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MULTI-ACT®
Built by investors for investors

B2B SaaS in Fintech

An unfolding growth story





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Founder & Non-Executive Chairman

Prashant K. Trivedi, CFA, is the Founder and Non-executive Chairman of the Multi-Act Group. He has nearly four decades of experience in global fixed income, equities, real estate, and private equity. He previously worked at SG Warburg from 1983 to 1991 in Tokyo, London, and Singapore. He graduated summa cum laude in B.Sc. (Econ) from the Wharton School of the University of Pennsylvania. Prashant is a proponent of the Austrian School of Economics, and is passionate about wildlife conservation, especially big cat conservation.

Preface

The financial services function in India is undergoing steady, meaningful change. This structural transformation is being driven by a powerful combination of intelligent software and digital infrastructure. What started with digital payments and lending has now grown into a thriving fintech ecosystem. This area is expected to cross USD 400 Bn in market size over the next few years.

At the core of this shift is enterprise SaaS, which allows institutions to go beyond basic digitisation. It enables them to navigate complexity, meet regulatory demands, and serve customers effectively. The need for this paradigm shift is quite evident in the BFSI sector, where legacy systems are struggling to keep pace with rising regulatory complexity and evolving customer expectations.

This report brings together findings from our research and conversations with banks, insurers, asset managers, fintech founders and developers. We wanted to answer a simple question – what do BFSI institutions in India really need and how can technology help?

The answers point to four key areas where enterprise SaaS adoption is already underway, viz., Capital Markets, Infrastructure, WealthTech, RegTech, and the emerging frontier of Agentic AI.

Our second goal in writing this report was to clarify our own thinking as long-term fintech investors. As we prepare to launch our FinTech Fund II, we remain committed to backing businesses that are building mission-critical, institution-grade infrastructure for financial services. We believe the most enduring value will come from founders who deeply understand the constraints of their customers and solve those problems with clarity and discipline.

If you are an entrepreneur building technology and a business to solve the problems faced by users, we hope this report gives you a clear sense of the landscape, the challenges, and the opportunities.

If you are an investor, policymaker, or operator, we hope it provides a helpful lens through which to view the future of digital financial infrastructure in India.

We are excited about what lies ahead and we hope this report sparks useful conversations.

Section 1

Executive summary

Why now? A strategic inflection point for enterprise SaaS in Banking, Financial Services, and Insurance (BFSI)

India's financial services landscape is undergoing rapid transformation. Enabled by forward-looking regulation, digital public infrastructure, and rising consumer expectations, institutions are being compelled to reimagine how they operate, engage, and scale. For banks, insurers, Asset Management Companies (AMCs), Non-Banking Financial Companies (NBFCs), and distributors, **technology is no longer a choice. It is a condition for survival.**

As this environment evolves, **Enterprise SaaS has emerged as a strategic lever**—helping institutions address regulatory complexity, build distribution, and enhance customer-centricity. But while the opportunity is clear, capturing it is far from linear.

The opportunity: Growing demand, deep digitisation

A majority of BFSI institutions we engaged with view B2B SaaS solutions as critical to their next phase of growth—especially in areas such as security, compliance, data management, and customer experience. Demand is strongest in banking, wealth, and payments segments, with mid-sized players leading the charge on adoption. Across these institutions, we observed one clear signal: **scalability is the new currency,** and B2B SaaS offers a cost-efficient path to achieve it.



The reality: A market paved with friction

Yet, for startups serving these institutions, success is far from plug-and-play.
In our conversations with SaaS entrepreneurs, recurring challenges stood out:

Sales cycles
stretch 6–12 months or more, straining early-stage momentum.

Implementation
often stalls due to coordination gaps with System Integrators (SIs).

Go-To-Market (GTM)
strategies are frequently under-defined, diluting the impact of even strong products.

Staying power
becomes essential, as true traction requires years—not months—and patient, aligned capital.

These are not isolated hurdles. They are structural realities of selling into complex, regulated enterprises.



The path forward: Strategy, support, staying power

Startups that overcome these barriers do so with three key enablers: a sharply defined GTM strategy, operational excellence during implementation, and long-term investors who understand the nuances of enterprise SaaS.

This last piece, aligned capital, is critical. Venture investors must do more than fund—they must guide, support, and persist. Not all are built for this. It requires experience, context, and a willingness to stay the course beyond typical funding cycles.

Multi-Act's AIF brings this very experience to bear, having worked alongside companies navigating these exact dynamics. It is this grounding that informs our perspective, and our conviction in the opportunity.

What this report covers

This report brings together insights from over 30 in-depth conversations across the ecosystem—both users and builders of B2B SaaS in India's financial services space. We explore:

- **Demand-side dynamics: What BFSI institutions need, and why**
- **Challenges faced by B2B SaaS startups in scaling effectively**
- **Builder perspectives on product evolution, GTM, and institutional sales**
- **Deep dives into segments such as RegTech, WealthTech, PayTech, and more**

At its core, this is not just a snapshot of an industry, it is a playbook for stakeholders ready to participate in its next wave of growth.



Section 2

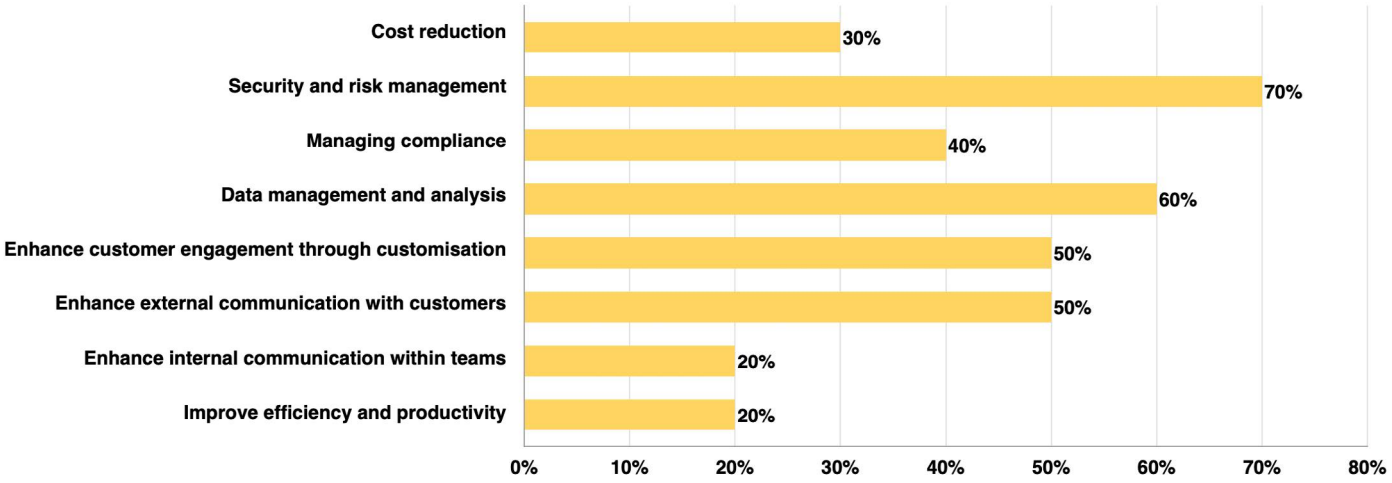
Demand side dynamics: An institutional perspective

In today's rapidly evolving digital landscape, financial institutions face mounting pressure to modernise in order to remain competitive. From retail banking to investment management, customers now expect seamless digital experiences, real-time insights, and robust security. At the same time, new entrants, often tech-native fintechs, are disrupting the market with agile platforms and user-centric solutions. To stay ahead of the curve, traditional financial institutions must embrace advanced technologies such as Artificial Intelligence (AI), cloud computing, and data analytics. To that extent, technology is now assuming a more central role in a financial institution's ecosystem, addressing prevailing challenges and creating value.

The top two areas where technology is adding value for financial institutions are:

Security & Risk Management	Data Management & Analysis
70%	60%

What role does technology currently play in your organisation's operations and customer engagement?



Note: Respondents can select multiple options. Hence, total can exceed 100%.

Security, particularly against cyber-attacks, is a significant challenge for heavy technology users. Technology is essential for addressing these security risks and enabling effective response.

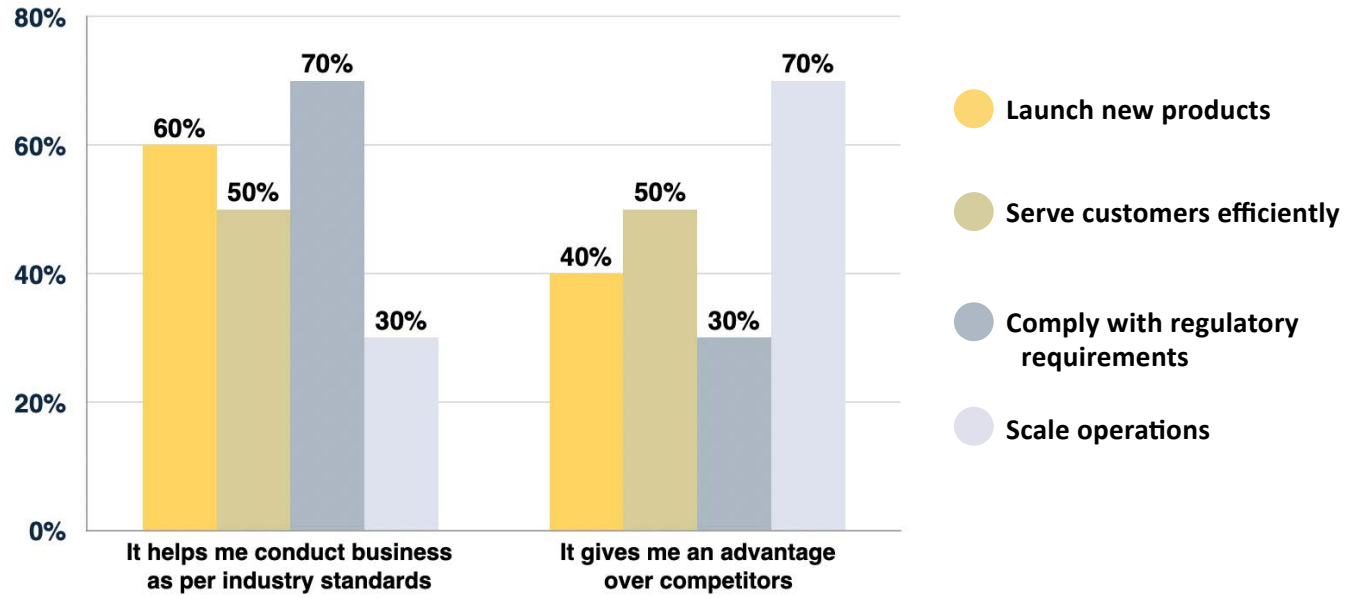
This is followed by enhancing communication with both internal and external stakeholders, with an emphasis on external stakeholders, i.e., customers. Interestingly, while cost reduction is also a factor, its extent of impact may vary. When automating a manual process, initial system development costs are involved. For a company of a decent size (around 500 employees), significant cost reduction through automation might not always be the primary objective unless implemented at a very large scale (thousands of employees). Instead, the objectives are often to enhance productivity, improve accuracy and timeliness of tasks, and ultimately help employees achieve their goals and improve their overall work experience. Cost reduction is not always the immediate or main driver, especially at a smaller scale.

Catching up or staying ahead of the curve?

In any industry, technology can play two crucial roles – it can either help companies ensure that they operate at benchmark levels or it can act as a competitive advantage, enabling companies to leapfrog the industry growth curve. In the financial services industry, technology is being leveraged to enhance customer interactions, improve the time for launching new products and services, comply with the industry's regulatory requirements, and scale operations.

70% of the respondents said that technology is providing them with a competitive advantage when it comes to scaling their operations.

How does your current technology infrastructure impact your ability to launch new products, serve customers efficiently, comply with regulatory requirements, and scale operations?



Note: Respondents can select multiple options. Hence, total can exceed 100%.

Overall, in the current landscape, financial firms are primarily leveraging technology to conduct business as per industry standards, with very few of them having created a competitive niche that is fuelled by technology.

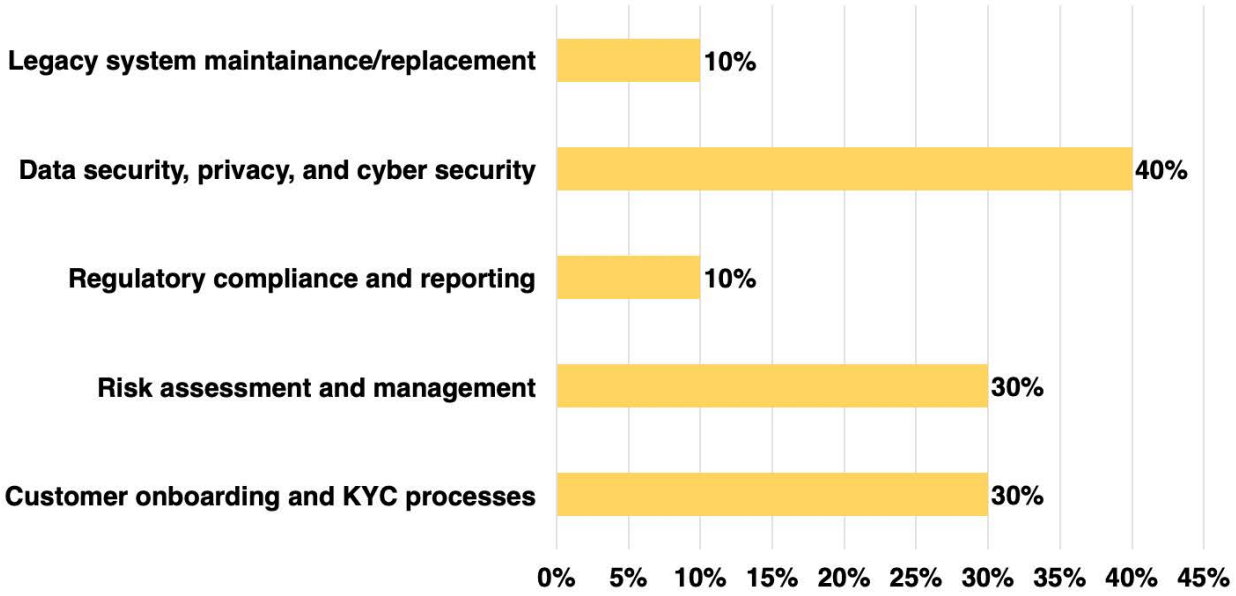
Challenges and opportunities

While banking within the BFSI sector has widely adopted existing solutions, the financial services segment, particularly mutual funds and insurance, lags in adoption. This is partly due to the foresight of the Reserve Bank of India (RBI) which established the relevant banking regulations early on. Ex-banking, the solution landscape is dominated by generic players. Tailoring these solutions to the specific and nuanced requirements of Indian financial organisations presents challenges due to the need for extensive retrofitting, impacting user experience with multi-step processes. As a result, challenges persist, creating opportunities for SaaS players with a focus on the financial services industry.

40% of the respondents said that their biggest technology challenges stem from data security, privacy, and cyber security.

In an increasingly connected world, which has partly been enabled by technology, data security becomes paramount. This is especially true for the financial services industry considering that it is the recipient of sensitive user information. Thus, for financial institutions, it becomes critical to establish the most stringent guardrails for data protection and privacy by optimising technology led solutions.

What are your biggest technology challenges?



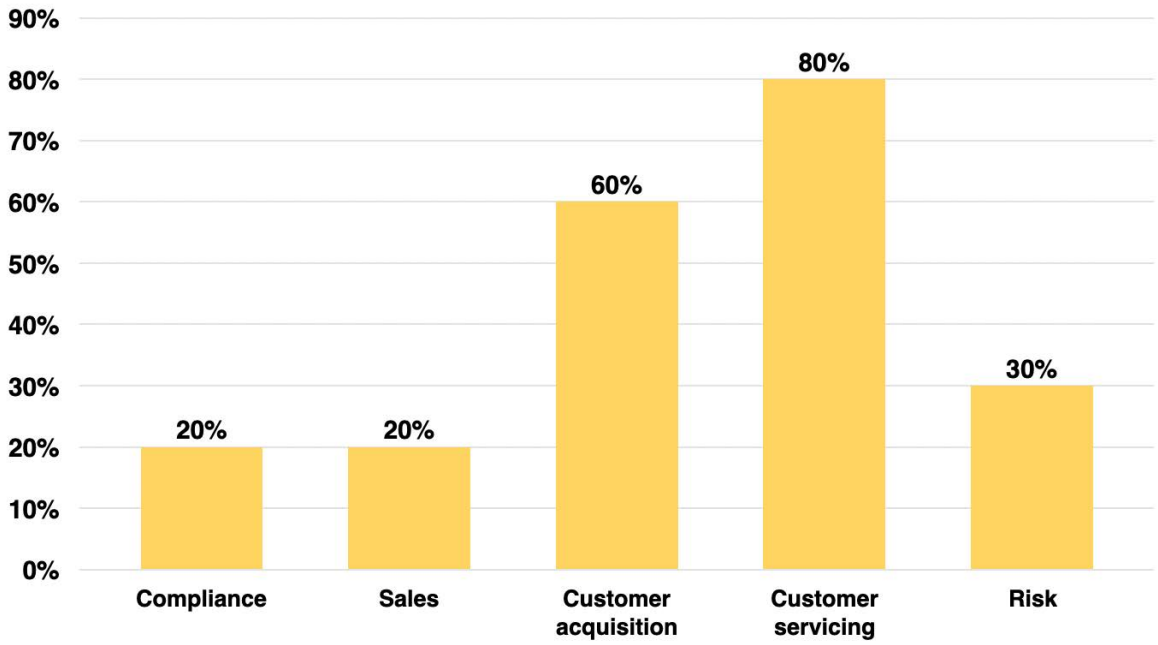
Note: Respondents can select multiple options. Hence, total can exceed 100%.

Beyond addressing challenges, there are various areas where automation and technology solutions can improve efficiencies and enhance value creation for financial services firms. Inevitably, customer centricity assumes priority for financial services firms given the nature of the industry.

80% of the respondents said that increased automation can help add value to customer servicing.

60% of the respondents said that increased automation can help add value to customer acquisition.

Are there areas in your organisation where increased automation could provide the greatest value to customers and in-house users?



Note: Respondents can select multiple options. Hence, total can exceed 100%.

It is important to underscore that technology led improvements are a consistent and constant endeavour. For instance, in customer servicing, firms can build on their existing strong infrastructure to enhance the value delivered to clients. This is particularly relevant for wealth management businesses, where relationships form a core pillar of growth.

Similarly, compliance functions require ongoing system enhancements to keep pace with evolving regulations. This is not a one-time exercise but a sustained process of adaptation. In sales, any process that still relies on manual inputs is a clear candidate for automation.

Across customer servicing, compliance, and sales (including risk), there is a consistent need to reassess and expand the role that technology can play in strengthening efficiency, resilience, and client experience.

Food for thought: A precise tool which can help firms leverage LinkedIn data to provide a holistic view of what the client likes to read and where the client is engaging.

Build vs Buy

The value of technology solutions is evident to firms across the financial services spectrum. However, does this push toward digital transformation present a fundamental challenge for financial services firms considering that technology is not their core business?

Banks, asset managers, and insurers are experts in financial services—not software engineering. Building and maintaining complex tech infrastructures in-house demands significant resources, deep technical expertise, and continuous updates, none of which align naturally with their primary mission. Which brings us to the question, in their quest for technology led benefits, should financial services firms choose to buy solutions rather than build them?

A majority of the respondents prefer the 'buy' approach as they already have a significant portion of their infrastructure on the cloud, managed by external platforms. In the case of most organisations, core systems such as financial accounting and back-office processing are typically commercial off-the-shelf or SaaS solutions. For instance, a leading wealth management firm uses Oracle Fusion, a cloud-based SaaS, for core financials. Further, core systems often have new regulatory requirements implemented by a central team. For example, regulations around Vulnerability Assessment and Penetration Testing (VAPTs) necessitate regular platform vulnerability assessments handled by a dedicated security team, which often involves engaging external partners. Security solutions are also frequently subscription-based, offering the flexibility to annually evaluate and potentially switch products.

On the other hand, on-premise infrastructure is limited to trading systems (due to high external hosting costs and data centre presence) and systems incompatible or inefficient on the cloud. Additionally, while full framework software might not always be ideal, inhouse development is still preferred in sectors with high confidentiality and security requirements, such as retail banks, credit card companies, payment gateways, and government entities. However, the number of such organisations is relatively small.



Cost of switching – worth it or too high?

When working with external partners, an important element to consider is the cost of switching. This becomes especially relevant in the fast-paced innovation landscape of technology. Taking data leak protection as an example, a company using a SaaS solution might review the market before each renewal to assess if a better, easily integrable alternative exists, allowing for service switching.

Regarding the frequency of switching solutions given the constant innovation of startups, it is not feasible to switch constantly. A typical cycle for switching is two to three years. While new solutions are tracked, financial services require caution, favouring solutions that are "latest minus one"—proven and with sufficient references—over the absolute newest offerings.

Further, a majority of the institutional respondents said that they find it easier to integrate solutions with smaller startups. These startups often have theoretical solutions, and the institutions can provide practical integration guidance, which they appreciate. This early engagement also benefits the institution through better pricing.

Typical steps involved in reaching the 'buy' decision



Compliance screening

Ensure that any software under consideration complies with regulations from authorities like the RBI and Securities Exchange Board of India (SEBI), following the most stringent standards across all applicable regulators.

Security and certification review

Assess the vendor's security protocols using independent auditor certifications and self-attestations. Regulatory bodies retain the right to audit these vendors.

Preference for SaaS

Prioritise SaaS solution providers that meet compliance and security standards, as they remove the need to manage on-premise infrastructure such as servers, maintenance, and data centres.

Built-in compliance and privacy

Ensure that the certified SaaS providers have stringent data privacy guardrails and can automatically implement new regulations across all clients, providing added confidence and scalability.

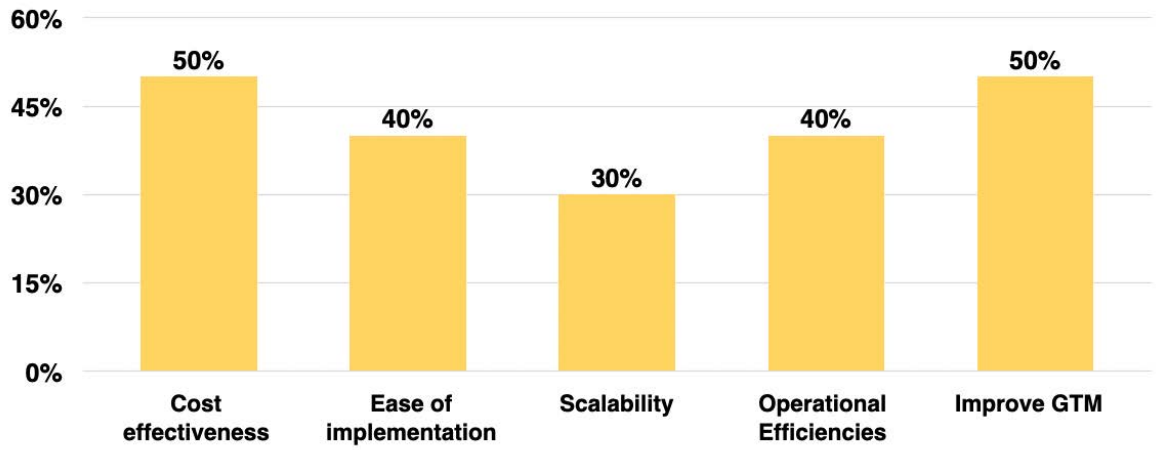
Licensing and operational efficiency

The industry shift to subscription-based licensing supports SaaS adoption, enabling vendors to monetise sustainably while reducing our operational complexity.

The ‘Ask’ from SaaS providers

Overarching asks:	Improve GTM	Cost-effective
	50%	50%

What are your expectations from technology vendors or partners?



Note: Respondents can select multiple options. Hence, total can exceed 100%.

The Five Big Asks

1. Stay true to label

Vendors often propose products with features and functionalities, promising improved efficiency and better outcomes. However, they frequently fail to deliver on these promises or adequately explain how to fully leverage their product or service for maximum benefit.

2. Improve the quality of resources

Consider these factors when evaluating resources or vendors - customisation capabilities, promised timelines, quality expectations, potential issues or bugs, commitments to future product improvements based on internal requirements, and on-time delivery guarantees.

3. Introduce more use cases

Vendors need to bring more use cases. They need to bring better Large Language Models (LLMs) in AI which can improve speed and efficiency across various applications. Second, there are currently no particular business use case outcomes from any blockchain technology – this can be explored. Thirdly, identity theft and cyber threats are becoming a big challenge – more solutions on this front would be value accretive. Simply put, make things easier for the users while focusing efforts on simplifying processes.

4. Build for scale

A major challenge for startups is that their Minimum Value Products (MVPs) are not designed for scale. As they begin to acquire clients, their systems start to struggle. Instead of rebuilding platforms, many resort to incremental fixes, which rarely address the underlying issues. The need to scale is often deprioritised due to investor pressure to show rapid progress, resulting in solutions that must be rebuilt once growth accelerates. This remains a fundamental issue that needs to be addressed early in the product journey.

5. Address the issue of vendor lock-in

The choice between building solutions in-house and adopting plug-and-play platforms continues to be debated, largely because of concerns around vendor lock-in. Companies are cautious about becoming dependent on a single vendor's technology, pricing structure, and product road map. This dependence can limit flexibility and make future transitions costly or difficult.

The future for B2B SaaS in financial services – An institutional perspective

The world is shifting towards Enterprise SaaS, and India needs to accelerate this adoption to compete globally, especially with the increasing use of AI and blockchain, where the US and China currently hold a significant lead. For Indian technology-driven enterprises, particularly in the B2B SaaS sector, faster innovation and delivery are crucial to mitigate external competition. Notably, India has yet to release a successful LLM, lagging behind the advancements in the US and China.

These B2B SaaS companies can deliver quicker results, aligning with the current demand for plug-and-play systems over large, complex software frameworks in today's rapidly evolving business landscape. Smaller startups and fintech companies are well-positioned to provide relevant and timely solutions.

However, for B2B SaaS in India, data residency has become table stakes, requiring solutions to be deployed within the country to comply with regulations. Moving from a Capex to an Opex model is a key aspect of SaaS. While startups benefit from lower upfront costs, established players evaluate the return on investment by comparing SaaS costs to traditional license models over the long term. SaaS solutions should aim for a lower five-year cost than comparable licensed software. Incorporating AI/ML is crucial, but these services and models must also be deployed within India to ensure data security. Solutions should integrate intelligence to enhance user experience and deliver a "wow" factor that customers will increasingly expect.



Section 3

The road to optimisation

Enterprise SaaS providers face a distinct set of challenges on their path to sustainable growth. Unlike consumer or Small & Medium Business (SMB) - focused SaaS products, enterprise software must navigate complex organisational structures, long sales cycles, and demanding implementation environments before delivering measurable impact. These hurdles, though well-known, are often underestimated in their depth and compounded effect.

1. Long sales cycles

One of the most significant challenges is the extended lead time in the sales cycle. It is estimated that the average sales cycle for enterprise SaaS deals is between 6 to 12 months, and can stretch even longer for regulated industries such as financial services. Multiple stakeholders, stringent procurement processes, and extensive due diligence prolong decision-making. This slow progression not only affects revenue recognition but also strains cash flow and investor expectations, especially for growth-stage SaaS firms.

2. Implementation complexities and System Integrator (SI) collaboration

Even after a deal is closed, successful implementation is far from guaranteed. Enterprise clients often rely on third-party SIs to customise, deploy, and integrate SaaS solutions with legacy systems. However, misaligned priorities, poor communication, or unclear ownership between the SaaS vendor and the SI can lead to delays, cost overruns, and subpar user adoption. According to a McKinsey study, nearly 70% of digital transformations fall short of expectations—largely due to execution gaps during implementation phases[1].

3. Need for clear Go-To-Market strategies

Enterprise SaaS growth also hinges on having a well-structured GTM strategy. Many startups enter the market with strong technical products but lack a focused GTM approach that aligns sales, marketing, and customer success. Without defined Ideal Customer Profiles (ICPs), value-based messaging, and a scalable sales motion, even the best products struggle to gain traction. In fact, data from OpenView's 2024 SaaS Benchmarks Report shows that SaaS companies with well-defined GTM strategies grow 2.3x faster than those without.

4. Staying power and building momentum

Finally, enterprise SaaS growth is not linear—it requires staying power. Gaining momentum in large enterprises often takes years, not months. Trust is built slowly through successful deployments, measurable ROI, and strong support relationships. This creates a difficult balancing act for SaaS providers - they must invest heavily in onboarding, support, and product improvements long before realising full account expansion or renewals. As Tomasz Tunguz, a leading SaaS VC notes, **"Enterprise SaaS success is a delayed gratification game."**

Navigating these barriers requires patience, strategic clarity, operational excellence, and patient capital — for those who do, the rewards are substantial.

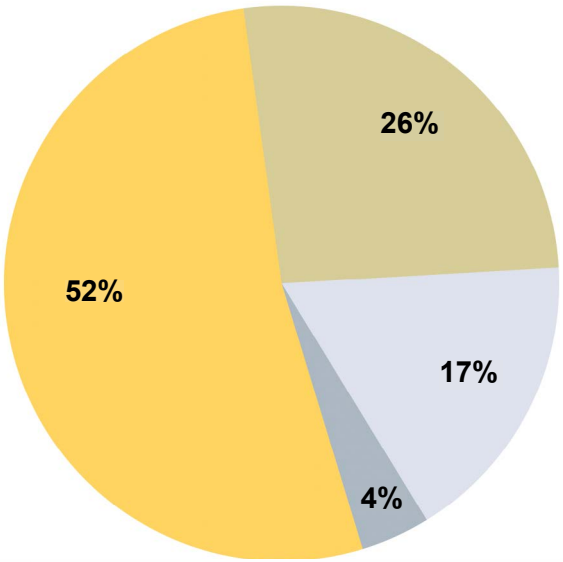
1. https://www.bcg.com/publications/2020/increasing-odds-of-success-in-digital-transformation

Section 4

The B2B SaaS opportunity in financial services – The builder perspective

B2B SaaS in BFSI is emerging as the next big opportunity for value creation. A majority of respondents (52%) said that from an evolutionary perspective, the B2B SaaS (for fintech) segment in India is already in the accelerated phase of growth. Correspondingly, 26% respondents also said that the industry is currently in its nascence, alluding to the tremendous growth opportunity prevalent in this ecosystem.

B2B SaaS in financial services is on a steep growth curve:	Accelerated	Nascent
	52%	26%



In terms of the evolution of B2B SaaS in financial services (India), where are we currently placed?

- Accelerated Growth
- Nascent
- Slow Growth
- Maturity

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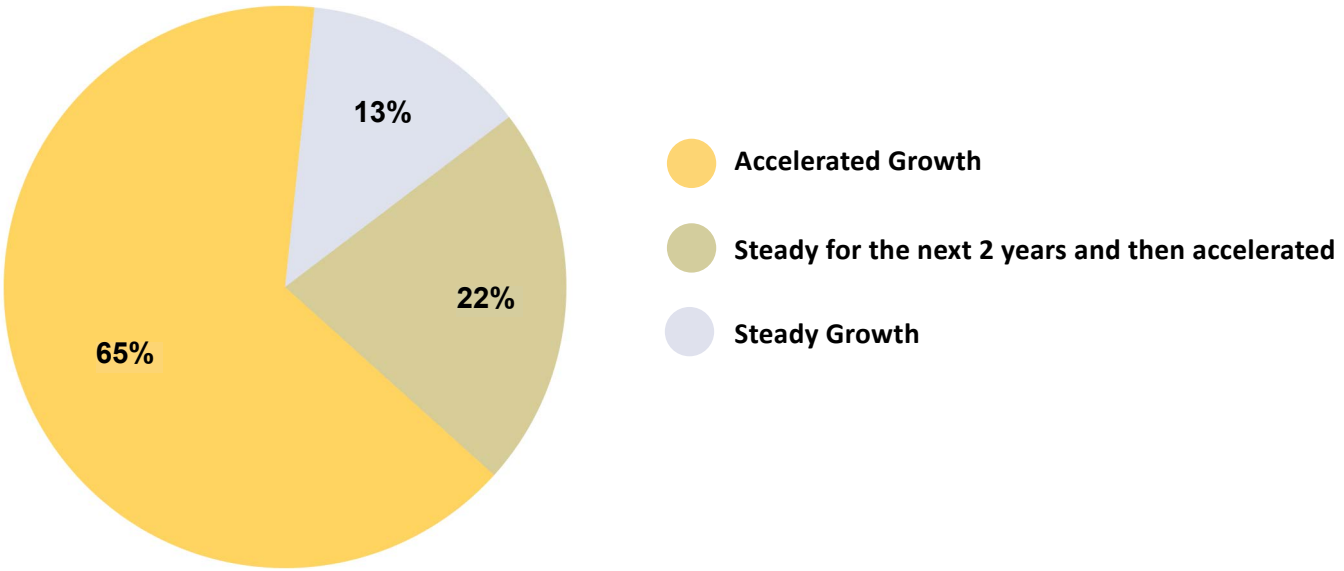
SaaS fundamentally aims to improve efficiency in enterprises, helping businesses operate faster and smoother. There are overlaps, but a core SaaS platform should primarily enhance speed, efficiency, and scalability or enable companies to pursue new opportunities. The transition from manual processes or disparate tools to a unified SaaS platform is still underway. I’d break it down into two parts based on my experience as a SaaS startup founder and my prior experience as an investment banker. Five or six years ago, building SaaS for India was almost unheard of, but that has definitely changed. I believe we are somewhere between nascent and accelerating, with a lot of growth potential.

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Ausang Shukla
Founder & CEO, CapHive

In terms of future growth potential, an overwhelming 65% of the respondents believe that the B2B SaaS (in fintech) segment in India will grow at an accelerated (>25%) pace over the next 5 years. However, growth would be varying across different segments with regulatory tech, investment and wealth tech, and alternative lending expected to witness higher than industry growth. More importantly, significant growth is expected in highly competitive segments where the adoption of B2B SaaS solutions will become almost table stakes for survival.

In your estimation, at what pace is the B2B SaaS in fintech (in India) expected to grow over the next 5 years?



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Inarguably, the larger ecosystem of institutions has accepted the value accretive potential of SaaS solutions and is keen on implementation. However, due to the tenuous macro-economic environment currently prevalent, it is likely that the industry will see steady growth for the next 2 years and then pick up accelerated pace.

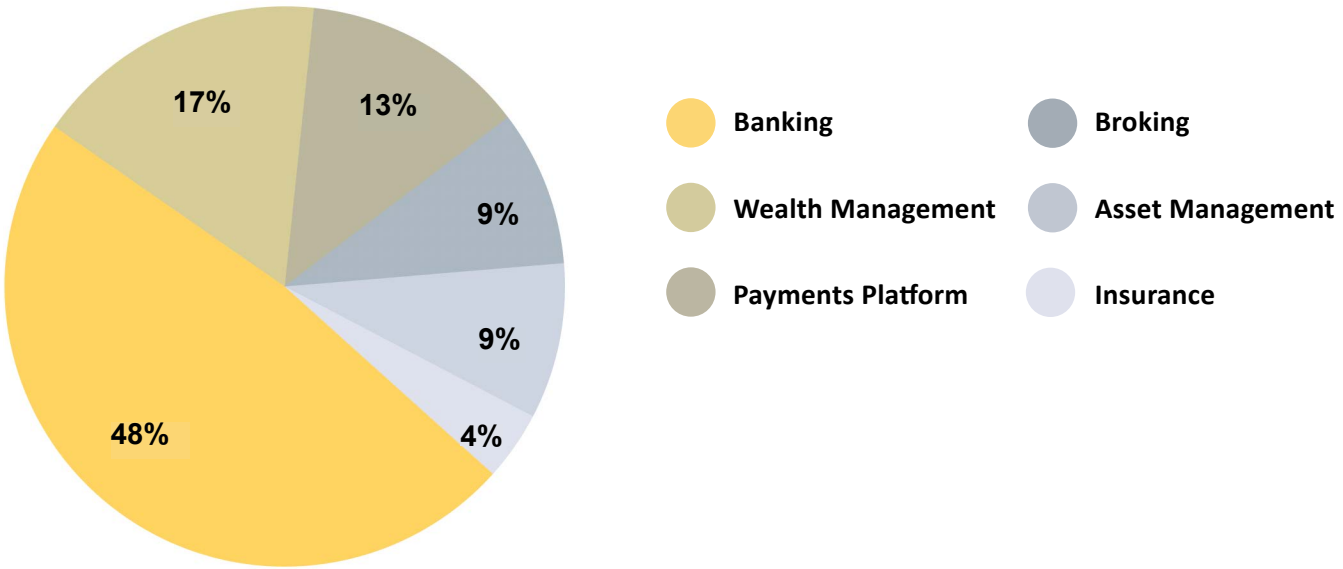
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Siddharth Gupta
Founder, NotifyVisitors

Adoption of B2B SaaS solutions by BFSI

Contributing to this growth has been the pace at which enterprises in the BFSI space have been adopting SaaS solutions. On that front, the top 3 sectors within BFSI that have been most inclined to engage with B2B SaaS solutions providers include banking, wealth & investment management, and payments platforms. Even within this mix, banks emerge as clear leaders with 48% of the respondents ranking the segment in the top 3 on the basis of adoption. SaaS solutions have emerged as a game-changer for the banking industry. SaaS solutions have revolutionised banking by enabling traditional legacy systems to seamlessly integrate and scale to harness market opportunities. Further, by leveraging cloud-based SaaS platforms, banks can enhance operational efficiencies, reduce errors, and optimise costs, thereby enabling them to allocate resources to strategic initiatives.

From an institutional perspective, which segment of clients are most accepting of B2B SaaS solutions and are inclined to engage with providers?



“

Both large as well as mid-sized institutions are driving growth. For example, tier I banks are very open to nimble solutions that can enable them to innovate quickly. They are very cognisant of the fact that because they are number one in the market and thus, they need to be wary of competition and stay ahead of the curve. CIOs and CTOs of top institutions are continuously evaluating solutions in the market, trying to see what could bring value to their end user and to their staff. For mid-sized institutions, the play is obvious - they need to scale fast and tech acts as a key catalyst in their growth journey.

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Niranjan Ananth
Vice President Marketing, Profinch

Case in point

A comprehensive wealth management platform with the ability to service both asset managers and clients, providing a robust tool for portfolio construction and client engagement.

Business model

Leveraging AI and ML, the platform generates personalised investment recommendations and insights for customers, ensuring tailored advice and fostering a deeper connection between the bank and its clients.

Value proposition

This dual-purpose platform ensures that asset managers can efficiently optimise investment outcomes while clients enjoy a transparent, user-friendly experience, fostering trust and engagement in the wealth management process.

Key services

For Asset Managers

The platform offers advanced capabilities for building and managing diversified portfolios, integrating sophisticated analytics, and implementing customised investment strategies.

For Clients

Access to an intuitive mobile and web interface, which provides real-time access to the performance of their investment and personalised insights.

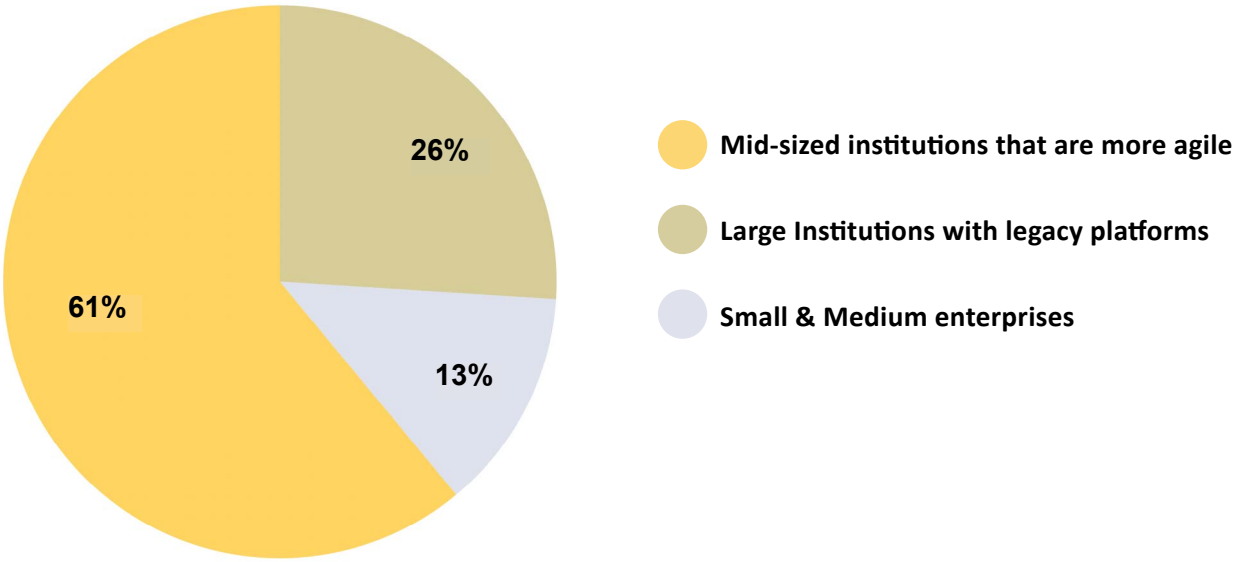
For Banks

Offers full flexibility to design user journeys with customised and personalised features, enhancing the overall user experience.

Does size hold sway in adoption?

Double clicking on adoption, it was interesting to view acceptance from the lens of size as well. While 61% of the respondents believe that rapid adoption is taking place at the mid-sized level, ~26% believe that large institutions are taking the lead on adoption and rapid implementation. The unique contours of adoption exemplify the ability of such solutions to add value across segments and types of institutions.

In terms of adoption, where are you currently seeing a rapid implementation of B2B SaaS solutions?



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The small and medium enterprises are at the cusp of their growth journey. At this juncture, they are not interested in investing in infrastructure or technology. Their simple approach is 'I build a business first and then I think about infrastructure cost'. At the same time, they are aware of the benefits of tech and are happy to implement SaaS solutions. More importantly, a lot of SaaS companies and platforms are providing solutions at competitive rates, thereby enabling even the smaller enterprises to avail their services.

"

Abhijit Joshi
Partner, Eklogi Consulting & Technology Services (Ex-Barclays)

Large institutions are often burdened with legacy platforms that do not lend themselves to change or integration. However, they are now beginning to see the value accretive nature of SaaS solutions. This can be attributed to two drivers.

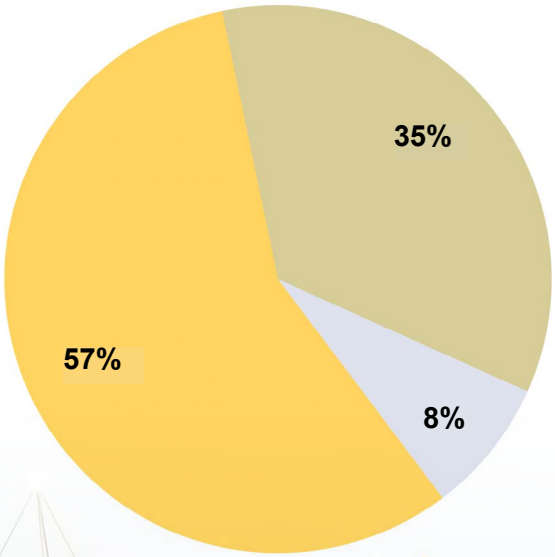
1. Competitors with foresight are raising the bar, making it imperative for other large-sized institutions to follow suit. In today's information age, it becomes important for all institutions to offer base-level products, services, and experiences. However, technology is rapidly changing the base, thereby both enabling and empowering institutions to stay ahead of the curve.
2. At the front-end, user experiences are getting shaped by the way they engage and interact across e-commerce and social media platforms. As a result, they have now come to demand a similar level of seamless, intuitive, and holistic experiences from their financial services providers as well, making it almost table stakes for financial institutions to adopt technology solutions that can enable the same.

From the perspective of mid-sized financial institutions, be it banks, brokers, asset managers, and even distributors, B2B SaaS solutions can play a catalytic role in helping them leapfrog their growth journey and compete with the larger sized institutions.

The rapid digital transformation across industries has significantly impacted the BFSI sector. Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in this evolution, adopting digital tools to streamline their processes. B2B SaaS platforms provide MSMEs with end-to-end solutions for operations, management, payments, and compliance. This digital shift has created a dynamic ecosystem where MSMEs can access powerful software tools without the need for heavy investment in IT infrastructure.

57% of the respondents believe that B2B SaaS solutions will play a significant role in catalysing growth in medium and small businesses.

Do you think that B2B SaaS solutions can act as a catalyst for the growth of MSMEs?



- **Yes, plays a significant role**
- **They will act as one of the many enablers**
- **No, there are other more important catalysts**

As the BFSI sector continues to evolve, B2B SaaS providers will play an increasingly crucial role in supporting MSMEs. The adoption of SaaS solutions is not only transforming the MSME landscape but also contributing to India's larger goal of achieving sustained economic growth.

Key areas of value add:

Streamlining operations and payments

In the BFSI sector, MSMEs must handle various tasks such as invoicing, managing payments, and ensuring regulatory compliance. B2B SaaS platforms enable businesses to automate these functions, reducing manual errors and improving operational speed. For example, digital invoicing and e-way bill generation systems allow for real-time tracking of payments and compliance with taxation regulations. These innovations not only enhance operational efficiency but also improve cash flow, as faster invoicing leads to quicker payments.

A relevant example is Cashinvoice, a digital marketplace offering supply chain finance solutions to small businesses[2]. By integrating financial institutions with MSME supply chains, Cashinvoice facilitates access to working capital through embedded lending products. This SaaS-powered solution reduces cash flow bottlenecks and ensures MSMEs can scale their operations efficiently.

Simplifying compliance and taxation

Managing compliance with financial regulations is critical for MSMEs, especially in sectors like BFSI. B2B SaaS platforms simplify these processes by automating tax filing, GST returns, and generating compliant invoices. These tools ensure that businesses remain compliant with government regulations without dedicating excessive time and resources.

Improving access to credit

One of the most significant challenges for MSMEs in the BFSI sector is access to working capital. Traditional banks often have stringent requirements for loans, making it difficult for smaller enterprises to obtain the necessary funds for growth. B2B SaaS platforms offer innovative solutions like digital invoice financing and embedded lending products that improve MSMEs' access to short term credit.

Bulk Udhaar, a fintech startup in India, is revolutionising this space by offering collateral-free short-term capital to small businesses[3]. The platform enables MSMEs to access fast and transparent invoice financing, filling the gap in the USD 300 Bn SME credit market in India.

> "There are multiple factors fuelling adoption at the mid-sized company level. One, they have the necessary capital to adopt, unlike perhaps the small companies. Two, they may not be that large to move around and they would not be that small that they are unable to appreciate the need of digitisation. I think this would be at the sweet spot, who would really understand? They can move fast, they have money at the same time, and they have also started seeing problems related to scale. This would be the one who would move the fastest."

Nitin Sharma,
Cofounder CEO, Refo

2. https://ibsintelligence.com/ibsi-news/6-fintechs-digitising-invoice-financing-for-msmes-in-india/
3. https://ibsintelligence.com/ibsi-news/6-fintechs-digitising-invoice-financing-for-msmes-in-india/

Tell me why? Factors contributing to the rapid adoption of B2B SaaS solutions in the BFSI industry

Value creation on multiple fronts

Voice of the industry -
What are the questions that senior stakeholders at financial institutions are grappling with?

1. **How do I grow my distribution & revenue?**
2. **How do I reduce costs and improve efficiency?**
3. **How do I ensure consistent adherence to compliance requirements?**
4. **How do I stay ahead of the competition?**

Enterprise SaaS business models offer numerous advantages that make them highly appealing to organisations – accessibility is a key benefit, allowing users to access software 24/7 from any device via an internet browser. Operational management is also simplified, eliminating the need for installations, equipment updates, or traditional licensing. Further, SaaS solutions are cost-effective, with no upfront hardware costs and flexible payment options like pay-as-you-go. Scalability is another major advantage, enabling companies to easily adjust their solutions as needs evolve. Data storage is securely managed in the cloud, and users have access to powerful analytics and reporting tools. Additionally, SaaS providers invest heavily in security technology, ensuring that data remains protected against threats.

At this juncture, it is pertinent to double click on why financial institutions are implementing B2B SaaS solutions. The top 3 reasons cited were scalability, boosting operational efficiency, and accelerated innovation. It is important to underscore that scalability leads by a significant margin, thereby highlighting the need for institutions to rapidly scale in an extremely dynamic environment and within the necessary regulatory guardrails.

Primary areas of value creation

Scalability - 70%

Boosting operational efficiency - 57%

Accelerated innovation - 57%

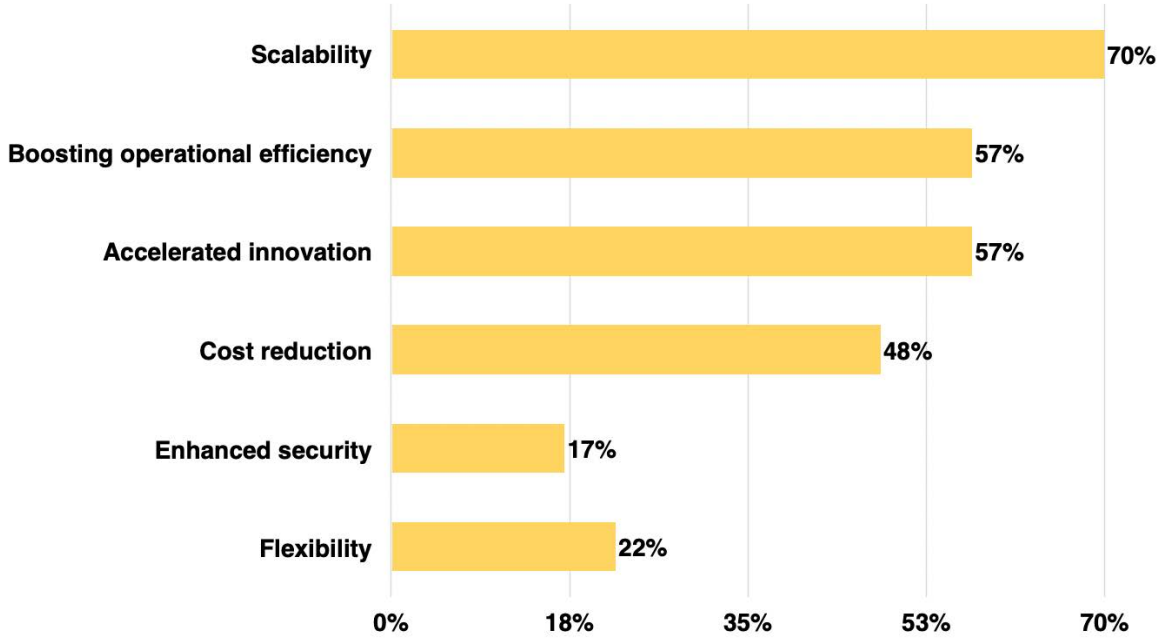
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Broadly, there is a front-end solution and a back-end solution. In the case of banks, it’s primarily the back-end solutions that they want to solve for - these are more structural in nature and do not require frequent innovation or disruption. Then there are the front end, direct consumer solutions like insurance, wealth, etc. These are functional in nature and thus, are driven by accelerated innovation.

”

Manu Awasthy
Founder & CEO, Centricity WealthTech

In your opinion, what are the top 3 value propositions of B2B SaaS in financial services?



Note: Respondents can select multiple options. Hence, total can exceed 100%.

Scalability is a critical factor. As companies grow, their software needs to evolve. With traditional systems, scaling meant purchasing additional licenses, hardware, and infrastructure. SaaS solutions, however, allow businesses to easily scale up or down depending on their requirements, ensuring flexibility in an ever-changing business environment. This is especially relevant in the BFSI sector, where rapid growth and fluctuating demands require systems that can adapt without heavy investments.

In terms of security, SaaS providers often implement top-tier protection measures, including encryption and regular security updates. This alleviates concerns for industries like BFSI that handle vast amounts of sensitive data. SaaS providers can offer advanced security that smaller firms might not be able to afford independently.

“

Scale is an obvious option. Traditional firms only knew how to scale by adding people or branches. Now, there’s a different meaning of scale because of technology.

”

Anjani Kumar
Senior Director, Growth & Partnerships, Leading Insurtech

Case in point

An Enterprise grade B2B SaaS company that uses AI to automate workflows for enterprises.

Business model

Enterprise software company specialising in customer service and IT service management solutions by providing a powerful, low-code platform to streamline business processes. It provides cloud-based software platforms for businesses and is focused on developing and implementing customer experience management tools.

Value proposition

With its 3S Model (Simple, Scalable, and Secure), the company empowers global clients in their digital transformation journey.

Key services

- **Cloud-native enterprise SaaS product**
- **Customer service management platform**
- **IT Service Management (ITSM) solutions**
- **Customer relationship management (CRM) tools**
- **Help desk software**
- **Cloud-based enterprise software solutions**
- **Implementation and support services**



Enablers: What is giving B2B SaaS providers wings to fly

There are several factors that are contributing to industry growth, ranging from regulatory push and strategic imperatives to cost efficiencies and faster time to market. However, the key catalysts remain accelerated innovation, market expansion, and the need for customisation.

"

India's B2B SaaS in the finance sector must embrace innovation to cater to the diverse needs of billions, prioritise security, and leverage data-driven insights. By doing so, we can empower businesses, foster financial inclusion, and drive sustainable growth in an ever-evolving landscape.

Himanshu Agrawal
Co-Founder, Vegapay

"

Innovation in India, and globally, is standing tall on two primary pillars.

1. In an increasingly competitive landscape, there is a heightened need for innovation in both product as well as service delivery.
2. New frontiers of technology are fuelling innovation across industries and business segments.

For example, the evolution of Generative AI (Gen-AI) is revolutionising the SaaS industry, opening up new possibilities for innovation and efficiency. For SaaS companies, AI's transformative potential spans across various domains, from enhancing user experiences through hyper-personalisation to automating complex processes like software development. An interesting case would be the use of Gen AI by insurance firms. For example, firms are using Gen AI in risk assessment, where demographic data is being analysed in detail to not only help assess and predict potential risks but also to create simulations of scenarios to identify potential claims. By integrating AI, SaaS platforms can deliver faster, more intuitive services tailored to individual user preferences, thereby significantly improving customer satisfaction. AI also plays a crucial role in product development, enabling predictive analytics and facilitating smarter, data-driven decisions that lead to more innovative solutions. For example, HSBC is using Gen AI to create customised product recommendations based on individual spending habits. As AI technologies become more sophisticated and accessible, their adoption in the SaaS industry is set to accelerate, driving new levels of automation, innovation, and cost efficiency across the sector.

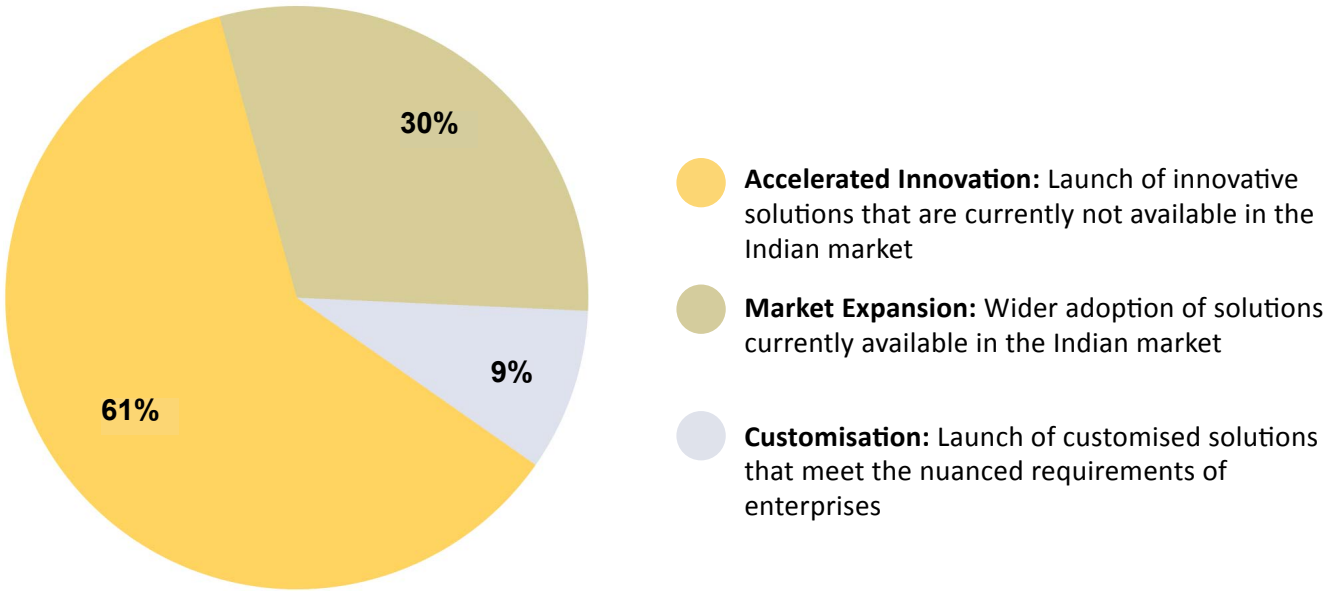
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The need for customisation lies at the crux of this growth as it will fuel both market expansion as well as innovation. However, overall, what is important is to fix the friction that is prevalent when it comes to adoption. Take two instances - one is a traditional player and the other is a new-age player, both in the same category. Both these players will have a very different DNA for the same market segment or demographic. And there, I think that the more you are able to deliver to expectations, the faster you can scale. In this scenario, a SaaS platform with agility will try to move forward, thereby accelerating innovation and expanding markets.

”

Ujjwal Jain
CEO, Share.Market by PhonePe

From a growth perspective, which of the following do you think act as key catalysts for industry growth?



The primary driver boosting growth is Accelerated Innovation (61%)

At the core, it is important to highlight that the three enablers, i.e., market expansion, accelerated innovation, and the need for customisation are not mutually exclusive. Rather, they are inter-dependent, simultaneously creating demand and driving growth. Further, growth will be intrinsically driven by the fact that B2B solutions can potentially add value across the entire spectrum of banking and financial services.

New frontiers of growth: Regulatory and information security tech

When it comes to the adoption of B2B SaaS solutions, banks have been at the forefront of adoption. Today, banks recognise that going forward, as they strive to stay ahead of the competition and holistically cater to the evolving needs of customers, enhance operational efficiency, and comply with regulatory requirements, SaaS solutions will play a critical role in their journey.

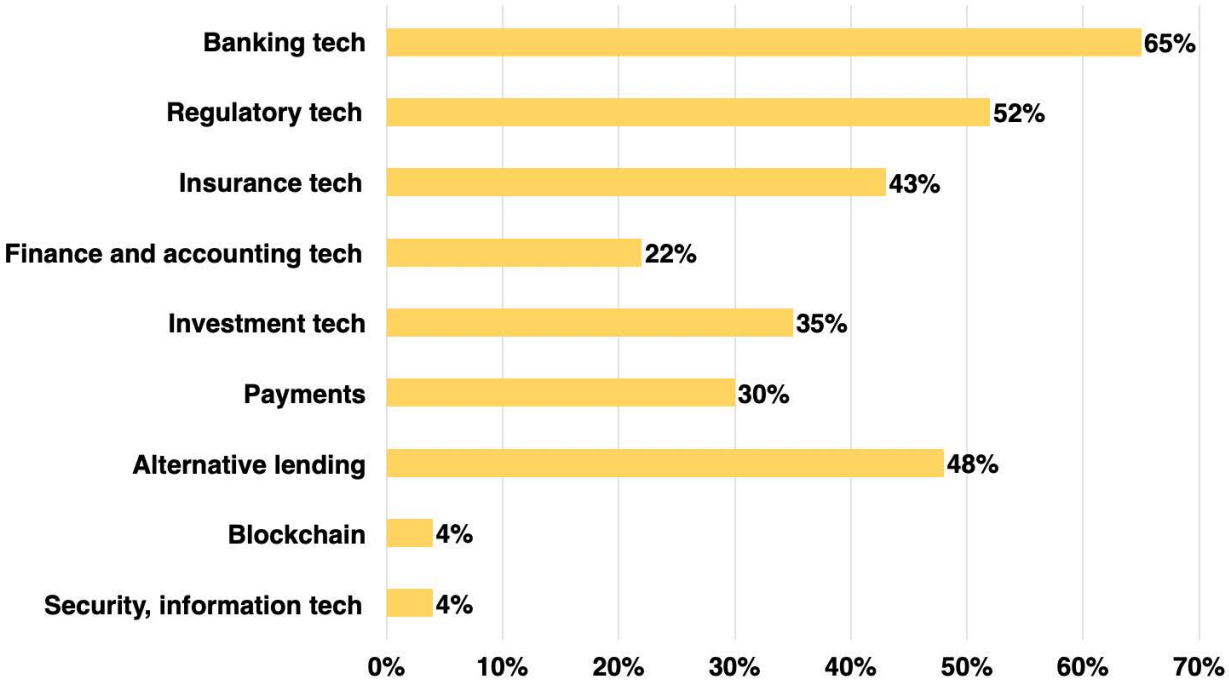
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Every bank wants to modernise their front-end applications, back-end applications. The idea is to service the customer better and better. And competition is increasing day by day. Parallelly, the regulator has created a lot of frameworks, for example the account aggregation framework, where data fetching, data collection is becoming easier. As a result, a lot of applications are being built to analyse this data. The way I see it, there is a huge opportunity for SaaS players, fintech SaaS players or infra players to build some of these solutions.

"

Senior Banker

Which segment offers the highest opportunity for disruption and value creation? Rank top 3.



Note: Respondents can select multiple options. Hence, total can exceed 100%.

Top 3 areas where the opportunity for immense disruption exists:

Banking tech - 65%

Regulatory tech - 52%

Alternative lending - 48%

An emerging area of potential growth is the regulatory and information security segments. The BFSI sector in India is governed by strict regulations that safeguard the interests of all stakeholders in the ecosystem and ensure that small failures do not snowball into systemic avalanches. In a governance-driven world, regtech represents the future. This is marked by increasing compliances and digitalised reporting by companies to regulatory bodies along with the need for data security in a digitally immersed world. Further, central to all areas of BFSI - KYC compliance, transaction monitoring, customer credit scoring, AML screening, trade data tracking, fraud prevention, data privacy and security, and compliance risk analysis is technology.

"

Information Security should ideally lead the next wave of innovation. Builders need to start thinking about how they can look at SaaS from a security point of view and align with the existing systems and guardrails. Another significant opportunity lies in building for global and creating solutions that can easily be implemented by global institutions - again, working in the BFSI space and considering the changing regulatory landscape across countries, InfoSec presents a large opportunity.

Rohit Kilam
Veteran CTO & Investor

"

In an increasingly digital world, regtech solutions can help businesses navigate the compliance minefield by leveraging SaaS solutions that generate efficiencies by accelerating routine activities and eliminating manual errors. This has helped financial institutions adapt to the changing regulatory environment and minimise risks stemming from noncompliance. Further, the application of analytics in financial institutions can enable informed decisions on regulatory grounds, precipitating segmental growth.

"

I would say regtech could be one, along with payments, which have seen significant developments. Banking is also an area with ongoing changes but has more potential for disruption. Alternative lending is another key interest area, to push for higher financial inclusion. With all these other developments in the fintech space, we are bullish on the prospects of real innovation in wealth tech as the next natural frontier.

Utkarsh Choudhary
Co-Founder, Cashvisory

"

Another exciting area of growth is the wealth and investment tech segments. SaaS solutions in this segment are enabling firms to support the ecosystem of service providers, i.e., wealth managers and distributors and offer them efficiency tools like portfolio optimisation tools, investment analytics tools, risk assessment tools, etc.

Case in point

A fintech company based in the United Kingdom that is focused on fixed income markets and bond analytics.

Business model

The company provides data analytics and technology solutions for the fixed income markets and offers tools for bond portfolio analysis and optimisation while leveraging artificial intelligence and machine learning to analyse bond market data.

Value proposition

Enhances the assessment and decision-making process for institutional investors, asset managers, investment banks, etc.

Key services

- **Bond analytics platform for institutional investors**
- **Portfolio optimisation tools**
- **Fixed income market analysis**
- **Data aggregation and normalisation for bond markets**
- **Risk assessment tools for fixed income portfolios**

Not without challenges

Despite overwhelming evidence of value creation, there exist multiple challenges to the adoption of B2B SaaS solutions in BFSI. One of the biggest challenges impeding widescale adoption is integration with existing systems. Many of the largest financial institutions have operated in the financial markets for multiple decades. As a result, the house legacy systems are often monolithic and complex. Thus, integration with such legacy systems can be challenging with financial institutions having to carefully plan and execute integration strategies to ensure seamless interoperability between SaaS applications and existing infrastructure.

“

There are broadly 3 challenges or opportunities in the ecosystem vis-a-vis B2B SaaS. Firstly, integration of B2B solutions with the existing organisation technology ecosystem. Secondly, data migration is critical. The biggest issue for organisations adopting any SaaS product is how to migrate data from multiple sources, which are stored in different data models, into this B2B SaaS. Thirdly, its data reporting and analytics because B2B SaaS often comes with its own inherent reporting. Growing need of companies to build strong and robust data and analytics, and use that to drive AI.

”

Chandra Gupta
Senior Vice President IT Division Executive, FIS

Further, in a world that is becoming increasingly digital, it becomes imperative for financial institutions to ensure that sensitive data is adequately protected when utilising cloud-based services. While relevant security measures are implemented by the SaaS provider, considering the importance of data security in the BFSI space, financial institutions can often be wary.

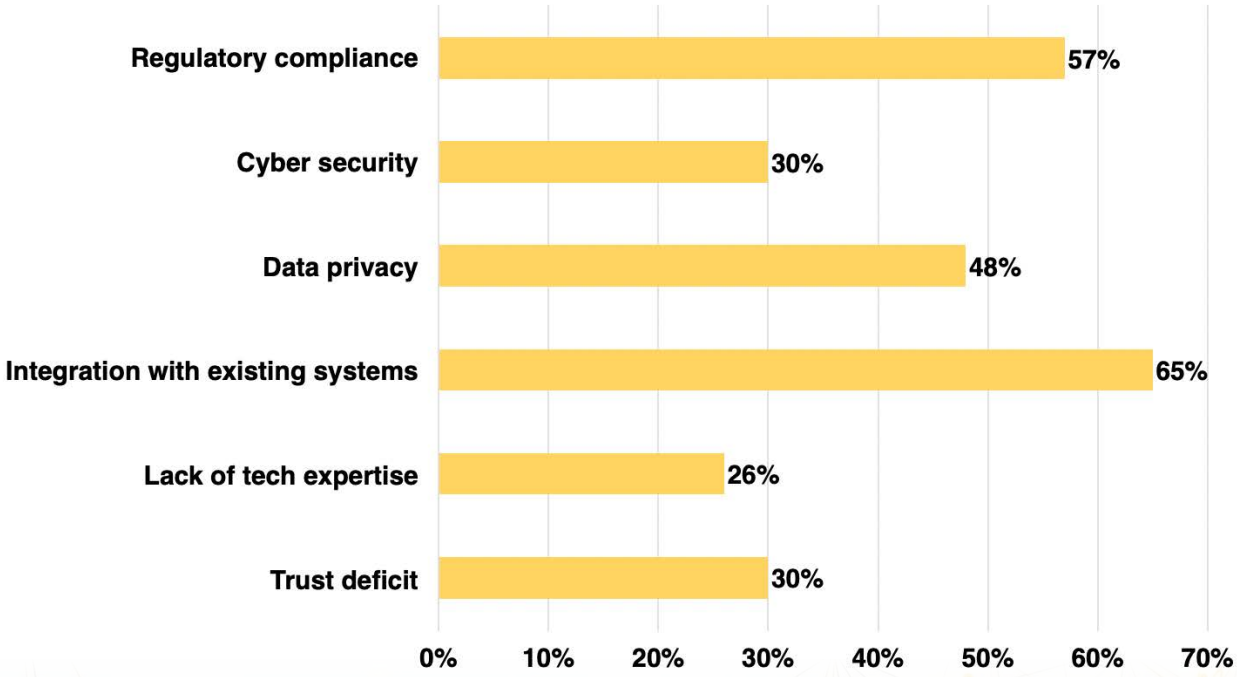
Primary challenges in the adoption of B2B SaaS solutions:

Integration with existing systems - 65%

Regulatory compliance - 57%

Data privacy - 48%

What are the top 3 challenges in the adoption of B2B SaaS in fintech?



Note: Respondents can select multiple options. Hence, total can exceed 100%.

“

One of the biggest challenges that players are currently facing is the paucity of funding, which is not giving them enough space to innovate, create, fail, and once again create. Further, a mindset shift is required to truly accelerate adoption. How do you change the minds of people? It’s the biggest challenge we have today.

”

Harish Chowdhary
CPO, LC Adroit Vantage

Voice of industry: Overcoming challenges & marching forward

“

Government spending and regulatory changes are going to be key drivers for industry growth- both will become opportunities for forced innovation. The delivery infrastructure is already being built - it is up to the industry to engender many use cases. On the other hand, there is also an imminent need to ensure that the skilling ecosystem is elevated to guarantee the availability of skilled resources that can optimally harness the opportunity at hand.

”

Pratul Verma
Senior Director, SAP India

Section 5

Deep dives

Banking tech – Transforming India's BFSI landscape

Banking technology refers to the integration of digital tools and solutions like APIs, cloud computing, and automation into banking processes. This tech-driven transformation enhances the efficiency, security, and scalability of banking services, facilitating better customer experiences. One major facet of banking tech is **Banking as a Service (BaaS)**, where non-bank entities, such as fintech firms, offer banking services via APIs, allowing them to provide financial services without becoming licensed banks themselves.

The value proposition of banking tech lies in its ability to democratise access to financial services, improve operational efficiency, and enable seamless integration between banks and non-banking entities. BaaS allows businesses to embed financial services like payments, lending, or even credit cards into their platforms. This offers tremendous flexibility, reducing the costs associated with setting up traditional banking infrastructures.

For consumers, this means better access to tailored financial services that meet their specific needs, without having to go through traditional banking channels. For businesses, integrating BaaS helps create new revenue streams, fosters customer loyalty, and drives innovation.

Moreover, the regulatory push for digital financial inclusion in India, coupled with the rise of API-driven banking, allows even non-financial sectors like e-commerce, healthcare, and telecom to offer financial services directly, broadening their reach.



Indian banks have been quick to adopt and adapt banking technologies through collaborations with fintech companies. For instance:

- **AI-driven payments via ChatGPT pilot:** The **National Payments Corporation of India (NPCI)** teamed up with fintech **Razorpay** and **OpenAI** to pilot AI-based commerce and UPI payments through **ChatGPT**, with **Axis Bank** and **Airtel Payments Bank** as banking partners, enabling users to make transactions conversationally[4].
- **UPI-linked co-branded credit card: Axis Bank** partnered with **Google Pay** to launch a digital co-branded credit card on the **RuPay** network with integrated UPI payment functionality, blending traditional credit and real-time mobile payments[5].
- **Co-branded credit cards: IndusInd Bank** collaborated with fintech **Cred** to launch a premium co-branded credit card via the RuPay network — expanding digital card offerings and loyalty experiences[6].

4. https://www.reuters.com/world/india/indias-payments-authority-razorpay-launch-ai-led-payments-chatgpt-2025-10-09/
5. https://timesofindia.indiatimes.com/technology/tech-news/google-launches-google-pay-axis-bank-co-branded-credit-card-with-upi-link-support/articleshow/126041992.cms?utm
6. https://economictimes.indiatimes.com/tech/technology/cred-announces-a-co-branded-credit-card-with-indusind-bank-rupay/articleshow/123902987.cms?utm
7. https://www.stellarmr.com/report/India-Banking-as-a-Service--BaaS--Market/494#:~:text=IT%20&%20Telecom-,India%20Banking%2Das%2Da%2DService%20(BaaS)%20Market,Report%20ID:%20SMR_494

These partnerships showcase the growing trend of traditional banks leveraging fintech capabilities to enhance their digital offerings and remain competitive in an increasingly tech-driven market.

Inevitably, this rising adoption has given a significant filip to the size of the Indian BaaS market. The segment's market size was valued at USD 14.34 Bn in 2024 with total revenue expected to grow at 13.2% (2025 to 2032), reaching nearly USD 38.67 Bn[7].

This growth is fuelled by rising digital payments, demand for embedded financial services, and strategic partnerships between banks and fintech firms. With the Reserve Bank of India's push for financial inclusion through initiatives like UPI, India is poised to become a major player in the global BaaS landscape.

The larger fintech sector is estimated to have 16,100 companies, including 2,910 funded companies having collectively raised USD 45.4 Bn in venture capital money and private equity. Out of these, 815 are Series A+ funded, and 31 have achieved unicorn status[8]. A fair share of this are companies building for banking technology and BaaS.

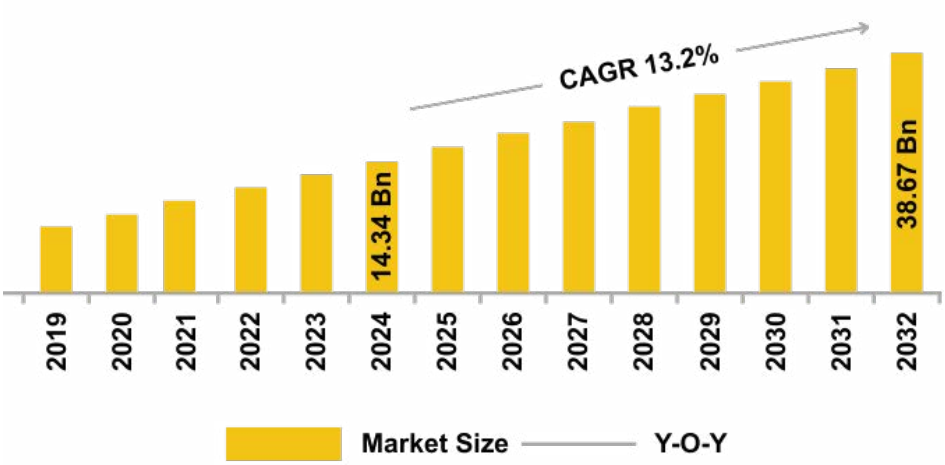
India's BaaS market

Between 2025-2032, market is expected to grow at CAGR of 13.2%

Market Size in 2024 USD 14.34 Bn

Market Size in 2030 USD 38.67 Bn

India BaaS Market Revenue in USD Billion, 2019-2032



India BaaS Market Leading Companies in 2023



Investment in banking technology has steadily increased across both established and emerging startups. For example, Slice achieved unicorn status, with its core business (credit cards + API financial services) backed by significant capital including a USD ~220 Mn Series B round[9].

Banking technology, especially BaaS, is reshaping India's BFSI ecosystem by enabling faster, more efficient services while opening new avenues for both businesses and consumers.

As India embraces digital transformation, the synergy between banks and fintechs will continue driving the growth of banking tech in the country.

8. https://tracxn.com/d/explore/fintech-startups-in-india/__7DUvpjRYg2icfFp-L5Leb_WDJgbf2y7jQQQQAhbZAjw#about
9. https://fintechnews.sg/108940/fintech-india/the-complete-list-of-india-fintech-unicorns-2025/?utm

Regulatory technology (RegTech): Revolutionising compliance in India

Regtech, or Regulatory Technology, uses advanced technologies like artificial intelligence (AI), machine learning (ML), and blockchain to streamline compliance processes for financial institutions. It automates tasks such as risk management, fraud detection, Know Your Customer (KYC), and reporting, helping businesses meet regulatory requirements more efficiently. By offering real-time monitoring and automated data analysis, regtech simplifies regulatory compliance, reducing the manual workload and human error associated with traditional methods.

Regtech's key value lies in improving compliance efficiency while reducing costs. It allows financial institutions to automate the often complex and time-consuming tasks of staying compliant with ever-evolving regulations. This technology helps institutions prevent penalties, reduce reputational risks, and quickly respond to regulatory changes. By automating processes such as KYC and Anti-Money Laundering (AML) checks, RegTech enhances both customer experience and regulatory accuracy, reducing onboarding time and compliance risks.

In addition to cost and time savings, regtech's ability to monitor compliance in real-time ensures faster detection and resolution of issues, which is crucial in minimising the risk of non-compliance.

India has seen increasing adoption of regtech solutions in recent years. A key example is the partnership between **IDfy**, a leading RegTech provider, and **HDFC Securities**, a prominent stockbroking firm. This collaboration digitised the investor onboarding process, enabling remote KYC verification through simple selfie-based identification. This innovation replaced traditional live video KYC, making onboarding faster and more user-friendly, especially for customers in Tier 2 and Tier 3 cities. The use of AI-powered tools like face recognition and document verification ensured compliance with SEBI's regulations, while improving operational efficiency.

Increasing regulatory complexity (businesses in India navigate thousands of regulatory requirements across sectors, e.g., MSMEs facing 1,450+ rules and high compliance costs), **RBI/SEBI/IRDAI compliance dynamics** (KYC, AML, Basel standards), **Self-Regulatory RegTech Code of Conduct** launched by the Fintech Association for Consumer Empowerment (RBI-recognised), and the growth of digital banking/fintech (UPI, neobanks) leading to an increase in regulatory oversight are all driving the demand for regulatory tech in India.

> The size of the market was estimated at USD 655.9 Mn in 2024 and is projected to grow from USD 775.27 Mn in 2025 to USD 4,125 Mn by 2035, witnessing a CAGR of 18% during the forecast period 2025 - 2035[10].

In 2023, the sector experienced significant investment in the identity management segment, with key players like Signzy, IDfy, and Digio attracting substantial funding. Notable funding rounds include IDfy's INR 476 Cr (USD 52 M) in early 2026[11].

The Reserve Bank of India's decision to broaden the regulatory framework, along with advancements in data and AI, is paving the way for RegTech solutions to innovate and disrupt the industry[12]. With growing investments in digital compliance technologies, RegTech will play a pivotal role in the future of regulatory management across India's BFSI sector.

10. https://www.marketresearchfuture.com/reports/india-regulatory-technology-market-61713?utm
11. https://economictimes.indiatimes.com/tech/funding/regtech-startup-idfy-secures-rs-476-crore-from-neo-asset-management-and-existing-investors/articleshow/128273894.cms?utm
12. https://www.chiratae.com/wp-content/uploads/2024/02/FinTech-Report-2024.pdf

InsurTech:
Paving the pathway to universal insurance in India

Insurance-as-a-Service (IaaS) represents a fully digital insurance solution that streamlines the entire process, from onboarding to claims management and customer support. This model enables insurance companies to focus on their core competencies by providing essential tools, data analytics, and integrated services.

By adopting IaaS, insurers can digitise operations and enhance sustainability, addressing long-standing challenges within the industry. The scalable nature of IaaS allows traditional insurance providers to transition into tech-savvy organisations. The value proposition of IaaS lies in its ability to simplify complex insurance processes while enhancing customer experience. This model allows for faster onboarding, improved claims management, and robust customer support. IaaS can help insurance firms increase operational efficiency and reduce costs, which is particularly valuable in an industry that faces intense competition and regulatory pressures.

Indian insurtech companies are reshaping the insurance landscape by providing accessible and customisable products tailored to diverse customer needs. Notable players such as Onsurity, PolicyBazaar, Acko General Insurance, Go Digit Insurance, and InsuranceDekho are at the forefront of this transformation.

A key partnership in this space is between ICICI Lombard and PolicyBazaar, which leverages ICICI Lombard's comprehensive product offerings and PolicyBazaar's extensive customer reach to provide a wide array of insurance solutions to nearly 10 Mn users[13].

The Indian Insurtech ecosystem's cumulative valuation crossed ~USD 15.8 Bn by late 2025, up sharply from earlier years, highlighting rapid structural growth in technology-led insurance.

Further, sector revenues reached approximately USD 0.9 Bn in 2024, representing about a 10× increase since 2019, a strong indicator of growth into 2025[14].

Insurtechs continue to expand across distribution, underwriting tech, claims automation, and embedded insurance. AI and GenAI adoption is emerging as a major growth driver, projected to generate billions in profit opportunities for the broader insurance value chain.

From an ecosystem perspective, there are approximately 150+ active insurtech firms operating across distribution, SaaS, platform, embedded coverages and data/AI technology segments with 2 unicorns, 8 players valued between USD 100 Mn–1 Bn, and 45+ with valuations above USD 1 Mn[15]. From a funding perspective, in the first half of 2025, Indian insurtechs raised ~USD 114 Mn, indicating continued investment albeit at disciplined levels[16]. Historical estimates from 2018–2023 indicate ~USD 2.6 Bn raised over five years, showing that cumulative investment remains substantial[17].

The sector is poised to achieve the vision of "Insurance for All" by 2047, driven by government initiatives and the increasing demand for embedded and bite-sized insurance solutions. As the enterprise insurtech market evolves, a shift in funding focus towards insurance infrastructure is anticipated, particularly in areas like policy administration, claims management, and underwriting, as companies strive to boost their sales and operational efficiencies.

13. https://www.business-standard.com/markets/capital-market-news/icici-lombard-forges-partnership-with-policybazaar-124040900585_1.html
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Investment & WealthTech: Helping Indians preserve & grow their wealth

Investment and Wealth Tech, commonly known as wealthtech, integrates wealth management and technology, offering digital solutions for investment advisory, portfolio management, and financial planning.

Utilising advanced technologies like artificial intelligence (AI), machine learning (ML), and data analytics, wealthtech platforms allow users to optimise investment strategies, automate portfolio rebalancing, and deliver personalised financial advice. Wealthtech-as-a-Service (WaaS) simplifies the process for financial institutions, allowing them to offer scalable solutions to a broader audience.

The primary value proposition of wealthtech lies in its ability to streamline wealth management processes, making financial planning more accessible, efficient, and customised. With AI-driven insights and automated services, wealthtech platforms reduce manual interventions and increase efficiency for both advisors and clients.

These platforms offer personalised recommendations, better compliance, and deeper client engagement through integrated communication tools. Moreover, they cater to the needs of new-generation clients, who demand tech-enabled, convenient solutions for wealth management. Hybrid models combining human expertise with digital tools further enhance the client experience, making wealthtech indispensable for modern financial advisory.

In India, wealthtech solutions have already gained significant traction. For example, U.S.-based DriveWealth partnered with Indian firms Stockal and HDFC Securities in 2019 itself, to offer Indian investors access to U.S. stock markets, including fractional share purchases. This collaboration expands investment opportunities for Indian clients, using advanced technology to bridge global markets.

Further, platforms like Groww, Zerodha, Dhan, and Upstox have revolutionised the way Indians invest in stocks and mutual funds, offering seamless digital experiences for retail investors. These platforms combine AI-powered analytics and automated advisory to simplify the investment process, making wealth management accessible to a larger audience.

India's wealthtech market is growing rapidly and is expected to reach USD 60 Bn by FY 2025[18].

India is poised to become the fourth-largest wealth market in the world, driven by increasing wealth, rising digital adoption, and a younger, tech-savvy population.

> From a funding perspective, WealthTech startups raised ~USD 634 Mn across 51 deals in 2024–25, a significant increase from ~USD 55 Mn in 2023.

Funding grew year-on-year ~40% in 2025 compared to 2024, indicating strong investor interest. Major deals included **Syfe** (~ USD 80 Mn), **Smallcase** (USD 50 Mn in Series D), **Neo** (USD 48 Mn), and **Dezerv** –(~USD 40 Mn) [19].

As the demand for hybrid wealth solutions grows, this sector is expected to continue its upward trajectory, driven by both B2C and enterprise-focused wealthtech innovations.

18. https://www.novusinsights.com/blog-details/wealthtech-in-india-areas-of-expansion-for-fintech-companies
19. https://entrackr.com/report/indias-wealthtech-funding-climbs-to-634-mn-in-202425-10954686

Payment tech:
The poster child for SaaS

Payments technology, particularly Payments-as-a-Service (PaaS), is transforming how digital financial services operate by offering a seamless, efficient way to process transactions. PaaS allows businesses to integrate payment solutions without building the infrastructure themselves.

Through robust APIs, these platforms support multiple currencies, ensure interoperability, and offer plug-and-play features that simplify global trade. The ability to scale, embed payments, and enhance user experiences has made PaaS essential for businesses across sectors.

The core value proposition of PaaS lies in its ability to streamline the payment process while offering flexible, scalable solutions. By providing end-to-end payment infrastructure, companies can focus on their core operations without worrying about payment complexities.

Businesses using PaaS benefit from enhanced efficiency, reduced operational costs, and improved customer experiences. The platforms also cater to modern payment needs such as QR code transactions, NFC payments, and real-time settlements, making digital payments faster and more convenient.

PhonePe and Google Pay remain the dominant forces in India's digital payments landscape as of late 2025, jointly handling around four-fifths of UPI transaction volumes. PhonePe continued to be the leading UPI app, processing 9.81 Bn transactions in December 2025 and holding about 45.35% of UPI volume and 48.68% of UPI transaction value. Google Pay was the second-largest UPI platform, with 7.5 Bn transactions, representing ~34.6% of total UPI volumes and ~34.3% of transaction value[20].

As a matter of fact, UPI recorded 21.63 Bn transactions in December 2025, the highest monthly volume ever on the Unified Payments Interface platform[21].

According to the **Reserve Bank of India (RBI)**, digital payments overall (UPI plus other retail payment systems) accounted for **99.8% of total transaction volumes and 97.7% of transaction value** in the first half of 2025, underscoring the near-complete shift to digital channels[22].

Indian startups like Pine Labs and Razorpay are also leading the charge. Pine Labs, with USD 1.6 Bn in funding[23], introduced UPISetu in collaboration with Axis Bank to support a range of UPI products. Additionally, Pine Labs has partnered with Visa to launch Pine Labs Mini, a soundbox-enabled device designed to improve in-store payment experiences for merchants and consumers.

The Indian payments market, including digital payments, payment gateways, real-time systems like UPI, cards, wallets and related fintech rails, was estimated at around USD 409.9 Bn in 2025. The market is projected to grow to ~USD 958 Bn by 2030 at a CAGR of ~18.5% over the period, driven by continued adoption of digital payments, smartphone penetration and merchant acceptance[24].

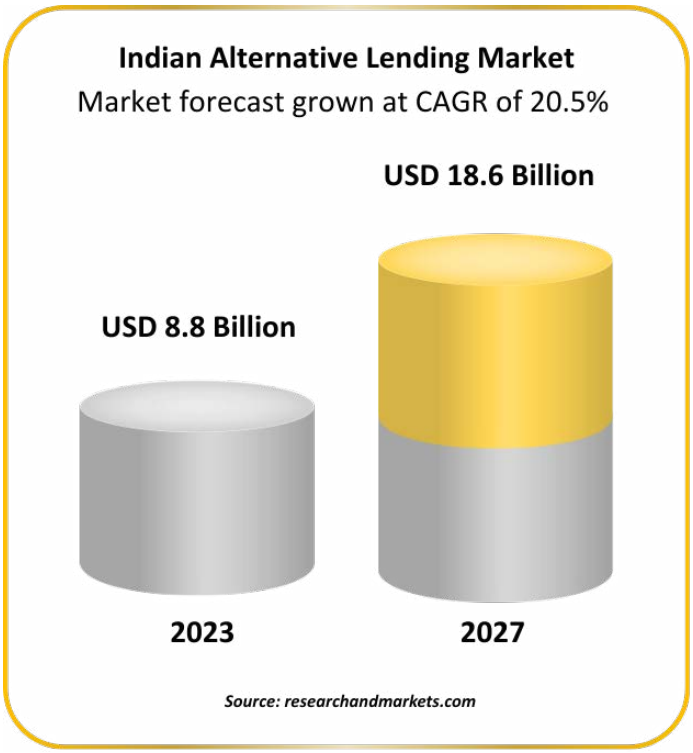
India's digital payments industry is poised for significant growth. In FY 2023-24, transaction volumes surged by 42% year-on-year[25] and in FY 2024-25 they witnessed a further surge of ~37%. The current transaction volume, at INR 206 Bn, is projected to triple to INR 617 Bn by FY 2029-30, while the transaction value is expected to grow from INR 300 Tn in FY 2024-25 to INR 907 Tn during the same period[26].

Payments funding saw a sharp uptick in 2025, driven by larger, consolidation-led and late-stage deals, reversing the muted activity seen in 2024[27].

With a growing shift towards digital payments, investments in PaaS platforms, cross-border payments, and reward-based systems are accelerating. This ongoing digital transformation will drive greater financial inclusion and global interoperability, cementing India's role as a leader in payments technology.

20. https://www.angelone.in/news/economy/phonepe-and-google-pay-lead-upi-ecosystem-in-december-2025?utm
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23. https://www.statista.com/statistics/1477466/india-leading-paytech-startup-by-funding-amount/
24. https://www.mordorintelligence.com/industry-reports/india-payments-market?utm

Alternative LendingTech: Empowering players across the value chain



Growth potential in alternative lending market

Alternative lending tech refers to digital platforms that enable non-traditional borrowing and lending, bypassing conventional banking methods. It includes peer-to-peer (P2P) lending, crowdfunding, buy-now-pay-later (BNPL), and revenue-based financing.

These platforms utilise advanced technology such as artificial intelligence (AI) and machine learning (ML) for credit scoring, fraud detection, and personalised lending solutions. Through seamless digital interfaces, they offer faster loan approvals and disbursements compared to traditional banks.

The key value proposition of alternative lending tech lies in its ability to democratise access to capital, especially for underserved segments like small and medium enterprises (SMEs) and individuals without a robust credit history.

These platforms provide flexibility in terms of credit assessments, quick approvals, and fewer regulatory hurdles, making borrowing easier and more inclusive. Additionally, alternative lending offers more personalised and innovative financial products like revenue-based financing, which ties repayments to a company's future income rather than fixed schedules, catering to the dynamic needs of growing businesses.

India has seen rapid adoption of alternative lending technologies, with several fintech platforms reshaping the lending landscape. For instance, the Central Bank of India has entered into a strategic co-lending partnership with Incred Financial Services to provide loans to MSME borrowers. This collaboration blends the strengths of a traditional bank with the agility and niche lending expertise of a fintech-focused NBFC like Incred.

Under the co-lending arrangement, Incred Financial Services originates and processes loan applications, particularly targeting the MSME sector in priority lending categories. The loan proposals are assessed based on jointly defined credit parameters and eligibility criteria set by both entities.

The Indian alternative lending market was projected to reach ~USD 30.57 Bn in 2025, growing at an annual rate of about 14.3 % during 2020–2025. Historically the market achieved roughly 14.8 % CAGR over 2020–2025. This growth is forecast to continue, with estimates suggesting the market could expand to ~USD 52.3 Bn by 2029 if current trends continue[28].

From a funding perspective, historically, digital lending and alternative lending fintechs in India have collectively attracted significant capital. Reports suggest that in 2024, ~64 funding rounds raised ~USD 1.1 Bn for digital lending companies[29].

With more people embracing digital financial services and alternative credit models, the future of alternative lending in India is poised for robust expansion, addressing critical gaps in access to finance.

28. https://www.globenewswire.com/news-release/2026/01/05/3212542/0/en/India-Alternative-Lending-Market-Report-2025-350-Fintechs-Compete-as-Platform-Embedding-Capital-Partnerships-and-Digital-First-Players-Like-KreditBee-and-Navi-Drive-Consolidation.html
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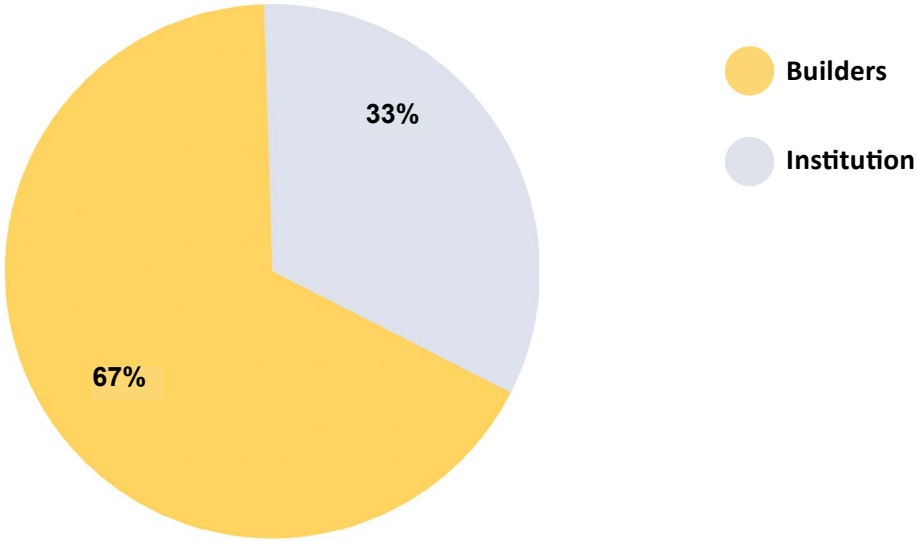
Research Methodology

Primary Research

In-depth interviews conducted with 30 industry experts representing both institutions as well as builders of B2B SaaS solutions.

The analysis presented in this report are derived from insights gleaned through primary interactions.

In-depth secondary research on industry landscape and players.



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Notes


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