

# Role of FinTechs in Viksit Bharat @2047: A Study of Select Companies

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DOI:10.37648/ijps.v21i03.029

*<sup>1</sup>Received: 30/11/2025; Accepted: 31/12/2025; Published: 07/01/2026*

## 1. Introduction

The Viksit Bharat 2047 roadmap launched by the Government of India envisions inclusive, sustainable, and innovation-led development. Financial technology, through its role in digital payments, lending, and insurance distribution, is an essential enabler of this national transformation.

India's FinTech ecosystem is globally recognized for its speed and scale. According to the EY–DLAI report (2025) [1], India ranks **third globally** in the number of FinTech companies (~10,200 as of 2024) and **first** in digital payment transactions, accounting for 48.5% of global real-time payments. The synergy between public infrastructure (Aadhaar, UPI, Account Aggregator, and DigiLocker) and private innovation has created one of the most inclusive digital financial systems in the world.

The objective of this paper is to examine how leading FinTech companies—Paytm, PhonePe, Razorpay, PB Fintech, and BharatPe—contribute to Viksit Bharat 2047 by driving inclusion, innovation, and economic empowerment.

## 2. Review of Literature

Globally, FinTech revenues are expected to rise from **US\$245 billion in 2023 to US\$1.5 trillion by 2030** [1]. The FinTech share of the overall Banking, Financial Services, and Insurance (BFSI) sector is projected to expand from 5% to 13%. Global leaders such as the USA, UK, and Singapore show high FinTech adoption rates (~70–87%), while India matches these with 87% adoption—demonstrating rapid digital acceptance [1, 2].

The Indian FinTech revolution accelerated with the **Pradhan Mantri Jan Dhan Yojana (PMJDY, 2014)**, **Unified Payments Interface (UPI, 2016)**, and **India Stack** initiatives. As per EY–DLAI (2025), the number of FinTech startups increased fivefold from **2,100 in 2021 to 10,200 in 2024**. Major milestones include UPI 2.0, GST implementation, video-KYC, and the launch of the RBI Innovation Hub and Central Bank Digital Currency (CBDC) pilot.

The Reserve Bank of India (RBI) and Ministry of Finance have developed a robust regulatory ecosystem. The **FinTech Self-Regulatory Organization (SRO-FT)**, introduced in 2024, ensures consumer protection, fair practices, and grievance redressal [1]. Cybersecurity incidents, however, remain a concern, with **1.59 million cases reported in 2023** and total losses exceeding **INR 27,914 crore since 2021** [1, 3].

**How to cite the article:** Nagamani.S. (2026); Role of FinTechs in Viksit Bharat @2047: A Study of Select Companies; *International Journal of Professional Studies*; Vol 21, Special Issue 3, 192-197; DOI: <http://doi.org/10.37648/ijps.v21i03.029>

### 3. Objectives

The present study mainly focuses on role of FinTech companies in reaching the milestone of Vikasit Bharat 2047. However, the study is guided by following sub objectives:

- To evaluate the contribution of selected FinTech companies to financial inclusion, MSME growth, and digital transactions in India.
- To analyze how FinTechs align with the Government's Viksit Bharat 2047 mission.
- To identify challenges and suggest policy interventions to enhance FinTech-driven inclusion.

### 4. Methodology

The present paper uses **descriptive and analytical** approach, relying exclusively on **secondary data**. The study has selected five FinTechs companies for analysis. They are Paytm, PhonePe, Razorpay, PB Fintech/Policy Bazaar, and BharatPe. The data is collected and analyzed systematically using publicly available reliable sources such as EY-DLAI Report (2025), NPCI UPI transaction data, RBI Financial Inclusion Index, PwC whitepapers, RBI/CBDC announcements, Annual reports of Paytm, PhonePe, Razorpay, PB Fintech, and BharatPe. Further data is supplemented with information from Press releases, company investor relations pages, Policy papers and industry analyses. Data is analyzed with the help of comparative and trend analysis of FinTech growth indicators namely User base, Merchant coverage, credit disbursement and innovation adoption.

## 5. FinTech Landscape in India

### 5.1 Market Size and Growth

Table 1 presents the projected growth of India's FinTech industry across six key sub-segments from 2023 to 2030. The market is expected to rise nearly ninefold—from **US\$20 billion** in 2023 to **US\$180–200 billion** by 2030—reflecting a **30% annual growth rate** [1]. This surge is driven by the expansion of **Digital Public Infrastructure (UPI, Aadhaar, India Stack)** and rapid adoption of digital finance across urban and rural India.

- **Digital Lending (53%)**

The largest segment, growing from **US\$8 billion** to **US\$106 billion** by 2030. Powered by **AI-based credit scoring, OCEN, and Account Aggregator** frameworks, FinTech lenders such as Paytm, Razorpay Capital, and BharatPe are bridging MSME and retail credit gaps.

- **Payments (25%)**

Expanding from **US\$7 billion** to **US\$45 billion**, India continues to lead global digital payments with **48.5%** of all real-time transactions via UPI, RuPay, and AePS. Platforms like **PhonePe** and **Paytm** drive this growth, especially in Tier-2 and Tier-3 regions.

- **WealthTech (18%)**

Increasing twelvefold from **US\$3 billion** to **US\$36 billion**, led by platforms like **Groww** and **Zerodha**. The rise of SIPs and digital investing culture marks growing financial maturity among young investors.

- **InsurTech (2%)**

Expected to grow from **US\$1 billion** to **US\$4 billion**, driven by digital insurance aggregators such as **Policy Bazaar** and government-backed health schemes.

- **Neobanking (1%)**

Rising from **US\$0.4 billion** to **US\$2 billion**, neobanks like **Jupiter** and **Fi Money** offer digital-first banking for MSMEs and gig workers.

- **SaaS (1%)**

Increasing from **US\$0.2 billion** to **US\$2 billion**, SaaS-based FinTechs such as **Hyper verge** and **Perfios** provide RegTech and analytics solutions to banks and NBFCs. India's FinTech ecosystem is shifting from a **payments-led** model to one dominated by **credit and investment services**, which together will form over **70%** of industry revenue by 2030. This structural evolution underpins the **Viksit Bharat 2047** vision of financial inclusion, innovation, and economic empowerment.

**Table 1:** FinTech Segment-wise Revenue Projection (US\$ Billion)

Segment	2023	2030 (Projected)	Share (%)
Digital Lending	8	106	53%
Payments	7	45	25%
WealthTech	3	36	18%
InsurTech	1	4	2%
Neobanking	0.4	2	1%
SaaS	0.2	2	1%

**Source:** EY–DLAI Report (2025)

## 5.2 Drivers of Growth

India's FinTech expansion is supported by strong structural enablers. The **RBI Financial Inclusion Index** reached **64.2 in 2024**, reflecting deeper access to banking and digital services. **Internet usage** now covers **62% of urban** and **37% of rural** populations, while **smartphone penetration exceeds 50%**, enabling broad digital payment adoption. Additionally, a rapidly growing **middle class (33% of the population)** provides a strong consumer base for financial products and innovations [1, 3].

## 6. Case Study Analysis of Selected FinTechs

Table 2 highlights the performance and sectoral roles of five leading Indian FinTechs—**Paytm, PhonePe, Razorpay, PB Fintech (Policy Bazaar), and BharatPe**—during FY 2024–25. These firms collectively demonstrate the diversity and depth of India's FinTech ecosystem. **Paytm** and **PhonePe** dominate digital payments and user reach, enabling widespread financial inclusion in Tier-2 and Tier-3 cities. **Razorpay** focuses on MSME digitization through payment gateways and business banking, while **PB Fintech** leads in InsurTech with a 90% share of the online insurance market. **BharatPe** plays a crucial role in merchant onboarding and small-ticket credit. Together, these companies showcase how innovation, scale, and inclusion are converging to support India's **Viksit Bharat 2047** goals.

**Table 2:** Comparative Data of Selected FinTech Companies (FY 2024–25)

Company	Founded	Segment	Users / Clients	Core Services	Key Contributions
Paytm	2010	Payments, Lending	13.3 crore MAUs	UPI, Wallet, Credit, Insurance	Covers 99% postal codes; 80% users from Tier-2–4 cities
PhonePe	2015	Payments, Financial Products	400 million users	UPI, MF, Insurance	50% UPI share; expanding into financial services
Razorpay	2014	SME Banking	10 million merchants	Payment Gateway, Payroll, Lending	Enables MSME digitization & credit
PB Fintech (PolicyBazaar)	2008	InsurTech	16 million customers	Insurance Aggregator	42 million policies sold; 90% online market share
BharatPe	2018	Merchant Payments	13 million merchants	QR payments, SME credit	Bridging credit gap for MSMEs

**Sources:** Company Annual Reports, EY–DLAI (2025)

## 7. Findings and Discussion

- **Digital Payments Leadership**

India processes **48.5% of global real-time payments**, led by UPI [1]. NPCI data shows over **14 billion transactions per month** (2025). Paytm and PhonePe dominate UPI adoption, contributing to lower transaction costs and formalization of the cash economy.

- **MSME and Credit Inclusion**

EY estimates India's MSME credit gap at **INR 20–25 lakh crore**. FinTech lenders use alternative data (GST, invoices, Udyam) to underwrite small loans. Razorpay Capital, BharatPe, and Lending Kart collectively disbursed over **INR 15,000 crore** in FY 2024–25 [1, 4].

- **Insurance and Wealth Penetration**

PB Fintech, through PolicyBazaar, has expanded insurance penetration with **42 million policies sold** and a **16 million customer base**. WealthTech firms such as Groww (10 million users) enable first-time investors from non-metro regions [1, 5].

- **Rural and Agri-FinTech Innovations**

AgroStar and SAT Sure are digitizing agri-credit and insurance. AgroStar supports **9 million farmers** across 11 states, increasing yields by **27%** and reducing input costs by **17%** [1].

- **Employment and Innovation**

FinTechs directly employ over **100,000 people** and indirectly support millions through partner ecosystems (agents, developers, service providers). The sector attracts global investments despite funding volatility.

## 8. Challenges

Despite rapid progress, India's FinTech sector faces several structural and operational hurdles. **Cybersecurity risks** remain a major concern, with over **12 lakh fraud complaints** and losses of **INR 27,914 crore** since 2021 [1]. **Funding activity** has slowed, declining from **US\$8 billion in 2021 to US\$3 billion in 2023**, affecting start-up scalability. Low **financial literacy** (only 43%) and limited **rural connectivity** (37% internet penetration) hinder inclusive adoption. Additionally, **regulatory complexity** across lending and data protection frameworks calls for a simplified, unified FinTech policy. Addressing these challenges through stronger governance, literacy programs, and digital infrastructure expansion is vital for sustainable sectoral growth.

Challenge	Data Evidence	Policy Implication
Cybersecurity Risks	12 lakh fraud complaints; INR 27,914 crore loss since 2021 [1]	Strengthen SRO-FT enforcement and RegTech solutions
Funding Decline	FinTech funding fell from US\$8 bn (2021) to US\$3 bn (2023) [1]	Develop FinTech Growth Fund under SIDBI
Financial Literacy	Only 43% elementary literacy [1]	Integrate digital finance modules in NEP 2020 curriculum
Rural Connectivity	37% rural internet penetration [1]	Expand 4G/5G under Digital India 2.0
Regulatory Complexity	Multiple guidelines (lending, data protection)	Simplify licensing under unified FinTech framework

## 9. Policy Recommendations

- **Public-Private Partnerships:** Leverage FinTechs for Direct Benefit Transfer (DBT), MSME credit scoring, and Agri Stack integration.
- **Strengthen Cybersecurity:** Implement unified FinTech security standards and AI-based fraud detection.
- **Enhance Financial Literacy:** Launch nationwide FinTech for Bharat campaign targeting women and rural youth.
- **Rural Outreach Models:** Develop phygital service delivery combining digital tools with local agents.
- **Support Innovation:** Introduce tax credits for AI-based credit scoring and insure-tech solutions.

## 10. Alignment with Viksit Bharat 2047

FinTechs directly contribute to multiple Viksit Bharat pillars—youth employment, women empowerment, and agricultural productivity. They play a pivotal role in advancing the core pillars of Viksit Bharat 2047 by driving inclusion, innovation, and productivity. Through **low-cost digital payments** and **widespread financial access**, platforms such as **UPI, Paytm, and PhonePe** promote **inclusive growth**. The **startup ecosystem** led by firms like **Razorpay** and **PB Fintech** contributes to **youth employment and digital skilling**. In the **agriculture sector**, players such as **SAT Sure** and **AgroStar** enhance rural prosperity via **agri-lending and crop insurance** solutions. FinTechs like **Hyper verge** and **Dvara Smart Gold** are advancing **AI, blockchain, and RegTech innovation**, while **India**

Stack and CKYC strengthen the country's **digital governance infrastructure**. Collectively, these initiatives align FinTech innovation with the government's mission of building a technologically empowered and inclusive India by 2047.

**Table 3:** Mapping FinTech Contributions to Viksit Bharat Priorities

Viksit Bharat Pillar	FinTech Role	Example
Inclusive Growth	Financial inclusion & low-cost payments	UPI, Paytm, PhonePe
Employment & Skills	Startup ecosystem & digital jobs	Razorpay, PB Fintech
Agriculture & Rural	Agri-lending, digital crop insurance	SATSure, AgroStar
Innovation & R&D	AI, blockchain, RegTech	Hyper verge, Dvara Smart Gold
Governance & Infrastructure	Digital Public Infrastructure	UPI, India Stack, CKYC

## 11. Conclusion

India's FinTech ecosystem has evolved from payments to full-stack digital finance, aligning strongly with Viksit Bharat 2047 objectives. With **more than 10,000 FinTechs**, **26 unicorns**, and **one decacorn**, the sector's expansion will accelerate inclusion, credit access, and innovation.

To fully realize this potential, the government must continue to foster **collaboration**, ensure **data protection**, and promote **phygital inclusion** in rural India. The convergence of FinTech innovation and national policy can make financial empowerment a cornerstone of India's journey to developed-nation status by 2047.

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