

Pre Budget Expectation Note:

The fintech industry has fared really well in the last two years with the pandemic playing a key role in the digital adoption of financial services across the country. With the government making strides through several initiatives including the recently set up Fintech Department and the introduction of Payment Investment Development Fund (PIDF), the sector is expecting to see more opportunities and initiatives being taken forward by the government that will help in the expansion of the market, influence customer behaviour, and impact long term changes in the financial industry.

As our country sets upon the goal of hitting the \$5-trillion mark by 2025, I expect the digital economy to grow even further, with a majority of India's population and small businesses adopting digital means to access payments and financial services. The rural sector will play a huge part in achieving this economic landmark, and the upcoming Union Budget 2022-23 should ensure there's a special focus on bolstering rural development. Exemptions on procurement of point of sale terminals, GST rates for rural banking agents remitting funds among households, and subsidies to compensate for merchant discount rate (MDR) waiver are among some of the measures that will help in promoting digital awareness and initiatives across the country.

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