

## **Modified Draft**

### Draft Speech for MOS for

Release of RBI Commemorative Stamp on 16/01/10:

Your Excellency Hon'ble President of India, Shri Mukherjee, Hon'ble Finance Minister, Shri Kamat, Hon'ble Minister for Communication, Dr. Subbarao, Governor, RBI, distinguished guests, friends from media, ladies and gentlemen.

It is a great pleasure being here today on this momentous occasion of release of Postage Stamp commemorating the Platinum Jubilee year of the Reserve Bank of India. For me, this occasion is especially significant as we at the Ministry of Finance, share a very close relationship with RBI. After all, what RBI does through its activities touch the lives of all Indians.

Central banks worldwide have evolved on a continuous basis in response to changing political and economic forces around them. Reserve Bank of India too has traversed a challenging voyage. Set up in 1935, it has had a very eventful run. As Independent India stepped out from the nascent to the modern stage, RBI too got fully drawn into the ethos of the national mainstream and has ever since been playing an active role in the building up of the nation.

RBI has also over the years been able to sustain high levels of professional standards in its dealings with the public and the financial community. In fact, if our country's economy has been able to effectively and successfully deal with major developments and crises through these years, including in the face of the recent financial meltdown, RBI can justifiably claim considerable credit for it. Indeed, now there is widespread unanimity that the RBI is technically competent and professionally equipped to handle financial and economic upheavals like the ones currently buffeting the global systems.

This is more so as central banks in emerging economies like India have to contend with several objectives, and distinct trade-offs as compared with some developed countries which pursue a single objective of price stability. While pursuing multiple objectives, and managing complex trade-offs, a central bank like the RBI had to assume over the years the responsibility of looking after the interests of several agents including depositors, intermediaries, government, business, and external trade. Another striking feature of RBI's role relates to its active involvement in the institution building process in the Indian financial sector and, in more recent times, its critical role in development of financial markets in India.

Needless to say, inspite of taking several initiatives in the post, the Indian Banking Industry has been able to penetrate only a half of the population for easy and cheap access to institutional credit facilities. In this context, RBI has taken a number of steps in the recent past which will further the process of financial inclusion. Its efforts in adapting to the changing needs of the economy and enabling greater access to financial services to the unreached and under-reached segments of our population have been particularly praiseworthy. This exercise of financial deepening would have to be supplemented with inclusive growth. There are in fact few, if any, instances of an economy transiting successfully from an agrarian system to a post-industrial modern society without broad-based financial inclusion.

I congratulate the RBI family on this memorable occasion. I trust you would carry on and in fact improve upon the good work that you have been doing and enable RBI to contribute even more fruitfully to the growth and development of our nation.

