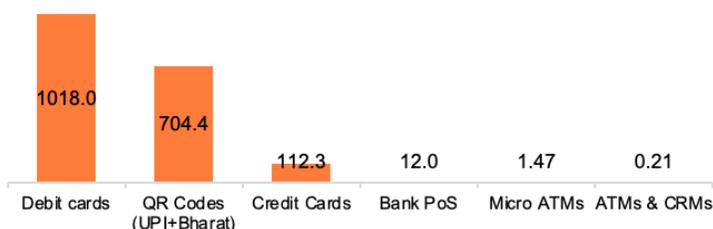
## PoV on FinTech news highlights

India's FinTech landscape saw an increase in regulatory approvals for payment aggregators and UPI service providers. Strategic acquisitions are helping improve financial inclusion and strengthen sector capabilities. Partnerships and integrations are supporting MSME formalisation and personalisation. Industry is advancing self-regulatory initiatives to strengthen compliance and data governance, reflecting a progressively mature ecosystem focused on innovation, trust, and inclusive growth.



## FinTech markers in India (Q2 FY26)

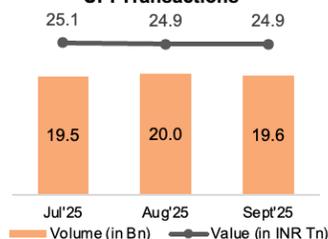
### Payments Infrastructure, as of Aug'25 (in mn)



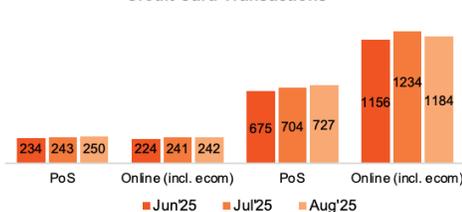
From June to August 2025, following trends were observed:

- **QR codes** grew from **685 million** to **704 million**
- ATM and CRMs **declined by 1.4%**
- Credit card usage **online grew by 8%**
- Debit card usage volume grew **by 5%**

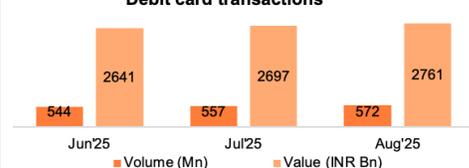
### UPI Transactions



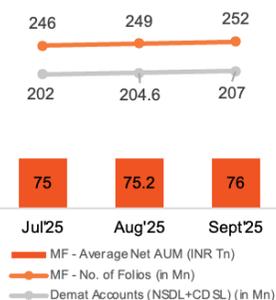
### Credit Card Transactions



### Debit card transactions

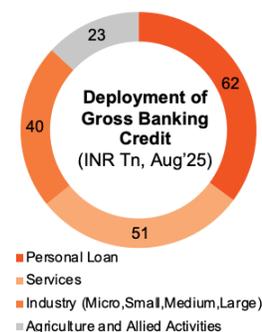


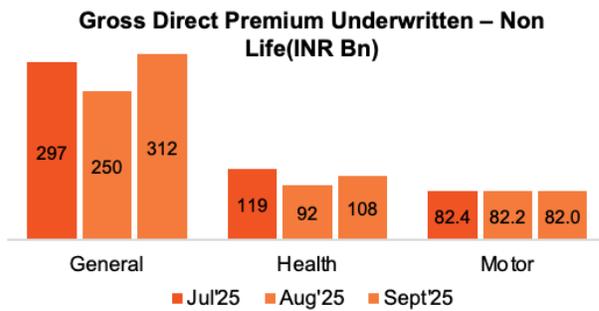
### Investment Statistics



- Demat accounts and mutual fund folios continued to grow steadily, while average net MF AUM rose marginally over the quarter.
- From March to Sept 2025, Gross Banking Credit rose by **4.4% in Personal Loans, 1.7% in Industry, 1.6% in Agriculture and fallen by 0.5% in Services.**

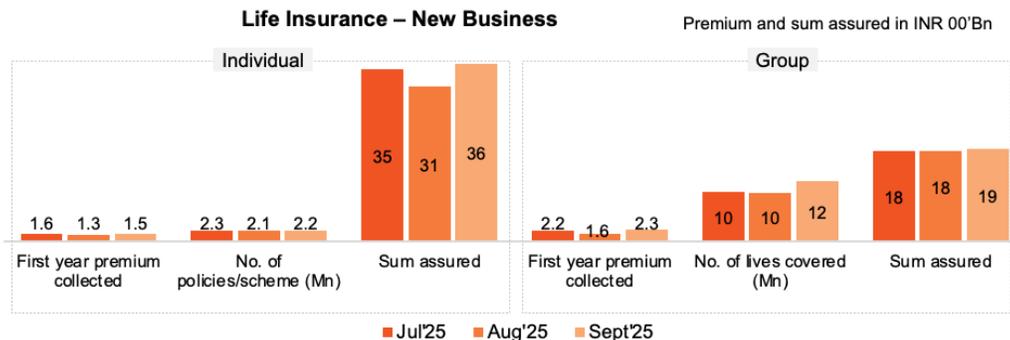
### Deployment of Gross Banking Credit (INR Tn, Aug'25)





Below trends were observed from Jul to Sept '25 for the insurance sector metrics:

- General insurance premiums increased by **5%**
- Health insurance premiums decreased by **10%**
- Number of lives covered under group life insurance increased by **22%**



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



## India FinTech highlights

Q2 FY26 witnessed significant developments in the Indian FinTech ecosystem. A few of these developments are outlined below.



### Regulatory approvals and licences

- Paytm received in-principle authorisation from the RBI to operate as an online payment aggregator—a move expected to reignite merchant onboarding and increase competition in the digital payments sector. [Read more](#)
- PhonePe received final approval to operate as payment aggregator. [Read more](#)
- EximPe secured RBI's in-principle PA-CB licence, advancing its role as a regulated cross-border payments infrastructure provider. [Read more](#)
- Jupiter Money obtained regulatory approval to operate as an insurance broker, which will allow it to expand its portfolio by offering digital insurance products to its customers. [Read more](#)
- Viyona Fintech received approval from NPCI to operate as a third-party application provider (TPAP), expanding the number of players in the UPI ecosystem. [Read more](#)

## Acquisitions

- Amazon completed a \$200 million cash acquisition of the FinTech lender Axio to strengthen its FinTech services through its Amazon Pay platform in India. [Read more](#)
- Zaggie acquired Rio Money for \$2.5 million in a strategic move to enter the consumer credit card market, aiming to leverage its technology for innovative credit-on-UPI offerings. [Read more](#)

## Partnerships and investments

- CRED launched a co-branded RuPay credit card with IndusInd Bank, further deepening the integration between credit and real-time payments. [Read more](#)
- Yes Bank partners with Hyperface to offer tech-driven, hyper-personalised credit card solutions via a dynamic CaaS platform. [Read more](#)
- PhonePe and SIDBI digitise Udyam Assist registration to formalise micro enterprises and expand access to credit and government schemes. [Read more](#)
- Indian Overseas Bank partners with Mumbai Metro One to offer smart, QR, and paper ticketing solutions, boosting digital payments for 4.5 lakh daily commuters. [Read more](#)
- InCred partnered with MMTC-PAMP to offer secure digital investments in gold and silver, expanding its wealth management portfolio. [Read more](#)

## Industry initiatives

- Slice launched UPI-powered, 'branchless' bank branch in Bengaluru, allowing customers to open accounts and access all banking services digitally. [Read more](#)
- Wise opened its full stack hub in Hyderabad, which will develop India-specific products and integrate local user feedback into its global offerings. [Read more](#)
- FinTech Association for Consumer Empowerment mandated RegTechs to support inspections, comply with data laws, and ensure responsible handling of user information. [Read more](#)

## Industry innovations - India

- Axis Bank introduces 'lock FD' to prevent premature fixed deposit closures via digital channels, enhancing protection against cyber threats. [Read more](#)
- CRED began piloting a feature that credits up to ₹50 of 24K digital gold as bill-payment cashback, embedding a micro-savings layer into its payments platform. [Read more](#)
- Bharat Bill Payment System (BBPS) initiated a pilot to provide real-time forex rates, supporting the smooth booking of currency on its platform and expanding its service categories. [Read more](#)
- Zil Money introduced a solution enabling Indian vendors to receive payments from the US within hours, significantly accelerating cross-border transaction speeds. [Read more](#)
- Super Money is set to foray into stock broking services, adding to its suite of personal financial management tools and easing direct equity market access for retail investors. [Read more](#)

## Regulatory updates – India

Directions and mandates:

- RBI released Payment Aggregators Directions, 2025, tightening norms on KYC, security, and merchant fund protection. [Read more](#)
- RBI mandated dynamic two-factor authentication for all domestic digital payments from April 2026, with limited exemptions and issuer liability for non-compliance. [Read more](#)
- NPCI mandates non-PA digital agent institutions to route BBPS transactions via designated COU's PA services to ensure compliance with RBI's rationalisation guidelines. [Read more](#)

- RBI released updated co-lending norms to expand credit access via capital-light partnerships between banks, NBFCs, and digital lenders. [Read more](#)
- RBI strengthened KYC norms to include persons with disabilities, mandate rejection reasons, expand due diligence scope, and permit Aadhaar face authentication. [Read more](#)

#### Guidelines and circulars:

- New RBI guidelines now prohibit rent payments via credit cards through third-party FinTech apps, citing the lack of merchant KYC for landlords and the need for stricter aggregator compliance. [Read more](#)
- RBI issued 'FREE-AI' report - governance norms for AI/ML in finance, mandating transparency, explainability, audits, and inclusive sector-wide coordination. [Read more](#)
- RBI announced a shift from fortnightly to near real-time credit reporting by lenders to credit bureaus. The real-time reporting is expected to improve underwriting accuracy and ensure consumer credit profiles are updated proactively. [Read more](#)
- To mitigate risk, new rules effective 1 January 2026, will cap investments by banks and NBFCs in an alternative investment fund (AIF) corpus to 10% individually and 20% collectively. [Read more](#)
- NPCI increased UPI transaction limits to ₹5 lakh for select merchant categories, with daily limits up to ₹10 lakh. [Read more](#)

#### Policy facilitation:

- RBI constituted a six-member Payments Regulatory Board chaired by the RBI Governor. [Read more](#)
- India unveils UPI-UPU project to enable faster, safer, and affordable cross-border remittances via global postal networks. [Read more](#)



## Top FinTech deals and partnership news – India

### Investments

Funding was concentrated in FinTech SaaS, NBFC, and wealth management, with additional interest in digital lending, and SME lending. Emerging areas such as AI-driven credit management and rural-focused FinTech also featured in the investment landscape. The key funding details for the India's FinTech ecosystem in Q2 FY26 have been highlighted below:

Start-up	Sector	Amount raised (INR)	Lead investors	Source
Weaver Services	FinTech SaaS/services	\$170 million	Lightspeed, Premji Invest, and others	<a href="#">Read more</a>
InCred Finance	NBFC	\$47 million	Morgan Stanley India, Nippon Life India, InCred Capital	<a href="#">Read more</a>
Dezerv	WealthTech/ portfolio management	\$40 million	Premji Invest, Accel Global, Elevation Capital, Z47	<a href="#">Read more</a>
Fibe	Digital lending	\$25.6 million	Multiple institutional investors	<a href="#">Read more</a>
Kiwi	Credit card FinTech	\$24 million	Vertex Ventures, Nexus VP, Stellaris VP, and others	<a href="#">Read more</a>
ACHF	SME lending	\$19.5 million	British International	<a href="#">Read more</a>

GoodScore	Credit health management	\$13 million	Peak XV Partners, Stellaris VP, and others	<a href="#">Read more</a>
Zype	Consumer credit	\$10.2 million	Unleash Capital, Xponentia Capital, and others	<a href="#">Read more</a>
DPDzero	Debt collection tech	\$7 million	GMO Venture Partners, SMBC, Blume, and others	<a href="#">Read more</a>
Oolka	AI/credit management	\$6.6 million	Lightspeed India, Z47	<a href="#">Read more</a>
Pelocal	AI/collections	\$5 million	Unleash Capital, Unicorn India Ventures	<a href="#">Read more</a>
RUGR	Rural-focused FinTech	\$5 million	Vikasa India EIF I Fund	<a href="#">Read more</a>
Belong	NRI FinTech	\$4.7 million	Elevation Capital	<a href="#">Read more</a>
CoinDCX	Crypto exchange	Undisclosed	Coinbase	<a href="#">Read more</a>

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

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Note: All data presented in the section 'FinTech Markers in India' belongs to Q2 FY26, unless otherwise stated. All other content presented in this newsletter has information and articles from Q2 FY26.

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