

PRESS RELEASE

25th Meeting of Financial Stability and Development Council held in Mumbai.

FSDC notes need for constant vigil on financial conditions and functioning of financial institutions

The 25th meeting of the Financial Stability and Development Council (FSDC) was held in Mumbai today, under the Chairpersonship of Union Finance Minister Smt. Nirmala Sitharaman. The Finance Minister is on a two-day post-Budget outreach visit to the city, where she is meeting with representatives of industry, financial market functionaries and bankers.

2. The Council deliberated on the various mandates of the FSDC and major macro-financial challenges arising in view of global and domestic developments. The Council noted that Government and all regulators need to maintain constant vigil on the financial conditions and functioning of important financial institutions, especially considering that it could expose financial vulnerabilities in the medium and long-term. The Council discussed measures required for further development of the financial sector and to achieve an inclusive economic growth with macroeconomic stability.

3. The Council discussed operational issues relating to currency management. It also took note of the activities undertaken by the FSDC Sub-Committee chaired by the RBI Governor and the action taken by members on the past decisions of FSDC.

4. The 25th FSDC meeting was also attended by Dr. Bhagwat Kishanrao Karad, MoS (Finance); Shri Shaktikanta Das, Governor, Reserve Bank of India; Dr. T. V. Somanathan, Finance Secretary and Expenditure Secretary; Shri Ajay Seth, Economic Affairs Secretary; Shri Tarun Bajaj, Revenue Secretary; Shri Sanjay Malhotra, Financial Services Secretary; Shri Ajay Prakash Sawhney, Secretary, Ministry of Electronics and Information Technology; Shri Rajesh Verma, Secretary, Ministry of Corporate Affairs; Dr. V. Anantha Nageswaran, Chief Economic Adviser, Ministry of Finance; Shri Ajay Tyagi, Chairperson, Securities and Exchange Board of India; Shri Supratim Bandyopadhyay, Chairperson, Pension Fund Regulatory and Development Authority; Shri Injeti Srinivas, Chairperson, International Financial Services Centres Authority; Mrs. T. L. Alamelu, Member, Insurance

and Regulatory Development Authority of India; and the Secretary of the FSDC, Department of Economic Affairs, Ministry of Finance.

5. The Financial Stability and Development Council has been set up by the government in consultation with financial market regulators, to strengthen and institutionalize the mechanism for maintaining financial stability, enhance inter-regulatory coordination and promote financial sector development. Without prejudice to the autonomy of regulators, the Council monitors macro-prudential supervision of the economy, including functioning of large financial conglomerates, and addresses inter-regulatory coordination and financial sector development issues. It also focuses on financial literacy and financial inclusion.

(Dr. Shashank Saksena)

Senior Economic Adviser & Secretary (FSDC)

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Press Information Officer

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