

Edited Transcript of Reserve Bank of India's Post Policy  
Conference Call with Researchers and Analysts

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**PARTICIPANTS FROM RBI:**

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**SHRI H.R.KHAN - DEPUTY GOVERNOR**  
**DR. URJIT R. PATEL – DEPUTY GOVERNOR**  
**SHRI S.S. MUNDRA – DEPUTY GOVERNOR**  
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**DR. MICHAEL D. PATRA –EXECUTIVE DIRECTOR**  
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**MODERATOR: MS. ALPANA KILLAWALA – PRINCIPAL CHIEF GENERAL  
MANAGER**

**Moderator:** Ladies and Gentlemen, Good Day and Welcome to the Reserve Bank of India Post Policy Conference Call for Analysts. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. I now hand the conference over to Ms. Alpana Killawala. Thank you and over to you Ma'am.

**Alpana Killawala:** Thank you very much, Shyma, and welcome to this Post Policy Researchers and Analyst Conference. We have received some through the question link.

**Dr. Raghuram G. Rajan:** Let us do two or three from the list and then go over to the line.

**Jayesh Kumar:  
Kotak Securities** AccuWeather is predicting a "significant" drought condition. What if these risks to inflation do materialize? Would you be willing to reverse your stance to tightening rates? As it is real rates are now below 1.5% - 2%.

**Dr. Raghuram G. Rajan:** I think as we said in the earlier press conference, the link between weather and inflation is tenuous. Of course, there is a link, but there are many steps in between, First, forecast themselves have typically been all over the place, of course. Today the forecasts have been worsening. Second, the link between the actual realization of rainfall and production is also not absolutely straightforward and then the link between production and inflation again is not straightforward. In all this timely government action can break the links, and in the past the government has acted and last year also there were government actions to mitigate some of the consequences of the low rainfall. So, I think it is premature at this point to take for granted that there will be higher inflation than expected. As of now our estimate is we will still stay within the inflation target.

**Radhika Rao:  
DBS Bank** How big is the risk that the fiscal consolidation will take a back seat given the need to support growth and balance against a hesitant private sector? Second, food price inflation by far has reacted little to unseasonal weather earlier this year. Does that give you some confidence that the fallout from the weak Southwest Monsoon will be contained?

**Dr. Raghuram G. Rajan:** I think I just answered the second part of the question. The first question on 'fiscal consolidation', I think government spending plans are slowly coming into place and they will provide a boost to growth. So until they are firmly in place, I think it is again premature to ask whether more is needed. Also, the efforts to untangle the projects that are stalled will pay off because substantial investment has gone into some of them, and as they start picking up and creating output and also paying their bills, I think liquidity will flow into the system and also we will see some growth.

**Dr. Urjit R. Patel:** Also just to add that the government's fiscal consolidation program has internalized a higher capital expenditure within it, in sectors like railways, roads, etc. So one could have a fiscal consolidation that has been programmed being consistent with the growth impetus as these investments come on stream and feed into the rest of the economy.

**Badrinivas Chakravarthy:**  
**Citibank** My question is on the issue of transmission. What is the RBI's expectation of the level of transmission that you would expect to see for the 75 bps rate cut thus far?

**Dr. Raghuram G. Rajan:** I will ask Michael Patra, the Executive Director to talk about it.

**Dr. Michael D. Patra:** We expect a full transmission as has happened in the wholesale funding markets. Remember that after 50 basis points that were cut until now, already half has been passed through... 25 to 30 basis points have been passed through and we expect them to pass the rest fully.

**Bekxy Kuriakose:**  
**Principal Mutual Fund** Anecdotal evidence and insurance companies claim suggest that medical inflation in India continues to remain high in double-digits. Considering that this affects the poor and the elderly adversely, and has the ability to wipe out their savings, is this adequately captured in the CPI and the medical care component?

**Dr. Raghuram G. Rajan:** I think we typically look at averages, so we do not look at the impact or the magnitude of sudden spurts in any particular expenditure. But it is clear that medical expenditure can be quite devastating for poor families, in fact for any family, and therefore I think it is something that one has to be concerned about. Let me ask Michael to add some details.

**Dr. Michael D. Patra:** You need to also check with the CSO which produces these data primarily. But in the recent series we observe that the way the medical services have actually gone up from the earlier series, from 5.69 to 5.89 and inflation is a little low in the current series, down from 6.3 to 4.9; the major items that are showing high inflation here are family planning devices.

**Dr. Raghuram G. Rajan:** We can go to the open questions.

**Moderator:** Participants connected to the audio call, if you wish to ask a question, please enter '\*' and '1' on your touchtone telephone. We have the first question from the line of Kaushik Das from Deutsche Bank. Please go ahead.

**Kaushik Das:**  
**Deutsche Bank** My question is regarding the linkage between monetary policy and growth. If you see the latest CSO numbers, GDP as measured by GVA, has actually sequentially come down from 8.4 to 6.8 to 6.1 in the January-March quarter. I know the annual numbers are more or less same as the expenditure side GDP numbers, but on a GVA basis the momentum is slowing down. So from that perspective do you think a 75 basis points rate cut in this cycle is sufficient even if we assume that the entire rate cut will be transmitted into lending rate cuts in due course of

time? Do you think there is space for more rate cuts going forward given how weak growth is at this point?

**Dr. Raghuram G. Rajan:** Remember we are trying to do as much as we can given our mandate to maintain inflation under control. When you say “do you think it will do enough?” there are constraints. What is important to note is that interest rates are not the only instrument at work here. There are a number of other things including government policy, including bank lending, all of which help to create growth. So I think it would be a mistake to first say that the only tool available is interest rates and then to also assume that none of the other instruments will come into play over time to generate greater growth. So, we have to wait and see. As I said in the press conference we have done what we can given the current data and given our mandate. Now going forward, room may absolutely open up if the monsoon is better than currently expected or if government actions can mitigate any potential rise in food prices, and if energy prices stay contained, clearly it is possible that more room may open up and we will take full advantage of it as and when we see room opening up. As far as the medium-term inflation target goes, yes, we need to deal with the supply constraints in the economy. That will come from greater investment, which is one of the reasons why we went forward in cutting interest rates today, though the more conservative approach would have been to wait to see the outturn in the monsoon.

**Alpana Killawala:** There is a question on instruments, why have we not cut CRR?

**Dr. Raghuram G. Rajan:** Yes, this is a question that some bankers raise occasionally, cut CRR. I think it should be recognized that CRR is primarily a monetary instrument. If we want to reduce the cost of capital and reduce lending rates, the more direct instrument to use is the policy rate which we have used. Now CRR for the bankers clearly represents uncompensated reserves that they hold with the central bank. It is absolutely necessary to keep it uncompensated because that is the way we essentially drive the monetary policy transmission through the credit multiplier. So this notion that somehow cutting CRR will reduce the bank’s cost of funding. Yes, it will. But, it is effectively a back door policy. The direct way of cutting the bank’s cost of funding is to reduce the policy rate. Also, if you estimate the effects, they are actually quite small; a 1 percentage point reduction in the CRR, that is at a 25% reduction in where the CRR is right now, will reduce the banks’ cost of funding by about 7 to 8 basis points. Today, we have done a 25 basis points cut in the policy rate. Over time as Michael said, that should reduce the banks’ cost of funding by 25 basis points, as its deposits and liabilities adjust. Which is more? 25 basis points I policy rate or the 25 basis points cut in CRR that they are talking about? Clearly, it is the 25 basis points cut in the policy rate. So I do not understand this discussion of CRR that sometimes comes up.

**Nikhil Gupta:  
Nirmal Bang Equities**

My first question is regarding the potential GDP growth. Now I understand that given the limited history of new GDP series, it is difficult to calculate it, but if I remember correctly, Dr. Patra in the April 2015 Meeting stated that he would estimate it around 7.8% while Dr. Patel today stated that it would be somewhere around 8 to 8.5% which will give an output gap of

1%. So first is that. But, the related question is if we have an output gap of 1% almost and inflation is more than what the long-term equilibrium level of 4%, how confident or how does the RBI see inflation falling in the next two years at the same time when the output gap will be narrowing?

**Dr. Raghuram G. Rajan:** I will ask the two protagonists that you mentioned, Michael and Urjit to answer this.

**Dr. Michael D. Patra:** First of all, let me clarify that the potential output is a level, not a rate of change. Currently, India's level of output is below its potential level, and we estimate that at current rate of growth which is 7.6% as estimated by CSO, it will take up to two years for this gap to close. Now, if you want to close that gap sooner, then you will have to grow at a higher rate, and that is the number that Dr. Patel mentioned today in the morning, which is at least 8 to 8.5% for this gap to close faster. I hope that clarifies the potential output issue. To your second question, remember, I mention that over the next two years, output gap will close, which means that it will remain negative, but less so as we progress during these two years. We also expect that there will be concerted efforts to manage supply better, to provide key inputs to industry and services and that will help the disinflation process.

**Dr. Raghuram G. Rajan:** In other words, potential growth should also increase over the next couple of years as the supply constraints are reduced and investment takes place. So that hopefully will help the disinflation process.

**Anjali Varma:  
Phillip Capital**

I basically wanting to understand when we talk about real interest rate of 1.5% to 2%, what is the timeframe that we should look at? Is it like year ending or is it for the next two to three months?

**Dr. Raghuram G. Rajan:** This is somewhat a loose concept, but I think over the span of the next year, we should see incremental over the year, you should probably make about 1.5% to 2% on your savings. Of course, there is a term structure of interest rates and so on, so I am not delving deep it into it. This is somewhat loose statement, but it is saying that investors should expect. I am not talking about the overnight rate, I am talking about short term up to about a year, year and a half, that kind of.

**Vibha Batra:  
ICRA Ltd.**

My question is on provisioning requirement on restructured advances. Now the stock of restructured advances is possibly bigger than NPAs, and provisioning requirement is 5%, irrespective of the nature of restructured advances and not all restructured advances are of similar nature. So is there a merit in making a differentiated provisioning norm for restructured advances based on some metrics or some external benchmark, so that they reflect the threats appropriately?

**Dr. Raghuram G. Rajan:** Let me just start responding and then ask Mr. Vishwanathan, ED in charge of regulation, if he has anything to add. On the restructured advances going forward, restructured advances would be treated as an NPA which would attract full NPA provisioning norms, that is from April 1<sup>st</sup>.

So any differences are taken care of by that. Mr. Vishwanathan, would you like to add something there.

**Shri N. S. Vishwanathan:** What we have said is that from 1<sup>st</sup> April there is no difference between restructured and NPA.

**Dr. Raghuram G. Rajan:** So this question gets addressed by the reversion to the old norms from April 1<sup>st</sup> 2015.

**Anjali Varma:** But this new norms are applicable only for the fresh loans, but I am talking about the stock of restructured advances which are larger than NPLs today.

**Dr. Raghuram G. Rajan:** If the restructured advance has a problem, it will have to come back for fresh restructuring, at which point it will become an NPA. So in that sense going forward these things will get taken care of anyway. Now, I think what you are suggesting is go back to the old stock and classify one by one, which is near difficulty, which is long-term difficulty, the next course of time will take care of anyway.

**Anjali Varma:** But it may take about two to three years because a lot of these accounts would be under moratorium and we have seen the bank results, 25% to 30% of slippages are coming because restructured accounts are slipping and these are not uniform across banks?

**Dr. Raghuram G. Rajan:** Let me ask Mr. Mundra to comment, but let me add just one thing here, that we are urging banks, where there is the writing on the wall that this account is going to slip back, to deal with the problem cleanly and once and for all. So to move from band aids to actually performing the operation and moving forward is what we are urging the banks to do and that again should take care of the concern you have.

**Shri S.S. Mundra:** I will just add to what Governor is telling; 1) incremental provisioning will already be 15%, restructured account which gets converted, which are not maintaining the original schedule, they also become NPA, they attract 15%, and ultimately, the whole provisioning has to follow a structure. So that is why you have this structure of 15% for substandard, then which inches up to 30% for doubtful. If you go by the same logic why we should not question that one account *ab initio* should have 30% or 50% provisioning. So I think it follows a framework and over a period of time the framework addresses the issue of weakness and provides accordingly.

**Devika Mehndiratta:**  
**ANZ Bank Singapore**

I just wanted to ask you that one in the statement which is Para 8, you mention that the impact of unseasonal rains is yet to show up. So does that mean that is something one can expect, a spike from this factor in the months ahead or is it just a risk that you are talking about? And secondly, you highlighted how important it is to keep MSPs low, but if we do get a bad monsoon, like say the 2009, how confident are you that that government would be strong enough to avoid large increases in MSPs?

**Dr. Raghuram G. Rajan:** Let me ask Urjit to comment on the first one.

**Dr. Urjit R. Patel:** In Para 8, the term impact of unseasonal rains actually refers to the rains we had earlier this year and not to the monsoon. Given that we have seen no impact of that is one reason why we had a low inflation reading in the latest print. So that added to the confidence regarding the policy cut that we took today. Whether there is a good chance of seeing a spike in food prices, some of the high frequency data that we look at from markets across the country suggest that except for one or two vegetables so far this seems to be muted. But in these things we need to keep our fingers crossed and monitor as we go along. We emphasized on the need to be conservative regarding MSPs, precisely because of the outturn that happened in 2009, which could then trigger off a price spiral and then feed into general inflation later on. So I think that is just a conservative cautionary note the Governor made.

**Dr. Raghuram G. Rajan:** As far as the MSPs go, two points to note, first the input cost have not gone up substantially over the year; one of the benefits of low inflation and low rural wage growth. And as a result MSPs which are often proposed on the basis of cost increases are likely to be proposed at a low level of increase and therefore there is scope for muting the increase. In the statement, the line there was primarily a factual statement that in the past as Deputy Governor Patel mentioned, there has been a correlation between high increases and MSPs and high rates of inflation, especially in situations where there is low production.

**Naveen Sharma:  
HDFC Standard Life** I just wanted to understand one thing, this time around in your monetary policy statement, you have removed the forward guidance though you have talked a lot about it in this teleconference and on the press conference. But so far the consistency in the monetary policy was that it used to give rationale and then you used to give us the guidance, this time around it is not there. So that is one. Part two is that if you look at the recent GDP deflator has come at a shocking almost flat, so which is suggesting somewhere that the demand is very weak and the inflation which we are seeing at the CPI is now consistently showing a divergence with the WPI and the GDP deflator, so what is the RBI take on that?

**Dr. Raghuram G. Rajan:** As far as forward guidance goes, I think there was enough forward guidance in the policy statement except we did not outline it as forward guidance, it is basically saying that at this point we are waiting for the monsoon outturn as well as the possibilities for movements in energy prices. As we get more confidence on the outturn, the government reaction, and energy prices, we will have a sense of what is possible on the policy front. The second question was whether we should move away from CPI. There are a lot of reasons to move to CPI amongst which are the fact that this is really the basket of goods that the public sees and this determines both their wage decisions or their decisions to push for higher wages. This also determines their ability to maintain a subsistence wage if they are agricultural workers and this also determines their investment patterns, whether they go for financial assets or real assets. So, for a variety of reasons, the Urjit Patel Committee suggested moving to CPI inflation targeting and that is where we are.

**Manoj Unni:  
Patterson Securities** I am talking as a retail inflation-indexed bond investor. Since you said that the inflation is not coming down and the scope of rate cut is pretty less now by this average. I do not see that

same thing converting in the price of the inflation-indexed bond, because when I go and sell it in the market, the prices are too low. So can you advise on this please?

**Dr. Raghuram G. Rajan:** I hesitate to give any investment advice. If you are asking about inflation-indexed bonds being a protection against inflation, and therefore being more valuable in times when there is a prospect of inflation increasing, that is a very good question. Of course one of the factors determining the pricing of the inflation-indexed bonds is liquidity in the markets, and the kind of market appetite at that point, which is not always driven entirely by fundamentals, so some of that could be at play. I do not know what more to say about your question. I think my colleagues would pass on further comment on that question. We are not saying inflation today is high, and that is a mistake that some people are making in looking at our commentary. We do acknowledge the fact that inflation today is below 5%. But the RBI has to determine policy in a forward looking manner; we have to estimate what it would be in the future and determine policy on that basis. So, when somebody says, "Oh! Today inflation is 4.8%, why don't you cut interest rates by 100 basis points plus because you have so much room?" They are not making a forward-looking statement, they are making a backward-looking statement. They should realize that what is needed at this point is a forward-looking statement taking into account both the base effects which we have to take into account, which are not really suggesting that inflation has come down as much as the headline numbers would suggest as well as what will happen in the future. We are not making prophecies, we are not God; we are making best estimates of the future and of course that will change in actual realizations of outcome such as the monsoon and other things.

**Anupam Surana:**  
**Citibank**

The question is related to the earlier comments made on the full transmission expectations from RBI. We know that even if the funding costs for banks, the deposit rates have come down by as much as repo rate cuts, there have been other costs like credit costs which have gone up, especially as reflected in the NPAs going up for banks. Some of the other LCR related costs have also gone up. So do you think that some of those will come in the way of the full transmission that you are expecting?

**Dr. Raghuram G. Rajan:** I think you need to distinguish between sunk costs like NPAs which even if the banks want to compensate for them, competition may not allow them to compensate for those versus forward-looking costs or incremental costs which liquidity ratios sometimes do constitute such a cost. Though I do not think given their holdings of government bonds, etc., that cost is at this point a marginal cost that they should be seeing. So that is one reason why we think substantial transmission should take place. Of course, in the long run as I have said some banks may need capital to absorb the past NPAs plus additional provisioning plus the need to have capital to lend going forward.

**Saket Kapoor:**  
**Kapoor Company**

The government has completed its first year in office. And what according to RBI are the most important steps that the government has taken to restart the growth momentum?



**Dr. Raghuram G. Rajan:** I think you had enough public commentary on this. It is not in RBI's role to comment on the performance of the government, so we will keep quiet on that.

**Saket Kapoor:** On the shortcomings Sir, if you can comment something?

**Dr. Raghuram G. Rajan:** I think the same answer applies; neither the positives nor the negatives.

**Saket Kapoor:** Currently you have told that, from the time of deciding the policy rates or deciding on the economic policy you are looking at the global aspect also Sir. If you look at what is happening in China, our neighbor, they are cutting rates aggressively. So how have you restrained yourself on deciding on this 0.25 rate cut only Sir?

**Dr. Raghuram G. Rajan:** I think if you want to compare the two countries, you have to look at different positions in the business cycle. China's inflation rate is approaching deflation in a number of areas. And I am not talking about wholesale price, I am talking about CPI. As far as the cycle goes, of course, China is slowing partly because of the credit cycle also. So we are at different points and I think just comparing monetary policy for two entirely different agents, one could even ask why we are not at zero like the US, and I think there are many reasons why we are not at zero.

**A. Prasanna:  
ICICI Securities**

Ever since September 2013, RBI has been accumulating forex reserves on a continual and accelerating pace. Given the obvious implications for reserve money growth does the RBI plan to adjust its domestic assets to ensure consistency between reserve money growth and monetary stance? If that's the case, what was the thought process behind the swap of short-end government bonds with long-end bonds that RBI carried out last financial year? Wouldn't it be better to allow bond redemption to act as an automatic steriliser?

**Dr. Raghuram G. Rajan:** First, I think the idea is we allow a certain growth in our balance sheet to be consistent with the need for high powered money growing at the rate of the nominal growth of the economy. So we set a particular target rate for the growth of our balance sheet. Clearly, on the asset side, we have net foreign assets plus net domestic assets. And as you correctly point out, net foreign assets have been growing. Now, if they grow less than what we want our balance sheet to grow, we have a little bit of room for net domestic assets also to grow. If it grows faster, we have to reduce the size of our net domestic assets. We have been playing a kind of balancing game here trying to manage the growth of the net foreign assets. Now as far as the maturity of net domestic assets go, it is a wash. If I have short-term assets I have long-term assets, if I convert the short-term assets into long-term assets through a swap, I essentially maintain the same level of assets and I do not think then it has any bearing on the concerns that you are putting forward. But, yes, this is a balancing game; we are trying to do it appropriately. And this is one more reason why cutting CRR would not be a useful thing from the perspective of the economy. By cutting CRR we are essentially forcing ourselves to reabsorb that liquidity, because that is sort of a permanent liquidity injection. We have to reabsorb it by selling net domestic assets to keep the growth of our asset base at the same level and that would be in a sense imply a higher interest rate domestically at the long end, and so that would again impair transmission.

**Manisha Porwal:  
Taurus Mutual Fund**

This is from your statement - A targeted infusion of bank capital into scheduled public sector commercial banks, especially those that implement concerted strategies to clean up stressed assets, is also warranted so that adequate credit flows to the productive sectors as investment picks up. Question - Does it mean that the recovery efforts of banks will decide the quantum of capital each bank gets?

**Dr. Raghuram G. Rajan:**

No, I do not think we are making a specific point on how it should be allocated, that is for the government as well as the bank management to decide. What we are saying is that additional capital will help banks recognize some of the restructuring they need to do and be able to undertake some of the provisioning they have to do when those assets are restructured. So basically what we are saying is do what is needed on the real side of the balance sheet, that is on the projects themselves, put them back on track, and in order to do that if you have to take a temporary financial hit by provisioning or a permanent financial hit by writing down capital, that you have enough capital to do that.

**Gautam Singh:  
Spark Capital**

My question is, while the real GDP growth is actually at 7.5% for the March quarter, but if you look at the nominal GDP growth- that has actually fallen to 7.7%. So the GDP deflator has now actually collapsed to 0.2% versus if you compare same time last year around 8%. So my thought is like we need the demand push part of the inflation which actually responds to the monetary policy action, has actually gone to zero now, whatever inflation is left in the system is more supply side issues. So what are your thoughts on that, how do you tackle this part of inflation?

**Dr. Raghuram G. Rajan:**

This is a difficulty in India today, right? That there are supply side factors, which are keeping inflation still at higher levels than desired. Why is monetary policy still playing a role here? What we have to do is ensure that despite the supply side factors increasing inflation, they should not get converted into a broader spiral and that is the balancing game we are trying to play. If we cut interest rates to the bone today, you would have a higher demand even while there are supply side constraints and that could push inflation much higher. Now people say, "You will not have higher demand for food", and that is reasonable but you could have much higher demand for services, and services inflation as somebody else pointed out earlier on, has been quite high, and that could create a bigger spiral. So we have to be careful and that is really the balancing act we are playing out.

**Gautam Singh:**

So this whole demand side inflation actually going to near zero now is actually impacting.

**Dr. Raghuram G. Rajan:**

I do not think it is a fair statement to say demand side inflation is near zero, I think you are looking at one way of measuring inflation. The way of measuring inflation and that is affected a lot by commodity prices being significantly negative, which is why WPI inflation is negative, and that is offsetting some of the other things that ordinary people see as final demand. So I think one has to be a little careful. As far as the man on the street goes, today he still sees about 5% inflation.

**Devang Shah:**

**Axis Mutual Fund** The government balance which is getting released everyday through the money market operations, is it the full government balance or is there something which is being kept aside?

**Dr. Raghuram G. Rajan:** Let me ask Mr. Mahalingam.

**Shri G. Mahalingam:** The government balance right now what is being done is, the government balance is enumerated on the basis of the variable rate repo auctions conducted, so to the extent that the government balance is there, as far as the RBI books are concerned, an equal amount of liquidity as per the needs of the market is being injected. So to that extent the market is not going to be starved of liquidity.

**Devang Shah:** Actually just wanted to understand that is it the full government balance or is there is something which is being kept aside like Rs.20,000 crores to 30,000 odd crore is being kept aside.

**G. Mahalingam:** No, this is naturally taking into account the normal transaction requirements of the government balances, that will be kept aside, and the rest of it is being compensated by the amount of liquidity injection that the market needs actually.

**Nikhil Gupta:  
Nirmal Bang Equities** Dr. Rajan could you please throw some more light on your argument of 1.5% to 2% real interest rate, where does that number come from or are there any working papers or something released on this thing?

**Dr. Raghuram G. Rajan:** I think there are a ton of papers around talking of what would be an appropriate real interest rate at different points in time. Some are done for advanced economies, some are done for emerging economies, and at this point in the cycle, I would argue that 1.5% to 2% real especially when we are coming from a period of strongly negative real interest rates is probably what is required to enhance the saving rate in this economy especially in terms of financial instruments. That is where the 1.5% comes, 1.5% to 2% is not too high that it would shut out investment given the kind of growth that we have and that we are likely to see, but also be a fair return to savers who have largely over the last few years moved into other kinds of investments. So it is sort of a bridge between the two kinds of needs.

**Nikhil Gupta:** But there is not yet any study done on Indian economy on this perspective, right?

**Michael D. Patra:** There is one which is forthcoming, please wait for it.

**Dr. Raghuram G. Rajan:** Okay, I think we will thank all the participants and close at this point. Thank you.

**Alpana Killawala:** Thank you, Sir.

**Moderator:** Thank you. Ladies and Gentlemen, with that we conclude this conference call. Thank you for joining us. You may now disconnect your lines.