

# ENGLISH RENDERING OF PM'S ADDRESS AT THE LAUNCH OF TWO INNOVATIVE CUSTOMER CENTRIC INITIATIVES OF THE RESERVE BANK OF INDIA

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

Namaskar ji, Finance Minister Smt Nirmala Sitharaman ji, Reserve Bank Governor Shri Shaktikanta Das ji, other dignitaries present in the program, ladies and gentlemen! The Ministry of Finance, RBI and other financial institutions have done a very commendable job during this challenging period of Corona. This period of Amrit Mahotsav and this important decade of the 21st century is of great importance for the development of the country. Therefore, the RBI has a very big and important role to play. I am confident that Team RBI will live up to the expectations of the country.

Friends,

For the past 6-7 years, the Central Government has been prioritizing the interests of the common man. RBI, as a regulator, maintains constant communication with other financial institutions. I am glad that RBI has also taken several steps to improve the convenience of the common man. Today another step has been added to that. The two schemes that have been launched today will expand the scope of investment in the country and make access to capital markets easier and more secure for investors. Small investors of the country have got a simple and safe medium of investment in government securities through the retail direct scheme. Similarly, One Nation, One Ombudsman System has taken shape in the banking sector with the Integrated Ombudsman Scheme today. It will help in resolution of every complaint and problem of the bank customers on time and without any hassle. My opinion is that the biggest strength of democracy is how strong, sensitive and proactive the grievance redressal system is. This is the biggest test of democracy.

Friends,

The Retail Direct Scheme is going to give new heights to the spirit of promoting everyone's participation in the economy. People are generally aware of the important role of the Government Securities Market in the development of the country. At a time when the country is busy modernizing its physical and digital infrastructure through unprecedented investments, the efforts, cooperation and participation of even the smallest of investors will be of great help. Till now, our middle class, employees, small traders, senior citizens i.e. those who have small savings had to take indirect avenues like banks, insurance or mutual funds to invest in the government securities. Now they are getting another great option of safe investment. Now a very large section of the country will be able to invest in government securities and directly in the creation of the wealth of the country easily. You also know that all government securities in India have a provision for guaranteed settlement. In this case, small investors get an assurance of safety. Small investors will get the assurance of good returns on safe investment and the government will get necessary resources for the development of infrastructure and other arrangements for a new India according to the aspirations of common human beings of the country. This is the collective power and effort of the citizens and the government to build a self-reliant India.

Friends,

Generally, the issues of finance become a bit technical and the common man leaves after

reading the headline. I think that this is the need of the hour to explain these things to the common man in a better way. When we talk about financial inclusion, we want to make the last person of this country also to be a part of this process. You experts are well aware of all these things, but it will help the common people of the country a lot if they are also informed. Like, they should know that there will be no need for fund managers under this scheme and "Retail Direct Gilt (RDG) Account" can be opened by themselves. This account can be opened online and people can also trade securities online. This is a great option for safe investment for the salaried people or pensioners while sitting at home. There is no need to go anywhere. You will be able to do the trading through your mobile phones with internet connectivity. This RDG account will also be linked to the savings accounts of the investor, so that the sale and purchase will be possible automatically. You can imagine the convenience it will result in for people.

Friends,

Financial Inclusion and Ease of Access are as important as the trust and convenience of the general public in the ease of investment and the banking system. A strong banking system is very important for a strong economy. Everyone is aware of the damages caused to the country's banking system in the years before 2014. What was the situation then? In the last seven years, NPAs were recognized with transparency, focus was on resolution and recovery, public sector banks were re-capitalized and multiple reforms were undertaken in the financial system and public sector banks. The willful defaulters, who used to take advantage of the system earlier, will no longer be able to raise funds from the market now. A new faith and energy is returning to the banking sector with the steps that have been taken, whether it is improvement in the governance of public sector banks, decision making, freedom related to transfers and postings, creation of big banks by merging smaller banks or setting up of the National Asset Reconstruction Company Limited.

Friends,

Cooperative banks were also brought under the purview of RBI to further strengthen the banking sector. It has not only led to improvement in the governance of these banks but the trust of the millions of depositors is also getting stronger in the system. In the recent past, many decisions have been taken keeping in view the interests of the depositors. The One Nation, One Ombudsman System has strengthened the commitment of the depositors and investors. The scheme, which has been launched today, will provide direct relief to the holders of 44 crore loan accounts and 220 crore deposit accounts in banks, NBFCs and pre-paid instruments. Now there will be a single platform for all the entities regulated by the RBI to register, track and monitor the grievances of the account holders. In other words, the account holder has now got another easy option for grievance redressal. For example, earlier if someone had a bank account in Lucknow and he was working in Delhi, he could complain only to the Ombudsman of Lucknow. But now he has got the facility to register his complaint from anywhere in India. I am also told that the RBI has made provision for extensive use of Artificial Intelligence in this scheme to address cases related to online and cyber frauds. This will ensure better coordination between the banks and the investigating agencies in the shortest possible time. The sooner the action is taken, the higher the chances of recovery of the fraudulent amount. With such steps, the scope of digital penetration and customer inclusiveness will also increase and so will the trust of the customer.

Friends,

In the past few years, we have seen strength in the banking and financial sectors of the country, from inclusion to technological integration and other reforms, even in the difficult time of Covid. It also ensures satisfaction of serving the common man. The decisions of the RBI have also helped a lot in expanding the impact of the big ticket decisions of the government. I congratulate

the RBI Governor and his entire team publicly for the courageous decisions they have taken during this crisis. Under the credit guarantee scheme announced by the government, loans worth more than Rs 2.90 lakh crore have been sanctioned. It has helped more than 1.25 crore beneficiaries, largely MSMEs and our middle class small entrepreneurs, to further strengthen their enterprises.

Friends,

A special campaign was launched by the government to give Kisan Credit Cards to small farmers during the Covid period itself. Under it, more than 2.5 crore farmers also got KCC cards and they also got agriculture loans of about 2.75 lakh crores. About 26 lakh street vendors, who sell wares in handcarts and vegetables, have got loans under the PM SVANidhi scheme. You can imagine the substantial support it has been for the 26 lakh street vendors to get financial help during the crisis period of Covid. This scheme has also linked them to the banking system. Many such interventions have played a very important role in restarting economic activities in villages and cities.

Friends,

Till six-seven years ago, banking, pension, insurance, etc used to be like an exclusive club in India. All these facilities were far away for the common citizens, poor families, farmers, small traders and businessmen, women, Dalits-deprived-backwards. The people who had the responsibility of providing these facilities to the poor also never paid any attention to it. Rather, there was an established tradition that there should not be any change and various arguments and pretexts were put forward while shutting the doors for the poor. They had no shame in saying that there was no bank branch, no staff, no internet and no awareness among people. What kinds of arguments were being given? Due to unproductive savings and informal lending, the situation of the common citizen was also getting worse and his participation in the development of the country was also negligible. Pension and insurance were believed to be only for the prosperous families. But now the situation is changing. Today, not only the financial inclusion, the ease of access is becoming the identity of India in the banking and financial sector. Today, every person of the society can join the pension scheme after 60 years of age. About 38 crore countrymen have the insurance cover of Rs 2 lakh each under the PM Jeevan Jyoti Bima Yojana and the PM Suraksha Bima Yojana. Almost every village in the country has the facility of a bank branch or a banking correspondent within a radius of 5 km. Today there are about 8.5 lakh banking touch points across the country, which are increasing the accessibility of every citizen to the banking system. Under the Jan Dhan Yojana, more than 42 crore zero balance bank accounts were opened, in which thousands of crores of rupees are deposited today. A new generation of traders and businessmen from among the women, Dalit-backward-tribals has emerged due to the Mudra scheme and the street vendors have also been able to join institutional lending through the SVANidhi scheme.

Friends,

The extension of digital empowerment with last-mile financial inclusion has given a new strength to the people of the country. More than 31 crore RuPay cards and about 50 lakh PoS / m-PoS machines have made digital transactions possible in every nook and corner of the country. UPI has made India the world's leading country in terms of digital transactions in a very short span of time. In just 7 years, India has jumped 19 times in terms of digital transactions. Today, our banking system is operational 24 hours, 7 days and 12 months anytime, anywhere in the country. We have also seen its benefits during the Corona period.

Friends,

It is a great strength of the country when the RBI is a sensitive regulator and keeps itself prepared for the changing circumstances. Nowadays you are witnessing how our Indian start-ups are becoming global champions in Fintech. Technology is changing rapidly in this field. The youth of our country have made India a global power house of innovations. In such a situation, it is necessary that our regulating systems remain alert to these changes and create a suitable and empowering ecosystem to keep our financial systems world class.

Friends,

We have to keep the needs of the citizens of the country at the center and continuously strengthen the trust of the investors. I am confident that RBI will continue to strengthen India's new identity as a sensitive and investor friendly destination. Once again, I wish all the very best to all the stakeholders for the initiatives and technological innovations for these massive reforms.

Thanks a lot!

**DISCLAIMER: This is the approximate translation of PM's speech. Original speech was delivered in Hindi.**

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**DS/VJ/VK/AK**

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