



FinTech

Quarterly insights



PwC insights of the quarter

Combating payments fraud in India's digital payments landscape

Due to an increase in the usage of digital technologies for transactions, the chances of payments ecosystems being targeted by frauds have also surged. Our newsletter on 'Combating payments fraud in India's digital payments landscape' highlights a sharp rise in fraud sophistication, gaps in transaction security and the pressing need for proactive risk management. It underscores the importance of data-led surveillance, regulatory alignment and enterprise-wide vigilance. For additional insights, [click here](#).

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



Insights on Indian FinTech developments

FinTech growth metrics

An analysis of the financial adoption metrics between January and March 2025 reveals consistent growth across key segments. Unified Payments Interface (UPI) transactions rose to 19 billion, amounting to INR 25 trillion, while mutual fund assets under management (AUM) climbed to INR 66.7 trillion. Life insurance premiums (individual) saw a 29% month-on-month (MoM) growth, and the total number of demat accounts in India surpassed 190 million.

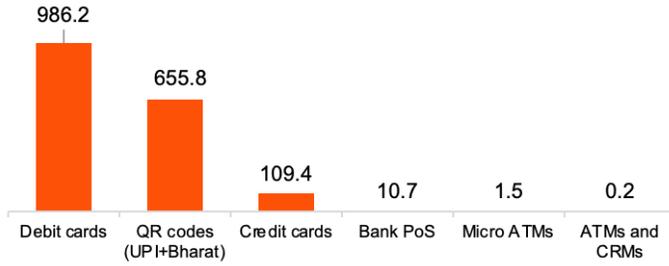
PoV on FinTech news highlights

Regulatory approvals for BharatPe, MobiKwik and PB Fintech as payment aggregators reflect regulatory advancements. Product rollouts from PhonePe (smart speaker and UPI Circle) and Paytm (soundbox with visual alerts and personalised UPI IDs) highlight ongoing innovation in digital payments and user experience.



FinTech markers in India (Q4 FY25)

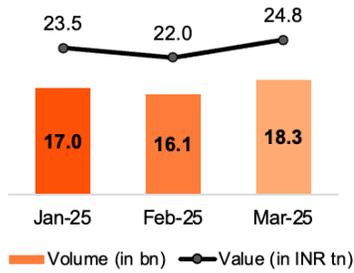
Payments infrastructure, average for January–March 2025 (in mn)



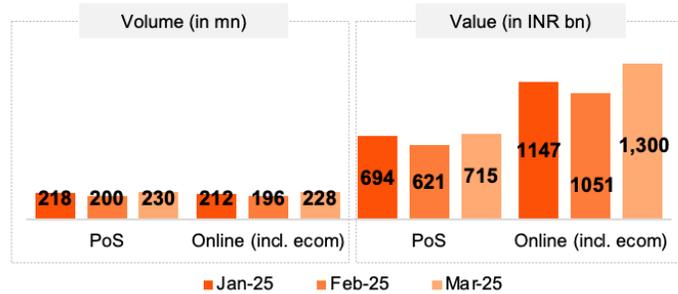
From January to March 2025, following trends were observed:

- **QR codes** grew from **646.6 to 664.6 million**.
- **UPI transactions volume** grew by **~8%**.
- **Credit card transactions volume** increased by **~9%**.

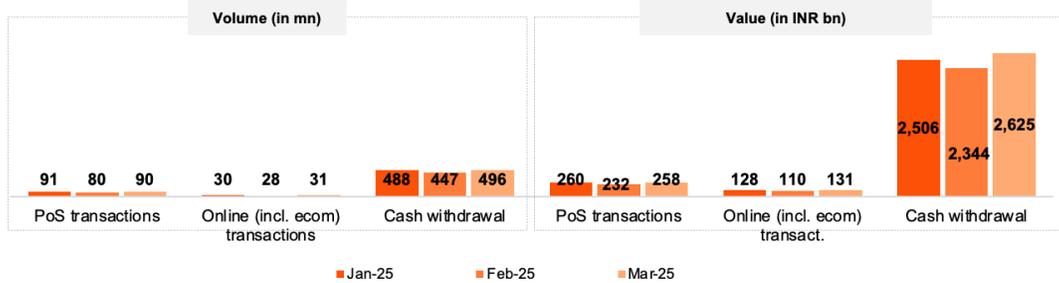
UPI transactions



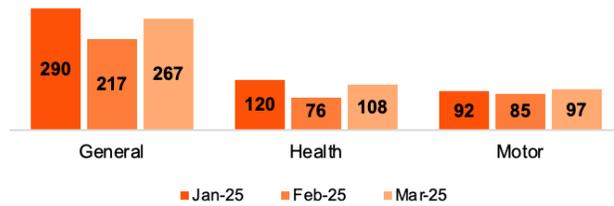
Credit card transactions



Debit card transactions



Gross direct premium underwritten – Non life (INR bn)

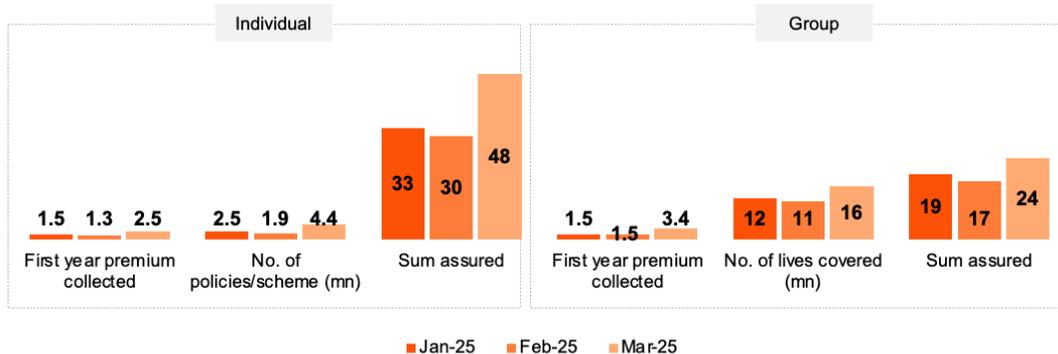


Below trends were observed from January to March 2025 for the insurance sector metrics:

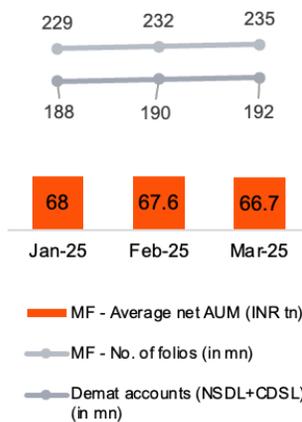
- **General insurance** premiums dropped by ~8%.
- **Health insurance** premiums decreased by 10%.
- Number of individual **life insurance** policies/schemes increased by 76%.

Life insurance – New business

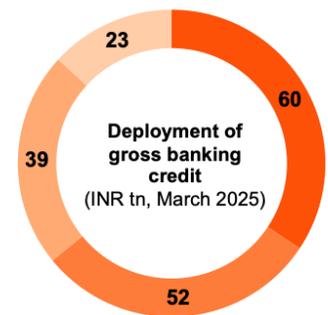
Premium and sum assured in INR 00'Bn



Investment statistics



- Demat accounts and number of folios observed a surge in their growth despite a **2% drop in average net MF AUM**.
- From February to March 2025, gross banking credit rose by **2.07% in services, 1.59% in industry, 1.25% in personal loans and 1.01% in agriculture**.



- Personal loan
- Services
- Industry (micro, small, medium, large)
- Agriculture and allied activities

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



Q1 FY26 witnessed significant developments in the Indian FinTech ecosystem. A few of these developments are outlined below.



Regulatory approvals and licences

- Mobikwik's Zaakpay secured in-principle approval from RBI to operate as a payment aggregator, which allows it to expand its payment aggregation business. [Read more](#)
- RBI has provided regulatory approval to BharatPe to operate as a payment aggregator, enabling it to strengthen its role in merchant payment facilitation. [Read more](#)
- PolicyBazaar's FinTech arm gained in-principle nod for a payment aggregator licence, allowing it to manage digital payment flows. [Read more](#)
- National Payments Corporation of India (NPCI) provided Zaggie with an approval to offer UPI services, enabling it to integrate real-time payments into its platform. [Read more](#)

Acquisitions

- PhonePe acquired GSPay from Gupshup to enable UPI on feature phones. This acquisition aims to make UPI accessible for users of basic mobile devices and increase financial inclusion. [Read more](#)
- Perfios acquired IHX, a healthcare information exchange firm, to strengthen its operations in the healthcare insurance sector, especially claims management. [Read more](#)
- Razorpay acquired majority stakes in a UPI payments startup Pop by investing USD 30 million. The investment has been made to grow its business amongst D2C brands. [Read more](#)

Partnerships and investments

- Muthoot FinCorp invested in BankBazaar to accelerate its digital lending ambitions, beginning with a focus on gold loans. [Read more](#)
- MobiKwik has teamed up with Poonawalla Fincorp to offer quick personal loans through digital channels, expanding its credit offerings. [Read more](#)

Industry initiatives

- Leading FinTech players inaugurated the SRO-Fintech Development Foundation (SROFT-DF), a self-regulatory body to support growth in the sector and ensure compliance, at the Startup Mahakumbh. [Read more](#)
- CoinDCX has expanded to Bahrain with the launch of BitOasis, making its entry into the MENA region to establish its presence in the rapidly expanding digital assets market. [Read more](#)

Industry innovations - India

- PhonePe unveiled an upgraded smart speaker to enhance offline payments with faster audio confirmations. [Read more](#)
- Paytm introduced a new soundbox with visual alerts for real-time payment tracking. [Read more](#)

- PhonePe launched UPI Circle to simplify payments and prioritise transactions within a selected group of trusted contacts. [Read more](#)
- Paytm rolled out personalised UPI IDs to enhance user privacy and control. This feature enables users to create custom UPI handles, reducing exposure of personal details during transactions. [Read more](#)

Regulatory updates - India

- RBI issued 'Digital Lending Directions, 2025' to strengthen borrower protection and data privacy and protection. These guidelines mandate transparent loan agreements and regulated data usage, and enforce stricter supervision of digital lenders. [Read more](#)
- RBI plans major restructure of internet and mobile banking regulations, along with broadening the Unified Lending Interface (ULI) with new features. [Read more](#)
- RBI issued Master Directions for Electronic Trading Platforms (ETPs), 2025 aimed at regulating entities operating ETPs for eligible financial instruments. The framework enhances transparency, reporting standards and strengthens oversight for operations related to non-bank platforms. [Read more](#)
- NPCI has mandated banks to display account balance after every UPI transaction under broader guidelines on application programming interface (API) usage by different members of the UPI ecosystem. [Read more](#)
- RBI has urged banks and NBFCs to launch feature phone-compatible apps to enhance financial inclusion and expand digital banking in rural India. [Read more](#)
- RBI raised Gold Loan LTV to 85% under revised norms aimed at improving access for rural and low-income borrowers. These guidelines will be effective from 1 April 2026, and will apply to banks, NBFCs, cooperative banks and housing finance firms. [Read more](#)
- RBI reduced key policy interest rates by 50 basis points, aiming to lower EMIs across home, auto and other loan categories and promote credit growth. [Read more](#)



Top FinTech deals and partnership news – India

Investments

The key funding details for the India FinTech ecosystem in Q1 FY26 have been highlighted below:

Start-up	Sector	Amount raised (INR)	Lead investors	Source
CRED	Payments app	6.2 billion	GIC, Sofina, others	Read more
Stable Money	Investment	1.7 billion	Fundamentum, others	Read more
BharatPe	Payments app	1.3 billion	Neo Group, Trifecta Capital, Alteria Capital	Read more
Aerem	B2C lending	1 billion	Japan's University of Tokyo Edge Capital Partners	Read more
M1xchange	Supply chain financing	860 million	Filter Capital	Read more
Stashfin	Consumer loans	790 million	Northern Arc and Coinmen Special Opportunities Fund	Read more
Varthana	Debt financing	750 million	OfBusiness, others	Read more

LoanTap	Supply chain financing	740 million	3one4 Capital, Avaana Capital, Kae Capital, others	Read more
Hyperbots	Finance automation software	559 million	Arkam Ventures, Athera Venture Partners, others	Read more
Kaleidofin	Neo bank	456 million	IDH Farmfit Fund	Read more
Further AI	Enterprise software - Insurance	430 million	Nexus Venture Partners, Pioneer AI Fund, YCombinator, others	Read more
Refyne	Financial wellness solutions	350 million	Stride Ventures	Read more
Bachatt	Personal finance	344 million	Info Edge Ventures, Lightspeed Ventures, others	Read more
Decentro	Banking-as-a-service	300 million	InfoEdge Ventures, Stargazer Growth, others	Read more
Jai Kisan	B2C lending - rural	265 million	Unitary Fund, Blume Ventures, others	Read more
Shrinithi Capital	Financial services	160 million	Navyug Global Ventures	Read more

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 Q4 FY25. All other content presented in this newsletter has information and articles from Q1 FY26.

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