Interview with ET Now on September 17, 2019 – Shri Shaktikanta Das, Governor, Reserve Bank of India

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In the last monetary policy review, the MPC and the RBI reduced the GDP estimate marginally to 6.9%. Since then, we have seen that the numbers for the last quarter came in much lower. In hindsight, how would you look at GDP now?

The first quarter number came as a surprise. In fact, almost everybody had projected more than that. We had projected 5.8% for Q1 and all others had projected around 5.5%. So, the Q1 GDP number came as a big surprise and we are also examining it internally if we missed out on something. If you look at the PMI numbers, in June they were better. There was an improvement. In July, it has come down. The July data was not available at that time.

Are you as confident about your recovery in the second half?

I will explain very briefly. We are now examining the GDP much more closely. We were doing a close analysis. We were doing that earlier also. For example, in inflation forecasting, now we are almost on the dot and the margin of error has considerably come down compared to the earlier months or years.

In GDP also, we are examining where we need to improve. But as far as Q1 GDP is concerned, I must say the PMI gave a different picture. Conflicting signals were coming up but we are looking at possible areas of improvement.

Are you hopeful of a recovery in the second half?

I do not want to give a timeline on recovery. I take it that you are implying that when the growth rates will be better.

Yes.

I cannot, and I would not like to say when the recovery will take place. We have to see the Q2 numbers now and see how whether that kind of a slowdown is sustained or things will improve. As early as February MPC, we had recognised that growth momentum particularly investment and consumption are slowing down and therefore we went for a 25 bps rate cut as early as February. We have kept that pace all through. So, we did expect growth to slow down in the current year and we had also said that growth is losing traction and growth has to be the matter of highest priority in August.

From RBI side. so far as monetary policy is concerned, it has a particular assigned, defined role in the economy and RBI will do whatever instruments it has at its disposal. But so far as the other wings of economy, the other stakeholders and policy makers are concerned, everybody has a role and the three rounds of announcements made by the government in automobile sector, real estate, exports and few other sectors, should play a positive role.

In hindsight, now that we have the GDP numbers and we are seeing the slowdown, did that 35 bps cut which at that time seemed almost very generous, seem inadequate now?

This is what I want to say we did. In fact, for the first time I think in August minutes, we said that growth is a matter of highest priority and in my minutes, I had said very clearly that it can no more be business as usual and the economy needs something more. Therefore, we knew that there is a definite slowdown in investment and contraction in demand. We had recognised it and therefore we went for 35 bps cut. It is hindsight for others but we knew that the growth will be very slow, but I must say 5% came as a surprise, I cannot sort of have any pretensions about that but we knew that growth momentum is slowing down and therefore 35 bps rate cut was necessary.

If at that stage you felt 35 bps cut was necessary, now that things have become worse, would it be even more necessary to be even more expansive?

No that would be a giveaway so far as the next MPC is concerned. I cannot, I would not like to. Many things happened all around the world. For example, the Saudi oil crisis, this drone strikes have come. They are having an impact on oil prices. We have to see whether… what kind of whether this impact, how durable it is likely to be and what is the counter-measure in terms of substituting that shortfall in supply; what is the contingency measures which the Saudis as well as the US will take to dip into the oil reserves that they have and substitute it by alternative production. All that roadmap will play out in the next one week or ten days.

So, you will not let any cat out of the bag?

No, I will certainly not let the cat out of the bag. It is a privilege issue.

Absolutely, except in December, when the MPC met at that time they reiterated they kept the repo rate at 6.5% and talked about calibrated tightening. In February just two months later, when you came, you got them to change the stance and since then we have seen successive rate cuts. How did you do this? How did you change the MPC hawks into doves?

Whoever occupies the chair, the governor of the Reserve Bank has his assessment of the situation, the way he looks at things, definitely carries a lot of weight.

In the February MPC, we had considerable internal discussion and the signs of slowdown were clearly visible as early as February. Therefore, after detailed discussion, to tell you that we did not require it, I was prepared to use my casting vote. But we did not need it.

Your powers of persuasion are very strong.

No, not my powers of persuasion alone, it was a joint decision.

It was Michael Patra…

Let us not discuss individuals. When facts change, the views have to change. In February, the facts had changed. One has to be fair to the December decision of the MPC. There are reasons why they did it. So, it is not correct to say that the December decision was wrong and it is not correct.

I am not saying it is wrong. I am saying the Governor's view matters much more.

But the facts and circumstances warranted a stance, which the MPC took rightly in December. By February, more facts had come to our notice and the slowdown signs were clearly visible. At the cost of attracting some amount of criticism that the RBI is playing to the gallery, the MPC did realise that there is a slowdown around the corner and in order not be behind the curve. If you read the MPC minutes, we had said that there is a need for decisive policy action. We did not want to be behind the curve and therefore, from February onwards, we have been cutting by 25 bps and last time very clearly we had articulated that it cannot be business as usual any longer and the economy needs us stronger on push.

Since then, things have become even worse. You have shown a willingness to be unconventional with that 35 bps cut. Can we hope that you will continue to be live up to that same trend and may be have an out of MPC cut?

What will happen in future, what we will do I cannot give a forward guidance on that. But a lot depends on the incoming data and monsoon has been good. Earlier it looked as if there will be a deficit. Now monsoon is surplus by 3% and there is a deficit rainfall only in the eastern and the north eastern part of India. There is a little bit of shortfall in the north western part, but there is again forecast of rain in the coming days in Rajasthan, Madhya Pradesh and other places.

So. you are seeing some silver linings?

There are silver linings but then as I mentioned the impact of the Saudi oil crisis on international crude prices and its possible impact on our domestic oil prices and on inflation, will have to be taken into consideration. We had said in the last meeting that growth is a matter of highest priority. There is no doubt about that.

There has been a lot of demand that monetary policy should do the heavy lifting. We have heard the FM and everybody saying that. But as we have seen from ECB, Draghi has clearly said that monetary policy has its limits, because it is a broad brush. You can make loans cheaper but ultimately demand has to be there. Has the RBI expressed its view ever to the government because the government seems very determined to stick to that 3.3% fiscal deficit line. Are there any limitations to monetary policy?

Two points, number one the situation in Eurozone, the Indian situation, the Emerging Market situation, all vary from place to place. But the world over, almost every central bank is in an accommodative mode. RBI was perhaps one of the first central banks which changed its stance to accommodative and which went on an accommodative mode by cutting interest rates. Now almost every central bank is on board. Draghi has also done it for the European Commercial Bank.

So far as the Indian fiscal situation is concerned, we had a lot of discussions with the government internally. On the fiscal, as we stand at this point of time, the tax numbers are coming in and the government is also reviewing the incoming data and simultaneously there is also a need for the government to maintain the capital expenditure which is there in the budget.

There was a review in government to ensure that the capital expenditures are frontloaded to the extent possible. Therefore, that discussion with the government is a continuous process.

The other part of your question on how much of heavy lifting RBI can do, I would not like to say that monetary policy has a limited role. I would like to say that the monetary policy has a certain role in any economy and RBI will play that role as per the requirement of the situation.

In the current situation, every stakeholder, every policy maker will have to deal with the situation to their best whatever space they have. Now when I say stakeholder, it also includes the private sector players, the investors or let us say the NBFC players who have to find market-based resolution for their problems, they have to go for stake sale, they have to find market mechanisms to deal with the situation.

So far as the authorities are concerned, not just RBI, other regulators also need to deal with the situation without diluting the essence of the fundamental principles of financial stability. Everybody has a role to play. The three rounds of announcements that the government has made means the government is also alive to the situation.

There is a constant call for RBI to lower interest rates, but the RBI also has to balance the interests of depositors and borrowers because unless you have deposits, banks will not be able to lend. Are we losing sight of that because there is a call for lowering interest rates by say 200 bps, 100 bps but what does that leaves the savers? How does RBI hope to balance this interest of the savers and that of the borrowers?

You are absolutely right. It is a very delicate balancing that we have to do. With regard to call from outside to cut your rates by 200 bps or 100 bps, one thing I can tell you that our eyes and ears are open, but we take our own decision. We do listen to people, everybody who suggests a rate cut of 100 or 200 bps, but we take our own decision and it is a balancing game, we have to look at the interest of the overall economy, rate cut, the aspect of transmission or what impact it is likely to have on whether we should not be again cutting rates when there is a build-up of inflation, because that is our primary target.

We also have to keep in mind the depositor interests and in India many salaried class people, many retired persons depend on their bank deposits. What we have now done as a part of our external benchmark is that we have left the entire process of spread to be decided and determined by the banks themselves. Earlier, the MCLR was too prescriptive. Each component of MCLR was prescribed by the RBI and the banks were told this is how you should work out on MCLR. Of course,

But you used to specify the external benchmarks. Now banking licences are virtually available on tap. Why not leave it to banks? In our pursuit of monetary transmission, might we be taking away from skills that banks have learnt very slowly over the years?

I will complete my reply to your earlier question then I will deal with this external benchmark matter and the points which you are mentioning.

On depositors' interest, this time the spread is to be decided by the banks. We have left that flexibility entire with the banks. So, the spread has to be decided by the banks, what are the components of spread, how much they want to load on that, is left entirely to the banks. There is total flexibility. Therefore, to that extent, the current system compared to MCLR is much less of micro management and gives complete flexibility.

All that we have said is that once you decide your spread, whenever there is an external benchmark, you link yourself to any external benchmark not necessarily the repo rate, then the transmission becomes much more transparent and is much faster and better.

In the current system, the banks have room to take care of the interest of the depositors. On the other side, the transmission will become transparent and what we have done helps to boost the new loans as well as the existing loans and this places both public and private sector banks on a common footing. Old loans are also taken care of. After all, let us remember that when we do the rate cut, the rate cut is too revive growth. Now rate cut is to revive growth by giving boost to demand. How does that happen unless transmission takes place?

Therefore, the transmission is very important. The monetary policy has an impact on the real economy so far as the independence of banks are concerned, the flexibility of the banks is concerned. The current system gives them much more; it is much more flexible. Only thing is it is much more transparent compared to the earlier system and we are not telling the banks how much spread they should have. It is for them to keep their spreads taking into account their liabilities and their outlook on liability.

Today the SBI chairman is saying that can I give housing loan at fixed rate initially because I cannot possibly link a 30-year housing loan to a one-day repo. It is going to create so many problems.

No, we have nowhere said…

I have my problem only with repo.

We have nowhere said that you link it with repo.

It is one of the options.

It is one of the options and let us also see this external benchmark. Let me add two more points. There was a committee which was appointed in RBI in 2017, the report of the committee was placed in the public domain, comments were received, RBI's response on that was uploaded in the website I think in February of 2018. It was announced in December MPC. When I came banks had represented that they have certain difficulties so therefore we had deferred it, we had said that we are deferring it and we will review it further.

Over the last one month, before we announced the external benchmark, already many banks had announced linking their new loans to the repo rate so it is a process which had already commenced and last month in an event, while participating in an event in Mumbai, I had said that now the time has come to formalise what is already happening so the banks were already linking their new loans to repo rate. All that we did was to formalise what was already being done by the public sector banks and some private sector banks. Some private sector banks had also announced it.

The time had come to formalise that arrangement and by adopting the external benchmark, we have formalised that arrangement and let me say that under this system, the transmission will be much more transparent, faster and the flexibility and autonomy of the banks is entirely available to them with regard to the spread they decide to have.

You mentioned about some problem that they are having. How does he link a seven-year loan to a one-day repo rate? We are not saying you link it to one-day repo rate. We said any other benchmark which is published by the FBIL despite that if the banks have some problem, we have a very close interaction with the banks. In fact, it is a very close interaction and dialogue goes on with the banks both public and private sector. If the banks bring any specific issue to our notice, we will certainly deal with that.

Yes, except that the banks are always little reluctant to pick up an issue really with the regulator.

No, please ask the banks whether they have any difficulty.

That I will see, far better than before.

No I do not want to be comparative, let us not compare but the banks do meet the deputy governors. They do meet me from time to time in groups and individually also they meet me. Any problem they have we are always open to listening to them and whatever is the difficulty we are willing to address that.

DEALING WITH SLOWDOWN

Do you see the slowdown as more cyclical where anti-cyclical measures can help, or do you think we need to do more? Are the packages the government is announcing, the right way of taking sectoral approach or do we need a broad brush macro loosening?

You were also present in the last post MPC press conference on 7th of August. Remember what I had said that time. We have again reiterated that in our annual report that at this point of time, it appears to be a soft patch which has morphed into a cyclical slowdown. Nevertheless, there is need for structural reforms. We did not categorise the situation as countercyclical structural because if you try to fix it into specific vision holes, then your policy response gets fragmented.

Wherever you feel there is a cyclical issue you have to deal with it in a counter-cyclical manner. Wherever there are structural corrections needed, you have to do structural measures. Therefore, the responses at the current point of time have to be both cyclical and structural and structural or things like reforms in agricultural marketing. For example, that is one example which I have been always saying and I do have reasons to believe that something positive will happen in this direction also.

We have seen three PSU bank mergers from the government, Was RBI consulted in these packages as far as mergers were concerned?

I am not saying specifically with regards to merger or wherever required and even otherwise also, in matters relating to economy, a lot of interaction goes on between the government and the RBI. These are not obviously in the public domain. A lot of consultation, lot of dialogue goes on between the government and the RBI.

But in the mergers for instance, the government has been very generous and frontloading its recapitalisation. But has the timing of mergers been a little ill-timed given that you are giving so much money to top management of the banks that almost all the energy will be spent on ensuring that the merger goes through?

On the issue of merger, it is very important to manage the transition process because in the intervening period, the normal activity of the bank with regards to sanction or disbursement of credit or recovery of loans or any other matter has to be a non-disruptive and very smooth.

I would like to emphasise that each bank internally should have its own mechanism to see that the monitoring of the transition process is done very carefully, and the transition is non-disruptive. The government has announced that banks will have their own internal mechanisms to deal with this process. It is important how you deal with the transition process.

So, was this seen as urgent, that the merger was something that had to be done here and now?

It was announced by the government as early as 2014.

That was announced in Narasimham Committee so many years ago. They sat on it.

In 2014, it was announced post the Gyan Sangam. It was announced that eventually the government is looking at about eight or nine large PSU banks.

Public sector banks generally look up to the RBI to fight their "case." On one hand we are talking about improving of governance of public sector banks and on the other hand, we are talking about mergers, we are asking them to implement 59-minute loan, open Jan Dhan accounts. Are we serious about governance reforms?

You see Reserve Bank as the regulator of the banks will always take the action that is assigned to it. In terms of regulating the banks effectively, maintaining their stability and dealing with overall financial stability of the system, including that of the banking sector. RBI will continue to play its role.

Whether too many things are happening simultaneously, or they should happen sequentially, it is a decision which the government takes and so far as the large banks are concerned, in the long term and also in the medium term, the large banks definitely will be in a better place to mobilise deposits and also to play their role in the sector.

Take the example of a south-based bank. It gets a bank which is based in eastern part of India and therefore that bank would be able to get deposits from eastern part of India and it has got a more national presence. Larger banks definitely have greater leverage to play their role more effectively. It also helps stability of these banks small banks have their own problems of long- term viability. The process of merger which has taken place in any case was announced earlier and all that the government has done is to implement it.

But so far as RBI's role is concerned, we will play our role effectively. We have already governance reforms with the government. We have given our suggestions to the government.

But the government does not seem to be listening to the Reserve Bank?

No, I think the finance minister made a statement or announcement. I think not the last one, but the previous one. The finance minister has said that the focus will be also on governance reforms.

One of the real learnings from the global financial crisis was that the linkages between banks and non-bank players should be kept strictly as much under control as possible. One of the alarm signals that the RBI did not pick up in the past was the increase in NBFC lending. Are we repeating the same mistakes by encouraging banks to increase rather than decrease the linkages?

We are not asking anybody. I can assure you the RBI is not asking any banks to lend or not to lend.

You are making it easier for them to lend to NBFCs.

We are doing more to harmonise our regulations. RBI exposure norms had been based on BASEL. While the BSEL requirement is 75%, we were at 125%. Before that, we were at 100%. So, 100% had been increased to 125% in a certain situation and today we have brought it down to 100%.

While providing all this enabling framework in all our interaction with the banks, when I have interaction with the banks or when our supervisory teams visit the banks, this aspect of credit appraisal whether the credit appraisal in individual the large cases are being done correctly or not, the role the management committee and the audit committees in the banks have to play are always highlighted.

So far as RBI is concerned, our highest focus while providing an enabling framework to banks is that we should not have artificially difficult regulations. We felt that today there is a need to bring down exposure in certain category of loans from 125 to 100, so we brought it down. It does not mean that we have compromised any principle of diligence. We reduced it to 100% because BASEL is still at 75% so we are still very much ahead or above the prudential sops.

Can we hope for further reduction?

No, I am not saying that we will give. In any case, we do not give. For example, in the case of the exposure of banks to NBFCs, for a single NBFC we increased the exposure from 15% to 20%, but we have not said that with the permission of the board, you can take it to 25% which is there for other entities. But we have not done that for NBFCs because we felt that at the current juncture, increasing from 15% to 20% also helps the good NBFCs to get money.

Today as we are talking here about NBFC crisis, let us remember that there are good number of NBFCs which are doing well, and which are able to get money from the market at pre-IL&FS crisis rates. Therefore, there is a requirement to put money into the NBFC sector. We increased it from 15% to 20% but did not give that leverage to banks. With the permission of the board, they can go up to 25%. RBI does a very calibrated and careful regulation without compromising the basic macro prudential requirements.

As far as supervision is concerned, regulation is one thing. In the matter of supervision, the Supreme Court had pulled up the Reserve Bank of India for the quality of its supervision.

I thought we were pulled up by the Supreme Court on the RTI issue.

No not only RTI, there were some comments made by the Supreme Court judges on the quality of RBI inspection. They had only a limited number of banks and supervision was stretching the RBI supervisory capacity. You have taken on the supervision of NBFCs also. I know you quite forming a special cadre and all the rest of it but that will take time. Are you worried?

As you said, we are creating a separate supervision and regulation cadre within RBI. We are also deciding the strategy on how to go about this supervision. In any case, even before the formal amendment to the law giving power to RBI with regard to regulation of the housing finance companies or with regard to some additional power with regard to NBFCs, we had already started supervision of top 50 NBFCs. These top 50 NBFCs account for 75% of the loan outstandings of NBFCs.

So we had already started the process and the additional powers were considered necessary. Today given the interconnectedness between banks, NBFCs and other financial sector players including housing finance companies, it was necessary for RBI to have powers with regard to NBFCs almost on par with that of the banks and also to have regulatory powers over HFCs.

Since resolution of NBFC crisis is proving to be so problematic, is there any prospect of the FRDI Bill coming back to the front burner because we have no resolution mechanism for financial entities?

Specifically, with regard to the FRDI Bill, the government has already said it is withdrawn. So, I do not want to comment on that. That is a policy decision taken by the government. But having said that, there is a need for a resolution mechanism so far as NBFCs and similar entities are concerned, which has a legal basis.

In the past RBI had made this argument that their powers with respect to the public-sector banks are not comparable with private sector banks. But, private sector banks have not fared very much better. Kotak Mahindra Bank has been openly defying RBI. Does RBI feel that it is not being taken as seriously as it used to be in the past?

No RBI is taken very seriously by the banks -- whether public sector or private sector banks. RBI imposes fines on everyone.

Has Kotak paid?

Yes of course. Individual cases I would not like to discuss but wherever we have levied penalty, the penalties have been paid. I do not want to reply on a specific case which you are saying, it is not proper. But wherever penalties have been levied, they have paid. Basically, so far as RBI's regulations are concerned, they are taken very seriously by the regulated entities. Therefore, it is not correct to say that somebody is defying it or somebody is not listening to that.

With regard to the RBI regulating the entities, the public sector or the private sector banks, so far as private sector banks are concerned, our powers are more; with regard to public sector banks, we do have certain limitations, but I do not see that as a limiting factor. What we can do directly with regard to the private sector banks, in case of

PSBs, we can do it through the government. Supposing we want a particular chief executive or somebody to be replaced, if RBI gives an indication to the government, I am sure the government will act upon it.

When can we expect to hear something on the Lakshmi Vilas Bank and Indiabulls merger?

I do not want to comment on individual applications. Whenever a banking license is received, RBI does as you would be aware -- a fit and proper test. We analyse it from the perspective of fit and proper criteria and it is a very rigorous process because banking license is a very important and sensitive matter. Therefore, RBI does a thorough check of whether the applicant meets the requirement of being fit and power. It does take time. If you look at past cases also, they have taken even longer than what we have taken at present.

A lot of fintech companies have gone through a lot of cash burn and there are reports that many of them are hoping to get a small finance bank licence or some other licences. In the past, we saw the DFIs, then the NBFCs and now the fintech players. Does it seem as if everybody thinks that getting a bank licence is a sure way of getting "out of trouble"?

What they are thinking I do not know but RBI will continue to apply the principles of it and proper criteria very carefully it has done in the past.

Is the RBI disappointed by the way IBC is panning out? Everything seems to be landing up in court. Is the RBI going to advise the government for a rethink on 29A the kind of relaxations?

The liquidation numbers are larger because when the IBC process started, many cases which were already in BIFR and which had almost outlived their existence, got transferred to NCLT and they got liquidated. A large number of liquidation cases are basically legacy cases which were transferred from the BIFR to the NCLT.

Now under the IBC, there has been a delay in a number of cases while it should be faster. In more than 20 of those cases, it has already taken more than a year and some of them are even going up to two years now. That is definitely a matter of concern.

In fact Minister of State for Finance, Anurag Thakur, has recently been telling banks to not send every stressed assets to the NCLT. The government also perhaps is realising that there might have been some overreach?

I would not be able to comment on that but there is a delay now. There are various reasons for it now. The stakeholders, the interested parties exercise their right to go to the courts. You cannot take away that power, the article 226 is a fundamental component of our constitution. You cannot take away that power from anybody.

If the operational or some other creditor or somebody you know goes to the court, you cannot take away that right from them. The courts also do the hearing and, in some cases, it does take time but having said all this, there is no two opinion that the cases need to be resolved faster. In the past, in some cases, even the Supreme Court has heard the cases on a fast track mode and have given out the judgements. It is necessary to fast track all the cases by all the players concerned.

On the issue of sovereign bond, for some time, their talk went to the backburner. We saw the prime minister talk about the need and importance of the sovereign bonds. Has RBI's position undergone any change?

I said it earlier also that as debt manager, we have conveyed our views internally to the government. But what the prime minister said, I do not know if we are referring to the same one. The prime minister did not refer to sovereign bonds, the prime minister said that there is a lot of money available.

Surplus liquidity is available and there is an opportunity for us to tap…

That is right.

So, should we interpret that as sovereign bond or borrowing?

Interpretation is yours, but I just wanted to put the record straight that the prime minister did not specifically refer to sovereign bonds. He said there is a lot of liquidity available internationally which we need to tap. It can be tapped through various routes. We have the ECB route. We have liberalised quite a lot…

Ultimately ECB routes sounds attractive, but most Indians do not hedge. As a result, externalisation has to happen. Excessive opening up to ECB could also be dangerous?

Let us remember that on ECB, we have a cap of 6.5% of the GDP. As long as we have a macro prudential cap, a well-defined cap which we have arrived at after doing a lot of analysis and as long as you have space in that cap, any amount of borrowing within that is not an issue at all. Even today for the short term, the hedging requirement is still there. For any borrowing, which is 10 years and above, it is as good as. Therefore, the hedging requirement has been done away with that.

So hedging requirements for short term it continues. ECB liberalisation is very much within that 6.5% of GDP. Therefore, macro prudential norms have not been compromised at all. But there is liquidity in the international markets and an appetite domestically. So, we should provide the link.

One advantage that you have vis-à-vis many predecessors is that you have handled many of these issues when you were in the finance ministry. But today you are in the Reserve Bank of India, on this side of the table. Do you have now a greater empathy for RBI than you might have had when you were in the finance ministry? You strongly defended the government on the issue of demonetisation.

I always to the best of my ability try to take a balanced call wherever I am -- when I was in government and even now when I am in the RBI, I always try to take a balanced call and to the best of my capacity and I try to take what is good for the economy and I am not influenced by the fact that I am coming from here or I am coming from there.

So where you sit is immaterial.

It is material, it is not totally immaterial, but the final decision should be what is good for the economy, not because I am sitting in the government and therefore I would like this, or I am sitting in RBI therefore I should not like this. One has to take a balanced call. Even when I was in government, on many issues we were consulting the Reserve Bank very closely and, on many issues, RBI’s position was appreciated and kept on board. That has been the trend all along.

Would you agree with one of your predecessors, who is also a very seasonal bureaucrat like you, who said that the RBI is completely free within the limits set by the government?

You should ask the person who said this. I have lots of respect for all my predecessors. But there is something called the sovereign and the RBI is not a sovereign state, RBI works under the sovereign. The RBI has to exercise its autonomy in decision making that the RBI continues to exercise even today. Let me assure you that when decision making is concerned, the RBI is completely free and autonomous. We listen to everybody, we interact with everybody, we consult all stakeholders, but the final decision is ours and it is decided entirely by RBI.

So, at night when you go to bed, do you count your lucky stars you are not Jerome Powell and at least whatever happens, nobody is going to call you a bonehead?

I try to get to sleep as quickly as possible.