Driving Inclusive and Sustainable Growth Through Digital Public Infrastructure and FinTech

Keynote Address by Shri Sanjay Malhotra, Governor, Reserve Bank of India at the Global Fintech Fest 2025, October 8, 2025, Mumbai

I am very happy to participate in this 6th edition of the Global FinTech Fest (GFF). It is a premier forum where the wizards of technology intersect with the experts of finance. It is a unique forum where young innovators, brimming with bold ideas, converge with the steady wisdom of experienced leaders. This synergy which shapes solutions to common challenges reflects the true spirit of the GFF. This event also reflects India's ambition to remain at the cutting edge of digital innovation. Over the years, the GFF has gained from strength to strength. I congratulate the organisers for this huge achievement.

2. In my remarks today, I wish to reflect on our Digital Public Infrastructure (DPI) and FinTech journey so far, the next phase of deepening and widening inclusion and sustainability, and the way ahead for FinTechs to translate these opportunities into tangible outcomes.

DPI as the Engine for India's Growth Story

3. DPI underpins India's digital transformation over the last decade or so. It rests on three layers, that have played critical roles in addressing barriers to inclusion and enabling innovation at scale.

4. One, the *identity layer,* anchored by Aadhaar with more than 1.4 billion enrolments, has made it possible to authenticate identity instantly. It has also enabled millions to open bank accounts and participate in the formal financial system through electronic KYC. It is at the core of Direct Benefit Transfer (DBT) for government benefits.

5. Two, the *payments layer* which translates identity into action. Aadhaar Enabled Payment System (AePS) has enabled banking through micro-ATMs and facilitated access even in remote locations. Unified Payments Interface (UPI) has allowed close to 490 million unique users to make nearly 20 billion transactions every month, almost half of the global real-time payment volumes.

6. Three, the *data layer* has reshaped how financial services are delivered. Take any government department, for instance. There is a tremendous amount of digitalisation that has happened in each department. I was in the Revenue Department earlier. With almost all income data now digitised, filing an income tax return in India takes only a few minutes. On average, returns are processed in 10 days and many taxpayers receive their refunds within 24 hours. We are among the world leaders in tax filing and processing systems.

7. Similarly, the Goods and Services Tax (GST). It is a unique model with no parallel in the world. 28 states, 8 UTs and the centre – all with a different GST statute passed by different legislatures, but still the same except the name of the state. This unification of GST has been possible because of the backbone provided by the Goods and Services Tax Network (GSTN). All this has created a lot of digital data comprising the *data layer*. Further, DigiLocker with over 590 million users, has enabled citizens to store and share documents securely in a digital form.

FinTech complementing the DPI

8. Complimenting these three layers of DPI, we have a vibrant FinTech ecosystem. The foundation of DPI allows FinTechs to set up quickly, scale rapidly, and deliver targeted solutions to not only address current but also future challenges. India is today home to over 10,000 FinTech companies, with cumulative investments exceeding USD 40 billion over the past decade.

9. The sector's phenomenal growth and future potential is underpinned by several key strengths, apart from the robust DPI. These include a large and deep pool of skilled technology talent, a vibrant financial ecosystem spanning payments, lending, insurance, pensions, wealth management, etc. which is supporting FinTech innovation, and enabling policies and regulatory frameworks which are facilitating FinTechs.

10. Regular engagement with the FinTech ecosystem is central to this approach. RBI has been proactive in engaging with the FinTech sector, as is borne out by nearly 500 interactions with FinTech entities during FY 2024-25 alone. In addition, through structured platforms such as *FinTeract* and *Finquiry,* we interact regularly with

innovators and entrepreneurs in the FinTech ecosystem. Since March 2024, we have conducted 15 structured sessions under *Finteract*, covering over 1,100 FinTech representatives. In addition, 14 open interactions with more than 600 participants have been held under *Finquiry* since June 2024.

11. The Reserve Bank has also established a FinTech Repository to collect key information on activities, products, and technologies, enabling more informed and evidence-based policymaking for the FinTech sector.

12. Recognising the diversity in the FinTech Sector, we have, so far, granted recognition to a Self-Regulatory Organisation (SRO) in the FinTech Sector. This will enable FinTechs which are not directly regulated to operate within a calibrated framework with baseline governance standards and best practices developed by the industry itself.

13. Over the past decade, India has shown how technology, thoughtfully designed and implemented at scale, can be a force multiplier for sustainable economic development. The FinTech industry, has made it possible to deliver financial services at population scale, at an affordable cost. We will continue the facilitation for FinTechs to make use of the DPI and financial ecosystem for the collective benefit of the economy. This synergy between public rails and private innovation, has been the bedrock of India's success in several domains, including digitalisation of payments.

The Next Phase of India's Digital Journey

14. The first phase of India's digital journey was about building the foundation and expanding access to financial services such as savings, insurance, investments. The next phase is about universalising and deepening impact by using data responsibly. I will talk about five areas. Some work has been done in all these areas but more needs to be done. These are: (a) aggregation and leveraging financial data; (b) the digital rupee; (c) asset tokenisation; (d) artificial intelligence; and (e) digital frauds.

Aggregation and Leveraging Financial Data

A*ccount Aggregator (AA)*

15. First, we need to develop DPI for data integration across various data sources to widen and deepen financial inclusion. The Account Aggregator (AA) framework is one

such endeavour. It is empowering individuals to share their financial data safely with regulated entities. This ecosystem has seen notable progress with 17 AAs, 650 Financial Information Users (FIUs), 150 Financial Information Providers (FIPs), 160 million accounts being served, and 3.66 billion data requests from FIUs processed by AAs. Many important government owned data sources like the GSTN have been included in the AA framework.

16. On its part, the RBI is in the process of introducing standards designed to improve customer onboarding processes, enhance user interfaces, strengthen data security, and increase transparency in consent management and data sharing under the AA framework.

17. While there is huge potential for the AA framework to grow, its success will depend on two critical aspects, namely, integration with more financial information, especially information which is vital for assessing the financial status of an individual, and interoperability across account aggregators.

ULI

18. The Unified Lending Interface (ULI) is another landmark step in data aggregation. Credit remains the lifeblood of inclusive growth. Despite best efforts by the Government, RBI, and the banking system, and huge progress made in this regard, a vast credit gap still persists. The ULI seeks to bridge the gap by enabling efficient, data-driven, and inclusive credit delivery.

19. Since its launch in August 2023 till October 03, 2025, the ULI pilot has now expanded to 120 data sources/services, 58 lenders including banks, NBFCs, co-operative banks with 3.2 million loans sanctioned and ₹1.75 trillion in lending. The ULI is also enabling use of data by lenders to build alternative credit models, thereby helping expand credit to new-to-credit segments lacking credit history.

Digital Rupee (e₹)

20. Second, India's Central Bank Digital Currency (CBDC), the Digital Rupee (e₹) represents a critical new rail in the DPI architecture. Since its launch in December 2022, the retail e₹ pilot today has 19 banks and 7 million users, enabling person-to-

person (P2P) as well as person-to-merchant (P2M) transactions. Interoperability with UPI is also enabling wider adoption of the e₹ without compromising user convenience.

21. Programmability features in e₹ are unlocking new paradigms in purpose-driven direct benefit transfers, subsidies, and targeted lending. These features have been leveraged by some state governments demonstrating the potential for making subsidy delivery and DBT more effective. For instance, Gujarat's G-SAFAL scheme uses programmable CBDC (p-CBDC) to provide livelihood assistance, allowing beneficiaries to spend subsidies only on whitelisted agri-inputs within a geofenced area. Similarly, Andhra Pradesh's DEEPAM 2.0 scheme provides LPG subsidies through p-CBDC, which is redeemed on delivery of gas cylinders by the registered gas agencies.

Asset Tokenisation

22. Third, asset tokenisation offers new possibilities for Indian financial markets in expanding access, improving transparency, and enhancing settlement efficiency through smart contracts.

23. I am happy to announce that the Reserve Bank has conceptualised the Unified Markets Interface (UMI), as a next-generation financial market infrastructure. UMI will have the capability to tokenise financial assets and settlements using wholesale CBDC. Early results from the inaugural pilot on the issuance of Certificate of Deposit, in improving market efficiency are encouraging.

Artificial Intelligence

24. Fourth, AI holds the potential to fundamentally enhance the next generation of DPI in two complementary ways. First, by integrating AI into existing DPI layers, user experience and efficiency can be significantly improved. For example, conversational payments can simplify transactions for users with low digital literacy and bring millions into the formal economy. Second, AI itself can be developed as a public goods infrastructure.

25. The report of the FREE-AI committee constituted by RBI has also highlighted the importance of building foundational public goods for AI in finance, including a

standardised financial sector data infrastructure, compute resources, and the development of indigenous AI models, tailored to the needs of the financial system.

Digital Frauds

26. Fifth, the rapid expansion of digital finance has also created new challenges such as digital frauds and cyber threats. The Reserve Bank has instituted several customer protection measures, such as two-factor authentication (2FA), tokenisation of card on file, and providing customers with the control to switch off transactions to secure digital transactions.

27. The recently announced principle-based framework on authentication of digital transactions will provide further impetus to enhancing consumer convenience while strengthening trust in digital transactions. Exclusive internet domains, '. bank.in' and '. fin.in', for banks and financial institutions, and designated numbering series, i.e., '1600xx' for transactional and service calls, and '140xx' for promotional communications by regulated entities, are other initiatives to enhance security and public trust in digital transactions.

28. MuleHunter.ai, developed by the Reserve Bank Innovation Hub has been scaled up from about 5 banks at the beginning of this year to 21 banks. Unlike earlier approaches, this is enabling them to use system-wide learning to improve detection of mule accounts. Work is also underway on the Digital Payments Intelligence Platform (DPIP), which will leverage latest technologies to provide shared intelligence for fraud detection and prevention in near-real time.

29. These measures will enhance customer safety and trust in digital payments. We all need to redouble our efforts to keep our systems safe, secure and fraud proof.

Conclusion

30. We stand at an important juncture in our digital finance journey. The past decade has demonstrated how technology can expand access and empower businesses. The next phase must build on this strong foundation, while keeping trust and stability at its central theme. The role of FinTechs in this next phase will be even more crucial. FinTechs can be the architects who design and construct digital highways and also

the products and services on this digital highway that generate social and economic value.

31. I would like to leave five thoughts for the FinTech industry to consider.

a) **One, build for Inclusion:** while there may be higher profits to be made by deepening access to the haves and the privileged, prioritise building systems to expand financial services to the unaccessed, unreached and unserved segments of society.

b) **Two, adopt customer-first approach:** As Steve Jobs said, “Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves”. Design products and services that are easy to use and accessible for all, with assistive technologies ensuring vulnerable groups such as senior citizens, individuals with limited digital literacy, and the specially abled are not left behind. As I have said at other fora, strive to design services so well that there is no need for customer service in the first place.

c) **Three, innovate in credit delivery:** Extend the success of digital payments to credit delivery, especially to small businesses and individuals.

d) **Four, prioritise trust and compliance:** Embed strong data protection, transparency, and safeguards for consumers into every product and service.

e) **Five, think global, anchor local:** Engage with international partners, share learnings, adopt global best practices, and strengthen India’s role in shaping the future of digital finance.

32. By embracing these principles and building on India’s unique strengths of DPI, a vibrant ecosystem, a digitally connected population, enabling policies, and tech talent, FinTechs can bridge digital divides, foster healthy competition, and drive innovation.

33. In doing so, FinTechs will not only secure their own growth but also play a pivotal role in driving progress and contributing to the vision of Viksit Bharat 2047.

34. In this hall, we have people with both the foresight and the capability to act. Let us harness this opportunity and together shape a shared future of inclusive, sustainable, and innovation-driven growth.

Thank you. Jai Hind.