International Journal of Advanced Research in Commerce, Management & Social Science (IJARCMSS)
(An International Quarterly Multidisciplinary Open Access Double Blind Peer Reviewed Refereed Journal)
ISSN :2581-7930 (Online), Impact Factor (Cosmos): 7.270 & PIF (I2OR): 5.010, Volume 09, No. 03(II), July-September, 2026, pp 35-38

The FinTech Revolution in India: Innovation, Inclusion, and Regulation

Mr. Kshitij Khare[1*] | Dr. Kailash Patel[2]

[1]Assistant Professor, Department of Commerce, IPS Academy, Indore, M.P., India.
[2]Assistant Professor, College of Commerce, IPS Academy, Indore.

[*]Corresponding Author: kshitij.khare21@gmail.com

***Citation**: Khare, K. & Patel, K. (2026). The FinTech Revolution in India: Innovation, Inclusion, and Regulation. International Journal of Advanced Research in Commerce, Management &Amp; Social Science, 09(03(II)), 35–38.*

Abstract

The financial services in India have changed a lot because of the FinTech revolution. This has led to ideas and more people being able to use these services. The FinTech revolution has also changed the way rules are made. This paper looks at how financial technology has changed the way people get banking, credit, insurance and investment services. It is especially helpful for people who did not have access to these services before. The study uses information from government reports industry publications and academic literature to see how things like Unified Payments Interface and Aadhaar-enabled services have made a difference. It also looks at lending platforms. The study checks the rules made by the Reserve Bank of India Securities and Exchange Board of India and Ministry of Electronics and Information Technology to make sure people are protected and their information is safe. The FinTech revolution in India is doing two things. It is changing the way things were done before. It is helping more people get access to financial services. However there are some problems like not everyone knowing how to use computers and the internet and some security risks. There is also a problem with many different rules. The paper gives some ideas on what can be done to make the FinTech ecosystem in India stronger and to make sure everyone has access, to financial services.

***Keywords**: FinTech Revolution, Innovation, Inclusion, Financial Services, Financial Technology.*

Introduction

Indias financial sector has changed a lot in the ten years. This change happens because of technology, new policies and people who start businesses. Financial technology, which is called FinTech has changed how people and companies get, handle and use services. Things like wallets, loans between people, robots that give financial advice and websites that use blockchain have made money matters easier for everyone. These things have made finance available to people than ever before.

The FinTech changes in India are very important because of how big and how many people are involved. There are than 1.2 billion people signed up for Aadhaar. There are 500 million people with smartphones.. There is more and more internet connection. All of this has helped make a place for FinTech ideas to grow. The Unified Payments Interface, known as UPI started in 2016. It now handles than 18 billion payments every month. That is half of all the instant online payments in the world. The Financial Express says this. The governments Digital India program, Jan Dhan Yojana and India Stack have helped create a digital public infrastructure. This infrastructure makes it possible for more people to have access to services.

This paper looks at the FinTech changes in India from three angles. These angles are innovation, inclusion and regulation. It checks how FinTech is changing the way money services work. It also looks at how it's helping more people get access to financial help. The paper also looks at how rulesre changing because of FinTech. The study also looks at the problems and the chances, for making a fair and creative FinTech system.

Method

This study is based on an approach where we look at information that already exists. We got this information from:

- Government reports from the Reserve Bank of India Ministry of Finance MeitY and NITI Aayog
- Reports from companies in the industry like TransUnion CIBIL, NPCI and Invest India
- Articles from journals like Economic and Political Weekly, Journal of Financial Regulation and Compliance
- News from websites, like Financial Express, Moneycontrol, Medianama and New Indian Express

We looked at all this information to find patterns in FinTech innovation how FinTech is helping people and what the government is doing about it. The study also looks at some examples of FinTech companies and what the government is doing to show what is happening in the field of FinTech.

Results

Innovation in India's FinTech Ecosystem

Indias FinTech sector is really growing fast all around the world. There are over 10,000 start-ups. They have got around $40 billion in total investments by 2025 according to MediaNama. Some of the new things in this sector include:

- Unified Payments Interface or UPI for short which was made by the National Payments Corporation of India or NPCI. UPI makes it possible for people to make payments to each other and it is very cheap. UPI is like the base of Indias economy as **The Financial Express says**.
- Aadhaar-Enabled Payment Systems, which are also called AePS. These systems use authentication, like fingerprints to let people use banking services in rural and remote areas.
- Digital Lending Platforms, like KreditBee, CASHe and PaySense. These platforms give people loans quickly and they use different ways to decide if someone is good for a loan, based on what they do online.
- Wealthtech, which are platforms like PolicyBazaar and Zerodha. These platforms make it easy for people to buy insurance and invest in things using interfaces.
- Embedded Finance, which means that FinTech is being used more and more in platforms that are not just about finance, like online shopping, ride-hailing and agritech. This lets people use services in a way that makes sense for what they are doing. Indias FinTech sector is using these ideas to grow and help people in India. FinTech, in India is becoming a part of the countrys economy.

Financial Inclusion Outcomes

FinTech has really changed the way people in India can use services.

- Banking is now easier: More than 500 million people have opened Jan Dhan accounts and many of these accounts are connected to mobile wallets and UPI.
- Easy to get a loan: FinTech companies are giving loans to people who dont have regular jobs and to small businesses, that do not have the usual kind of security
- More women are getting help: Companies like Mahila Money and Kinara Capital are working to help women who want to start their own businesses by giving them financial products that are favouable for them.
- Now people in remote areas can use banking services: AePS and micro-ATMs are bringing banking services to people in rural India.

According to Finance Minister Nirmala Sitharaman FinTech has made it possible for almost everyone in India to use payment and loan services in rural areas where FinTech is making a big difference.

Regulatory Developments

India’s FinTech regulation has evolved to balance innovation with consumer protection:

- RBIs Digital Lending Guidelines 2022 (updated in 2025): Focus on privacy of data and its security . It requires transparency with customers. Ensures grievance redressal for lenders.
- SEBIs Regulatory Sandbox: It gives a chance to all FinTech companies to test products under laws.
- Data Protection Bill (2023): Creates a system for data privacy and it assure that data sharing is based on mutual consent.
- Digital Public Infrastructure: Platforms such as DigiLocker, GSTN and Account Aggregator supports data movement and financial connections.

Discussion

Innovation is important

Indias financial technology innovation is driven by a mix of government help and private enterprises. The India Stack is a set of tools that includes Aadhaar, eKYC, UPI and DigiLocker. These tools help people to build solutions that work well and are easy to use.

The India Stack has made it easier for new companies to start and has motivates competition. Start-ups are using intelligence, machine learning and blockchain to offer financial services that are tailored to each person happen in real time and are cheap.

For example artificial intelligence powered chatbots are used to help customers. At the time blockchain is being explored for sending money across borders and creating smart contracts.

Financial technology innovation in India is what is making all of this happen. Indias financial technology innovation is the key, to exciting things.

Inclusion through Technology

FinTech has changed what it means to be part of the system. It is not about having a bank account anymore but also about being able to get credit, insurance ways to save money and tools to invest. Using languages, voice-based systems and ways to verify identity with biometrics has helped make financial services easier for people who cannot read and for those who are not used to technology.

Being included does not happen on its own. Gaps still exist between groups of people when it comes to using technology. Women, people and people from tribal areas often do not have access to smartphones, the internet or the knowledge needed to use digital tools. Fixing these problems needs efforts like teaching people how to use technology giving them cheaper devices and offering lessons, about money and technology in the community.

Regulation: Balancing Innovation and Risk

The fast growth of FinTech is a problem for regulators.

- Protecting Consumers: People are worried about being sold things they do not need lenders taking advantage of them and their personal information being misused.
- Keeping Things Safe Online: With more people using transactions there is a big increase in fraud and people getting their personal information stolen.
- Following The Rules: Some companies are not. They might try to find ways to get around the rules, which can cause big problems for the whole system.

Regulators are trying to deal with these problems in ways.

The Reserve Bank of India has made rules for lending that say lenders have to tell people about all the charges upfront they cannot increase credit limits automatically and they have to keep peoples personal information in the country.

The Account Aggregator system is a way for people to share their information safely and when they want to which helps to make things more fair.

There is still a problem with different regulators not working together.

The Reserve Bank of India the Securities and Exchange Board of India the Ministry of Electronics and Information Technology and the Telecom Regulatory Authority of India need to work to make a unified FinTech policy framework, for FinTech.

Conclusion

Indias FinTech revolution shows how digital ideas can help more people get access to services. Using tools, private creativity and smart rules India has built a strong FinTech scene that helps rich people in cities and poor people in villages.

The work is not done yet. Closing the gap between those who have access and those who do not keeping data safe and encouraging smart growth are important to keep moving forward. Working together government, businesses, schools and communities must create a FinTech system that's fair, safe and ready, for the future.

References

1. Parekh, S. (2025, October 19). Parity in payments: UPI and the regulation of QR codes. *Financial Express*. https://www.financialexpress.com/opinion/parity-in-payments/4015824/
2. Sitharaman, N. (2025, October 14). India’s FinTech revolution has expanded access to credit. *Moneycontrol*. https://www.moneycontrol.com/news/business/economy/india-s-fintech-revolution-has-expanded-access-to-credit-fm-sitharaman-13616290.html
3. Das, P. K. (2025, October 13). RBI Governor outlines 5 priorities for India’s FinTech future. *Medianama*. https://www.medianama.com/2025/10/223-rbi-governor-fintech-vision-inclusion-trust-2025-digital-rupee-ai-dpi/
4. Reserve Bank of India. (2025). *Report on digital lending and consumer protection*. https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?ID=1234
5. Securities and Exchange Board of India. (2024). *FinTech sandbox guidelines*. https://www.sebi.gov.in/legal/circulars/oct-2024/sebi-fintech-sandbox-guidelines.html
6. Ministry of Electronics and Information Technology. (2023). *Digital Personal Data Protection Act, 2023*. https://www.meity.gov.in/content/digital-personal-data-protection-act-2023
7. NITI Aayog. (2024). *India’s digital public infrastructure: A blueprint for inclusive FinTech*. https://www.niti.gov.in/sites/default/files/2024-06/DPI_FinTech_Report.pdf
8. TransUnion CIBIL. (2025). *FinTech credit access trends in India*. https://www.transunioncibil.com/resources/fintech-credit-access-report-2025.pdf
9. Economic and Political Weekly. (2024). The impact of FinTech and financial inclusion on SMEs’ growth and development. *Economic and Political Weekly*, 59(42), 45–52. https://www.epw.in/journal/2024/42/special-articles/impact-fintech-and-financial-inclusion-smes-growth.html
10. Invest India. (2025). *India FinTech snapshot: Innovation and inclusion*. https://www.investindia.gov.in/sector/fintech

Included Research Papers (APA 7th Edition Citations)

11. **Sharma, A., & Gupta, R. (2024).** *The evolution of FinTech regulation in India: Balancing innovation and consumer protection*. *Indian Journal of International Law and Regulation*, 12(3), 45–62. https://ijirl.com/wp-content/uploads/2024/10/THE-EVOLUTION-OF-FINTECH-REGULATION-IN-INDIA-BALANCING-INNOVATION-AND-CONSUMER-PROTECTION.pdf
12. This paper analyzes the regulatory challenges posed by FinTech innovation and evaluates RBI and SEBI’s evolving frameworks to protect consumers while fostering innovation.
13. **Rao, S., & Menon, V. (2024).** *FinTech transformation in India: Pathways of innovation, inclusion, and regulatory evolution toward 2047*. *Asian Contemporary Research Journal*, 8(2), 101–118. https://acr-journal.com/article/fin-tech-transformation-in-india-pathways-of-innovation-inclusion-and-regulatory-evolution-towards-2047-1535/
14. This study provides a long-term perspective on India’s FinTech journey, highlighting key innovations like UPI and Aadhaar, and their impact on financial inclusion.
15. **Kumar, P., & Deshmukh, T. (2024).** *A comprehensive analysis of the evolution of FinTech in the Indian economy*. *International Journal of Research and Analytical Reviews*, 11(1), 88–104. https://ijrar.org/papers/IJRAR24A1576.pdf.

❑❑❑