



*JPNN/New Delhi / May 09, 2015/The RBI and the Finance Ministry need to work in harmony, former Prime Minister Manmohan Singh said today, even as he stressed on the need to keep the central bank's autonomy intact. The comments from Singh, who has served as RBI Governor as also as Finance Minister in the past, assume significance as they come against the backdrop of reports about differences between RBI and Finance Ministry on multiple issues, including on interest rates and on the proposed shifting of some powers away from the central bank. "I would like the two institutions to work in harmony," Singh said. He had served as RBI Governor from September 16, 1982 to January 14, 1985,*

*and then as Finance Minister from 1991 to 1996, before becoming Prime Minister for two consecutive terms during the 2004-2014 UPA rule. "I've served in RBI. So, I know the importance of RBI. Its autonomy should be kept intact," Singh told reporters on the sidelines of an award function here. "I've been Finance Minister also. Since I have served as both RBI Governor and as Finance Minister, I would like to see the two institutions work in harmony," he added. "RBI is a great institution. Finance Minister (Arun Jaitley) has already said that there is no disconnect between the two," Singh said. There have been reports about differences between RBI and Finance Ministry over the structure of a new agency that was to manage public debt, among other issues, including setting of policy rates. In his first full-year Budget in February, Jaitley had proposed to set up Public Debt Management Agency and shift the regulation of government bonds from RBI to market regulator Securities and Exchange Board of India (SEBI). The proposal generated a lot of controversy, with the RBI raising concerns and questioning the timing of the move. However, the government has now deferred the PDMA plan and dropped the proposal from the Finance Bill, 2015, passed by Parliament this week. Agency*