# Rajasthan's fintech boom fuels 69% growth in small business lending



Rajasthan has emerged as a significant player in India's small-ticket lending market, experiencing a remarkable growth of 69% in business loans under Rs 10 lakh within a year, as outlined in a recent report published by Experian India. This surge indicates a shifting landscape in financial accessibility, driven predominantly by the rise of fintech companies. The report highlights the fiscal year 2023-24 compared to the previous year, showcasing a positive trend towards financial inclusion in the region.

The study reveals that a notable 53% of Rajasthan's population accessed business loans under Rs 10 lakh through fintech lenders. This statistic illustrates the extensive penetration of digital lending platforms, which are redefining the traditional lending framework. The ongoing transformation is particularly beneficial for New-to-Credit (NTC) individuals and small businesses, who have traditionally struggled to access financial resources.

"Growth in small-ticket business loans is reshaping the lending landscape, providing critical financial access to New-to-Credit individuals and small businesses in the region," stated the report titled ‘Small is Big: How Fintechs are Revolutionizing Lending.’

Despite this growth in business lending, personal loan growth in Rajasthan was comparatively modest, registering only a 3.5% increase for loans under Rs 1 lakh. This suggests a concentration of growth in small business financing rather than in personal loan products. However, fintech contributions have significantly benefited borrowers who may have been excluded from the formal financial system.

Across India, as of March 2024, fintech companies facilitated over Rs 2.48 crore in personal loans and a staggering Rs 28,607 crore in business loans. The majority of these loans were for amounts under Rs 50,000, aimed at assisting NTC individuals, those with limited credit histories, and sub-prime borrowers.

Manish Jain, the country managing director at Experian India, underscored the ongoing evolution within the fintech sector, stating, "The fintech revolution in India is just beginning, and there's enormous potential for growth. Fintech companies have already made a big impact by providing credit to those who need it most, but there's still more to be done." His insights reflect both the opportunities and challenges that lie ahead for the fintech landscape in the country.

This notable growth in Rajasthan contributes to a wider narrative about the role of fintech in advancing economic accessibility and reshaping financial practices across India.

Source: [Noah Wire Services](https://www.noahwire.com)

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