

**PRESS RELEASE**

**India can be “far more” successful, influential than it is today-RBI Governor**

*Delivering the “Fourth CK Prahalad Memorial Lecture” hosted by the Ananta Aspen Centre and Confederation of Indian Industry in Mumbai, Dr. Raghuram Rajan, Governor of the Reserve Bank of India, reflected on “Reforming the Financial Sector” earlier today.*

**Mumbai, September 18, 2015:** India can be far more successful and far more influential than it is today, mentioned **Dr. Raghuram Rajan, Governor, Reserve Bank of India (RBI)** while delivering the “**Fourth C K Prahalad Memorial Lecture**” organized by the **Ananta Aspen Centre** and **Confederation of Indian Industry (CII)** in Mumbai earlier today.

Delivering the Memorial Lecture, Dr. Rajan reflected on the theme, “Reforming the Financial Sector”. The discussion was chaired by **Mr. Rahul Bajaj, Chairman, Bajaj Auto Limited.**

In his special address, **Dr Rajan stressed** that in difficult times, environment for growth has to be achieved in the right way by working hard towards recovery and aiming at sustainable growth. *“While the monetary policy will be accommodative there is room to expand sustainable growth potential. By continuing with reforms that the government and regulators have announced a sustainable growth potential can be achieved,” said Dr. Rajan.*

Dr. Rajan further asserted that the **RBI would focus on keeping the interest rates low** in the near term as well as future to have a moderate interest rate regime to help borrowers as well as the savers. It will also focus on **cleaning up the banking sector** of the distressed assets, so that it can fund the growth agenda, he said.

He also suggested that **India must resist special interest rates for targeted stimulus, long tax breaks, subventions, subsidies, directed credit**, all of which historically rendered industry un-competitiveness with government over extended and country incapable of gaining its rightful position among nations.

Reflecting on what RBI is trying to do and what more it needs to do in improving the environment of the financial sector, **Dr Rajan elaborated on four aspects:** the need to foster competition and innovation; creating hospitable environment to those who don't

belong to the club; dealing with distress for improving structures; and strengthening human capital in the financial sector.

In his remarks, **Mr Bajaj** mentioned that financial sector reforms should be a continuous process so that they are aligned and are future ready. He further elaborated that **the role of reforms pertaining to financial sector should be to align rules and requirements among the multiple regulators** so as to simplify; enable innovation and productivity in business for the benefit of customers and shareholders; stabilize the regulatory environment, create consistent and visible guidelines, and reduce risk amongst market participants and in the overall system in general and upgrade skills within the regulators through a healthy interaction and cross-pollination with private sector.

The CK Prahalad Memorial Lecture series was initiated by the Ananta Aspen Centre in 2012. In the past, **Mr R Gopalakrishnan**, *Executive Director, TATA Sons*; **Mr S Ramadorai**, *Vice-Chairman, Tata Consultancy Services* and **Mr. GV Sanjay Reddy**, *Vice Chairman, GVK Power and Infrastructure Limited* have delivered the Memorial Lecture.

Dr. C K Prahalad (1941-2010) was an influential management guru and visionary, who was often hailed as the “most prominent business thinker of his generation” in the world. The prestigious Thinkers 50 list ranked Dr Prahalad the world’s most influential business thinker in 2007 and 2009. In 2000, he was also awarded the Lal Bahadur Shastri Award for Excellence in Management, by the President of India.

### **About Ananta Aspen Centre**

Ananta Aspen Centre is an independent and not-for-profit organisation that focuses on leadership development and open dialogue on important issues facing Indian society, to help foster its transformation. The Centre engages civil society, business, governments and other stakeholders on issues of importance to India’s development and national security. The Centre is based in New Delhi and Kolkata, and has an international network of partners.

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