

**Date: July 18, 2016**



**National Institute of Rural Development & Panchayati Raj**

Ministry of Rural Development, Government of India

Rajendranagar, Hyderabad – 500 030

Centre for Good Governance & Policy Analysis (CGG&PA)

National seminar on 'Equity, Access & Inclusion – Transforming Rural India through Financial Inclusion', jointly organised by National Institute of Rural Development and Crux Management Services Pvt Ltd, was inaugurated by Dr. Raghuram G Rajan, Honourable Governor of Reserve Bank of India at National Institute of Rural Development and Panchayati Raj on July 18, 2016 (Monday). The seminar was coordinated by the Centre for Good Governance & Policy Analysis (CGG&PA) of NIRD&PR.

The event began with the welcome address by Dr. W. R Reddy, IAS, Director General of NIRD&PR. Addressing the gathering at the event; the Director General explained the theme of the seminar and need for organising this programme.

He thanked Dr. Raghuram Rajan, RBI Governor, high level executives from various banks, officers from NABARD, Regional Rural Banks, State governments, and officials from neighbouring institutes of NIRD&PR for taking his time to attend the programme.

In his welcome address, the Director General said, this initiative was taken to bring various players in the banking field on a single platform to achieve financial inclusion. He said, the country has achieved a lot since the independence, but there is still a lot to achieve when it comes to access for financial services and credit. "There are wonderful opportunities and we need an out of box approach to take the development to each and every citizen of the country," the Director General said. He also explained the role of NIRD&PR in bringing various Regional Rural Banks together to take part in this wonderful initiative.

Dr. Raghuram Rajan, RBI Governor, who inaugurated the seminar, has appreciated the initiative. In his theme address, Dr. Raghuram Rajan, said, "In the foreseeable future, we will bring formal financial services to every Indian who wants them. Financial inclusion will be an important element in ensuring access and equity - the necessary building blocks for sustainable growth of our country."

In his speech, Governor focussed on three elements of financial inclusion: (a) the broadening of financial services to those people and enterprises who do not have access to financial services sector; (b) the deepening of financial services for those who have minimal financial services; and (c) greater financial literacy and consumer protection so that those who are offered financial products can make appropriate choices.

The RBI Governor also emphasised on the need to introduce innovative mechanisms to deal with pending loans and encouraged the banks to introduce easy banking services. He also highlighted the importance of financial literacy among rural population. In order to enhance the financial literacy, the RBI governor felt that Financial Education should be included in the school curriculum across the country. At the same time, he said, "Children should not be burdened with the addition of it. It should be balanced by replacing some of the existing topics in the curriculum."

The Governor concluded with five issues that arise in managing the process and how the RBI was trying to simplify them: 1) Know your customer requirements 2) Encouraging competition to prevent exploitation 3) Ensuring some flexibility and forgiveness in financial arrangements 4) The need for skilling and support 5) Encouraging financial literacy and ensuring consumer protection.

"The country has come a long way in the process of financial inclusion, but still has a way to go. We are steadily moving from mandates, subsidies, and reliance on the public sector banks for inclusion to creating enabling frameworks that make it attractive for all financial institutions to target the excluded, even while the interests of the excluded are protected through education, competition and regulation," Dr. Raghuram Rajan concluded. After his speech, the RBI Governor also answered the questions asked by participants.

Dr. Vikas Singh of Crux Management Services Pvt Ltd, in his opening speech focused on the importance of financial inclusion for the economic development of the rural area.

Other dignitaries who attended the function were Dr W R Reddy Director General NIRDPR, Hemant G Contractor Chairman, Pension Fund Regulatory and Development Authority (PFRDA), Dr Vikas Singh President, Crux Management Services Pvt Ltd, Dr J N Mishra Chairman Indian Institute of Banking and Finance, Ms. Hema Jain CEO, Crux Management Services Pvt Ltd, Mr. Suresh N Patel Managing Director, Andhra Bank, Mr. Amalorpavanathan, Dy Managing Director, NABARD amongst others.

The seminar was conducted under the leadership of Dr. M Sarumathy, Head, Centre for Good Governance & Policy Analysis (CGG&PA) of NIRD&PR, who concluded the programme with vote of thanks.