

Rupee doesn't need defending, it can take care of itself: Nageswaran



CEA V Anantha Nageswaran said India may grow at 7% annually for the rest of the current decade

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India is not defending the rupee and the Reserve Bank of India (RBI) is only taking necessary steps to ensure that the movement of the rupee is gradual and in line with market trends, Chief Economic Adviser (CEA) V Anantha Nageswaran said on Tuesday. "I don't think Indian fundamentals are such that we need to defend the rupee. The rupee can take care of itself," he said, while speaking at the Mindmine summit.

On Tuesday, the rupee closed at an over one-month high of 79.15 against the dollar, spurred by foreign inflows into local debt and equity markets. On Monday, the rupee had closed at 79.52 per dollar.

Nageswaran said while international agencies were showing India's trend growth at 6 per cent, the country could easily grow

at 7 per cent per annum for the rest of the current decade and beyond.

"I am taking 6 per cent as the very easily attainable growth rate and I am adding 0.5 percentage points coming from the capex (capital expenditure) boom and another 0.5 percentage points will come from the digital public infrastructure that we have created," he added. "If in some years, we have the global cycle also operating in our favour, then export growth will give us an additional push, taking our growth to 7.5 per cent or 8 per cent."

The CEA said India paid its dues on economic growth in the last decade as the banking sector and the corporate sector were both repairing their balance sheets. "That repair work is done with the banking sector willing to lend and the corporate sector waiting to borrow and invest. It is just being held back by temporary uncertainties because of the war and the pandemic," he said.