

**Edited transcript of Reserve Bank of India's Governor Press Conference with
Media: December 11, 2024**

Participants from Reserve Bank of India:

Shri Sanjay Malhotra – Governor, Reserve Bank of India

Moderator:

Shri Puneet Pancholy – Chief General Manager, Reserve Bank of India

Puneet Pancholy:

Good afternoon. It is my honor and a privilege to have amongst us, for the first time, the 26th Governor of Reserve Bank of India Shri Sanjay Malhotra. Governor Sir has kindly agreed to address us and interact with us in today's conference. We have with us 23 media persons from different media houses and I, on behalf of all of us, present here welcome you to this press conference. Now I would request you to please make your address.

Sanjay Malhotra:

Good afternoon to all of you and thank you very much for coming over here at very, very short notice. I do not actually intend to make any detailed statement on any of the major issues which pertain to this august institution. It is my first day and so if I start playing my shots from Day One, from ball one, I do not think it will be appropriate on my part. And as I mentioned, to a few others yesterday in Delhi, I would first like to understand the various issues and discuss with my officers, the DGs, EDs and get to grips with all the various issues that RBI is supposed to be looking into and then come back to you wherever it is required. So, this is primarily more of an introduction.

And, so let me first of all say that it is indeed an honor to head this august, prestigious institution and more than an honor, it is a huge responsibility as well. As you are all aware, with the various tasks, functions that have been entrusted to this Central Bank, including monetary policy, foreign exchange reserves management, currency management, managing the payment systems, spreading financial inclusion, banking regulation, ensuring liquidity and so on and so forth. But RBI, as I said, is an august institution and it has a huge legacy. Some very commendable work, I think, RBI has done over the years, and it is all because of the hard work and the sheer diligence, the upholding of the values of public service by the staff, by the senior management and including my predecessor, Shri Shaktikanta Das, etc. And so, I will continue to uphold the legacy and take it forward. I am aware that the RBI in its 90th year has given to itself the theme of 'Stability, Trust, and Growth'. All these three, I think are very, very apt pillars on which to work. All these three broad themes that have been chosen are very, very pertinent. Ours is still an economy which needs to develop as we are entering into this 'Amrit Kaal' and to realise the vision of the 'Viksit Bharat'. The huge responsibility that we have in ensuring the growth of this country is part of this theme and that will continue.

'Stability' – Stability in policy again, is very, very important. And this is something even in my previous role, we were trying, that we try to give stability, continuity in policy so whether it is taxation policy, fiscal policy, or monetary policy, I think all businesses, all

people, they do need this continuity and stability rather than a day-to-day kind of a policy. We continue to uphold this value, this principle of 'Stability'.

And again, 'Trust', I can assure you that this institution, what it is, is basically because it has been able to earn the trust of the people, and so whatever decisions are taken, they will be taken with public interest in mind, so that the trust that the public has reposed in this institution that not only continues, but is strengthened.

While stability, as I mentioned is important, we are also aware that we are in a constantly evolving, constantly changing world. This world is dynamic with geopolitical tensions, with the impact of climate change and political uncertainty around the world. So, as you know, change is the only constant. So, we have to be conscious of this fact that while we do maintain continuity and stability, we cannot be stuck to it and we have to be alert and agile to meet these challenges while we maintain policy continuity.

Secondly, I do believe that one of the most important roles of the central bank is to spread financial inclusion. Huge responsibilities for financial inclusion. We have, of course, travelled a lot in financial inclusion, especially with regard to making banking available and accessible to the doorsteps and at every nook and corner of the country. But there is still more to be done and so we will collaborate. I think that is going to be a key. For this, we need to collaborate with all stakeholders, especially the financial sector regulators, not only for banking and credit, but even their other financial needs, we need to collaborate with the financial regulators and the central government and the state governments so that the benefits of formal financial inclusion reaches everyone.

Another key pillar which I have been always following and supporting from Day One, since I entered my service and being an engineer myself, which has been reported quite widely is to use technology and where we started from 30 years ago and where we are today, I think it is a totally different world. Those who are my age especially would be able to appreciate as to how this world has changed and the Reserve Bank has also made its big contribution in this regard, especially when we talk of the Unified Payment Interface. UPI has made big waves not only in our country, but now internationally. So, how are we going to be able to use technology? We did this even in Revenue. You can see the GSTN and the income tax systems, Aadhaar. So technology, how we can further use technology to reduce costs, to make financial inclusion more accessible and all pervasive is one key pillar that we will work on. And for this, of course, innovation will be key. And while innovation will have to be fostered and will have to be supported, we will, of course, have to be also conscious of the risks that it may entail, and so putting in place requisite safeguards and guardrails without killing or without stopping innovation, we will work towards further use of technology.

All these years, I have also realised that while every institution, including RBI...RBI has huge knowledge and as I mentioned earlier, they have done a tremendous job, they have done a wonderful job in monetary policy management and other areas like financial inclusion, etc. We need to be conscious that we do not have the monopoly of all knowledge. And information, knowledge, and expertise is available outside as well, whether internationally or nationally. And so, consultation which they have been doing, not to say that they have not been doing this, consultation is another one key pillar of

our policy making which RBI whenever it publishes, finalises its regulations or master directions, it does do a wide public consultation. So, this is one thing that I will continue to do so that we are able to carry forward all the functions, all the objectives with which this central bank, Reserve Bank of India has been entrusted with.

So, thank you very much. Once again, I can assure you that we will put in the best foot forward in public interest to deliver what the public of India looks forward to, which is trust, which is growth, and which is a stable and certainty in policy. Thank you.

Sanjay Malhotra:

I would suggest that the questions... because if you come up with specific questions and as I said, it is very early days, it may not be appropriate for me to take the bouncers and the googlies and the yorkers on Day One to start with.

Latha Venkatesh, CNBC TV18:

General Questions. Half volleys.

Sanjay Malhotra:

Half volleys and practice balls I think we can perhaps discuss over tea because that will be more meaningful. So, I will suggest that we wait another day for having a Q&A which I do promise to all of you that very soon, we will have Q&A and I do intend to continue this practice of meeting all of you so that whatever are our views, they are carried forward correctly so that everyone understands what the intent, what the direction and what the purpose of whatever actions we have taken or we intend to take are well known to all our citizens and the public.

Puneet Pancholy:

Thank you so very much. And with this, we will close this conference, and I will request all the media friends to assemble to take the door on the left-hand side and assemble outside. Thank you.