



India's Fintech Landscape

A Digital Revolution in Motion

November 2024

Foreword

The Fintech industry in India has witnessed a meteoric rise, growing at an impressive **CAGR of 31%** over the past decade with a current valuation exceeding **\$100 billion** and projected to reach **\$420 billion by 2029**, India's Fintech ecosystem has positioned the country at the forefront of global Fintech innovation.¹

Behind these transformative developments is the **Digital Public Infrastructure (DPI) known as India Stack**. This platform has been one of the key catalysts propelling the Fintech ecosystem forward, offering a stack of APIs like Aadhaar, Unified Payments Interface (UPI), and DigiLocker. This stack has enabled everything from biometric-based payments to instantaneous bank transfers, empowering over 1.3 billion² people and transforming the digital economy. UPI has been a cornerstone of this revolution, handling **131 billion transactions** in FY 2023-24 alone, accounting for **over 80% of retail digital payments in India**.³

Within the Fintech landscape, digital payments have surged across both urban and rural areas, simplifying credit access for individuals and businesses alike. This evolution in Fintech is driving financial inclusion, creating synergies between traditional financial institutions and new-age players. Each sector under fintech is not only driving financial inclusion but also building synergies across traditional financial institutions and newer Fintech players.

This report offers a deep dive into the key trends shaping the fintech ecosystem, the exponential growth of digital payments, and insights into the major fintech segments. The report highlights the birth and growth of UPI and Rupay. Additionally, this report dives into the role of India Stack, an interoperable framework. Whether you're a startup founder, an investor, or a policy maker, this report provides valuable insights into how the fintech sector continues to thrive in India.

We hope this document serves as a valuable resource, if you have any doubts or need further information, please reach out to us at jitesh@treelife.in

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¹Business Standard

²Note: 1.3 billion Indians are registered on Aadhaar as of 2023. Source: UIDAI

³Ministry of Finance – Press Information Bureau

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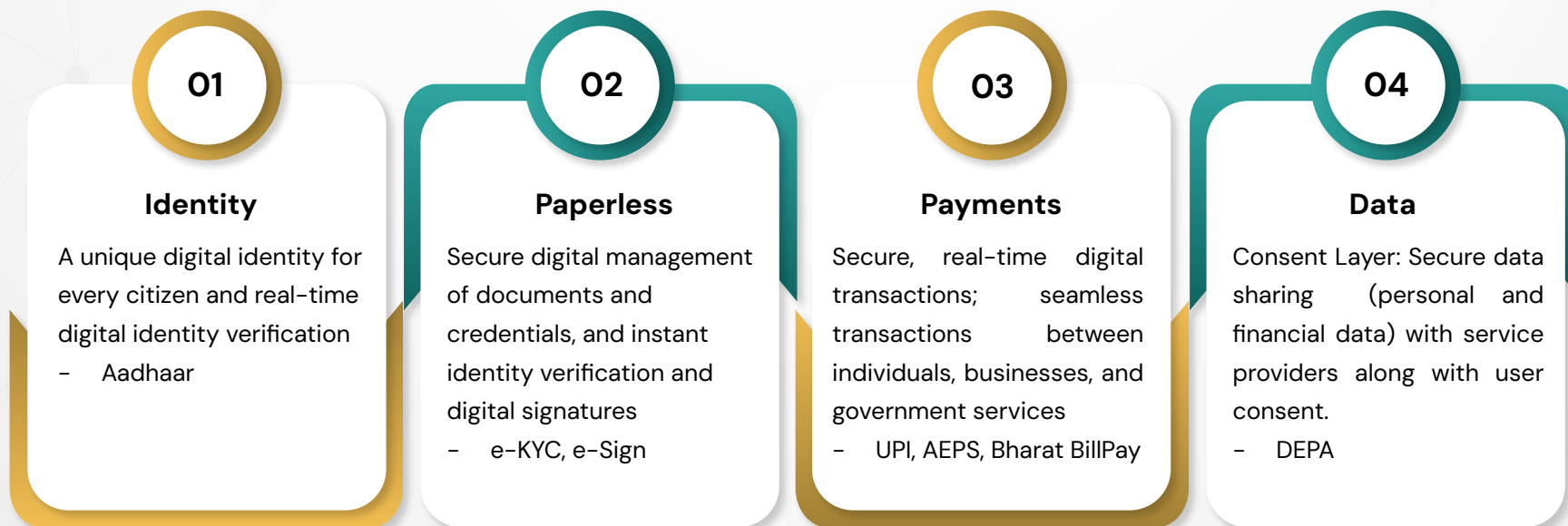
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The Backbone of India's Digital Financial Transformation: India Stack

What is India Stack?

India Stack is a government-backed digital infrastructure that provides a set of open APIs (Application Programming Interfaces) enabling third parties to build software that integrates with government services. It is made up of four core layers that work together to **enable financial inclusion, digital identity, and secure data sharing** for billions of Indians.

A 4-Layered Approach to Digital Transformation - India Stack



The **"stacked"** nature of this infrastructure ensures interoperability between private and the government, making it easier for businesses to offer consumers streamlined access to essential services.

India Stack: Transformative Impact & Real-World Use Cases

Here's a look at its real-world impact across various sectors, showcasing the profound scale and success of this infrastructure.

1. Digital Identity (Aadhaar)

- **1.3 billion** Aadhaar IDs Generated ~ 95% Indians
- **63.6 billion** Authentication Done
- **10.3 billion** eKYC done

Use Case Example:

The entire point of the Aadhaar program is to seed the population with secure, versatile digital IDs that can be used to quickly authenticate a user's identity. There are currently a variety of ways in which a petitioner can prove a user's identity using Aadhaar: e-auth, e-KYC, QR code scan, Offline XML, e-Aadhaar.

2. Digital Payments (UPI)⁴

- **622** – Number of Banks live on UPI
- **15,041.75 million** – Volume of payment done
- **20,63,994.71 crores** – Value of transactions done

Use Case Example:

UPI enables interoperability between money custodians, payment rails and front-end payment applications. Peer-to-peer (P2P) transfers, Merchant and Subscription payments, ticket booking, Sending money to a bank account, IPO subscription and much more.

3. Data Empowerment (DEPA & DigiLocker)

- **7.76 billion** documents issued directly into DigiLocker⁵
- **1577 institutions** signed up as document issuers
- **619** are integrated with DigiLocker as requesters (who can verify user documents with consent)

Use Case Example:

Through DEPA, fintech companies can assess an individual's creditworthiness without compromising privacy and data integrity.

4. Open Networks

- **Birth of Open Network for Digital Commerce (ONDC)**

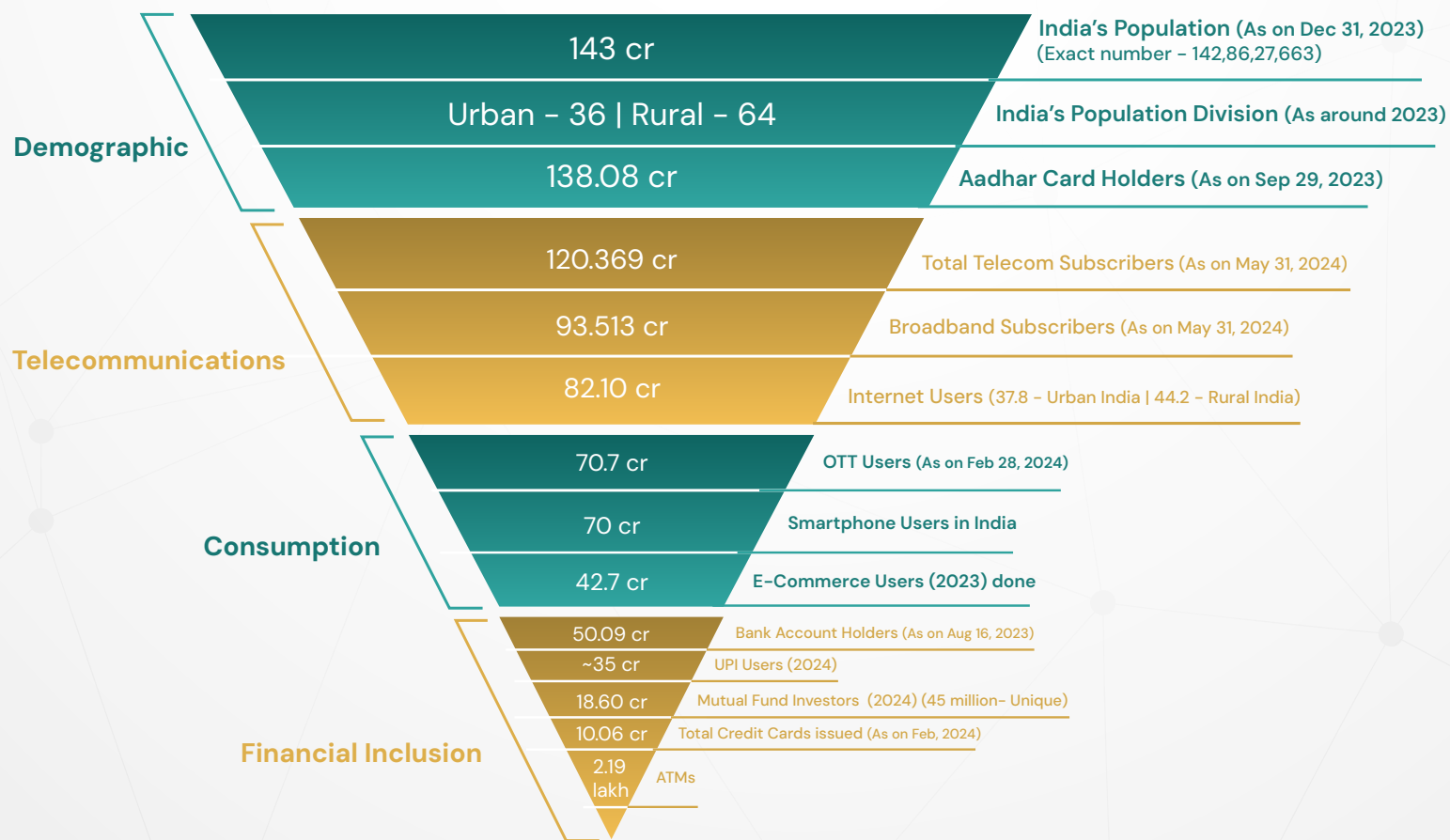
Use Case Example:

ONDC is expected to transform e-commerce by creating an interoperable network that connects buyers and sellers, similar to how UPI functions for payments. Aim is to create a level playing field for MSMEs/ SMEs, helping them reach a wider audience and tap into the growing digital economy.

⁴Data as on September 2024 – <https://www.npci.org.in/what-we-do/upi/product-statistics>

⁵Data as on 2024 – <https://www.digilocker.gov.in/statistics>

India – A Visible Snapshot, 2024⁶



India's 143 crore population, with 138 crore Aadhaar holders, 120 crore telecom subscribers, and 82 crore internet users, showcases a robust digital foundation for fintech growth. Enabled by India Stack's four layers—India has made financial inclusion accessible nationwide. With 50 crore bank accounts and 35 crore UPI users, India Stack empowers fintech as a gateway to consumption and quick, seamless financial transactions. This digital ecosystem is driving India's transformation into a global fintech leader, enhancing accessibility and financial inclusion across the country.

⁶Multiple Sources – UIDAI, RBI, TRAI, World Bank, World Economic Forum

The background of the slide is a dark, blue-toned image of a person in profile, looking at a laptop screen. A semi-transparent blue digital overlay, consisting of a network of lines and nodes, is superimposed over the scene, particularly around the laptop and the person's hands. The overall aesthetic is modern and tech-oriented.

The Intersection of Finance & Technology

Understanding Fintech

What is Fintech?

01. Banking

02. Payments

03. Non-Banking Financial Companies (NBFC)

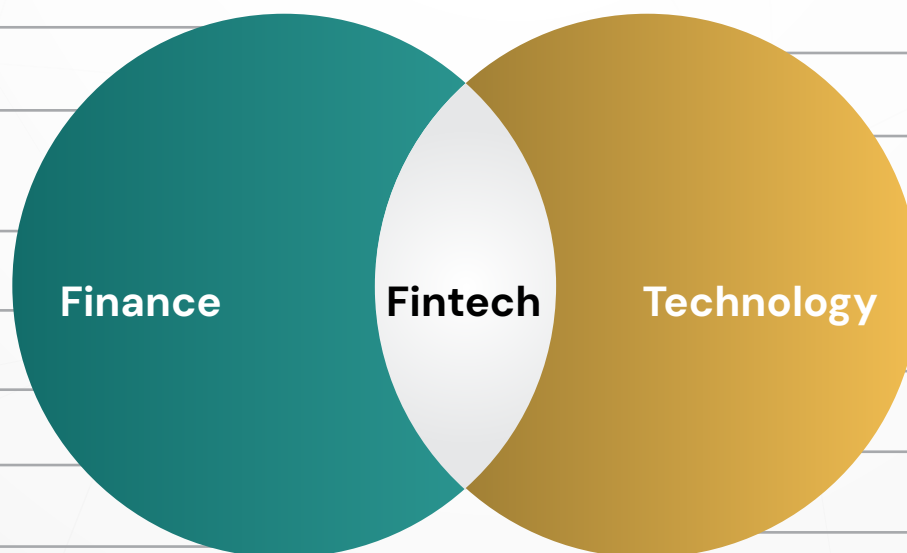
04. Security Broking

05. Wealth Management

06. Insurance

07. Digital Lending

08. RegTech



01. Hardware Providers

02. Software Providers

03. Cloud Providers

04. Platform Providers

05. Blockchain & DLT

06. AI & ML Providers

07. Cybersecurity Providers

08. Data Analytics & Big Data

Fintech, short for financial technology, represents the convergence of finance and technology, revolutionizing traditional financial services through innovative tech-driven solutions. As depicted in the image, Fintech spans across two broad domains—Finance and Technology—and thrives at their intersection.

On the Finance side, Fintech transforms sectors like banking, payments, digital lending, insurance, and wealth management, enhancing efficiency, accessibility, and user experience. On the Technology side, advancements like cloud services, blockchain, AI/ML, and data analytics power these financial innovations, creating smarter, faster, and more secure financial services. **By integrating these two sides, Fintech is revolutionizing how financial services are delivered, making them more efficient, secure, and accessible.**

Segments under Fintech

01. PayTech



04. Wealthtech



02. LendingTech



05. Fintech Infra/SaaS



03. Insuretech



06. NeoBank



1. PayTech: Revolutionizing Digital Payments in India

What is PayTech?

PayTech (Payment Technology) refers to the **suite of financial technologies that enable seamless, secure, and real-time payment solutions**. PayTech includes mobile wallets and consumer wallets, digital payment gateways, POS solutions, contactless payments, cross-border payments, B2B payments, escrow solutions, merchant payments, and more.

Key Stats & Growth

- Digital payments have surged from **USD 300 billion in FY18 to USD 3.6 trillion in FY24**.
- UPI now accounts for over **80% of overall retail digital payments in India**. By FY30, this figure is likely to double to **USD 7 trillion**.⁷
- The payments sector has received **\$11.8 billion** in funding to date, with merchant-focused payment players being the most funded.⁸
- Shift in funding from gateways and wallets to niche areas such as **cross-border payments**.⁹

Challenges & Opportunities

- **Challenge:** Cybersecurity concerns with the massive volume of digital transactions and ensuring payment compliance.¹⁰
- **Opportunity:** Expanding UPI internationally to reach global markets.

2. LendingTech: Transforming Digital Lending in India

What is LendingTech?

LendingTech refers to technology-driven platforms and solutions that **streamline and enhance the process of borrowing and lending money**. LendingTech enables faster loan approvals, broader financial access, and data-driven risk assessments, providing an efficient alternative to traditional lending methods. It covers a broad range of financial services including personal loans, SME financing, micro-lending, and digital credit scoring including **Buy Now, Pay Later (BNPL), digital credit scoring, Peer-to-Peer (P2P) lending**.

Key Stats & Growth

- Digital lending industry is one of the fastest-growing segments in the financial sector, with a projected market size of \$720 billion by 2030.¹¹
- Digital lending received \$9.8Bn in funding with Consumer and Business Lending together garnering 80% of fund flows.¹²
- Digital lending in India has grown 25x in the past 10 years.

Challenges & Opportunities

- **Challenge:** Regulatory scrutiny, especially in ensuring ethical lending practices, and risks associated with customer defaults.
- **Opportunity:** Verticals gaining traction include vehicle financiers, digital mortgage lenders, P2P lenders and agri loans.

⁷How Urban India Pays', Kearney-Amazon Pay, ⁸Economic Times, ⁹Indian Fintech Journey 2024 - JM Financial, ¹⁰Mastercard Insights, ¹¹Economic Times, ¹²Indian Fintech Journey 2024 - JM Financial, ¹³Invest India, ¹⁴Indian Fintech Journey 2024 - JM Financial, ¹⁵ICICI Direct, ¹⁶Indian Fintech Journey 2024 - JM Financial

3. InsurTech: Revolutionizing Insurance in India

What is InsurTech?

InsurTech (Insurance Technology) refers to the use of innovative technology to **enhance and streamline the traditional insurance industry by way of digital insurance platforms for policy comparison, purchase, claims processing, microinsurance, and AI-driven risk assessments.** InsurTech aims to make insurance more accessible, affordable, and efficient by leveraging data analytics, artificial intelligence, and digital platforms.

Key Stats & Growth

- India ranks as the second-largest InsurTech market in the Asia-Pacific region. It is projected to expand nearly 15 times, reaching \$88.4 billion by 2030, positioning India as one of the fastest-growing insurance markets worldwide.¹³
- Over **\$2.5 billion** has been raised by Indian InsurTech startups to date.
- India has doubled its share in global Insurance GWP from 1% to 2%.¹⁴

Challenges & Opportunities

- **Challenge:** Low insurance penetration, especially in rural areas, and challenges in educating customers on the value of insurance.

Opportunity: Significant growth potential in Insurance-as-a-service (IaaS), Pay As You Go, and InsureTechs focused on improving the efficiency of the insurance value chain (policy administrators, underwriting engines, and claims processing) and value-added services.

4. WealthTech: Transforming Investment and Wealth Management

What is WealthTech?

WealthTech refers to the use of **technology to deliver investment management, financial planning, and wealth advisory services.** WealthTech solutions democratize access to sophisticated financial products and services, enabling users to manage their wealth, make investments, and plan for the future using digital platforms and tools. Use cases under WealthTech include **robo-advisors** (automated platforms that provide algorithm-driven financial planning with minimal human supervision), **investment platforms, and portfolio management tools.**

Key Stats & Growth

- The Indian WealthTech market is on track to grow to \$237 billion by 2030, fueled by an increasing number of retail investors.¹⁵
- WealthTech platforms have attracted **\$2.5 billion** in funding as of 2024.
- Demat accounts in India have grown from 23 million to 151 million accounts ~ 7x growth in 10 years.¹⁶

Challenges & Opportunities

- **Challenge:** Financial literacy remains low in India, leading to potential user hesitation and market volatility.
- **Opportunity:** WealthTech can drive financial inclusion by making investing accessible to underserved populations through mobile-first solutions and low-cost offerings.

5. Fintech Infra/SaaS: Enabling the Backbone of Digital Finance

What is FinTech Infrastructure/SaaS?

FinTech Infrastructure and SaaS (Software-as-a-Service) refer to the **core technologies and platforms that provide the foundation for financial services and digital transactions**. These services and tools are often cloud-based and help companies build, manage, and scale their financial services efficiently, without needing to invest in costly infrastructure. FinTech Infrastructure/SaaS includes various tools and platforms, such as **payment gateways & APIs, KYC & compliance platforms, security & fraud prevention, Banking-as-a-Service (BaaS), and more.**

Key Stats & Growth

- FinTech infrastructure companies have raised over **\$3.3 billion** in funding to-date.¹⁷
- Accounts for 408 active companies in this space.

Challenges & Opportunities

- **Challenge:** Navigating complex regulatory environments while ensuring data security and compliance with global standards.
- **Opportunity:** Increasing demand for **Banking-as-a-Service (BaaS)** and API-based infrastructure opens up vast opportunities for FinTech SaaS providers.

6. NeoBank: The Future of Digital-Only Banking

What is NeoBank?

NeoBanks are **digital-only financial institutions that operate without traditional physical branches**. They offer a wide range of banking services, including savings accounts, loans, and payment solutions, often with a focus on user experience, low fees, and advanced technology. Use cases include seamless mobile-based banking solutions, zero-balance accounts; Instant account opening, KYC verification via apps, and more.

Key Stats & Growth

- Digital / Neobanks have collectively raised > \$625Mn.¹⁸
- In the Neobanking market, the number of users is expected to amount to 21.75m users by 2028.¹⁹

Challenges & Opportunities

- **Challenge:** Regulatory hurdles, customer trust, and competition from traditional banks.
- **Opportunity:** Expansion into Tier-2 and Tier-3 cities, partnerships with legacy banks, and cross-border financial solutions. NeoBanks are expected to reshape banking for millennials and digital-first users.

Major Fintech-Related Events in India (2014-2024)

Landmark Year

- 1 Billion Aadhaar Registrations (4th April 2016)
- Launch of UPI (Unified Payments Interface) by NPCI (11th April 2016)
- Launch of Reliance Jio (5th September 2016) – also reached 16 million subscriber mark in its first month of operations.
- Demonetization of Rs. 1000 & Rs. 500 notes (8th November 2016)
- Launch of IndiaStack, a set of APIs including Aadhaar, eKYC, UPI, and DigiLocker (2016)
- PM Modi launched BHIM (Bharat Interface for Money) (29th December 2016)²⁰

India's digital public infrastructure (DPI) began with the establishment of the Unique Identification Authority of India (UIDAI) to run the Aadhaar program

Online authentication & benefit transfer via Aadhaar & e-KYC

RBI launched a regulatory sandbox to promote fintech innovation, a controlled environment for startups to test new products under regulatory supervision

Launch of the pilot for Central Bank Digital Currency (CBDC) by RBI²¹



Launch of Aadhaar card on September 29, 2010, by then Prime Minister Manmohan Singh

1. Introduction of Jan Dhan Yojana (August 2014).
2. Launch of e-Sign by Digilocker

Launch of BharatQR, a common QR code for payments across Visa, Mastercard, and Rupay

RBI allowed video-based KYC for onboarding customers

Launch of CBDC for Retail by RBI (Expected in 2024)

²⁰ It is a money transfer app that lets you pay or collect instant bank-to-bank payments using just a mobile number or Virtual Payment Address using UPI.

²¹ CBDC is a digital version of a country's central bank money or fiat

India Story – Homegrown

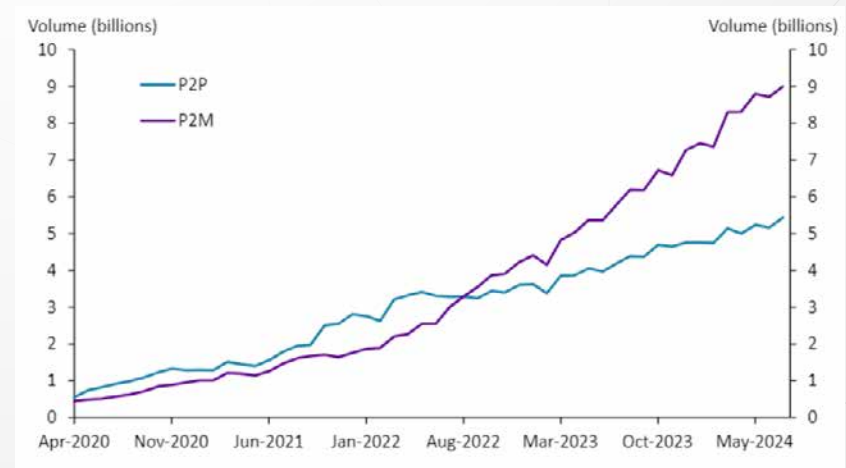


Birth and Growth of UPI²²



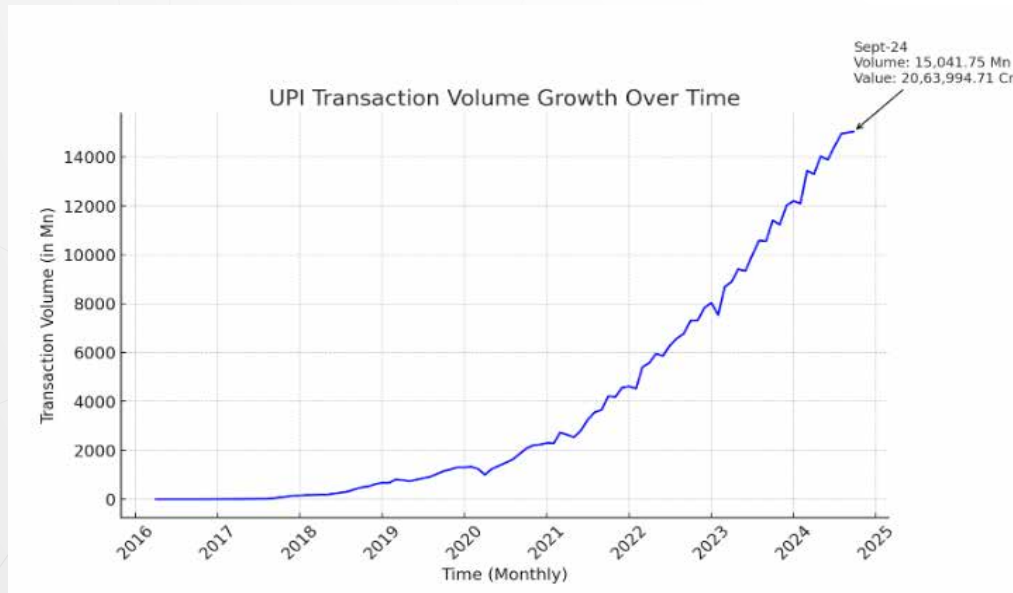
India launched the Unified Payment Interface (UPI) in August 2016, as part of the India Stack, developed by the National Payments Corporation of India (NPCI) an umbrella organization created as an initiative of the Reserve Bank of India and Indian Banks’ Association (a representative entity of banks and other financial institutions in India).

However, UPI quickly became one of India’s most celebrated financial innovations. Initially, UPI was mainly used for person-to-person (P2P) payments, Indians now use UPI more for person-to-merchant (P2M) payments and fintechs have been the major driver for expanding UPI P2M payments. **In August 2022, UPI P2M payments** outpaced P2P payments. Indians make P2M payments at brick-and-mortar merchants, online merchants, and billers.



²² Cornell, SC Johnson College of Business - <https://business.cornell.edu/hub/2023/07/11/unified-payments-indias-digital-highway-to-speedy-financial-inclusion/>

UPI Growth Trajectory: A Digital Revolution in India



UPI continues its impressive growth, with a year-on-year transaction volume increase of 57%. In FY 2023–24, the total transaction volume surpassed **131 billion transactions, valuing nearly INR 200 trillion** and is projected to reach 439 billion transactions by FY 2028–29. Currently, UPI represents over 80% of India's retail digital payments and is anticipated to contribute 91% by FY 2028–29.²³

The ease, speed, and widespread adoption of UPI have placed India at the forefront of the global Fintech revolution.

India has rapidly emerged as one of the global leaders in the Fintech space and feels like stepping into a "futuristic Fintech utopia". At payment counters, where **advanced digital payment methods like scanning QR codes dominate**, even physically using a credit card, debit card or cash now feels like stepping back into the stone age.

²³ Times of India

Birth of Rupay in India

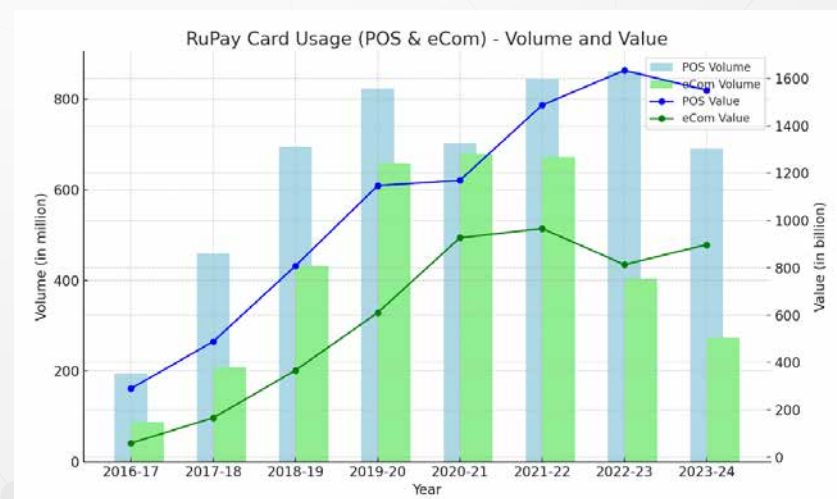
RuPay, India's indigenous card payment network, was launched by the National Payments Corporation of India (NPCI) in 2012. It has 800 banks issuing RuPay cards and achieved the milestone of 400 million cards in circulation, making it the market leader in terms of issuance in the country.²⁴ RuPay was introduced to address several key needs in India despite the presence of global players like Visa and Mastercard:

1. **Financial Inclusion:** To offer affordable, accessible payment solutions to underserved and rural populations.
2. **Cost Efficiency:** A domestic network reduces transaction fees, making payments cheaper for merchants and consumers.
3. **Data Sovereignty:** RuPay ensures that payment data stays within India, enhancing privacy and security.
4. **Support for the Local Economy:** It reduces reliance on foreign payment networks and boosts India's financial infrastructure.
5. **Customization:** Tailored to Indian needs, RuPay supports government programs like Pradhan Mantri Jan-Dhan Yojana (PMJDY) and better serves local banking.

RuPay became the first card network in India to integrate with UPI. This integration allows users to link their RuPay credit cards with the UPI ecosystem, enabling them to make seamless credit-based payments at any UPI-enabled merchant. This first-of-its-kind feature offers users the flexibility of using credit through a widely accepted platform, combining the convenience of UPI with the benefits of credit card payments.

Here are some of the key statistics and insights -

1. **Market Share Increase** - The market share of Rupay credit cards has surged from 1% to 10% over the past three years.²⁵
2. **User Adoption** - Rupay credit cards linkedin with UPI have seen 37% increase in demand QoQ.



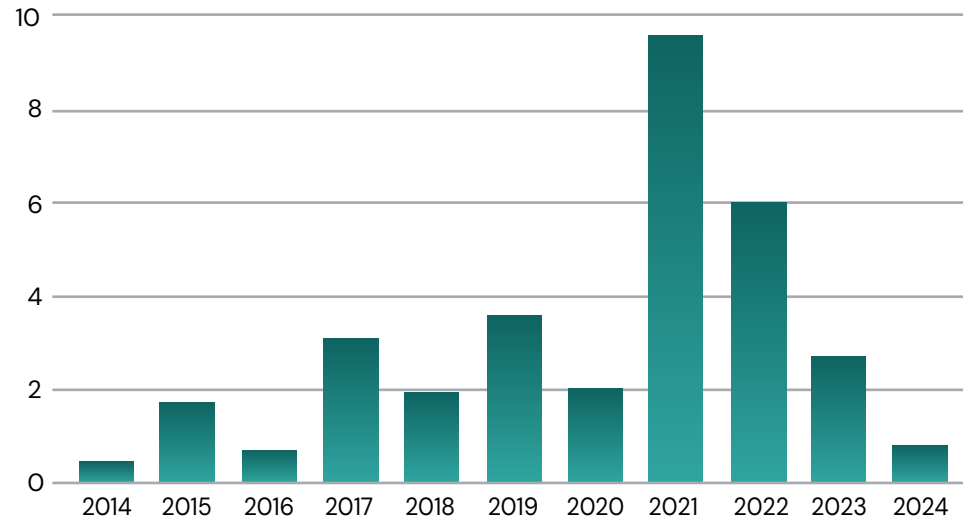
²⁴ NPCI Newsletter October, ²⁵ The Hindu Businessline

Funding Landscape



Indian Fintech Funding (2014-H1 2024)²⁶

Total Funding (Billion USD)



Indian fintech funding has grown significantly over the last decade. Starting with nearly **\$400 million in 2014**, the sector saw a steady rise, peaking at **\$9.6 billion in 2021**. This surge was driven by digital transformation and increased fintech adoption, especially during the pandemic.

Funding levels normalized to **\$6 billion in 2022** and **\$2.7 billion in 2023**, reflecting a more selective investment environment. In **H1 2024**, **797 million** was raised, showing cautious investor sentiment but signaling potential for future growth as the market stabilizes and matures.

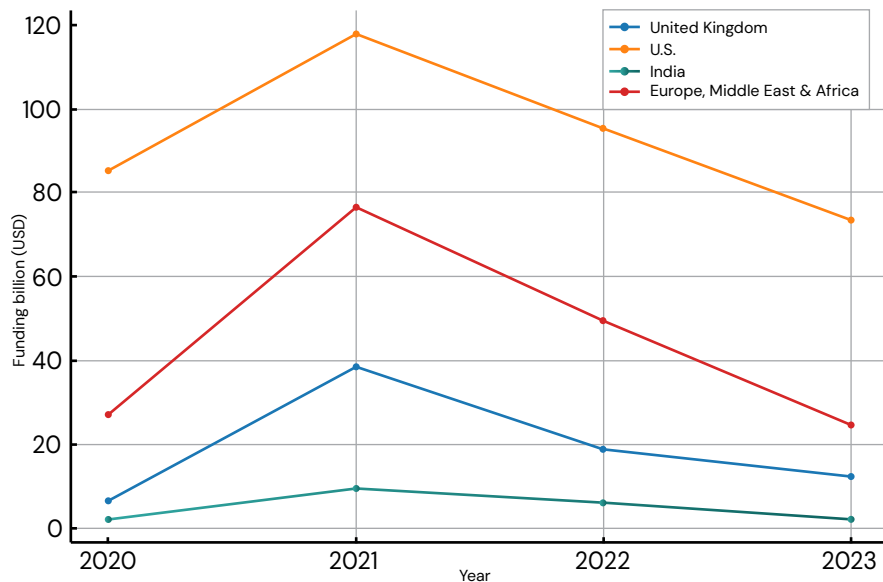
²⁶ Source: ET-Bfsi, Business Standard

Global Fintech Funding Trends (2020–2023)²⁷

India **does not** get as much love when it comes to **funding for Fintech**

Despite powering over 50% of global real-time transactions²⁸ through UPI Indian Fintech startups attract less than 5% of global Fintech funding.

Country-wise Fintech Funding (2020–2023)



- The U.S. consistently leads in fintech funding, peaking at \$117.9 billion in 2021.
- The UK and EMEA regions show a decline in funding after peaking in 2021.
- India's fintech funding reached its peak in 2021 at \$9.6 billion but has seen a sharp decline since.

²⁷ KPMG – Report on Pulse of Fintech H2 2023 – ASPAC, ²⁸ ACI Worldwide & GlobalData Report: According to a report by ACI Worldwide and GlobalData titled "Prime Time for Real-Time 2022," India accounted for 48.6 billion real-time payment transactions in 2021, which was more than 50% of the global real-time payment transactions.

Fintech Market Snapshot²⁹

Market Size & Growth	Funding & Startups	IPO & Venture Activity	Global Trends
Current Valuation: \$100+ billion	Total Funding: \$30.9 billion	IPO Filings: 75 annually (2018-2019) to 120-140 annually (2021-2023)	Global Fintech Revenues: \$1.5 trillion by 2030
Projected Valuation: \$420 billion by 2029	Active Fintech Startups: 4,200+	Payments & UPI	APAC Fintech Revenue: \$600 billion by 2030
CAGR: 31%	Funded Fintech Startups: 726+		North America Fintech Revenue: \$520 billion by 2030
Revenue (2023): \$25 billion (56% YoY growth)	Fintech Unicorns: 26 (September 2024); Combined Valuation: \$90 billion	UPI Transaction Volume (FY 2023-24): 131 billion (expected to grow to 439 billion by FY 2028-29)	UPI Global Penetration: Bhutan, Malaysia, North & South East Asia, EU, Qatar, Singapore, Oman, Nepal, United Arab Emirates (Abu Dhabi), France, Sri Lanka, Mauritius, Namibia, Peru, and United Kingdom (on-going)
		UPI Share of Retail Digital Payments: 80% (expected to reach 91% by 2028-29)	
		Credit Cards Issued (FY 2023-24): 16 million+ (total 100 million; projected to reach 200 million by FY 2028-29)	

²⁹ Multiple Sources – Invest India, Grand View Research, Statista, Economic Times BFSI, Business Standard, BCG, PwC

Major investors in Indian Fintech Landscape

Firm/Individual	Type	Portfolio
1. Titan Capital	VC/PE firm	Razorpay, KhataBook, DotPe and many more
2. BEENEXT	VC/PE firm	ProsParity, Jupiter and many more
3. Better Capital	VC/PE firm	Jai Kisan, M2P and many more
4. Blume Ventures	VC/PE firm	Slice, Turtlemint, Instamojo and many more
5. Peak XV Partners	VC/PE firm	Cred, Razorpay, Capital Float and many more
6. LetsVenture	VC/PE firm	BharatPe, Lendingkart, Kissht and many more
7. Matrix Partners India	VC/PE firm	Razorpay, FinBox, One Card and many more
8. Accel	VC/PE firm	Chargebee, Mobikwik and many more
9. Kalaari Capital	VC/PE firm	Razorpay, CashKaro, Instamojo and many more
10. Inflection Point Ventures	VC/PE firm	BharatPe, Qbera, Eduvanz and many more

Public Markets



Public Market Performance of Fintech Companies: India vs. Global



Between 2021 and 2023, IPO filings surged from an annual average of 75 during 2018–2019 to **120–140 per year**, indicating strong market momentum. However, **70% of Fintech companies** listed in India have experienced a decline in their share prices within six months of going public.³⁰

- The FinTech sector's public market valuation is often directly compared to traditional financial institutions—established "alpha" stocks in banking and finance. This comparison can lead to a devaluation of new-age FinTech startups that are still figuring out their sustainable revenue streams and business plans. For example, **Angel One** has seen significant growth due to its clear value proposition and profitability, while companies like **Paytm and Fino Payments Bank** have been scrutinized and devalued as they are still navigating their paths to consistent revenue and profitability.
- Though the recovery trends in some stocks, particularly Paytm, indicate that the FinTech market can be volatile, influenced by factors such as regulatory changes, competitive pressures, and the evolving financial ecosystem. However, as digital adoption increases, and with innovations like UPI expanding both domestically and internationally, the sector is poised for long-term growth.

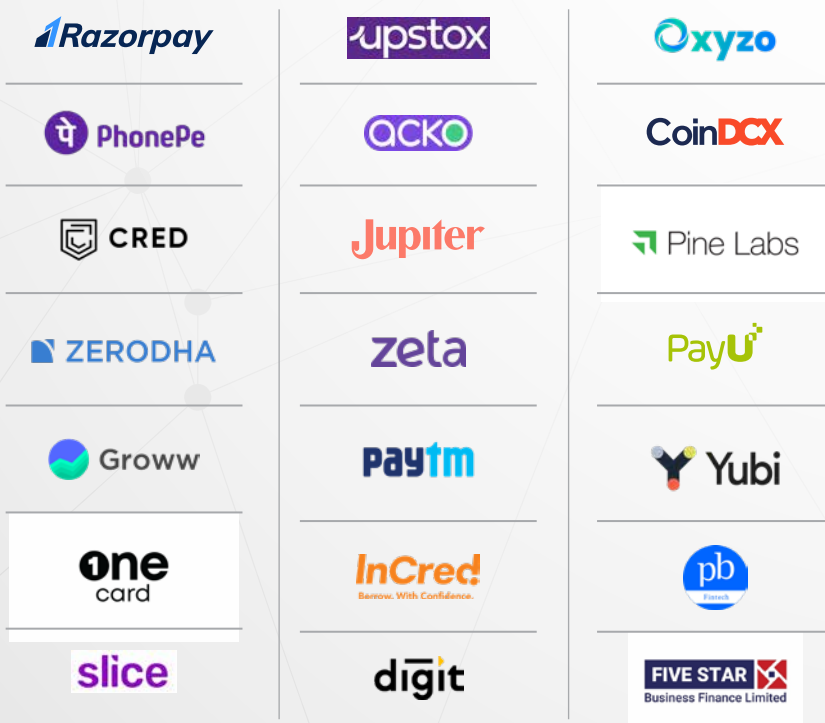
Value Creation in Fintech vs. Traditional Financial Institutions

Fintechs have created sizeable value in a 10-year period

Traditional Financial Institutions have created 5.5x value in a 30-50 year period

Fintechs (Combined valuation of \$100+ Bn)

Traditional Financial Institutions (Market cap. of \$610+ Bn)



This image compares the value generated by Fintech companies over a 10-year period to the market value created by **traditional financial institutions over the past 30 to 50 years.**

On the left, Fintech companies like **Razorpay, PhonePe, Cred, Zerodha, and others** have focused on **propelling financial inclusion, simplifying adoption, and bringing banking, payments, and investments to the masses with ease.** These startups have rapidly disrupted the financial ecosystem by creating seamless digital experiences and innovative solutions in payments, lending, wealth management, and insurance, making finance more accessible to underserved populations.

On the right, **traditional financial institutions** like **HDFC Bank, SBI, ICICI Bank, Bajaj Finserv, and others** represent the **backbone of India's financial system.** They have served as the **core support structure, providing stability, security, and infrastructure for the economy.** Both sectors complement each other, with **Fintechs accelerating the pace of adoption and traditional financial institutions offering trust and long-term stability.** This synergy is the force behind India's fintech ecosystem.

Process Stages for Fintechs and Relevant Stakeholders

TreeLife

Total Price

\$ 2,000.00

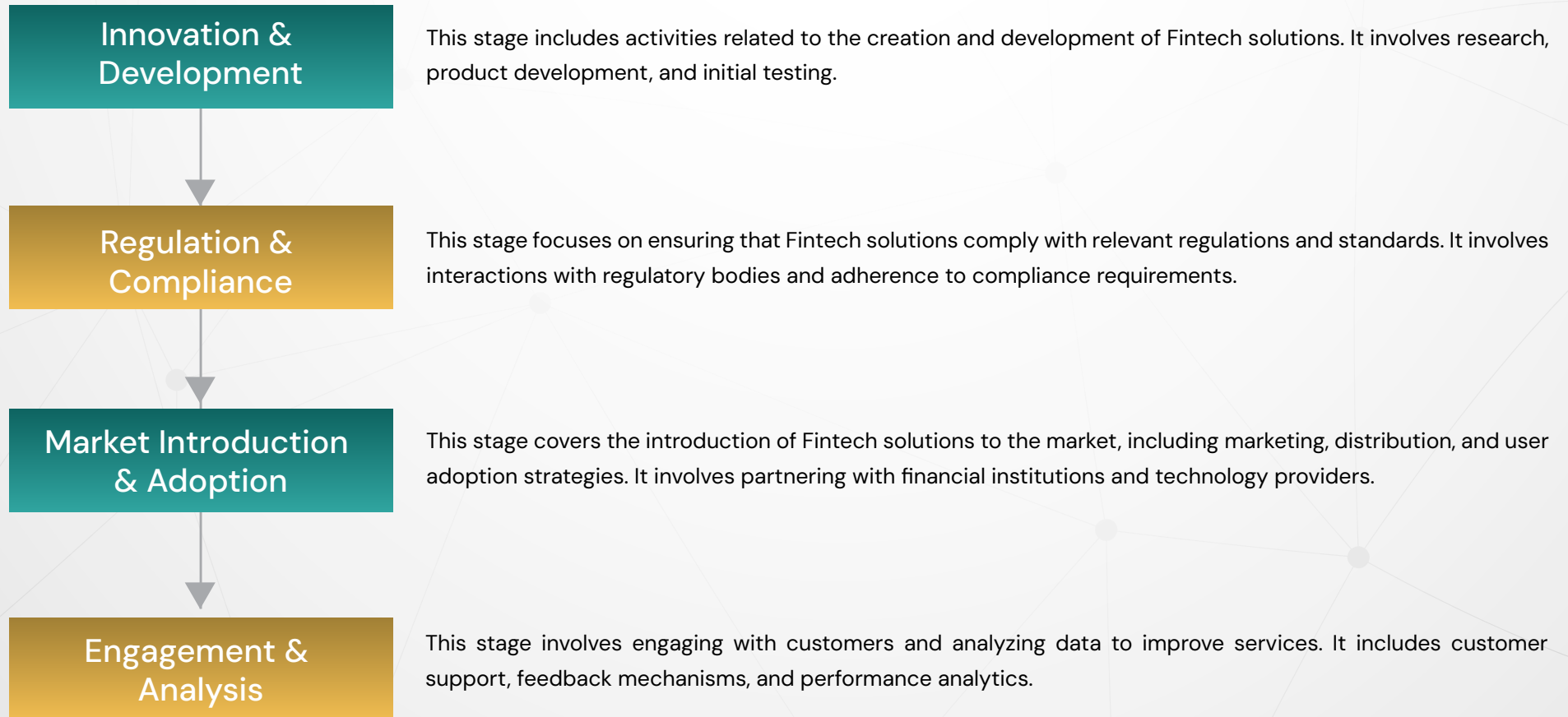
Scan to Pay

Scan QR Code

purchase amount carefully.

Cancel

Suggested Process Stages for Fintech Ecosystem



Stakeholders in Fintech (1/3)

Government Agencies³¹

1. **Invest India:** The national investment promotion and facilitation agency of India, helping investors looking for investment opportunities and options in India.
 2. **Startup India:** An initiative by the Government of India to foster and nurture innovation and entrepreneurship across the country.
-

Regulators

1. **Reserve Bank of India (RBI):** The central bank of India, which regulates and supervises the financial sector and promotes financial inclusion and Fintech innovation.
 2. **Securities and Exchange Board of India (SEBI):** The regulator for the securities market in India, facilitating the development of the securities market and protecting investor interests.
 3. **Ministry of Finance:** Formulates policies related to finance and economic affairs.
 4. **National Payments Corporation of India (NPCI):** Develops and manages retail payment systems like UPI.
 5. **Insurance Regulatory and Development Authority of India (IRDAI):** The regulator for the insurance sector in India, fostering the growth of the insurance industry and protecting policyholder interests.
-

Ecosystem Partners

1. **National Stock Exchange (NSE) & Bombay Stock Exchange (BSE):** Major stock exchanges in India that provide a platform for trading in equities, commodities, and derivatives.
2. **India Fintech Hub:** An initiative aimed at promoting the Fintech ecosystem in India, connecting startups with investors, regulators, and other stakeholders.
3. **Atal Innovation Mission (AIM):** A flagship initiative by NITI Aayog to promote innovation and entrepreneurship across India through incubators, labs, and innovation challenges.
4. **NASSCOM (National Association of Software and Service Companies):** The apex body for the IT and IT-enabled services sector in India, which also supports Fintech startups through initiatives like the NASSCOM 10,000 Startups program.
5. **Fintech Convergence Council (FCC):** An industry body under the Internet and Mobile Association of India (IAMAI) that focuses on the Fintech sector, facilitating dialogue between the industry, government, and regulators.

Stakeholders in Fintech (2/3)

1. **CIIE.CO (Centre for Innovation Incubation and Entrepreneurship):** An initiative by IIM Ahmedabad that provides incubation, acceleration, and investment support to startups in various sectors, including Fintech.
 2. **T-Hub:** A public-private partnership between the Government of Telangana, IIT Hyderabad, ISB, and NALSAR, providing support and mentorship to startups, including those in the Fintech space.
 3. **Fintech Valley Vizag:** An initiative by the Government of Andhra Pradesh to create a global Fintech ecosystem in Visakhapatnam, offering support and resources to Fintech startups and companies.
 4. **iSPIRT (Indian Software Product Industry Roundtable):** A think tank and industry body focused on promoting the growth of the software product industry in India, including Fintech.
 5. **Startup Oasis:** An incubation center in Jaipur, supported by the Rajasthan government and CIIE.CO, providing support to startups in various sectors, including Fintech.
 6. **Internet and Mobile Association of India (IAMAI):** Promotes the growth of online and mobile value-added services.
-

Financial Institutions

1. **Banks:** Traditional and new-age banks offering digital banking services (e.g., HDFC Bank, ICICI Bank, SBI, Yes Bank).
 2. **Non-Banking Financial Companies (NBFCs):** Provide credit and other financial services (e.g., Bajaj Finserv, Muthoot Finance).
-

Investors and Venture Capitalists

1. **VCs and Angel Investors:** Sequoia Capital, Accel Partners, Tiger Global, Blume Ventures, Indian Angel Network.
 2. **Private Equity Firms:** KKR, Blackstone, TPG Capital.
-

Technology Providers

1. **Software and IT Service Providers:** Companies providing software solutions and IT services to Fintech firms. TCS, Infosys, Wipro providing backend and frontend technology solutions.
2. **Cloud Service Providers:** Companies like Amazon Web Services (AWS), Microsoft Azure, and Google Cloud offering cloud infrastructure and services.

Stakeholders in Fintech (3/3)

3. **Cybersecurity Firms:** Companies specializing in protecting Fintech platforms from cyber threats. Quick Heal, Innefu Labs ensuring secure transactions and data protection.
-

Industry Associations

1. **Digital Lenders Association of India (DLAI):** An industry body representing the interests of digital lending companies.
 2. **Payments Council of India (PCI):** An association representing the payments industry.
-

Customers and End-Users

1. **Retail Consumers:** Individuals using Fintech services for payments, banking, investments, and insurance.
 2. **Businesses (SMEs and Corporates):** Utilizing Fintech solutions for payments, lending, payroll, and expense management.
-

Policy Makers

1. **Ministry of Finance:** The government body responsible for economic policy, financial regulation, and budget.
2. **NITI Aayog:** The policy think tank of the Indian government, promoting economic development and innovation.

Opportunities under Fintech in India

Scope for Fintechs in Rural India

Banking Transactions	Credit and Loan Products	Insurance Products
Basic Savings Account	Agricultural Loans	Crop Insurance
Recurring Deposit	Microfinance loans	Livestock Insurance
Accounts(RDAs)	Personal Loans	Micro-Insurance Products
Kisan Vikas Patra(KVP)	Gold Loans	Social Security Schemes
Micro-Savings Products	Housing Finance	

India's rural landscape presents a vast opportunity for Fintech innovation, especially in sectors like banking transactions, credit and loan products, and insurance products. **From basic savings accounts to agricultural loans and micro-insurance, Fintech solutions are addressing the unique financial needs of underserved rural populations.** These opportunities are driving growth in areas such as crop insurance, housing finance, and livestock insurance, thereby fostering financial inclusion.

Rural Fintech Startups³²



³² Disclaimer: While many Fintech startups are emerging to cater to rural India, we have highlighted only a few here. This list is not exhaustive and serves as a representation of some of the players driving financial inclusion in rural areas.

Scope of AI in Fintech

Artificial Intelligence (AI) is revolutionizing the Fintech industry by enhancing various aspects of financial services, from customer experience to fraud detection.

1. Data Automation & Credit Risk Assessment:

AI-driven credit scoring models analyze diverse data points, such as income and transaction history, to provide accurate and real-time credit assessments.

2. Fraud Detection:

AI analyzes user behavior and transaction patterns to identify suspicious activities, enabling early detection and prevention of fraud.

3. Enhanced Security:

AI technologies, such as facial and fingerprint recognition, improve the security of banking apps and prevent unauthorized access.

4. Automated Customer Service:

AI-powered chatbots offer 24/7 customer support, answering queries and providing personalized advice efficiently and at a lower cost.

5. User Behavior Analysis

AI predicts user behavior by analyzing past interactions, enabling Fintech companies to offer personalized services and reduce system load through predictive responses.

6. Financial Forecasting:

AI identifies patterns and trends in financial data, even when unstructured, to provide insights for exchange rates, investments, and market predictions.

Opportunities for Fintech at GIFT IFSC

GIFT City and IFSC – A Pathway to go Global



Introduction

Situated on the banks of the historic Sabarmati River, the Gujarat International Finance Tec-City (GIFT City) represents India's bold leap into becoming a leader in the global financial and technology arenas.

Officially announced by the Gujarat Government in 2007, GIFT City presents an unprecedented ecosystem for crucial economic activities with globally benchmarked regulations, taxation, policies and more.

As per the GFCI 35 report, GIFT City is ranked 57th globally with a rating of 687, indicating its rising prominence in the global financial landscape. The city has climbed 5 positions in rank and increased its rating by 15 points since the last report, showcasing significant growth and development.³³

Infrastructure Highlights

1. City Command & Control Center
2. India's First District Cooling System
3. Utility Tunnel
4. Smart Water Infrastructure
5. Power Infrastructure
6. India's First Automated Waste Management
7. Data Centre

Glimpse of GIFT City

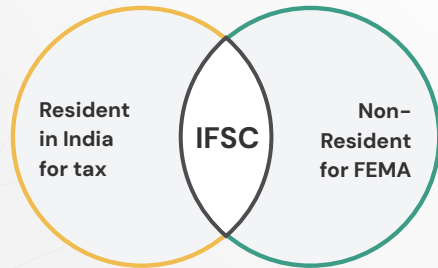
- | | |
|---|--|
| <p>01.
Strategic Location</p> <hr/> <p>03.
Strong Promoters – Government of Gujarat and Government of India</p> <hr/> <p>05.
Ease of doing business – Conducive Regulatory environment</p> | <p>02.
Integrated development – Commercial office, residential and institutional space</p> <hr/> <p>04.
India's first and only operational IFSC</p> <hr/> <p>06.
Central Business District – high rise district with landmark buildings</p> |
|---|--|

³³ GFCI 35 Report March 2024

Key benefits for setting up in GIFT IFSC

01. Residential Status

The residential status for units set up in GIFT IFSC is dual in nature i.e. from an income-tax perspective, such units are treated as a “resident” in India while from an exchange control perspective, such units are treated as a “non-resident”.



Tax Residency and FEMA Compliance in IFSC

02. Tax Incentives

- 100% Tax exemption on business income for 10 out of 15 years
- Minimum Alternate Tax* @ 9%
- No CTT**/ STT**/ GST**/ Stamp Duty
- Tax on dividend paid by units in IFSC to non-residents – 10%++
- No Capital Gain Tax on transfer of specified securities listed on IFSC exchanges
- No Customs Duty on goods imported in IFSC from outside India

*MAT provisions not applicable for companies opting for concessional tax rate under Sec. 115 BAA of Income Tax Act, 1961

**CTT- Commodity Transaction Tax, STT- Securities Transaction Tax, GST- Goods and Service Tax



03. General Benefits

01

Strategic Location

Situated at the heart of India's growth corridor, GIFT IFSC offers unrivaled access to global and domestic markets.

03

Unified Regulator

The presence of a single regulator simplifies compliance, providing a seamless regulatory experience.

05

Availability of Talent Pool

A skilled workforce is readily available, ensuring that businesses have access to the best minds in finance and technology.

07

State Subsidies

Financial incentives are available, further encouraging businesses to establish their presence in the IFSC.

02

Single Window Clearance

Streamlining bureaucratic processes, GIFT IFSC facilitates a business-friendly environment that accelerates setup & operations.

04

World-Class Infrastructure

State-of-the-art infrastructure supports the diverse needs of financial institutions, enabling high-performance business operations.

06

Competitive Tax Regime

Attractive tax policies create a conducive economic climate for growth and investment.

08

International Arbitration Centre

Global disputes can be resolved efficiently within the IFSC, ensuring that it is a self-contained ecosystem for international finance.

Business Highlights for GIFT IFSC – Sept'24

28 Operational Banks

140 Capital Market Intermediaries

113 Fintech Entities

357 International Bullion Exchange & Bullion Vaults

128 FMEs

2 International Stock Exchanges

157 Funds



Closing Thoughts

Thank You



Payment Successful

India – A Global Fintech Superpower

India's Fintech industry has made remarkable strides over the last decade, evolving into a global leader in innovation, adoption, and integration of financial technologies. With a growth rate that outpaces many developed economies, the sector has capitalized on state-led infrastructure initiatives, such as **India Stack** and the **Unified Payments Interface (UPI)**, creating a robust foundation for continued advancement.



3rd largest fintech ecosystem globally



Over 3000 FinTech startups are registered by DPIIT in India



India accounted for 46% of all real-time transactions worldwide in 2022



UPI represents over 80% of India's retail digital payments and is anticipated to contribute 91% by FY 2028–29

The data presented in this report highlights the incredible pace at which India's Fintech ecosystem has expanded, with a **CAGR of 31%** and a projected valuation of **\$420 billion by 2029**. The sector's capacity for scaling, particularly in areas like **LendingTech, InsurTech, and WealthTech**, reflects the potential for long-term growth. Additionally, with over **26 Fintech unicorns** and a **\$90 billion+ combined valuation**, India's Fintech market has solidified its status as a crucial pillar of the global financial landscape.

As UPI continues to dominate the payments space, with **80% of retail digital payments in India**, and international adoption of Indian Fintech solutions expanding across **multiple countries**, the future of India's Fintech ecosystem looks promising. The integration of credit cards with UPI, a rapidly growing user base, and increased venture capital activity further underscore the sector's potential.

Looking ahead, the convergence of technology, innovation, and regulation will play a critical role in shaping the Fintech landscape. As Fintech solutions continue to bridge gaps in financial inclusion, foster cross-border collaboration, and address the evolving needs of consumers, India's Fintech ecosystem is well-positioned to maintain its momentum and influence on the global stage.

This report underscores the opportunities and challenges that lie ahead for stakeholders across the ecosystem. As the market matures, collaboration between government bodies, private enterprises, and regulatory authorities will be pivotal in ensuring sustained growth. India's Fintech revolution is far from over—it is an ongoing story of innovation, inclusion, and transformation.

Get in touch with us

About Treelife

Treelife provides financial and legal support to entrepreneurs, investors, and foreign businesses with access to a team of professionals, including chartered accountants, lawyers, and company secretaries, who have deep domain expertise in the startup ecosystem. Our mission is to empower the startup ecosystem by providing holistic legal and finance solutions and save at least 80% time of stakeholders by delegating tasks to experts with accountability and confidence.

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