Financial Inclusion in India through AI and DPI

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India's financial inclusion ecosystem is witnessing a major transformation through the integration of Artificial Intelligence (AI) and Digital Public Infrastructure (DPI). Platforms such as JAM Trinity, Unified Payments Interface (UPI), Unified Lending Interface (ULI), Account Aggregator (AA) framework, and AI-based credit systems are enabling faster, secure, and inclusive financial services for millions of citizens.

Recent initiatives such as Banking BHASHINI, RBI Regulatory Sandbox, MuleHunter.AI, and Digital ShramSetu further highlight India's push towards AI-driven financial inclusion.

Financial Inclusion Meaning

Financial inclusion means **providing affordable banking, credit, insurance, and payment services to all people, especially poor and vulnerable sections of society**.

In India, it has shifted from a welfare-oriented goal to a technology-driven, digital-first system supported by innovation and public digital platforms.

Financial Inclusion through AI

Artificial Intelligence (AI) is transforming financial inclusion in India by making financial services faster, smarter, and more inclusive. AI uses digital data and advanced analytics to improve credit access, detect fraud, enhance customer service, and support better financial decisions. This is especially beneficial for **MSMEs**, rural populations, informal workers, women, and first-time borrowers.

BHASHINI and Banking BHASHINI

BHASHINI is an AI-powered multilingual initiative aimed at improving financial inclusion by making banking and financial services accessible in multiple Indian languages.

- In February 2026, the Digital India BHASHINI Division (DIBD) and the **RBI** signed an MoU to integrate BHASHINI's language AI models into the banking ecosystem.
- The initiative seeks to provide banking access in all 22 scheduled Indian languages, helping remove language and literacy barriers, especially for rural and underserved populations.
- **BhashaDaan**, a language data initiative, collects speech, text, and translations from people across India to train AI systems and improve language accuracy. Using these datasets, RBI and DIBD are jointly developing **"Banking BHASHINI,"** a domain-specific AI language model that integrates banking vocabulary, regulatory guidelines, and financial terminology.
- By enabling AI-powered multilingual communication and service delivery, BHASHINI enables citizens to access banking services in their preferred language, strengthening inclusive financial access.

RBI Regulatory Sandbox

The RBI Regulatory Sandbox is a controlled framework that allows fintech companies and banks to test new AI-based financial products before full-scale launch.

- It promotes responsible innovation while ensuring consumer protection and financial stability.
- It allows testing of digital KYC, APIs, cybersecurity tools, and AI-driven financial solutions.
- It helps regulators evaluate risks and benefits of new technologies in a safe environment.

MuleHunter.AI

MuleHunter.AI is an AI-powered tool launched by RBI Innovation Hub in December 2024 to detect mule bank accounts used in cybercrime and **money laundering**.

- It uses AI and machine learning to analyze transaction patterns in real-time.
- It identifies suspicious activities such as illegal betting and financial fraud.

Digital ShramSetu

Digital ShramSetu is a proposed AI-based national mission launched in October 2025 to improve financial inclusion and digital access for India's 490 million informal workers.

- It uses technologies like AI, blockchain, and digital learning tools to help workers improve their skills, increase productivity, and find better job opportunities.

- The mission also provides support for skill verification and access to social security benefits.
- Overall, it aims to connect informal workers with the formal economy and improve their income and dignity, contributing to the **vision of Viksit Bharat 2047**.

AI-Based Credit Scoring

AI is changing traditional lending systems by enabling credit assessment even for those without formal credit histories or CIBIL scores.

- AI uses alternative data such as UPI transactions, GST filings, bank statements, and utility bill payments.
- It creates dynamic risk profiles for faster and more accurate loan decisions.
- It reduces dependence on informal lending and improves credit access for MSMEs and individuals.
- AI-based systems can help unlock a credit gap of USD 130–170 billion.

Unified Lending Interface (ULI)

The Unified Lending Interface (ULI) is an AI-enabled digital lending system that improves access to credit through a DPI-based framework.

- It connects financial institutions and data providers through a standard API system for seamless credit delivery.
- It uses datasets such as land records, authentication systems, satellite data, and banking information for credit assessment.
- It helps AI systems evaluate borrower risk more accurately, especially for MSMEs and first-time borrowers.
- As of December 2025, 64 lenders (41 banks and 23 NBFCs) were onboarded, using over 136 data services across multiple loan journeys.

- ULI is also being expanded to **Regional Rural Banks (RRBs**) and **District Central Cooperative Banks (DCCBs**) to improve credit access in rural and semi-urban areas.

What is Digital Public Infrastructure (DPI)?

Digital Public Infrastructure (DPI) refers to **digital systems and platforms** created by the government that **allow people to easily access services such as banking, payments, identity verification, healthcare, and welfare benefits in a secure and efficient manner**. **Examples of DPI in India include : Aadhaar, UPI (Unified Payments Interface**), Jan Dhan Accounts, **Direct Benefit Transfer (DBT**), and Account Aggregator (AA) Framework.

Financial Inclusion through DPI

In India, DPI has played a major role in improving financial inclusion by enabling secure, affordable, and accessible financial services through interoperable digital platforms.

JAM Trinity (Jan Dhan-Aadhaar-Mobile)

JAM Trinity integrates Jan Dhan bank accounts, Aadhaar digital identity, and mobile connectivity to provide every citizen with a unique financial identity and access to banking services.

- Over 144 crore Aadhaar numbers generated as of March 2026.
- Jan Dhan accounts increased from 14.72 crore in 2015 to 58.16 crore by April 2026.
- Deposits in Jan Dhan accounts crossed ₹3.02 lakh crore.
- India has 125.87 crore wireless subscribers.
- 5G services cover nearly 85% of the population.

It has expanded banking access, enabled direct welfare delivery, and reduced financial exclusion.

Unified Payments Interface (UPI)

UPI is a real-time digital payment system that allows instant money transfer between bank accounts through mobile applications.

- In March 2026, UPI processed 2,264.11 crore transactions worth around ₹29.53 lakh crore.
- 691 banks are connected to the platform.
- UPI accounts for nearly 81% of India’s retail digital payment volume.

UPI has democratized digital payments, reduced dependence on cash, and improved financial participation of small merchants and rural users.

Direct Benefit Transfer (DBT)

DBT transfers government subsidies and welfare benefits directly into beneficiaries’ bank accounts.

- Cumulative DBT transfers crossed ₹49.09 lakh crore by January 2026.
- It has saved over ₹4.31 lakh crore by eliminating fake and duplicate beneficiaries.

DBT has improved transparency, reduced leakages, and strengthened digital governance.

Account Aggregator (AA) Framework

The Account Aggregator framework enables secure and consent-based sharing of financial data across institutions.

- Account Aggregators are RBI-regulated NBFCs that transfer financial data based on customer consent.
- Over 2.6 billion accounts are enabled for data sharing.
- Around 252.9 million users have linked their accounts to the AA ecosystem.
- RBI has granted licenses to 17 Account Aggregators.

The framework reduces paperwork, speeds up loan approvals, and strengthens AI-based credit assessment.

Aadhaar-enabled Financial Services

Aadhaar supports secure biometric authentication for banking and welfare services.

- It enables Aadhaar Enabled Payment System (AePS), e-KYC, and direct welfare transfers.

- It reduces identity fraud and improves access to banking services in remote areas.

Aadhaar has become the foundation of India’s digital financial ecosystem.

Expanding Digital Connectivity

Digital infrastructure expansion is improving last-mile financial access across the country.

- Mobile connectivity and internet penetration are increasing rapidly.
- 5G services now cover nearly all districts in India.

Improved connectivity is supporting digital banking, fintech services, and AI-driven financial inclusion.

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