

## **Edited transcript of a CNBC Exclusive interview with Shaktikanta Das, Governor of the Reserve Bank of India on August 26, 2021**

TANVIR GILL: To discuss India's economic and monetary policy outlook, I'm joined by a very special voice from India. I'm joined by the honourable governor of the Reserve Bank of India, Mr. Shaktikanta Das, in his first TV interview with an international business channel since he took office in December 2018.

Sir, it's great to have you on the show. Thank you very much Governor for joining us for this CNBC Exclusive.

SHAKTIKANTA DAS: Thank you.

**TANVIR GILL: I would like to start off by understanding your growth outlook for India. Post the deadly COVID wave which was very, very unfortunate for the country, RBI growth forecast stands at 9.5% percent for FY 2022. And for Q1, the projection is 21.4%.**

**What is your overall assessment of this growth outlook and the balance of risks around this forecast?**

SHAKTIKANTA DAS: You see the forecast which we have given now: 9.5%. I think it is quite appropriate for the current year. The first quarter growth forecast this year of 21% is mainly because of the base effect of last year when India recorded (-) 24.4% growth or something in that order.

But nonetheless, economic activities gained momentum in the first quarter of this year - and of course, got subsequently dented by the onset of the second wave of the pandemic. So far as we are concerned, I think we now see revival of activity in various sectors of the economy: manufacturing and even in services sector - that is, non-contact intensive services sector - is also reviving well.

It's the contact-intensive services sector and a few other services which are affected. In manufacturing, it is the small and medium units which are yet to recover fully. So broadly, therefore, the 9.5% which we have projected - in fact, our earlier projection was 10.5% for the current year - we moderated it slightly to the 9.5%, taking into account the impact of the second wave.

And I think at this point of time, I would like to say that our assessment of 9.5% should hold good for the current year.

**TANVIR GILL: And for next year - FY 2023. What is the outlook?**

SHAKTIKANTA DAS: Normally we don't give the outlook for next year. We have given an outlook, for the first quarter of next year. So, going forward, we will have to see. Maybe after September, depending on what has been the impact of the second wave of the pandemic on the first half of this year, we will be in a far better position to assess the overall impact.

**TANVIR GILL:** In an official statement, the MPC has decided to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 - while ensuring that inflation remains within the tight target range going forward. This is, of course, the official statement of the MPC in terms of its forward guidance.

**How should one interpret this guidance? What qualifies as durable growth sustained over what period of time?**

SHAKTIKANTA DAS: Let me first give a little bit of the background. The COVID pandemic started towards the middle of March last year. And ever since that time, we have gone through extremely uncertain conditions - that dent on the global economy and the Indian economy has been severe.

RBI's effort and the effort of the monetary policy committee of the Reserve Bank of India has been - first, it continued with the accommodative stance, reduced the policy rates, and the effort was to create congenial financial conditions in which the economy can come back to normalcy. And we have made every possible endeavour. In fact, we have taken about 100-odd measures since March last year to mitigate the impact of COVID-19 on the economy. So, our effort has been to nurture the economy by providing easy monetary and financial conditions and various policy measures – monetary and regulatory policy included some relaxations with regard to the banking sector and other aspects of the financial sector.

Our effort has been to nurture the recovery process, and it is satisfying to note that the economy and all activities have responded well to the impulses which were generated from the central bank. Now we are in a situation where the inflation seems to be spiking up. It has in fact, remained upwards of 5% - in between, it exceeded 6%. But now it has gone below 6% - which is the upper band.

So, at this point of time, we are watching the revival of the economic activity - there is still uncertainty prevailing around the pandemic. Today morning, I was looking at the new cases in India and they have again inched up to about 46,000 new cases, compared to about between 30,000 to 40,000 new cases almost on a daily basis. Today it is 46,000 and some parts of India are showing increasing infections.

What impact that's going to have on the economic activity is something to be assessed. So, once we are convinced that the economic recovery process, which, as I've said a couple of days earlier, is now delicately poised. When the revival of economic activity shows signs of durability and sustainability, I think that should be an appropriate time for the Reserve Bank or for the monetary policy committee to perhaps consider change in our course.

**TANVIR GILL: The pandemic has left some scars in certain pockets of India: the informal sector that employs 80% of India's labour force and produces 50% of GDP, and the SME sector that you touched upon. What more can the RBI do to help heal those scars?**

SHAKTIKANTA DAS: So far as the SME sector is concerned, during the course of the pandemic, we have announced several restructuring packages for the MSMEs and many of the MSMEs have restructured themselves. Not only that, we have also targeted long-term repo operations – this TLTRO as we call it – to the MSME sector. We provided refinance facilities and liquidity to the SIDBI - that is the Small Industries Development Bank of India – and to the NHB - the National Housing Bank - to support the MSME sector, smaller NBFCs and the microfinance institutions, which in turn support the small and medium enterprises and the informal sector.

The government on its part has also introduced several fiscal support measures. I think there is a scheme, called PM SVANidhi, where the targeted group is the informal sector, the roadside vendors and others. In fact, a couple of days ago we decided to earmark a certain portion of our payment infrastructure development fund - the PIDF - to give handheld payment devices to the informal sector, so that they are able to do transactions quickly.

So far as the MSME sector and the informal sector is concerned, we are operating through the NBFCs, and through the banks. For the SME sector in particular, we have provided restructuring packages and many of them have already availed. In fact, when the second wave started, we again announced another package for the SME sector on the 5<sup>th</sup> of May, 2021 and that is still under implementation.

**TANVIR GILL: Has a consumption recovery also been scarred? Has that been derailed as household debt rises and savings go down? What kind of contribution can we expect from this sector given that private consumption is nearly 60% of the economy?**

SHAKTIKANTA DAS: Consumption was dented, no doubt on that, and the aggregate demand is still nowhere near normal.

Today, we are getting big support for the aggregate demand from the export sector, because of faster revival in developed economies. External demand looks much stronger than it was. The export sector of India is doing extremely well and that is adding to the aggregate demand.

Now, so far as domestic consumption is concerned, the government consumption expenditure has been the prime mover for the revival process. Private consumption expenditure is gradually picking up. So, going forward, once the huge allocation which government has made for infrastructure and other sectors kicks in in a big way which it is indeed doing so at the moment, we would expect private consumption expenditure also to pick up. In fact, some of the indicators, like the sale of fast moving consumer goods or consumer durables are showing considerable amount of improvement. So, by the end of the year, I would expect consumer demand to have increased substantially over the current levels or over the levels where the COVID impact took them down.

**TANVIR GILL: Okay, that's heartening to hear. How real is the risk of stagflation for India? Because it does come up in conversations. You know, when we talk about the US economy's outlook as well, that's a scenario that's being worked with. How real is the risk of stagflation for India?**

SHAKTIKANTA DAS: No, I would not agree and I would not put stagflation as an issue on the table for discussion in the context of India. And I'll explain why.

Now so far as inflation is concerned, as it has been stated in our monetary policy statement, most of the impulses of inflation at this point of time appear to be one-off factors or, as some people like to describe it, transitory. Our inflation forecast shows that in the third quarter of this year, inflation will moderate. Take the example of last year. Last year in September and October, inflation in fact crossed 7%. At that time, there was worry all around, but the MPC assessed that the inflation will moderate going forward. The inflation did moderate, and came very close to 4% in the first quarter of this calendar year - January to March.

At this point of time, we also feel that the inflation will moderate going forward. The current inflation and inflation momentum is driven primarily by supply-side factors. And the supply-side factors are correcting themselves. The concerned authorities are also taking the necessary steps. We are in constant discussion with the government and other authorities so that necessary steps are taken, because RBI doesn't control the supply-side factors. Whatever corrections need to be taken or can be taken have to be by the people who control them.

We expect inflation to moderate. We explained that we expect the supply-side factors to even out going forward, the current inflation looks transitory, and RBI remains fully conscious of its responsibility to anchor inflation expectations. Going forward, RBI will ensure that the inflation does not become uncontrollable, it will be dealt with.

So far as growth is concerned, as I have explained, economic revival is taking place. In fact, the revival process was far stronger in the months of January, February and March this year. But thereafter, the second wave again pulled it down. Now, it is recovering again. Therefore, the possibility of stagflation - I would not foresee such a possibility.

**TANVIR GILL: Right, you think of inflation as transitory, Governor. But as recovery takes shape and the output gap closes, wouldn't that put pressure on the demand side of inflation as well? I mean, isn't there the risk of a swift overshoot, and are you prepared for that?**

SHAKTIKANTA DAS: No, it's like this - even at the moment, capacity utilization is nowhere near pre-pandemic levels. I was looking at the data released a few days ago - some 400 odd industries for which data has been released. Out of that, almost 250 industries- I'm talking about the industrial items. In about 50% of the items, the capacity utilization is falling short of their normal level. There is a gap in capacity utilization, there is a slack in the economy. Aggregate demand still has a lot of gap to fill up.

We are constantly monitoring the situation, and we will act at the appropriate time. At the current juncture, we feel that that appropriate time has not come. Not only me, but I think the MPC also feels that we should allow the supply-side factors to correct themselves. We should allow the authorities to also take necessary corrective measures in respect of the supply-side factors and allow that to play out, and then see how the picture works out.

**TANVIR GILL: When would the time be appropriate, Sir?**

SHAKTIKANTA DAS: Well that I cannot spell out at this point of time. We are watchful of all the incoming data on the growth front. On the inflation front, it all depends. I told you two things: number one, we are watchful of how the supply-side factors are correcting themselves. Number two, we are also watchful of how the growth and the revival process is picking up.

Once we are convinced that the revival process has taken certain routes, and it looks sustainable, durable, we have to also factor in the inflation scenario at that particular time. It depends on the evolving macroeconomic situation. I would not like to pre-empt what the MPC should do.

**TANVIR GILL: But I'll tell you where I'm coming from. I spoke to a lot of analysts before this interview. And the overarching view seems to be that the RBI's policy tolerance for inflation has gone up. Has it?**

SHAKTIKANTA DAS: Yes, I think I have said it also. I have said it myself and the MPC statement also says so. We have an inflation target of 4%, but we have a range of 2-6%. Inflation targeting will be treated as a failure if it exceeds or if it goes beyond the range of 2-6% for three consecutive quarters.

Now, the beauty of the flexible inflation targeting framework is that in situations of extreme stress, like the one we have been confronting for the last one and a half years, it is that range of 2-6% which gives flexibility to the monetary policy committee to also focus on the growth requirements of the economy. If you read the law carefully, it says that the RBI will be responsible for inflation targeting at 4%, keeping in mind the objective of growth.

The flexible inflation targeting gives that elbow room, gives that space for MPC to respond to extreme stress situations that we are confronted with today. Also, monetary policy and inflation targeting has to be always forward looking. We have to look forward to how the inflation curve is likely to play out. It's a forward-looking policy. It has to respond to what our expectation is from the coming quarters or from the coming months.

**TANVIR GILL: Let's move forward and discuss your outlook on interest rates as far as India is concerned. The recent MPC minutes showed that there was one dissent by Mr. Jayanth Varma who believes it is time to move away from accommodative policy. There is the expectation that in October the MPC would be further divided on this issue. What is your thinking on this front?**

SHAKTIKANTA DAS: No, as I said it will depend on the evolving macroeconomic situation. And this is not the first time that there is a difference of opinion in the MPC. In fact, right through the pandemic or even earlier, there have been situations where MPC decisions have been taken with the majority of 4-2. So, this is not the first time that there is a difference of opinion. Individual members have also expressed their views, and the minutes are already available in the public domain. And what will our approach be in October? That will depend on the evolving macroeconomic conditions.

**TANVIR GILL: Given the Fed's communication of its tapering plans, and what we've seen from other central banks around the world, isn't now a good time for the RBI to start preparing the markets and investors? Communicating on what's to come and indicating a timeline for policy normalization?**

SHAKTIKANTA DAS: We will act at the appropriate time. When we consider that the time is appropriate, the RBI will be second to none before doing it. As I said at the meeting, we are fully conscious of our responsibility regarding inflation. But it is not the appropriate moment, we will wait for the evolving macroeconomic conditions and then respond appropriately.

Let me also mention, since you refer to the US Fed - we do keep a very close watch on the monetary policy actions of the central banks in advanced economies, and in particular the US Fed. That has impact on our domestic situation. But our monetary policy is primarily and principally determined by domestic macroeconomic conditions.

**TANVIR GILL: I'll come to that in a bit, especially the discussion around the tapering risk and what that means for India.**

**Aside of the timing issue, what about the policy normalization sequence outside of the benchmark interest rate - whether it's a reverse repo rate hike, whether it's withdrawing excess liquidity in the system or also looking at a variable reverse repo issuance - what will the policy normalization sequence be? And can you share your thought process on that?**

SHAKTIKANTA DAS: I would not like to give out our internal thinking. In any case, these are aspects which are constantly analysed internally in RBI at regular intervals. Going forward, what are the policy responses going to be?

Let us also not suppose that we have made up our mind for a reversal and therefore, we should start planning for its sequencing. We keep all our options open, we are extremely watchful of the evolving situation, we consider all policy options. When you say 'What will be the sequencing?', you are assuming that RBI has made up its mind to reverse its monetary policy – by RBI I am referring to the internal thinking and the analytical departments, not the governor level. So, let's not assume that it has been decided by RBI to reverse the policies and therefore, we should plan sequencing.

Having said that, we plan all possible aspects. We plan for if there's faster growth, what is to be done if growth gets delayed, what is to be done if there is a third wave, and if the impact is of a certain magnitude, what should be our response? There is a school of thought which does strongly believe that inflation in India has already peaked, and in future, it will only moderate. Whether it has reached the peak, I have not said so, but there are others who have said so.

Therefore, supposing the inflation considerably moderates, then naturally the timing of any change in the monetary policy will get impacted by that, it will get further postponed. We are very watchful of the evolving macroeconomic conditions, because that really describes the way we view things. We use various permutations and combinations and look at all possible options under various hypothetical situations, should they turn out to be true.

**TANVIR GILL: This is just my final question on this issue, then I'll move on. But would there not be an element of surprise coming in from the RBI? Because I hear you and you're in wait and watch mode, but when I look at professional forecasters, they are already pencilling in the first rate hike for India in the first quarter of 2022. And so I just want to understand, how will this work?**

SHAKTIKANTA DAS: Throughout the pandemic the RBI has surprised the market in a positive sense, by announcing measures from time to time and responding to the evolving challenges very proactively. So, throughout the pandemic, there have been very pleasant surprises for the market. We are fully conscious and will not try to make any changes which take the market by surprise.

As I have said earlier and I would like to repeat - all our actions will be calibrated, they will be well-timed, they will be cautious and they will keep in mind aspects like what you are mentioning. We don't want to give any sudden shock or any sudden surprises to the markets.

**TANVIR GILL: All right. In fact, I must also say that all the analysts who have spoken have lauded you for your efforts through the Covid-19 pandemic, calling you an unsung hero in terms of all the measures that you've put in place in helping the economy survive through this historic crisis.**

**To the external sector, as a source of funding, what is the timeline for India's inclusion on the global bond indices?**

SHAKTIKANTA DAS: Both the RBI and the government are working very closely with the bond index providers and there are some issues relating to capital account convertibility. Now, the entities which provide bond indices, they have a certain way of looking at capital account convertibility.

Yes, India is not fully convertible on the capital account. But having said that, India is almost there. I mean, there are no restrictions on FDI or ODI. Of course, there are certain overall caps with regard to FDI inflows, but on outflows there are no restrictions. In fact, in terms of liquidity, the G-Sec market of India is one of the most liquid, with no restrictions on outflow of funds. Our stock markets also do not have any restriction on the outflow of funds.

So, whether it is FDI, whether it is incoming foreign direct investment or it is incoming foreign portfolio investment, the regime has been liberalized to a great extent. We are engaged with these bond index providers to convince them that although technically India is not fully convertible on the capital account, India has no artificial or other kinds of restrictions, which impedes free movement of capital both ways.

It is a process of convincing them. I think going forward, we should see some traction. Let us see, maybe in the next few months, because it's necessary both for us and for them to develop that understanding. We are trying to explain to them and convince them that indeed, technically, we may not be convertible on the capital account. But for all practical purposes, India has a very, very liberalized capital account regime.

**TANVIR GILL: It's an important development for fixed income investors watching India.**

**How are you preparing for tapering risks? I know that the current account situation is favourable for India, the forex situation looks very comfortable. But just in terms of managing the orderliness of the event going in and out, in terms of whether or not it can lead to potential outflows - knee jerk, potential outflows. Also for the rate differential story, could that lead to and drive outflows from India? Just this morning, we heard about the BoK hike rates. And so how are you thinking about the world tightening and your position?**

SHAKTIKANTA DAS: I missed out the first part of the question. Can you repeat that?

**TANVIR GILL: How are you preparing for the tapering risk? To make it orderly so that the impact in India is minimal?**

SHAKTIKANTA DAS: Our forex reserves are very robust at the moment. It's about US\$619 billion, which is an all-time high. So we do not expect to see the kind of impact that the taper tantrum of 2013 produced. I think India is fairly insulated, thanks to our huge amount of forex reserves. We are far better placed today to deal with any possible impact of spillovers of US policy reversal. The US Fed have also time and again emphasized they are giving enough forward guidance. So it's not as if they are going to do it right away.

At the moment, the broad opinion is that perhaps in '23 - or some members are talking of perhaps in '22 now. So we'll have to see how they decide. I think this is one of the positive outcomes of the experience of all central banks during the taper tantrum: the forward guidance given by the US Fed is extremely important for global monetary policy stance across central banks. The taper tantrum created a situation where there was a sudden surprise pronouncement which came from the Fed, and it didn't materialize eventually, but it created huge amount of ripples.

As far as I understand, this time the US Fed is also very conscious to give enough forward guidance to global markets and to other central banks. So, we expect the US to give enough advance notice. In any case, so far as India is concerned, our forex reserves provide that kind of buffer, which should insulate any impact of spillover on our situation to the maximum extent possible.



**TANVIR GILL: The Bank of Korea announced its first rate hike today. Brazil has gotten out of the gate, Russia has done so as well. As some of the key central banks, outside of the Fed, look at exit policy, are you concerned about capital outflow pressure because of rate differentials?**

SHAKTIKANTA DAS: No. In fact, the capital inflows into India are continuing to be very steady and you would have seen the rupee has indeed appreciated over the last few weeks. Recently, we had a spate of IPOs in the domestic market and that led to a lot of inflow of foreign currency, particularly dollars, into India.

The bulk of the inflow that is happening in India today is in FDI, which is of a durable nature. The inflows may moderate to some extent, but inflows remain steady. And most of the inflow is coming in through FDI for a variety of factors. I'm not going into that, but we are getting large FDI inflows, which should continue to be steady.

**TANVIR GILL: On fiscal support, will the G-SAP program - which is the government Securities Acquisition Program - run after September to support the bond market or will inflation risks mean that the RBI steps back on bond purchases?**

SHAKTIKANTA DAS: The current G-SAP programme is up to the end of September. Now, on what our approach will be, you will have to wait for the next monetary policy statement, which is due in the first week of October.

Before that, there is still one month and 10 days to go. So, we will remain watchful, and we will decide and announce at that time. It's not possible for me to prejudge this issue at this point, because frankly we have not decided. It will depend on so many developments and factors and how it plays out in the next 30 or 40 days.

**TANVIR GILL: One question on the banks and not just in terms of accelerating credit creation: What more can be done on that front but also in managing asset quality pressures? What can you tell us about the state of the banks, because some of those moratoriums are expiring at a time when businesses are still struggling with cash flow pressure?**

SHAKTIKANTA DAS: The moratoriums have ended. The RBI gave a moratorium for six months, which ended in August. Then the Supreme Court ordered an asset classification standstill, which ended in the third week of March. So, there is no moratorium prevailing.

The restructuring, the resolution schemes which we had announced, they have all concluded on the 30<sup>th</sup> of June 2021, except the MSME sector, where we announced some fresh measures on 5<sup>th</sup> of May, 2021 that are still in operation. But that will not have a large impact on the banking sector.

India's banking sector entered into the pandemic in a far better position than the situation two years or three years prior to that, if you look at the numbers on 31<sup>st</sup> March, 30<sup>th</sup> June, I have the figures up to 30<sup>th</sup> of June, 2021. In fact, at the aggregate level, the CRAR of scheduled commercial banks is about 16%. The provision coverage ratio

of all the scheduled commercial banks at the aggregate level - if I remember correctly - is about 68%. And the GNPA on 30<sup>th</sup> June was 7.5%.

We have in our financial stability report given certain projections about the NPA situation, we are quite confident at this point of time that the outlook with regard to non-performing assets or bad assets are within manageable limits. So, the Indian banking sector looks stable at the moment. The outlook also looks stable. Deposits, bank deposits have been growing at the rate of 10% over the last one year. Now, this is at the aggregate level: within that there could be some stress in one or two institutions, but as I have said elsewhere earlier, we have really tightened and improved our supervision process.

We know exactly where the problem is, and our teams are constantly engaged with the management of those banks to take necessary corrective measures. I just give one example. We are no longer just looking at the overall broad numbers of the financial parameters of the banks - the figures I mentioned, that is the NPA (non-performing assets), the CRAR and all that. We are also looking at the business models, we are also looking at emerging stresses in certain sectors in the portfolio of the banks. Whenever we find that a bank is overexposing itself to a particular sector, or that the stress in a particular sector is increasing, we immediately interact with the bank and bring it to their notice that this is one area of major concern for us and the management of the bank should address this area and take necessary corrective measures.

So, it's a constant process which goes on aggregate level. The banking sector looks very stable at the aggregate level, while at the individual entity level, there may be problems in one or two entities. But there also we are fairly confident that we are engaged with the management of those banks and we will be able to deal with it.

**TANVIR GILL: We are moving towards the end of the interview and just have a couple more questions for you. The RBI is planning on introducing a digital currency in a phased manner. Could you share some more details on when we can expect the test pilot test to begin and how much time for the rollout?**

SHAKTIKANTA DAS: It was articulated earlier that, let's say end of the year, by December or so, we should be able to start some kind of pilot exercise. We are being extremely careful about it because it's a completely new product, not just for RBI but globally.

So, the first thing is the security of the digital currency and integrating it that is very important. The possibility of cloning, all that should be avoided. What impact will it produce on the financial sector? What impact will it have on monetary policy? What impact will it have on currency in circulation? We are examining all those aspects.

Our teams are also working on the technology, we have a choice between a good digital distributed ledger technology (DLT) or a centralized ledger. There are also central banks that are starting the exercise at the wholesale level and then going into retail. We are examining that aspect: whether we should adopt wholesale and sequentially go to retail later on, or should we also start in a localized area with retail plus wholesale? Various options are under examination. And whether the currency

should be issued directly by the central bank or if we should issue it through the banking system, that is also under examination.

But teams are working. I think by the end of the year we would be in a position perhaps to start our first trials.

**TANVIR GILL: We wish you the very best, because that's a growing debate around the world in terms of rolling out CBDCs, at a time when there is so much happening by way of increasing adoption for cryptos.**

**Governor, how are you thinking about regulation for cryptos? We actually just touched base with the Governor of Bank Indonesia a few days ago about the regulatory environment. Indonesia, of course, is thinking about a crypto trading tax. So what shape and form could regulation look like for cryptos in India, where adoption is also growing?**

SHAKTIKANTA DAS: You're referring to private crypto. At RBI we have major concerns around private crypto from the point of view of financial stability. There are huge amount of risks that impact on financial stability, and we have shared our concerns with the government. So, the government will take the necessary policy decision in that regard.

Where the technology of crypto is concerned, for blockchain or DLT - distributed ledger technology, that's a different thing altogether. I mean, the technology of blockchain DLT can grow and will grow irrespective of private crypto. This technology does not need a private cryptocurrency to grow. It can grow on its own. In fact, it is already being used by various corporates in India, and we are also working on that. But on private cryptocurrencies, we have major concerns because it has impact on our financial stability, and I'm not the only central bank governor talking about it. Several others have also talked about it - the Bank of England, even the US Fed and several other central bank governors.

**TANVIR GILL: By when can we see a regulatory framework being put in place? The reason why I'm asking you this is because we just came across a report that highlighted how India and Vietnam saw the highest amount, or the most significant adoption, of cryptos through the course of the last 18 months. Clearly, this product is moving very quickly, not just in trading circles, but also in the real economy.**

SHAKTIKANTA DAS: It's for the government to decide. We have shared our viewpoint with the government, it is for the government to decide, I think it is under consideration in the government.

**TANVIR GILL: The world has seen governments step up fiscal policy measures to support monetary policy in this next leg of the pandemic. Is that what we can expect from India as well, where the RBI has done its bit and now the onus is on the government to stimulate growth?**

SHAKTIKANTA DAS: Well, I cannot speak for the government. The government has announced several packages of fiscal relief during the last one and a half years, and

whenever we have any thoughts regarding fiscal policy support, we do share them with the government. But we leave it at that, because it is for the government to take into consideration, determine their interest and priority, and announce measures. So, this is an area on which I will not be able to comment.

But government has provided fiscal support and relief in a very sequential and calibrated manner over the last one and a half years. And I do believe that we have not seen the last of the government fiscal support measures. There could be many more, but again, I'm in no position to say with finality as to what is likely to happen.

**TANVIR GILL: Before we wrap up, it's been a tough period for you and for your team working around the clock or from quarantine facilities to serve the economy. What are your reflections when you look back at the time gone by, and where does that leave you with regards to the future because the viruses still out there?**

SHAKTIKANTA DAS: The life of a central banker is never a dull moment because there are challenges emanating almost at regular intervals. But I must say that the entire team at the Reserve Bank of India has worked notwithstanding the challenges and the restrictions of lockdown. I think throughout the pandemic and right from the beginning, our teams in the RBI have worked very hard. It has been a team effort, and we will always try our best. We always make our best endeavour to identify the emerging challenges and be ready to deal with them in a proactive manner. And that will be our approach in going forward.

**TANVIR GILL: Would we see you continue to oversee India's monetary policy execution, as your term comes for a review in December?**

SHAKTIKANTA DAS: I don't know. Not for me to comment on that.

TANVIR GILL: All right, Governor, we leave it at that. Thank you very much for patiently answering all our questions. Thank you very much for this CNBC Exclusive.

SHAKTIKANTA DAS: Thank you very much for also inviting and having me on your show.