

The Role of FinTech Companies in building Viksit Bharat

Dr. Yamuna Kilaru¹, Dr. Steeven Raju Ganta²

¹Lecturer in Economics, ASD Government Degree College for Women(A), Kakinada

²Lecturer in Economics, Ideal College of Arts and Sciences (A), Kakinada

Abstract

India's aspiration of achieving the Viksit Bharat 2047 vision hinges upon inclusive economic growth, digital empowerment, and technological innovation. FinTech companies have emerged as pivotal enablers in this transformation by democratizing financial access, driving entrepreneurship, and fostering transparency in financial systems. This paper analyzes the role of FinTechs in realizing Viksit Bharat, emphasizing the evolution of India's FinTech ecosystem, its global positioning, enabling regulatory frameworks, and future opportunities. Drawing from the EY–DLAI Report (2025), this study highlights how Digital Public Infrastructure (DPI), policy reforms, and innovation-led governance are creating pathways toward an inclusive and resilient financial architecture.

As India continues its journey towards becoming a US\$5 trillion economy, financial inclusion remains a crucial enabler of economic growth and development. The Government of India's vision of Viksit Bharat – an empowered India – is built on the pillars of accessibility, affordability, and innovation. FinTechs have emerged as key catalysts in this journey, leveraging technology to democratize access to financial services, enhance user experience, and drive financial literacy in a secure and cost-optimal way. By harnessing the power of digital public infrastructure for data, identity, and payments, FinTechs are bridging the financial inclusion gap and empowering millions of Indians. The Indian FinTech sector is pacing towards becoming one of the global leaders, fueled by our unwavering entrepreneurial spirit, government focus, regulatory support, technological solutions, and our well-earned ability to attract investments. This sector has evolved over the years and is gracefully maturing to be a self-regulated, responsible player, driving India towards operational and service excellence at global standards. This paper explores the transformative impact of FinTechs across sectors, tracing the evolution of FinTech over time, examining how regulators are nurturing this sector to be a more inclusive, scalable and sustainable player. It highlights success stories, innovative business models, and the enabling regulatory landscape that is shaping the ecosystem to realize the Viksit Bharat vision.

Keywords: FinTech, Viksit Bharat, Financial Inclusion, Digital Public Infrastructure, Innovation, India 2047, Digital Lending, RegTech

1. Introduction

The Government of India's Viksit Bharat 2047 mission envisions transforming India into a developed, self-reliant nation characterized by inclusive prosperity and digital innovation. Financial inclusion stands

at the core of this ambition, ensuring equitable access to credit, savings, and investment opportunities. FinTech an intersection of finance and technology has emerged as a critical driver of this transformation. FinTech an intersection of finance and technology has emerged as a critical driver of this transformation, leveraging digital platforms, artificial intelligence (AI), blockchain, and data analytics to reshape financial services.

India currently ranks third globally in the number of FinTech firms and leads the world in digital payment volumes, accounting for nearly half of all real-time payment transactions worldwide. This dynamic ecosystem, supported by government initiatives such as India Stack, UPI, PMJDY, and Digital Public Infrastructure (DPI), is steering the nation toward sustainable growth.

2. Global Benchmarks and India's Leadership

India's FinTech ecosystem, comprising over 10,000 start-ups and 26 unicorns, exemplifies innovation and scalability. The country's leadership in digital payments through UPI, RuPay, and AEPS has fostered financial inclusion at a scale unmatched by other developing economies.

Globally, FinTech revenue is projected to rise from USD 245 billion in 2023 to USD 1.5 trillion by 2030, with India playing a defining role. India's FinTech ecosystem, comprising over 10,000 start-ups and 26 unicorns, exemplifies innovation and scalability. The country's leadership in digital payments through UPI, RuPay, and AEPS has fostered financial inclusion at a scale unmatched by other developing economies.

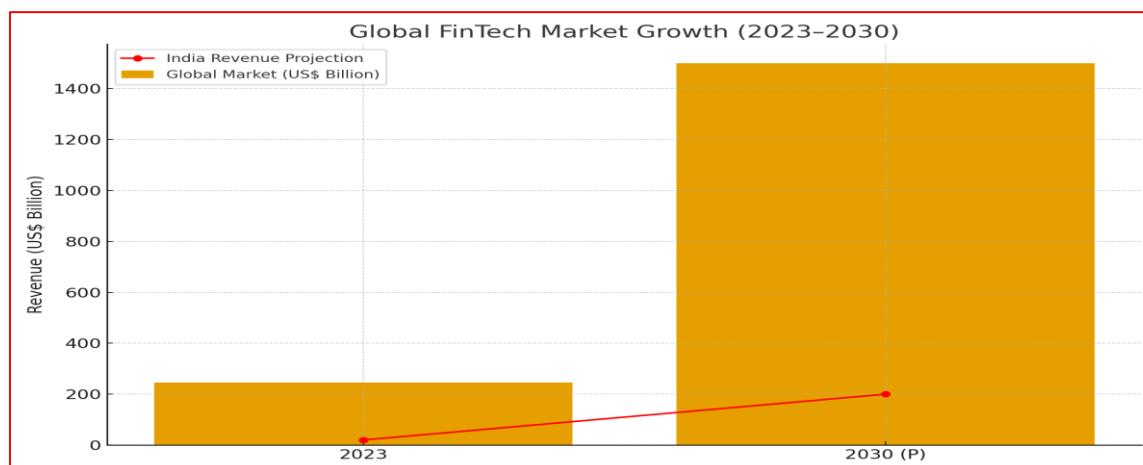


Figure 1. Global FinTech Market Growth (2023–2030).

Comparative experiences from Kenya's M-Pesa, Ghana's Mobile Money, and Hong Kong's Octopus Card underline India's unique advantage in leveraging a government-backed digital architecture that integrates identity, payments, and data. The convergence of public policy and private innovation has made India a model for developing nations pursuing financial inclusion through technology.

3. Evolution of the Indian FinTech Landscape

The Indian FinTech journey reflects a decade-long progression from basic mobile payments to sophisticated AI-driven lending and wealth management. Key milestones include the launch of Aadhaar (2010), PMJDY (2014), UPI (2016), and Account Aggregator Framework (2020). The ecosystem has since matured into sub-sectors such as:

- **Digital Lending:** Expected to command 53% of total FinTech revenue by 2030.
- **WealthTech and InsurTech:** Expanding access to investment and protection products.
- **Neobanking and RegTech:** Reinventing compliance, onboarding, and risk management.

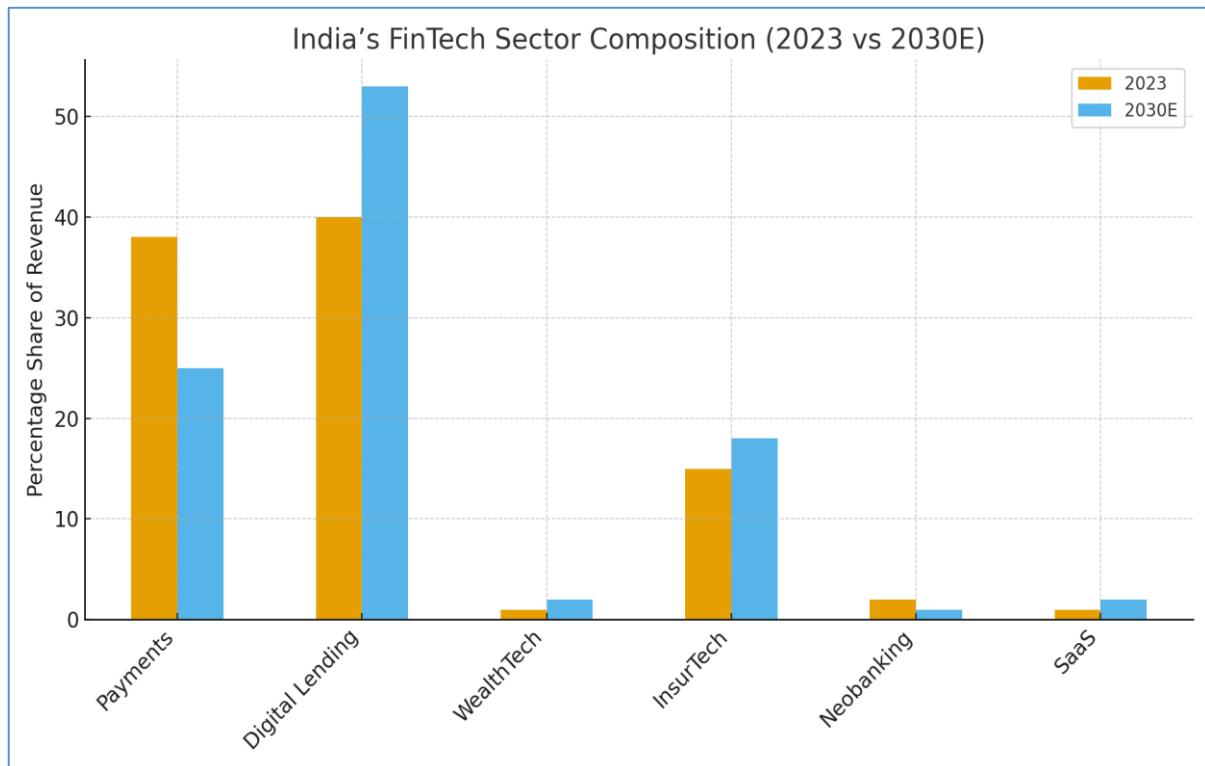


Figure 2. India's FinTech Sector Composition (2023 vs 2030E).

FinTech revenue in India is projected to grow from USD 20 billion in 2023 to between USD 180–200 billion by 2030, with a CAGR of 30%. The synergy between a rising middle class, increased smartphone penetration (50% in 2024), and robust digital infrastructure has been instrumental in this growth.

4. Regulatory and Governance Ecosystem

India's FinTech expansion is reinforced by a proactive regulatory environment, including Self-Regulatory Organizations (SROs) that ensure sustainable innovation and ethical practices. The RBI's frameworks for data protection, digital lending, and cybersecurity have been instrumental in shaping the industry. India's FinTech expansion is reinforced by a proactive regulatory environment. The Reserve Bank of India (RBI) and allied agencies have implemented:

- **Digital Lending Guidelines (2022):** Ensuring data privacy and fair lending.

- **Data Protection and Cybersecurity Frameworks:** Mandating compliance under the DPDP Act and PCI-DSS standards.
- **Self-Regulatory Organizations (SRO-FTs):** Promoting ethical innovation, transparency, and grievance redressal.

SROs are evolving into key enablers of sustainability by balancing risk and innovation. They act as intermediaries between FinTechs and regulators, defining ethical data practices, setting security benchmarks, and facilitating compliance through consultative frameworks.

5. FinTech as a Catalyst for Viksit Bharat

FinTechs are contributing significantly to the Viksit Bharat vision by expanding financial inclusion, creating employment, and promoting gender and rural equity through digital empowerment initiatives. The Viksit Bharat vision emphasizes inclusivity across youth, women, farmers, and marginalized groups. FinTechs are instrumental in this mission through:

1. **Expanding Financial Access:** Digital lenders such as Sarvagram and MAKSPay provide rural credit and microloans to street vendors and MSMEs.
2. **Empowering Women:** Initiatives like Dvara SmartGold promote micro-savings and gold-linked credit products for rural women.
3. **Driving Technological Advancement:** Integration of blockchain, AI, and satellite analytics (e.g., SATSURE in agri-finance) enhances transparency and efficiency.
4. **Strengthening Employment:** FinTech entrepreneurship generates skilled digital jobs and fosters self-reliance among youth.

These developments collectively align with the nine priorities of Viksit Bharat 2047, including innovation, infrastructure, skill development, and agricultural resilience.

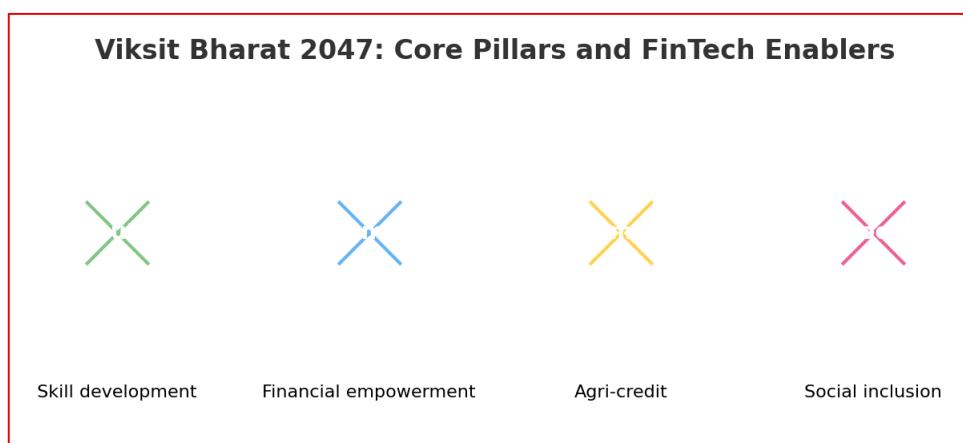


Figure 3. Viksit Bharat 2047: Core Pillars and FinTech Enablers.

6. Challenges and Opportunities

Despite remarkable progress, the FinTech sector faces challenges such as cybersecurity threats, limited financial literacy, and digital divides in rural regions. Strengthening DPI infrastructure and promoting financial awareness remain crucial for inclusive growth.

The FinTech sector faces challenges such as:

- **Cybersecurity and Data Privacy:** Over 12 lakh fraud cases reported in 2024 underline the need for stronger digital hygiene.
- **Financial Literacy:** Only 43% of Indian adults possess elementary financial knowledge.
- **Rural Digital Divide:** Limited connectivity and affordability hinder adoption in remote areas.

To overcome these barriers, FinTechs must adopt phygital (physical + digital) models, gamified literacy tools, and low-cost mobile interfaces. Government support in infrastructure, credit digitization, and cybersecurity will be crucial for scalability.

7. Future Directions: Towards a Digital Bharat

Emerging initiatives such as Agri Stack and Krishi DSS illustrate the integration of FinTech with India's agricultural and rural economy. These platforms enable credit access, insurance, and data-driven crop management for millions of farmers. Similarly, the shift toward AI-based lending, micro-insurance, and alternative credit scoring for gig workers and MSMEs will broaden financial inclusion.

By 2030, the convergence of AI, quantum computing, and open digital networks (ULI, OCEN, TReDS) will redefine India's financial architecture transitioning it from a cash-based to a data-driven economy.

8. Conclusion

FinTechs are not merely service providers but nation builders in India's march toward Viksit Bharat 2047. Their ability to combine innovation with inclusion has made financial services accessible, affordable, and accountable. Strengthening self-regulatory governance and enhancing financial literacy will accelerate India's journey toward a developed, equitable economy. Through strategic collaboration among government, regulators, and industry, FinTech will remain the cornerstone of India's digital transformation and economic resilience.

The Indian FinTech ecosystem is a thriving market experiencing rapid growth, projected to reach US\$180 to US\$200 billion in revenue by 2030. India has positioned itself as a competitive FinTech hub globally, ranking third in the number of FinTechs and leading in digital payment volume. Key drivers of this growth include rising disposable income, financial inclusion initiatives, internet and smartphone penetration, and a robust Digital Public Infrastructure (DPI). FinTechs are playing a vital role in driving India's Viksit Bharat mission by promoting financial inclusion and empowering underserved segments. They leverage technology to offer accessible and affordable products tailored to diverse needs while supporting government initiatives aimed at financial inclusion and digitization.

However, challenges remain, including cybersecurity threats, limited financial literacy, and the need for improved digital infrastructure in rural and remote areas. Government support and innovative solutions are crucial in overcoming these challenges. Streamlining regulations, offering infrastructure support, and fostering innovation-friendly policies can enable FinTechs to thrive while ensuring consumer protection and financial inclusion. The development of SRO-FTs is crucial to drive innovation by addressing barriers such as threats, regulatory challenges, and a lack of standardization. Collaboration between FinTechs, the government, and other stakeholders is essential to create a more inclusive and technologically advanced financial ecosystem.

Digital Lending promises to be the next growth driver of the Indian FinTech ecosystem. There is a large existing FinTech ecosystem across customer acquisition, underwriting capabilities, collection, and compliance enablement that caters to the formal income segment. There exists a large untapped opportunity to cater to the marginalized segment of society through innovative underwriting techniques and the creation of a single platform of customer data through government support (by linking the various groundbreaking open networks made available by the government of India). Agri Stack is one such example of government-led innovation that can enable FinTechs to cater to the Agri segment.

In addition to digital solutions, a hybrid support model (phygital) is much required with FinTech powering the technology. This will primarily help individuals and businesses in areas with low internet penetration and customers with lower trust and awareness of digital mediums. Financial and digital literacy are areas where much work needs to be done to make the consumer aware of the technology platforms (as part of DPI) and schemes launched by the Government of India. FinTechs can play a major role in spreading awareness using innovative means to underserved segments and geographies. By transforming challenges into opportunities through innovation, India can leverage its FinTech potential to achieve its *Viksit Bharat 2047* vision of becoming a developed nation

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