

THE BUSINESS OF FINTECH THE BUSINESS OF THE BU

INDIA A MINITHESIS

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燃 ABOUT US

<u>Eximius Ventures</u> is a dedicated **pre-seed fund** offering smart capital with deep knowledge. As a **sector-differentiated** fund, we invest around \$500k in the pre-product/early traction stage, employing a **thesis-driven approach** across **FinTech, Consumer Tech & Al/SaaS.**

We strive to support exceptional operators in building groundbreaking solutions for India. A substantial portion of our fund is reserved for follow-on rounds, showcasing our long-term support. Recognising the need for agility in the dynamic startup ecosystem, we've established an efficient and transparent decision-making process, ensuring founders receive capital without unnecessary delays.

Beyond capital infusion, our Eximius Edge Platform extends comprehensive support to founders.









Follow-on Investment

We aim to identify and back exceptional founders leveraging the strong demographic dividend of India to build from India to the world, helping them with a unique value-add.

Our Value-adds



Founder Centric Approach



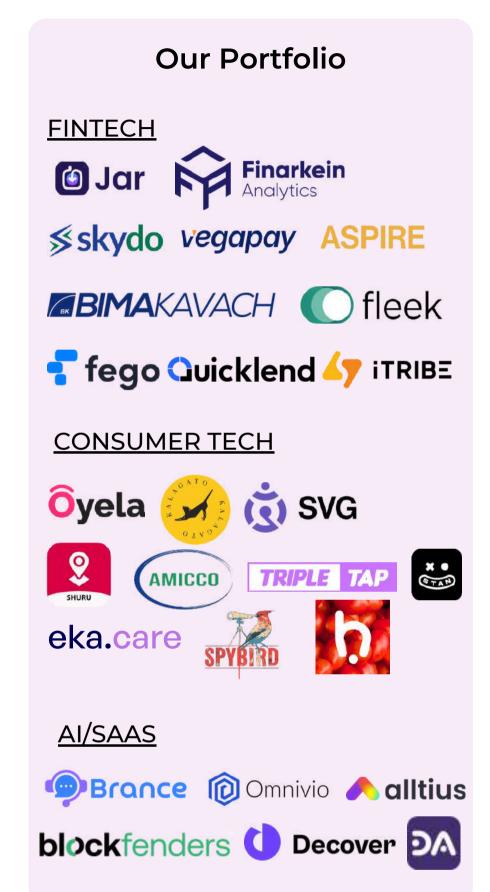
Speed of Decision and Execution



Sector-specific Knowledge and Expertise



Functional
Support for
Business



Strong Brand Presence, But With Value-add

70,000+

LinkedIn Followers

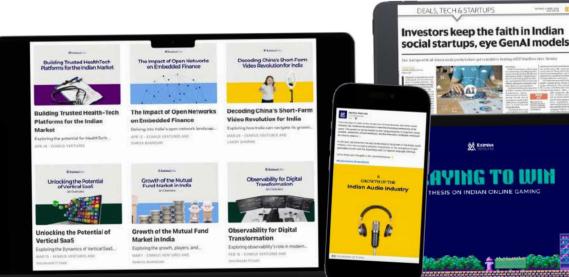


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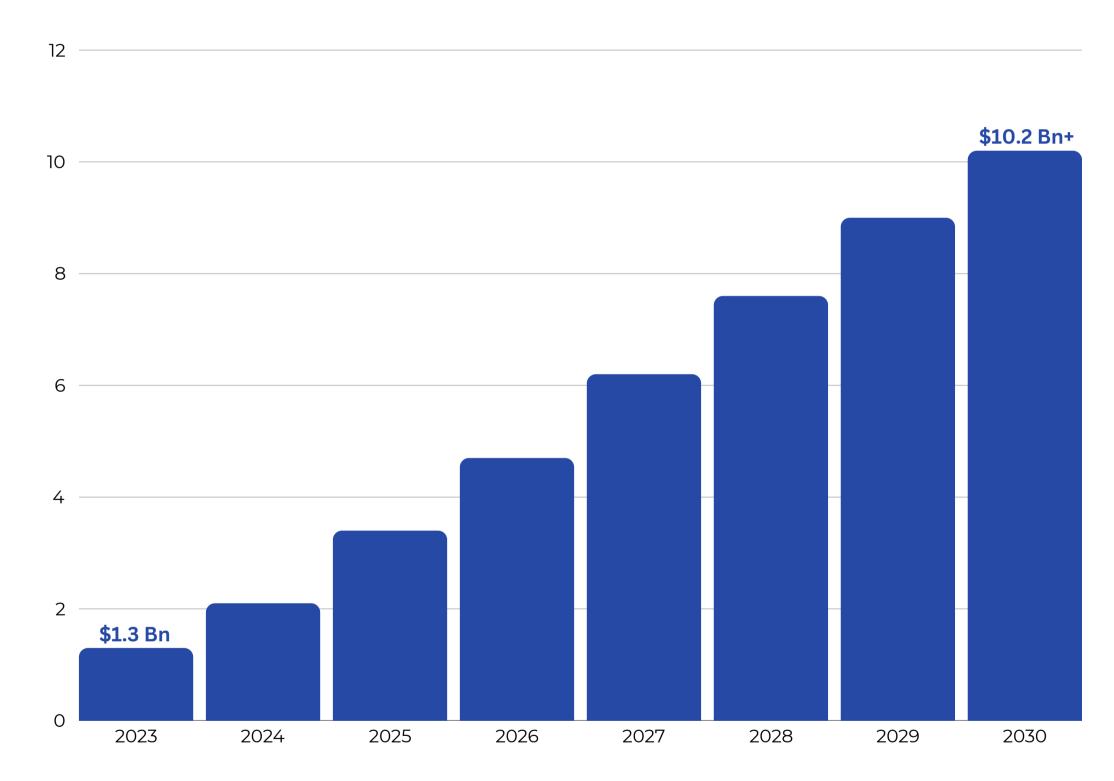
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OVERVIEW OF THE FINTECH INFRASTRUCTURE SPACE IN INDIA

FinTech infrastructure is one of the fastest-growing sub-segments within India's broader financial services market. As banks modernize their tech stacks and regulators push for IT resilience, the sector is undergoing a structural transformation, across onboarding, lending, payments, and core banking. With over \$3.3Bn in funding, 400+ active companies, and expanding global relevance, the market is projected to grow nearly 8x in the next decade.





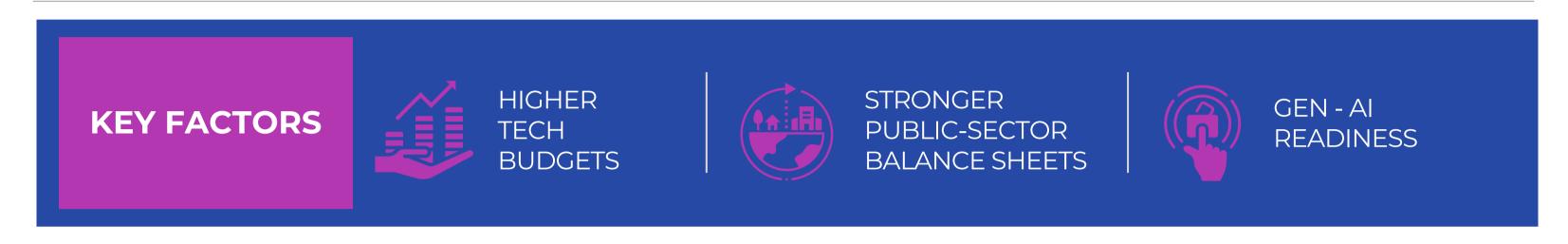
Indian FinTech Infrastructure Market Size (\$Bn) + Projected Growth (2023–2030)



OVERVIEW OF THE FINTECH INFRASTRUCTURE SPACE IN INDIA

India's FinTech infrastructure is witnessing a structural shift, driven by rising tech budgets, regulatory urgency, and an ecosystem-wide demand for real-time, modular systems.

From onboarding to lending, core banking to cross-border payments, infrastructure is becoming the backbone of India's digital BFSI evolution.



GROWTH DRIVERS

Macroeconomic Factors:

- BFSI IT spend: \$13.2Bn in FY24, to \$15Bn expected by FY25
- Private banks contribute > 50% of fintech infra spend despite holding ~ 35 40% of total assets
- Core systems overdue for replacement across both private and public institutions
- Increasing regulatory concerns around infra readiness and privacy/data protection laws

Local Special Circumstances:

- Tier 2/3 markets are becoming major drivers of growth
- India's banking base is massive 90%+ of adults have a bank account. Without tech, servicing them at scale is a challenge

Customer Preferences:

- Instant onboarding, seamless payments, and personalised credit experiences
- Demand for invisible infra fast, frictionless, and secure



BFSI infra upgrade cycles are accelerating due to regulation, competition, and digital expectations.

Banks are more open to external infra partners (e.g., onboarding, lending, payments) vs. legacy in-house builds.

Indian infra models are now being scaled to emerging markets (SEA, Africa, LatAm), especially in lending & onboarding.

WHAT POPULAR TRENDS ARE HERE TO STAY?

Banks Scaling Tech Budgets **GenAl Driving BFSI Automation**

Tier 2/3 Penetration:
Untapped, high-growth
zones

Infra Diversification by Startups

Legacy Replacement Cycle Phygital GTM Becomes

Mainstream



WHAT YOU NEED TO KNOW

FinTech-Specific Tailwinds

- 90%+ banked population creates infra demand for verification, onboarding, and lending
- Digital payments volume surged from \$300Bn in FY18 to \$3.6T in FY24
- Cross-border corridor integrations (Japan, UAE, etc.) are driving PayTech demand
- Account Aggregators + Open Banking improving data access across verticals

Category Penetration

- Single-digit penetration still in credit cards, wealth management, insurance
- BFSI remains one of the least disrupted yet most capital-rich sectors







Overview:



The earliest solved wedge in FinTech Infra. Infra players offer document parsing, real-time verification, liveness checks, and open banking integrations. Now expanding into GenAl-powered onboarding and fraud prevention.

Offerings & Tailwinds:



- Document verification APIs
- Voice & video bots for onboarding
- Al fraud detection using open banking data
- Use cases expanding to hiring, e-commerce, agri stack
- RBI's tightening of KYC/AML compliance
- Adoption of video-KYC, AI-based paperless journeys

Challenges:



- Highly commoditised space
- Tier 3/4 onboarding still manual (e.g., voter ID, JLG lending)
- Low differentiation; global peers like Plaid/Yapily also struggling
- Banks may build in-house post-vendor pilot

FUNDING OVERVIEW

\$118Mn+ raised in total

Highlights:

- IDfy (\$56M)
- Karza (Acq. by Perfios)
- Authbridge (\$11M)
- Signzy (\$40M)
- HyperVerge
- Decentro
- Finarkein

- GenAI-powered video bots that assess linguistic cues
- Microfinance-specific onboarding stacks
- Real-time fraud detection & anomaly prediction
- Agri Stack integrations (e.g., crop registry, farmer ID), secured asset/loan onboarding still partially solved. SME/MSME segments could see disruption with a new stack



SECTOR SNAPSHOT: LENDING INFRA





Overview:



Digital lending will contribute 53% of India's FinTech revenue by 2030, growing to \$720Bn.

Infra spans origination, underwriting, disbursement, collections, fraud, and compliance.

Offerings & Tailwinds:



- AI/ML underwriting & credit modelling
- Agentic voice bots for collection outreach
- Embedded lending via consumer/B2B apps
- NTC (new-to-credit) borrowers through alternative data
- SCF infra and rising Tier 2/3 lending adoption
- Phygital GTM building trust + scale in semi-urban India

Challenges:



- Rising NPAs in unsecured lending
- Larger NBFCs/banks starting to build LOS/LMS in-house (e.g., Sahayya Finserv)
- Few breakout winners despite \$800Mn+ invested
- Collections infra still under-penetrated

FUNDING OVERVIEW

\$800Mn+ raised in total

Highlights:

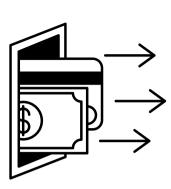
- Lentra (\$104M)
- Credgenics (\$79M)
- Veefin
- Finezza
- Spocto X (Yubi)
- Finarkein

- Vertical-specific infra (e.g., education lending, healthcare, MSME)
- No-code LOS tools for small NBFCs
- Al agent stacks for NPA prediction + legal workflows
- Lending infra exportable to SEA, Africa, LatAm
- Secured lending stack for different assets



SECTOR SNAPSHOT: PAYMENTS INFRA





Overview:



India's most mature infra stack, spanning UPI, QR, PGs, card systems, fraud prevention, and PaaS.

Now evolving toward cross-border corridors, CBDC rails, and credit on UPI.

Offerings & Tailwinds:



- 40% of payments now digital
- UPI credit line pilots, real-time settlement
- CBDC pilots underway
- Smart routing & embedded payment platforms (POS, app-layer)
- Gen-Z and Tier 2+ city usage fuelling credit card growth
- Rise of white-label payment infra & reward-led platforms

Challenges:



- Thin MDRs on UPI (0%), i.e. margin pressure
- Debit card usage falling (YoY drop of 33%)
- Fraud types evolving faster than infra solutions
- Decline in debit + wallet ecosystem consolidation

FUNDING OVERVIEW

\$11.8Bn+ raised in total

Highlights:

- M2P (\$184M)
- Zeta (\$340M)
- Falcon
- FidyPay
- Vegapay

- Escrow & smart contract infra for gig/freelance economy
- B2B payment infra with embedded finance + cashflow management
- Stablecoin & CBDC-backed cross-border rails
- Payments infra for ONDC merchants/MSMEs



SECTOR SNAPSHOT: BAAS & CORE INFRA



Overview:



The next wave of disruption. From API banking stacks to full-suite CBS replacements. Infra players here aim to unify fragmented systems into modular plug-and-play layers for banks, NBFCs, and neo-fintechs.

Offerings & Tailwinds:



- Modular APIs for onboarding, cards, loans, and account infra
- Banks open to external vendors for infra overhaul
- Core Banking Systems (CBS) up for replacement
- Fls now seeking unified infra for scalability & compliance
- GenAl-powered orchestration tools on the rise

Challenges:



- Deep integration timelines
- Banks prefer long-term SLAs and tiered adoption
- Dominated by legacy players (Finacle, TCS BaNCS, Mambu)
- Commercials slow to improve post-POC
- High compliance requirements pose a challenge for startups

FUNDING OVERVIEW

Acquisitions:

- Zeta
- Fyndna
- Decentro
- Finbox
- M2P (via acquisitions like Goals101, Finflux, Turing)

Zeta - INR 893 Cr revenue, INR 119 Cr PAT (but HDFC-heavy)

- GenAI-native CBS built ground-up for modern Indian banking
- Wealth stack + Equity / trading integration
- Unified backend stack for onboarding + lending + KYC
- Al-driven orchestration layers that integrate CRM + CBS + Risk
- Exportable low-latency infra to SEA, Middle East, Africa



MARKET PERCEPTION: VC FEEDBACK ON THE INDUSTRY

VC INVESTMENT SENTIMENT

- Long sales cycles make growth slow, but once integrated, infra players enjoy high retention.
- Banks are now more open to vendor partnerships, especially with proven tech maturity.
- An edge in selling to regulated entities is essential.

RISKS & RED FLAGS

- Commoditisation risk: Open banking infra & Al reducing tech moat lifespan.
- High risk of duplication: Banks often rebuild in-house after trying third-party tools.
- Late-stage funding slowdown across FinTech infra globally.
- Revenue growth in India faces a structural cap.

FUNDING & VALUATION TRENDS

- Infra funding shifting to mature teams with deeper GTM muscle and global ambitions.
- Valuation multiples are falling: 16x (FY22) to 10x (FY24), expected to stabilise around 5 8x, aligning with broader SaaS benchmarks.
- Many players are pursuing inorganic growth via M&A to unlock revenue adjacencies.

DURABILITY & LOCK-IN

- Despite challenges, few sectors offer this level of customer stickiness, regulatory durability, and TAM expansion.
- Infra companies embedded within BFSI stacks enjoy decades-long relevance if execution is strong.
- The DPDP Act and increasing pressure for robust tech are pushing adoption.

ONBOARDING & KYC: GOING BEYOND DOCUMENT PARSING

Current Scenario: Most infra players offer document verification, OCR, and liveness detection integrated with Account Aggregator data. However, the space is increasingly commoditised and centered around BFSI use cases.

Need of the hour: Build advanced identity and fraud infra - the likes of multilingual Al video bots for Tier 3/4 onboarding, secured asset–related onboarding, microfinance-specific KYC modules, and onboarding stacks tailored to Agri Stack and blue-collar lending.

LENDING INFRA: CONTEXTUAL, VERTICAL-SPECIFIC CREDIT STACKS

Current Scenario: Digital lending infra is maturing, but most players focus on generic LOS/LMS or collections. NPA pressures and rising compliance costs are forcing lenders to revisit credit strategies.

Need of the hour: Solve for niche, Indiaspecific segments like MSME SCF, rural phygital credit, and embedded sachet lending. Think on the lines of agentic Al underwriting, loan disbursal infra linked to real-time verification, individualised BPE for banks, and secured lending for Tier 2/3.

PAYMENTS INFRA: CROSS-BORDER & EMBEDDED INNOVATION

Current Scenario: Core infra for UPI, PG, and PaaS has scaled. But debit card usage is falling, credit line on UPI is nascent, and cross-border rails are dominated by global players.

Need of the hour: Build infra for CBDC, stablecoin-based B2B flows, and contract-based escrow for freelancers and gig workers. Also, infra to power UPI-based cross-border collections and reward-layered credit experiences.

BAAS / CORE SYSTEMS: REPLACING LEGACY, BUILDING FULL-STACK

Current Scenario: Core banking continues to be dominated by legacy vendors (Finacle, BaNCS). Most banks still use fragmented tech stacks and face integration delays. Need of the hour: A GenAl-native, modular CBS with plug-and-play APIs for onboarding, credit, payments, and risk. Build a one-pipe full-stack infra suite to replace 5 vendors with one system - especially for emerging markets. This should be integrated with treasury and wealth offerings for both individuals and corporates.

X CONCLUSION



India's FinTech infrastructure market is expected to cross \$10Bn in revenues by 2030, backed by \$3.3Bn+ in funding and increasing BFSI digitisation.



The sector is witnessing rapid maturity across onboarding, lending, payments, and core infra, with banks now spending 6 - 10% of OPEX on tech, up from ~ 3 - 5% historically.



Key challenges persist: long sales cycles, slow integrations, and commoditisation across mature categories like KYC, requiring stronger tech moats and multi-product plays.



Tailwinds like Account Aggregators, CBDC pilots, and RBI's push for IT resilience are unlocking spend across public and private banks, fuelling deeper infra adoption.



White spaces include GenAI-native fraud infra, cross-border payment rails, unified onboarding-lending-payments stacks, and core banking systems built for modern India.



Investing in Founders From Ideation to Execution













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