

Swaminathan J: Good finance, good leadership - on the road to Viksit Bharat@2047

Keynote address by Mr Swaminathan J, Deputy Governor of the Reserve Bank of India, at the Third International Finance and Accounting Conference (IFAC) at the Indian Institute of Management (IIM), Jammu, 27 February 2026.

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Prof Nitin Upadhyay, Dean of Academics; Prof Jabir Ali, Dean of Faculty and Research; Prof Pranab Das and Dr. Ashish Kumar, Conference Chairs of this event;

Distinguished speakers, panelists and guests;

Faculty members, and above all, my dear students.

A very good morning to all of you.

Before I begin, let me say it is a pleasure and privilege to be at IIM Jammu, one of the youngest IIMs. In a short span, it has built momentum as a premier academic institution, and conferences like IFAC are part of that journey-bringing together faculty, students, and practitioners to engage with real questions in finance and accounting.

The theme this year is ambitious and important: *financial strategies for inclusive and sustainable economic growth to achieve Viksit Bharat@2047*. It is a theme that belongs not only in policy papers and boardrooms, but also in classrooms, because it is ultimately about how lives improve over time.

Since the audience today includes many young MBA students, I want to speak less like a regulator and more like someone speaking to future leaders.

Imagine it is your first job and your first salary hits your account. You have choices. You can spend it. You can save it. Or you can invest it. Now pause and ask yourself: before you do any of these three, what are the few things that you want from the financial system?

- Safety, so that your money is secure even when conditions become difficult.
- Fairness, so that products are not designed or sold in a way that exploits information gaps.
- Reliability, so that services work smoothly in daily life, and if something goes wrong, it gets resolved without running from pillar to post.

These three assurances are not only personal preferences. They are also a useful way to think about the kind of financial system India needs as we move towards 2047.

Apart from big numbers like GDP or GDP per capita, development is also about the quality of daily life: better jobs, stronger households, safer financial choices, and resilience when shocks occur. It is about whether growth feels real, broad-based and inclusive.

Finance will have to play a pivotal role in this transformation. It will have to mobilise savings, allocate capital, and manage risk. Done well, it will support enterprises and households across the country.

So, the first-salary question is not just a thought experiment. Over the next two decades, many decisions that will shape India's financial system will be taken by people like you - in Banks and NBFCs, fintechs and payment firms, audit and consulting, corporate finance and treasury, start-ups, and in Government and public institutions.

India of 2047 will not be shaped only by technology or capital. It will be shaped by leadership of young students like you.

Leadership in finance is not just about intelligence. It is about judgement. It is about discipline. It is about what you choose to reward, what you choose to question, and what you choose to fix early.

When people think about finance, they often imagine numbers, models, and markets. These things matter. But finance is, at its core, a people business. Behind every deposit is a household trying to be secure. Behind every loan is an ambition to grow. Behind every insurance policy is a fear of uncertainty. Behind every fraud is a moment of vulnerability. Behind every failure of controls is a real loss borne by someone who did not fully understand the risk. If you remember that, you will become a better finance professional and a better leader.

Since this is a finance and accounting conference, let me add one more point. Finance needs numbers, but more importantly, it also needs integrity in numbers. In the age of dashboards and AI, it is easy to forget that accounting is a discipline of clarity. It forces us to recognise losses, admit uncertainty, value assets prudently, and explain performance in a way that others can rely on. In many organisations, the true difference between a good institution and a weak one is not how fast it grows, but how truthfully it measures itself.

I want to offer you a "career compass" in three parts. These are not technical rules. They are a few lessons that my own journey in banking has taught me, often the hard way. If you keep these in mind, I believe your decisions will be sound, and your leadership will be enduring.

Respect the customer

First part of the compass is to respect the customer. In the long run, customer outcomes are the strongest business strategy. They reduce disputes, lower reputational risk, and sustain participation in formal finance.

Many problems in finance start small, sometimes, quite literally, in the '*small print*'. A fee not explained clearly; A clause buried in the terms; A loan that is easy to take but hard to repay; or A product sold to meet a target, not to meet a need.

Over time, these small problems become big issues. They show up as complaints, disputes, defaults, and customer harm. Therefore, we should endeavour to design and sell products that are suitable, transparent, and fair. The best leaders prevent harm before it occurs. They do not wait for problems to become headlines.

Respect the financials

Second part is to respect the financials. The financial statements tells you what is sustainable and what is not. It tells you whether you are building strength, or simply postponing risk. Look beyond profits to the quality of assets, the stability of funding, the adequacy of buffers, and the concentration of exposures. Strength is built in good times and revealed in stress.

When times are good, you will always find reasons to relax discipline. Competition is intense. Targets are high. Growth looks easy. Risk appears distant. That is exactly when leadership matters the most. The best leaders use good times to build buffers, improve controls, and strengthen governance. They ask uncomfortable questions when everyone else is celebrating.

Respect governance

The third and last part of your career compass is to respect governance. Many failures in finance are not failures of knowledge. They are failures of governance. People knew what was going wrong, but they did not speak up. Or they spoke up, but no one listened. Or everyone noticed red flags, but incentives pushed them to look away.

As leaders you should endeavour to build systems where growth, risk, and conduct are aligned. Encourage effective challenge. Reward the right behaviours because ultimately what gets rewarded gets repeated. Foster an environment where teams can raise concerns without fear, where risks are discussed honestly, where numbers are not forced to look good.

Now let me translate this compass into a few practical habits you can use early in your career.

Ask better questions

Many people ask, "How fast are we growing?" A better question is, "What could break?"

- Ask, "What assumptions are we making, and what happens if they go wrong?"
- Ask, "What happens if the customer's cash flows fall?"
- Ask, "What happens if the system is down for a day?"

- Ask, "What happens if a third-party service provider faces an outage?"
- Ask, "What happens if fraud spikes in a new channel?"

These questions are not the mark of a pessimistic 'doubting Thomas'; they are the risk-sensitive questions, mark of a prudent leader."

One of the most valuable skills in finance is not giving answers. It is asking the right questions at the right time.

Communicate simply

A leader who cannot explain a product, a risk, or a decision in simple language often does not understand it deeply enough. Complexity is sometimes necessary, but confusion is not. Whether you work in credit, markets, compliance, audit, or fintech, your ability to explain clearly will be a major advantage.

Choose the long term over the easy short term

There will be moments where the easy path is tempting. A shortcut in due diligence; A small compromise on disclosure; A "temporary" relaxation of standards; or A target that encourages aggressive sales. These compromises may look small in the moment, but they compound. In finance, small compromises can become large losses.

Now let me connect this back to the national agenda of Viksit Bharat@2047.

India's next phase of growth will require three things to happen together.

- We need a steady flow of capital into productive areas that create jobs and capabilities.
- We need inclusion that is meaningful, where people and small enterprises can use finance safely, not just access it.
- And we need customer outcomes to remain fair as finance becomes more digital and more data-driven.

This is where your generation will be tested, because your generation will work in an environment where everything scales quickly.

A product can reach ten million people within months. A credit model can approve loans in seconds. A payments platform can process massive volumes. This scale is powerful, but it also means that harm can scale quickly if design is poor, controls are weak, or incentives are misaligned.

Therefore, in finance, speed is not always a virtue. Sometimes speed hides weakness. Technology is a force multiplier. It amplifies good design as well as bad design. Eventually, the future will reward institutions that can combine efficiency and innovation with prudence, and growth with resilience.

Conclusion

Let me conclude by emphasising that the journey to Viksit Bharat@2047 is a collective endeavour. It will require sound institutions that can support growth through cycles; inclusion that improves real outcomes for households and enterprises; and customer protection that keeps pace with innovation.

If we align capital with capability, innovation with safeguards, and inclusion with well-being, the aspiration of 2047 will steadily become a lived reality for millions. It will call for leaders who can combine performance with principles, and ambition with discipline.

Before I close, my sincere thanks to the Director, faculty, staff and student team of IIM Jammu for the effort that has gone into organising IFAC 2026. Platforms like these help connect classroom learning with the realities of life, and they sharpen the judgement that future leaders will need.

With this I wish you a very engaging and insightful conference. Jai Hind.