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Bridging India's Credit Gap: Fintech's Inclusive Mission through Bank Partnerships

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Abstract: *The present study adopted a structured questionnaire addressed to the founders of fintech companies. A rigorous multivariate regression analysis was conducted to evaluate the impact of key predictors on fintech profitability based on the responses collected. Findings indicated that while an initial rural presence may negatively affect profit margins, strategic cost reduction and financial inclusion initiatives contributed to long-term profitability of fintech companies. It was further observed that fintechs can leverage economies of scale to deepen their rural penetration, thereby offsetting early losses through volume-driven growth. The present study emphasized the collaboration between banks and fintech firms as a transformative force for enhancing financial inclusion and bridging India's credit gap by expanding access to financial services in remote areas. The findings highlight that such partnerships are strategically positioned to drive both sustainable financial inclusion and the profitability of fintech enterprises.*

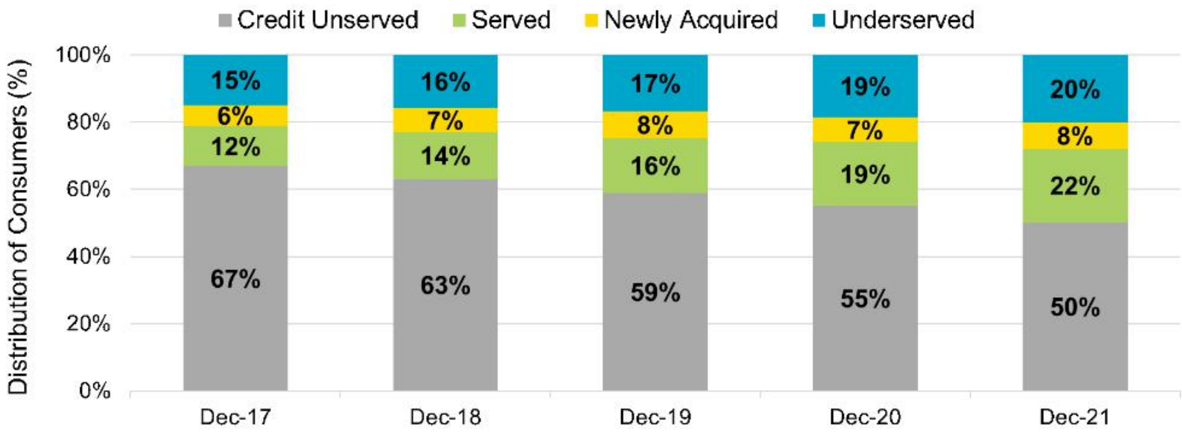
Key Words: *Financial Inclusion, Fintechs, Economies of Scale, Profit Margin, Cost Reduction.*

1. INTRODUCTION:

In the digital age, smartphones are indispensable, but their high costs create barriers, especially for those with limited incomes. Device Financing, particularly through the Equated Monthly Instalment (EMI) model, offers a solution, making these devices accessible even to those on tight budgets. EMI not only bridges the affordability gap but also empowers individuals economically, by democratizing access to even the basic smartphones, particularly for those with limited incomes. Beyond mere device ownership, it becomes a tool for improving credit scores, opening avenues for individuals to access a broader spectrum of financial products and services, serving as a stepping stone to financial inclusion (Swapnil Shete, 2022).

According to a recent report from TransUnion CIBIL, India's leading credit information company renowned for its extensive consumer information database, credit is not easily accessible. This inquiry delved into the experiences of rural entrepreneurs, small business owners, and artisans, shedding light on their shared aspirations amidst financial constraints. Upon further examination, a stark reality emerged - 70% of Indians experienced a significant credit deficit, as shown in Figure 1 below, placing them on the outskirts of the formal credit system (TransUnion CIBIL, 2022). This financial disparity perpetuated a cycle of dependency on high-interest money lenders, accentuating vulnerabilities.

It became imperative, particularly in a digital-centric post COVID era, to own a digital device such as a smartphone, a laptop, or a tablet. Fintechs, in response to this evolving necessity and the prevailing credit gap, embarked on a transformative mission, with inclusivity at its core, democratizing credit access, catalysing community development, and empowering grassroots entrepreneurship. Fintechs streamlined lending processes, humanized credit experience, and fostered dignity among borrowers by leveraging technology and empathy. As smartphones symbolized connectivity and modernity, Fintech epitomized inclusivity, empowerment, and sustainable development. This shows a way forward to a future in India where innovation, access, and empathy come together, creating a fair, inclusive, and successful nation for everyone.



Source: (TransUnion CIBIL, 2022)

Figure 1: Credit Eligibility Population Distribution in India

Traditionally, individuals in extreme poverty have faced challenges in accessing commercial credit. However, economists argue that commercial credit plays a pivotal role in any market economy. In the United States, access to credit has empowered even those with modest incomes to afford significant investments such as homes, vehicles, and education (Prahalad & Hart, 2002).

2. LITERATURE REVIEW:

India is at a critical juncture where its rapidly growing economy contrasts with significant financial inequalities. Recent statistics highlight that a substantial portion of India's population remains excluded from the formal financial system. This exclusion exacerbates socio-economic inequalities, hindering overall national development. Fintech companies are changing this by using new technology to make banking available to everyone. They are using digital platforms to reach areas that don't have many services, giving solutions that fit the specific needs of people who are usually left behind

2.1 Fintech and Financial Inclusion: Existing literature highlights the pivotal role of fintech in enhancing financial inclusion. Empirical studies reveal that fintech platforms facilitate seamless access to credit, savings, insurance, and investment opportunities, thereby empowering individuals, and communities to navigate financial landscapes effectively.

Narayan et al., (2018), explored the challenges of rural entrepreneurs, who often resort to high-interest loans from money lenders due to the scarcity of affordable financial options, while concurrently, the digital lending market in India experienced substantial growth, increasing from $33 billion in the financial year 2014-15 to a projected $350 billion by 2023 (Kumar Gupta, 2023).

2.2 Digital Evolution and Modern Banking: Digital revolution have revamped banking. Fintech platforms, like mobile banking and digital payments, boost efficiency and accessibility. Digital banks now provide full services online, replacing traditional branches. Post-COVID, banks invest heavily in digital upgrades for better customer experiences. The industry shifts focus from product-centric to customer-centric needs, leading to innovative models like embedded finance and digital banks. As elucidated by Sardana & Singhania, (2018), digital technology has transformed banking practices, resulting in the emergence of digital banking services such as ATMs, debit cards, and mobile payments. This transformative shift has generated global opportunities. In light of heightened competition, banks are actively adopting new digital models to provide unique value to their customers.

One remarkable step that made financial inclusion easy and credible in India has been the JAM trinity [(Jan Dhan Yojana (J), Aadhaar (A), and Mobile (M)], particularly the linking of Aadhaar and mobile numbers to Jan Dhan accounts. This has significantly eased and legitimized financial inclusion, playing a crucial role in enhancing credit accessibility, especially during the COVID-19 pandemic, and contributing to the empowerment of women and rural communities (Kandpal et al., 2023)

2.3 Digital Lending: Digital lending allows individuals to access loans online via devices like laptops or smartphones, eliminating the need for in-person visits to physical branches. In India, the advancement of digital lending is bolstered by initiatives such as the **JAM** Trinity [(Jan Dhan Yojana (**J**), Aadhaar (**A**), and Mobile (**M**)], India Stack, Video KYC, robust internet connectivity, product innovations, open banking, and a commitment to financial inclusion. A digital strategy in lending implies minimal human involvement or interventions, emphasizing self-service In the Digital Lending Ecosystem, Balance Sheet Lenders bear the credit risk and provide lending capital, while Marketplace Lenders facilitate and transfer the credit risk to Balance Sheet Lenders. Entities connecting Balance Sheet Lenders with markets through digital platforms, if non-regulated, fall under the category of lending service providers but cannot assume credit risk. The role of First Loss Deduction Guarantee (FLDG) becomes relevant when Marketplace Lenders transfer their risk to the Balance Sheet Lenders for loans sourced through them.

2.4 Challenges in Digital Lending: Digital lending platforms grapple with myriad challenges, despite the transformative potential. Regulatory complexities, technological constraints, data security concerns, and operational inefficiencies pose significant barriers, necessitating innovative solutions and robust frameworks to mitigate risks and optimize outcomes.

Using digital lending platforms can be quick and easy, but it comes with risks like pushy marketing and fraud. Lenders should give time for reconsideration, communicate clearly, and prevent over-indebtedness to protect borrowers. This involves not penalizing early defaulters and having "resting" periods for small loans. Transparency is vital, and well-designed interfaces help. Lenders should pass on cost savings, treat customers fairly, review algorithms for biases, obtain consent for data use, and conduct thorough data security audits. Effective complaint resolution systems, including direct communication, should also be in place (Stewart et al., 2018).

2.5 Business Models and Revenue Model: The study by Moro-Visconti et al., (2020) shed light on how traditional banks and FinTech firms did business differently, as elucidated in Table 1 below:

Table 1: Comparative Analysis of Financial Structures: Traditional Banks vs. Fintechs

S.No.	Parameter	Traditional Banks	Fintechs
1)	Balance Sheet	Banks have a structured balance sheet with capital, deposits, and loans. Capital and deposits are liabilities, while loans to customers are assets.	Fintechs have a lighter balance sheet, mainly consisting of net working capital (receivables minus payables) and some tangible and intangible assets. Their liabilities include equity and financial debt.
2)	Cash Flow & Income Statement	They make money from interest and commissions, but low interest rates and past economic problems have squeezed their profits. Banks face challenges from economic issues like loan defaults, impacting their cash flow.	Fintechs generate revenue from services. As Fintechs provide innovative financial services and leverage technology, they can maintain a more consistent and adaptable cash flow, not as susceptible to economic downturns affecting traditional banking
3)	Business Model	Banks have a structured business model focusing on traditional banking services like loans and deposits. Banks need a lot of both labour and capital because their business model relies heavily on physical branches and involves extensive compliance requirements, which demand significant resources.	Fintechs operate with a more technology-driven model, exploring applications like RegTech, InsurTech, and PropTech. FinTechs are not heavily regulated like banks because they offer financial services without dealing with deposits or acting as intermediaries for money products, so they don't require supervisory capital.
4)	Revenue Model	Banks generate revenue primarily through interest rate differentials and commissions.	Fintechs earn revenue from services, emphasizing a more scalable model.
5)	Scalability	Banks find it challenging to scale up profits unless loan volumes consistently increase, which is highly risky.	Fintechs exhibit a scalable business model, leveraging synergistic technologies and products, such as blockchain, AI, and digital platforms.

Both face challenges, but banks deal with economic factors, while Fintechs navigate risks from tech investments. The study provides valuable insights into how these differences impact their sustainability. This study aimed to obtain first-hand insights from fintech company founders on how collaboration with banks has facilitated financial inclusion, and to assess its impact on the fintech companies' profitability and cost reduction strategies.

3. RESEARCH METHODOLOGY:

A mixed-methods approach incorporating qualitative and quantitative research methodologies was employed. Primary data collection methods included questionnaire, while secondary data sources encompassed literature reviews and database analysis. A structured questionnaire was developed to gather primary data from fintech companies operating in India. The collected data was analysed to extract meaningful insights and perspectives from industry practitioners. Data analysis was conducted using a combination of qualitative and quantitative analytical tools and software, including thematic analysis, inferential statistics, and data visualization techniques

4. RESULTS & FINDINGS:

Given below are the findings of the responses from the Fintech Companies through the questionnaire method:

4.1 **Geographical Presence:** The fintech companies, represented by the six respondents, demonstrated a widespread geographical footprint across India. Their operations spanned diverse regions, encompassing both urban and rural areas, reflecting a comprehensive outreach strategy to promote financial inclusion. The fintech companies maintained a national presence, covering various regions, states, and territories across India. The primary target income segment for clients in rural areas is largely the income bracket ranging from ₹2,50,000 to ₹5,00,000 per annum. The primary determinant guiding the selection of cities for financial inclusion initiatives is the realization of economies of scale, highlighted by the presence of a large population size. Additionally, the focus on cities is also influenced by considerations of economic development and infrastructure, emphasizing the importance of robust foundational facilities.

4.2 **Loan Products Offered:** The fintech companies offered a diverse range of loan products to cater to various financial needs and sectors. Based on the responses received, the following loan products were prominently featured - Personal Loan (PL), Gold Loans, Agri Supply Chain Financing, Dairy Loan and Cattle Insurance, Home Loan (HL) and Loan Against Property (LAP)

4.3 **Collaboration Strategy:** Fintechs as Business Correspondent (BC) indicated varying degrees of involvement and partnerships between fintech companies and banks/NBFCs for the Business Correspondent (BC) business model. A significant proportion, accounting for 33% of the respondents, have been directly appointed by banks or NBFCs, highlighting a direct and collaborative relationship with financial institutions. The fintech companies forged strategic partnerships with multiple banks, including ICICI Bank, Fincare Small Finance Bank, Axis Bank, Jana Small Finance Bank, and AU Small Finance Bank Ltd, for their Business Correspondent operations highlighting their collaborative efforts and partnerships in the financial sector.

4.4 **Accessibility to Financial Products & Services**: Half of the fintech companies facilitated access to banking and ATM services through user-friendly mobile banking applications provided by banks. This digital approach enhanced convenience and accessibility, enabling farmers to conduct transactions and access services remotely. A significant proportion, constituting 33% of the responses, indicated that fintech companies assisted their customers by coordinating visits to physical bank branches located in their local areas. This traditional yet effective method ensures direct interaction with banking personnel and services.

4.5 **Funding Strategy:** Fintech entities primarily raised funds through external sources like angel investors, venture capital, and private equity, supplemented by debt financing from banks and financial institutions. Notably, there was no reported utilization of the "Cockroach" method or grants among the respondents. Fintech companies employed varied strategies for utilizing raised funds, with significant emphasis on product/service expansion, marketing activities, research & development, and strengthening operational infrastructure, reflecting diverse growth priorities and strategic initiatives within the sector. To secure funds and navigate the funding winter successfully, a notable number of fintech companies prioritized genuine value creation and actively sought strategic partnerships to secure funds, fostering collaboration, innovation, and mutual growth amidst challenging market dynamics.

4.6 **Valuation & Value Creation**: In response to what the term "valuation" indicated for the fintech companies 50% of the responses identified "valuation" for the fintech companies as the estimated worth of the company based on various factors, while the remaining 50% associated it with the total revenue generated by the fintech company. Notably, none of the responses linked valuation to the number of customers using the fintech services or the amount of external funding received by the company. The predominant factor that significantly contributed to the valuation of the fintech companies, as indicated by the responses, is the innovation and uniqueness of their products or services. The responses also indicated that, for the surveyed fintech companies, the pursuit of rapid unicorn status did not affect the accuracy of valuation. The value proposition of the fintech company was multifaceted, encompassing attributes such as customer-centricity, scalability, and inclusivity. The fintech companies exemplified comprehensive service excellence and financial accessibility by offering doorstep loans in rural areas, timely working capital solutions, and tailored services to customers, which were often overlooked by traditional banks and NBFCs.

4.7 **Business Model:** The predominant business model adopted by the fintechs revolved around the Business-to-Business-to-Consumer (B2B2C) framework. Regarding the digital lending model, the fintechs placed considerable reliance on collaborative partnerships. The findings from the fintech companies indicated varied strategies and priorities in balancing the pursuit of achieving unicorn status while maintaining a sustainable, value-driven business model. Responses emphasized market-dependent approaches, prioritizing customer-centricity, and revenue generation as primary pursuits, focusing on portfolio management, striving for sustainable and profitable business growth, emphasizing growth-oriented strategies, and ensuring equitable valuation practices.

4.8 Revenue Model: Revenue sources predominantly emphasized interest income, constituting more than 50% of the primary income streams for the fintech companies in question. When addressing the distribution of profits, a consistent approach was observed: allocating less than 20% for dividends while directing more than 80% towards reinvestment in the business. This strategic allocation emphasized a prioritization of business growth and development over immediate shareholder payouts, reflecting a long-term vision and commitment to scalability and innovation within the fintech sector.

4.9 Financial Performance: The fintech companies provided insights into their financial performance with the following details: The average customer acquisition cost remained below ₹500 across all respondents. External investors generally held less than 20% ownership in most companies, although one company indicated external ownership between the range of 21% to 50%. Capital structures predominantly leaned towards an equity-heavy composition, with percentages exceeding 60% equity, though one company maintains a balanced mix of debt and equity ranging from 40% to 60% debt. In terms of average profit margins for financial products and services, figures consistently fell between 6% and 15%. Most fintech companies showcased moderate financial stability, evidenced by current ratios ranging between 1.5 and 2 coupled with positive net profit margins. Key financial benchmarks signalling successful market penetration and growth included year-over-year revenue growth surpassing 20% and expansion into a minimum of three new geographical areas within the fiscal year.

4.10 Financial Inclusion: A multivariate regression analysis was undertaken to gain insights about the financial inclusion strategies employed by fintech companies. In this analysis, the dependent variable — the average profit margin—was systematically regressed against several key predictors. These predictors or the independent variables encompassed the bottom-of-the-pyramid population in rural areas, the magnitude of cost reduction, and the scope of financial inclusion. The primary aim of this analysis was to ascertain the extent to which variations in these predictors influenced the average profit margin.

Table 2: Regression Analysis Summary and Analysis of Variance (ANOVA)

Regression Statistics			ANOVA	
Multiple R	0.9956		F	74.7137
R Square	0.9912		Significant F	0.0132
Adjusted R Square	0.9779			

Table 2 provides an overview of regression statistics and ANOVA results, highlighting the analytical insights gained from our study. The regression model demonstrated a robust explanatory power, yielded a Multiple R value of 0.996, indicating a strong linear relationship between the dependent and independent variables. The R-squared value observed at 0.991 suggests that a significant portion (approximately 99.1%) of the variability in the Average Profit Margin could be explained by the chosen predictors. The F-statistic, with a value of 74.71 and a significance level *(p-value)* of 0.0132, stressed the model's overall statistical significance. This implies that the combined effect of the predictors on the Average Profit Margin is statistically significant.

Table 3: Regression Coefficients for Predictors Impacting Average Profit Margin

Metric	Coefficient	Standard Error	*t-value*	*p-value*
Bottom-of-the-pyramid population in rural areas	-0.2943	0.0247	-11.8960	0.0070
Cost Reduction	0.5731	0.0483	11.8572	0.0070
Financial Inclusion	0.2146	0.0179	12.0013	0.0069

Table 3 explores the impact of key factors on profit margins through regression coefficients. The implication of these results are discussed below:

- **Bottom-of-the-pyramid population in rural areas**: This variable is negatively associated with the average profit margin, with a coefficient of -0.294. The negative sign indicated that as the bottom-of-the-pyramid population in rural areas increases, the average profit margin tended to decrease. This relationship was statistically significant given the *t-value* of -11.8960 and a *p-value* of 0.0070. At first glance, this might raise concerns about the viability of catering to rural communities with limited financial resources. However, while the short-term implications indicated a potential decrease in profitability due to serving economically disadvantaged communities, a broader strategic vision suggested a different trajectory. Over the long run, the principle of economies of scale comes into play. As fintech companies penetrate deeper into rural areas and establish a robust customer base, the initial losses incurred could be offset by volume-driven revenues. Moreover, by offering tailored financial products and services that cater to the unique needs of this demographic, fintech firms can cultivate customer loyalty and enhance brand reputation. Thus, while the bottom-of-the-pyramid may present immediate challenges, it also offers untapped opportunities for sustainable growth and social impact.

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- **Cost Reduction**: An increase in Cost Reduction was associated with a predicted increase of about 0.573 units in the average profit, providing a beacon of hope for fintech companies striving for enhanced profitability. This relationship was statistically significant, as evidenced by the *t-value* of 11.8572 and a *p-value* of 0.0070. Fintech firms could not only boost their profit margins but also deliver greater value to customers by leveraging technology, streamlining processes, and negotiating favourable partnerships This symbiotic relationship fostered a win-win scenario, wherein cost reduction strategies propelled profitability while enhancing customer satisfaction and retention.
- **Financial Inclusion**: As fintech companies expanded their reach and facilitated greater access to financial services, each percentage increase in Financial Inclusion translated to a predicted rise of approximately 0.215 units in average profit. The statistical significance was confirmed by the *t*-value of 12.0013 and a *p*-value of 0.0069. This positive association reaffirmed the transformative power of inclusive finance in driving economic growth, reducing inequalities, and fostering innovation. Fintech firms could catalyse a virtuous cycle of prosperity that benefitted individuals, communities, and economies at large by championing financial literacy, expanding access to credit, and promoting equitable opportunities.

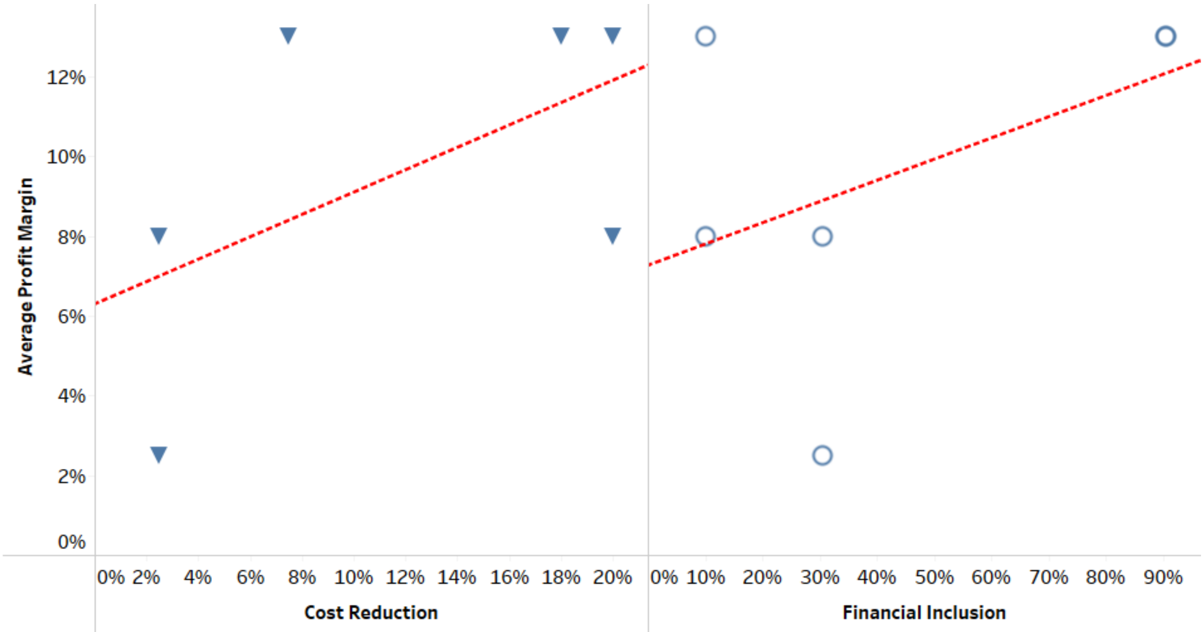

Figure 2: Scatter Plot: Visualizing the Impact of Cost Reduction and Financial Inclusion on Average Profit Margin

The scatter plot shown in Figure 2 illustrates a positive linear relationship between the average profit margin (dependent variable) and the independent variables of cost reduction and financial inclusion.

The Deloitte report (Deloitte Development LLC, 2017) outlined Kshetriya Gramin Financial Services' (KGFS) business model and strategies for serving the bottom of the pyramid (BOP) population. KGFS focused on a "Pay Per Use" business model, tailoring its offerings for microloans, savings, and insurance. Utilizing a digital wealth management delivery approach, KGFS employed technology for authentication, customer acquisition, underwriting, and transaction execution. Funding came from equity and debt capital, with contributions from strategic investors like Accion, LeapFrog, Proparco, and Sarva Capital. Revenue for KGFS was derived from interest on loans, premiums, and fees related to liability products. The business model incorporated a unique approach of hiring and upskilling advisers, collaborating as a business within a business with IFMR subsidiaries, and adopting product segmentation to enhance customer satisfaction and financial inclusion. KGFS's strategic focus on cost reduction and financial inclusion efforts positively influenced average profit margins, despite short-term impacts on profit margins in rural areas.

The challenge in the field of for-profit enterprises targeting the Bottom of the Pyramid (BOP) lay in determining the extent to which these businesses could penetrate deeper into the BOP while maintaining profitability, financial sustainability, and scalability. Unlike traditional development projects reliant on grants, these enterprises aimed for sustainability and growth by generating revenues from BOP customers. This shift towards for-profit models demonstrated the potential for scalability and long-term impact in addressing the needs of the underserved population, aligning with the goals of sustainable development.

4.11 Risk Mitigants:

Fintech companies showed varied experiences with the First Loss Default Guarantee (FLDG) for Non-Performing Assets (NPA). Some used FLDG, others did not have to utilise it due to low NPAs. Most fintechs made credit shield insurance mandatory for loans, providing protection if a borrower passes away. They generally used a standardized credit assessment process as per lender guidelines, with many using both CIBIL scores and their own data-driven methods for credit evaluation.

4.12 Technology: The responses from fintech companies offered insights into the specific financial technologies utilized to enhance financial inclusion in rural areas, particularly focusing on loan disbursement mechanisms and platforms tailored for individuals. Most fintech companies prioritized automated loan approval algorithms as the key technology for enhancing financial inclusion in rural areas, utilizing algorithmic assessments alongside a hybrid digital and in-person application process. Furthermore, a notable emphasis was placed on utilizing Application Programming Interfaces (APIs) to establish connections between individuals and financial institutions, facilitating seamless access to formal financial services. It was also noticed that majority of the Fintech Companies in our study did not have in-house Loan Origination System (LOS) / Loan Management System (LMS) Applications and these critical lending applications were outsourced.

4.13 Socio-Economic Impact: Fintech companies operating in rural areas have significantly influenced socio-economic dynamics, notably through the generation of job opportunities ranging from less than 50 to over 200 new positions. Their endeavours particularly benefited rural youth by focusing on education, job creation, healthcare, and social inclusion, thereby aiming to harness the "Demographic Dividend." A salient strategy employed to address wealth disparity involved the creation of employment opportunities. Concurrently, collaboration among governmental bodies, societal entities, and institutions amplified these efforts. Additionally, key initiatives such as providing financial assistance to low-income families and offering education and skill development opportunities to disadvantaged communities played pivotal roles in narrowing wealth gaps within rural contexts.

5. CONCLUSION :

The intricate interplay between demographic variables, cost reduction strategies, and financial inclusion initiatives unveiled a multifaceted landscape that fintech companies had to navigate with foresight and adaptability. Though the bottom-of-the-pyramid population in rural areas might present short-term challenges, the long-term benefits derived from economies of scale, customer loyalty, and social impact outweighed the initial hurdles. Fintech firms can unlock unprecedented growth opportunities, cultivate resilient business models, and forge meaningful connections with diverse stakeholders by embracing cost reduction measures and prioritizing financial inclusion. In summary, while a higher presence of the bottom-of-the-pyramid population in rural areas might negatively impact profit margins, both cost reduction strategies and financial inclusion efforts appeared to have a positive influence on the average profit margin for the fintech company.

6. LIMITATIONS:

Despite limited responses, the research gains credibility from representative samples of diverse fintech perspectives. However, potential biases and the study's focused scope may impact generalization, and external market dynamics could influence the fintech industry's sustainability. The following are the limitations of this study:

1. **Geographical Representation and Scope:** The study's focus on specific aspects of the fintech industry, such as rural expansion, cost efficiency, collaborative partnerships, regulatory compliance, and ethical revenue models, may limit its generalizability to broader financial services sectors or industries within India.
2. **Response Bias and Subjectivity:** Potential biases, subjective perceptions, and strategic interests within fintech companies may influence the responses collected, thereby impacting the objectivity and comprehensiveness of the data analysed.
3. **External Factors and Market Dynamics:** The research may not fully account for external factors and market dynamics, including regulatory changes, technological advancements, economic fluctuations, and competitive pressures, which could significantly influence the fintech industry's evolution and sustainability over time.

7. RECOMMENDATIONS:

This section offers recommendations and suggestions of the evolution of digital lending fintech companies in Indian markets.

Fintech's impressive shift to 100% digital collection will highlight a robust adaptation to digital payment trends. The prolonged waiting times characteristic of traditional banking interactions are alleviated, as the partnership between the banks and fintechs facilitates the adoption of digital channels and mobile banking applications. The proliferation of affordable smartphones renders these digital platforms accessible to a wider customer base. Accessing credit from the formal financial system not only enhances customers' financial literacy but also shields them from exploitation by unscrupulous moneylenders in rural areas, who often impose exorbitant rates.

More focus was laid on Medium Enterprises (MSMEs) to carve out niche in the digital lending segment and take the advantage of this untapped opportunity for financial inclusion. A substantial percentage of the Indian population, particularly the youthful demographic with a median age of 28 years, resides in rural areas, it is crucial to extend Fintech's solutions to these regions. By engaging with the youths in the rural areas, fintechs not only contributes to skill development of the youths and including them in the formal financial system, but they stand to gain by tapping into a cost-effective labour pool. This approach fosters a win-win scenario, enhancing the profitability of fintech's enterprise, while creating significant value for the rural economies.

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