

**Interview with Zee Business on December 14, 2020- Shri Shaktikanta Das,  
Governor, Reserve Bank of India**

**Q1. Has it been an RBI throne or a crown with thorns? How has the two years been as RBI Governor?**

**A:** The position has been one of great responsibility. There have been two types of situations. It has been a great opportunity to work towards the betterment of the economy of this country. However, there have been challenges and difficulties.

**Q2. You have been successful in coming out of the image of your predecessors who were perceived to be reclusive. You have a very cordial relationship with the government. How have you managed to do this?**

**A:** The thought process of a Government and the Central Banks is usually different, world over. The differences can be ironed out by having a greater dialogue. Moreover, the accountability of a government in matters of economy are much greater than the Central Bank of a country. On contentious issues, the way forward is to have a conversation with each other.

**Q3. What has been your biggest achievement in two years at the helm?**

The biggest challenge at the time of taking over the office was in the NBFC sector. There were big questions over their stability and liquidity situation. There was a challenge to stabilise their operations and increase confidence on them. The regulator had to keep a close eye on the functioning of the banks and the NBFCs.

The Reserve Bank has been trying to pre-empt the financial condition of the banks and caution the management about the issues at hand.

Currently, the interest rate, monetary policy and growth are some big issues before the RBI.

**Q4. RBI is considered as one of the best Central Bank, globally. There were problems related to PMC, Yes Bank and Lakshmi Vilas Bank (LVB) and Yes Bank and LVB were handled very well. Why are banks failing despite a regulatory oversight? Even as we see that the attempts are made to revive the banks, the bond and equity holders are at a loss.**

**A:** The RBI is putting a lot of emphasis on the interests of the depositors and the decisions are dictated by that. The banking regulator has taken some big steps towards keeping a close watch on the banks. While, we understand the business model of the banks, there is always an eye on its books. The decisions of RBI are as per the regulatory guidelines and within the four walls of the law.

**Q5. Draft guidelines have been released for new banking licences which aim to convert NBFCs to banks. While the guidelines are good, does RBI really want to give new licences?**

A: Anybody can apply for banking licences anytime. There is still no decision on the recommendations made by the internal working group. We are still waiting for feedback from the stakeholders and any decision on it will be taken after consultations.

**Q6. While the inflation situation is high, interests in deposits are low? What is the RBI doing on reducing inflation?**

As per the Monetary Policy Committee (MPC) MPC, inflation is expected to remain high for a few more months. It is likely to ease during winters. The government has taken many steps to reduce inflation. The state governments should also work towards improving the situation. They should take steps to reduce the price of milk, eggs and chicken.

RBI is keeping a watch on growth and the prevalent situation. There will be no haste in decision making on the issue of interest rates amid the pandemic situation.

**Q7. RBI has been proactive and unbiased. Is the Central Bank following the lines of US Fed? How much is the government interference?**

A: The RBI has been taking decisions after carefully analysing the future situation. It is autonomous and there are discussions with the government. But the decision making is completely independent of Government interference.

**Q8. Stock Markets are at an all-time high and there is ample inflow of dollars in the country. The amount of inflow in a month is unprecedented. What happens if it starts leaving and how is the RBI keeping a watch on it?**

The Forex reserves with the RBI is currently at USD 579 billion. There is preparedness if the Foreign Institutional Investors start pulling out the money. The liquidity situation is likely to continue as it is now. The monitoring on reserve management is there in place.