

*17th C.D. Deshmukh Memorial Lecture: Opening Remarks**

Shaktikanta Das

On behalf of the Reserve Bank of India, I am delighted to welcome Mr. Agustin Carstens, General Manager of the Bank for International Settlements to deliver the C. D. Deshmukh Memorial lecture, the seventeenth in the series. We are also honored to have Smt. and Shri Atul Deshmukh from late Shri C. D. Deshmukh's family. A hearty welcome to all the distinguished invitees of the Reserve Bank.

At the outset, I would like to say a few words about Shri C. D. Deshmukh to commemorate the occasion. Shri Chintaman Dwarkanath Deshmukh was born in Nata, near Fort Raigad in Maharashtra on January 14, 1896. He had an outstanding educational career. He stood first in the Matriculation examination of the University of Bombay in 1912. He graduated from Jesus College of Cambridge University in 1917 and topped the Indian Civil Services examination, then held only in London, in 1918. Upon his return to India in 1920, he worked in the Government of Bihar and also as a Joint Secretary to the Government of India.

His association with the RBI began in July 1939, when he was appointed Liaison Officer to keep the Government of India in touch with the Bank's affairs. Three months later, he was appointed Secretary of the Central Board of the Bank and two years later in December 1941, as the Deputy Governor. He was the first Indian to be appointed as the Governor of the Reserve Bank of India on August 11, 1943 and he continued in this capacity till June 30, 1949. He played a pivotal role in the creation of Industrial Finance Corporation and promotion of rural credit. During his tenure, RBI saw enactment of the Banking Companies

Act, 1949 which laid the foundation for regulation of banking sector in India. The nationalisation of RBI on January 1, 1949 also took place during his tenure.

After his tenure in the RBI, Shri Deshmukh went on to become Member, Planning Commission when it was set up in 1950. Subsequently, he became Union Finance Minister in 1950 and served with distinction till July 1956. During his tenure, he made significant contributions to the formulation and implementation of the country's First and Second Five Year Plans. He was instrumental in the enactment of new Companies Act and nationalisation of the Imperial Bank of India and life insurance companies. After resignation from Union Cabinet he worked as Chairman of UGC during 1956 to 1961 and Vice-Chancellor of University of Delhi from 1962 to 1967. In 1975, he was bestowed with the Padma Vibhushan award. He was also a co-recipient of the prestigious Ramon Magsaysay Award in 1959 for distinguished Government Service.

For this year's Memorial Lecture in honour of Shri C.D. Deshmukh, it is our pleasure to have Mr. Agustin Carstens with us. He was the Governor of the Central Bank of Mexico from 2010 to 2017 and a member of the BIS Board from 2011 to 2017. As a BIS Board member, he chaired the Global Economy Meetings and the Meetings of Economic Consultative Council. He also headed the International Monetary and Financial Committee, the IMF's policy advisory committee for two years.

Mr. Carstens began his career at the Bank of Mexico in 1980, where he has worked in various capacities. He later served as Mexico's Deputy Finance Minister and as Deputy Managing Director at the IMF. He was Mexico's Finance Minister from 2006 to 2009.

He has also been a member of the Financial Stability Board since 2010 and is a member of the Group of Thirty.

Mr. Carstens holds a doctoral degree in economics from University of Chicago and has extensive research experience in the field of macroeconomic issues

* Shri Shaktikanta Das, Governor, Reserve Bank of India, opening remarks on the occasion of 17th C. D. Deshmukh Memorial lecture delivered in Mumbai on April 25, 2019.

and finance. His work on 'Latin American Central Bank Reform: Progress and Challenges', which takes stock of the institutional reforms of monetary policy in Latin America since the early 1990s, was widely acknowledged.

Today, Mr. Carstens will speak on 'Central Banking and Innovation: Partners in the Quest for Financial Inclusion', - a topic which could easily be the most relevant at the current juncture. The recent emergence of FinTech or digital innovations in finance is potentially a strong transformative force to shape the financial sector globally. A great benefit of these technological developments is the scope to expand financial outreach in a cost effective manner. At the same time, however, there are regulatory and supervisory challenges which the central banks across the globe need to address.

The Reserve Bank is committed to promote and deepen the cause of financial inclusion in India. The

recent developments in FinTech have given a fresh impetus to financial inclusion process in the country. Taking cognisance of exponential growth of digitisation and online commerce in India, policy efforts have been directed in recent years to put in place a state of the art national payments infrastructure and technology platform. The Reserve Bank is continuously aligning its regulatory and supervisory framework so that the evolution of FinTech can be leveraged to widen and ease the financial access by the excluded population. In view of the growing significance of FinTech innovations and their interface with the financial sector as well as financial sector entities, the Reserve Bank is strengthening its surveillance framework and has also issued draft guidelines on 'Enabling Framework for Regulatory Sandbox' for obtaining the comments of stakeholders. Mr. Carstens's talk today will surely give us relevant insights in this direction.

Let me now invite Mr. Carstens to deliver his lecture.