



JPNN|New Delhi| February 4, 2014 |India is better prepared to deal with any further U.S. Fed tapering, but the country needs to remain vigilant to face eventualities, Reserve Bank Governor Raghuram Rajan said on Tuesday. “We have done a lot to make the economy robust and we are better prepared (to deal with impact of tapering). (But) I will never say we are fully prepared for any eventuality. We have to be vigilant. “We are better prepared certainly now than we were six months ago and that is because of hard work by the government as well as regulators,” Mr Rajan told reporters after the FSDC meeting. Finance Minister P Chidambaram had chaired the full meeting of the Financial Stability and Development Council (FSDC) comprising all financial

sector regulators. The meeting took place against the backdrop of tapering of Quantitative Easing (QE) in the U.S., and the Reserve Bank revising the current financial year’s growth projection to less than 5 per cent. Last week, the U.S. Federal Reserve decided to cut its bond purchases further by another USD 10 billion. It has decided to purchase USD 65 billion per month of mortgage backed securities and longer-term treasury securities as against USD 75 billion per month earlier. Mr Rajan also said the new US Federal Reserve chief Janet Yellen is a very experienced central banker. “I have full faith that she will do whatever is appropriate and she will be very reliable central banker,” the Governor said. FSDC meeting Referring to the FSDC meeting, he said the government and regulators discussed a broad set of issues facing the economy and decided to move forward on some of issues, including non-performing assets. “As and when the precise measures (on NPAs) are determined, we will obviously announce them,” Mr Rajan added. PTI