

**Free Translation of Governor's Address at the Outreach Programme in Lalpur
Karauta Village in Uttar Pradesh on January 16, 2013
([originally delivered in Hindi](#))**

I am pleased to visit Lalpur Karauta village today and meet the people here.

2. I have come here from the Reserve Bank of India, Mumbai. The Reserve Bank also has an office in Lucknow and my colleagues from there have also accompanied me today. On this occasion, along with Bank of India and other banks, your member of parliament Shri P.L.Punia and senior officers of the Uttar Pradesh state government are also present.

3. You must be thinking that what is the need for the Reserve Bank to visit you? Many of you must also be wondering, what kind of work does the Reserve Bank of India do and how does it help you?

4. Today I have come to your village for an outreach programme. I have come here so that I can spend some time with you and try to understand your difficulties and problems and also to tell you about the Reserve Bank's role and functions.

5. These rural visits are very important for us. As you know, our offices are in big cities like Mumbai, Delhi, Chennai, Lucknow, Kanpur etc. We try to know about the happenings in the villages and the day-to-day lives of the rural people through reports and newspapers. Actually, we do not get any chance to meet the people residing in villages. During the past four years me and my colleagues have visited many villages of our country. In this series of visits, I have got an opportunity to visit your village today. I am impressed by the affection and welcome you have given me.

6. I regret that I was not able to visit your region earlier. History is witness to the fact that whenever anyone has invaded India, this region has always resisted them and stood as a strong watch guard. Despite facing many difficulties, Uttar Pradesh keeps making its importance felt in the country. Who can forget the special contribution of this State in the Indian freedom struggle? The importance of Uttar Pradesh in the progress made by our country is known by the fact that with a population of 20 crore, it is the

largest state of the country. As compared to other states, Uttar Pradesh has the maximum number of metropolitan cities. This State selects 34 candidates for the Rajya Sabha and 80 candidates for the Lok Sabha in the Indian Parliament. I have full faith that when Uttar Pradesh makes progress, no one will be able to stop the pace of our country's progress.

Developments in the Reserve Bank

7. Now I would like to tell you about the functions of the Reserve Bank of India. Many people do not understand the difference between the Reserve Bank of India and other banks. Many people think that the Reserve Bank of India is also like the State Bank of India, Punjab National Bank, Bank of India etc. The Reserve Bank of India is not like any other bank. Let me tell you that it is very different from all other banks. In a way, the Reserve Bank of India is a banker's banks.

8. Many people think that the Reserve Bank only prints currency notes. It is true that we do print currency, however, we also do many important things in the interest of the public.

9. The work we do in the Reserve Bank affects your daily life. For example, when you deposit money in a bank, the interest that you receive on it and when you take a loan from a bank, the interest you pay on it and also the things you purchase, their prices are all fixed by the Reserve Bank.

Controlling Inflation

10. Inflation control is our most important function. I would like to draw your attention towards the promise printed on the currency notes which you have in your pockets. If you look at a 100 rupees note you will be able to read the promise, "I promise to pay the bearer the sum of hundred rupees". Below the promise you will also find my signature as the Governor of the Reserve Bank. You must have heard a proverb in Hindi that says "*Pran Jaye par Vachan na Jaye*". Therefore, keeping in mind this promise, the Reserve Bank always makes efforts to see that the value of the rupee does not fall and that inflation does not increase.

I know that inflation has increased in the past few years. Prices of almost all the goods, especially, food items and clothes have increased substantially. Inflation has affected all of us, more so the poor people. During the past two years we have been successful in bringing down the inflation rate to some extent. But I accept that even now the inflation rate is very high. Inflation control is our priority and will always be. It is only through inflation control that the poor people can be given protection.

Clean Note Policy

11. The Reserve Bank also prints currency. Some people ask us why we do not print more currency so that India becomes a rich country. This suggestion arises out of ignorance. We cannot become a rich nation simply by printing more currency notes. Our country will become rich only when our production increases. If we print currency notes without increasing production, then inflation will increase. That is why the Reserve Bank prints only that much currency as is required for the economy.

12. Our endeavour is to always try to supply clean notes to the public. Still I receive complaints that all the clean notes are circulated only in big cities and metros and the villagers always get mutilated notes. I also receive complaints that the villagers do not get sufficient coins. It is the Reserve Bank's policy that the rural public should get clean notes and sufficient coins. Banks are requested to cooperate fully with the Reserve Bank in this endeavour.

13. We are facing one more problem and that is of fake currency notes. There are some criminal, unsocial elements who are involved in fraudulent activities. We are making every effort to remove fake notes from circulation. We are also trying to see that the police department is vigilant towards these fraudsters. I also request you all to learn to identify genuine notes so that you are safeguarded from fake notes. For this, we are making all efforts through various means, towards creating awareness among the general public

Regulation of Banks

14. Banks deposit the savings of the people and provide money to those who need it.

15. It is a very big challenge for banks to give maximum interest to the people who save and reduce the interest rate for those who take loans. For this, it is the job of the Reserve Bank to make banks more capable and competent. One of our major jobs is to make sure that the money which you deposit in banks remains safe. That is why we supervise banks.

Financial Inclusion

16. Financial Inclusion is the most important developmental programme of the Reserve Bank.

17. In our country there are about 6,00,000 villages, but out of these only 60,000 villages have banking facilities. 90 per cent of the villages do not have a bank. It is unfortunate that the people of these villages are not able to get the benefit of banking facilities.

18. It is the goal of the Reserve Bank that each and every person of our country should have a bank account. Out of the 6,00,000 villages, about 1,00,000 villages are in your state. Therefore, I request all banks to meet this difficult goal as soon as possible.

Why is it important for you? There are various reasons for this:

- (i) First, instead of keeping your savings at home you can keep it in a bank where it is secure and you will also earn interest on it.
- (ii) Second, you can send your money to each other. If your family members who are working in big cities like Delhi, Kanpur, Lucknow, Agra etc., have bank accounts there, they can deposit the money in your bank account here. Otherwise, they will send money through informal means, which will be expensive as well as insecure.
- (iii) Third, by having your own bank account you can take a loan for agriculture, small business, building a house or to send your daughter to college. You can save yourself from the clutches of the money lender who charges exorbitant interest rates.

(iv) Fourth, if you have a bank account, the money you receive from the Government, for example MGNREGA wages, old age pension etc., will be directly deposited in your account. In this way you need not pay any commission to brokers or agents.

(v) In the villages, the income of the poor people is irregular and also there is no guarantee. You have to face problems, such as, bad crops, loss of employment, sickness or death in the family. You also need money for marriages and festivals. By putting your savings in bank accounts, you can also increase your income.

19. The Reserve Bank encourages banks to open branches wherever possible, especially in villages. Earlier, banks had to obtain a licence from the Reserve Bank to open branches, but now it is not so. Banks can open branches in villages without obtaining licence from the Reserve Bank.

20. Considering the expenses involved in opening branches in every village, banks are appointing banking correspondents in every village. These correspondents act as the agents of the bank.

Other Functions of Reserve Bank

21. The Reserve Bank of India performs many other functions. Here I have mentioned only those things which are related to you. I request all of you to open bank accounts and cultivate the habit of saving. Banks are able to lend to the needy only with the savings deposited by you. Therefore, I make a special request to all those who have taken loans from banks to repay the loans in time so that the banks remain strong and the money kept by your brothers and sisters in the banks remains safe.

22. There is one more thing that I would like to share with you. Some of you may have received letters on the Reserve Bank's fake letter heads saying that you have won a lottery. They ask you to give your bank account details to them so that they can deposit the money you have won in the lottery in your bank account. I would like to caution you not to believe in these letters. All these are false and fraudulent. The Reserve Bank

does not run any lottery nor does it deposit any money in anybody's account. This is the handiwork of fraudsters. They ask for your bank details and then steal the money from your bank account. If you receive any such letters immediately complain to the police.

23. Lastly, I would like to say that I am very pleased to have visited your village Lalpur Karauta. I also wish you, your family and children a bright and happy future.