Edited Transcript of Reserve Bank of India's Monetary Policy Press Conference: June 04, 2021

Participants from RBI:

Shri Shaktikanta Das – Governor, Reserve Bank of India
Shri M. K. Jain – Deputy Governor, Reserve Bank of India
Dr. Michael D. Patra – Deputy Governor, Reserve Bank of India
Shri M. Rajeshwar Rao – Deputy Governor, Reserve Bank of India
Shri T. Rabi Sankar – Deputy Governor, Reserve Bank of India
Shri Yogesh Dayal – Chief General Manager, Reserve Bank of India

Shaktikanta Das:
I would request the head of our Communication Department, Shri Yogesh Dayal to take the press conference forward.

Yogesh Dayal (Moderator):
Thank you, sir. Hello and welcome, everyone to the second bimonthly post policy press conference. Today with us we have the honourable Governor, Mr. Shaktikanta Das along with Deputy Governors, Shri M. K. Jain, Dr. Michael Patra, Shri Rajeshwar Rao and joining for the first time as Deputy Governor in this press conference is Shri T. Rabi Sankar. Sir, we have 29 participants from various media organisations, and, they are all very eager to ask questions. So, before we start, some ground rules. I request all of you to have one question each, please. Do not repeat a question that has been asked earlier, in the interest of time, and also to have a better interaction with the Top Management of Reserve Bank of India. No gainsaying that no question should be a derivative of the previous one. It should be a unique one. With this, I welcome you all once again. Sir with your permission, I'll move on to Mr. Anup Roy from Business Standard.

Anup Roy, Business Standard:
Good morning sir. I have a question on this on this 10-year bond. RBI seems to be focused on 10 year bond, whereas, the higher dated bond yields have spiked and the yield curve is quite steep these days. So, in the subsequent G-SAPs, will RBI be interested in bringing that down, section by section? And, also can you please repeat, although I know that you have seen this before, why is RBI focusing on the 10-year bond and yield at 6% is kind of sacrosanct?

Shaktikanta Das:
Let me say very clearly that we are focused on the entire yield curve, across maturities, it's not just 10-year, but, somehow, there is a perception. If you see the G-SAP auctions that we have done, we have included bonds across the maturity profile, we had included the bonds for purchase under G-SAP programme. The second thing is that bond yields look inverted, because, when there is abundant liquidity naturally at the short-end, the rates fall much more than they will do at say 10 years or 14 years.

So, therefore, it's because of abundant liquidity that the short-end rates go down. So, therefore, the curve looks steep, but it is not so. And, if you look at the 10-year, or the 14-year bonds, in that segment, the rates haven't really gone up. 5.85 is the coupon and or today, at the moment, the secondary market rate is 6% as I am talking to you. So, therefore, the bond yields haven't really gone up. So, that is how I would like to reply to your question number one that G-SAP auctions are focused across maturities. And number two, the curve looks steep, because, at the short-end, the rates are very low because of abundant liquidity and with regard to G-SAP, you have seen already. You said that 6% is sacrosanct, there is nothing like that. We have talked about an orderly evolution of the yield curve, and we are focused on that. Having said that, let me also add, as I have said earlier, that it is essential draw conclusions from our forward guidance, from our communication and from our action. So, therefore, one has to read more, what kind of signals the central bank is giving. That is very, very important.

Yogesh Dayal:
Thank you sir. I would request Gopika from Mint to ask a question please.

Gopika Gopakumar, Mint:
Good afternoon, Governor. In your statement, you spoke that the inflation rate gives that policy elbow room. We'd like to know, what kind of elbow room do you foresee? Is it an emergency elbow room and therefore, temporary? Is it a long term one?

Shaktikanta Das:
If you see the statement, I have said that the inflation print for April at 4.3% gives us elbow room. And the elbow room precisely would mean that it gives us a space with regard to our liquidity operations. It enables us to step up our liquidity infusion into the system and so it has to be seen in that perspective.

Yogesh Dayal:
Thank you, sir. I would request Latha Venkatesh of CNBC to ask her question please.

Latha Venkatesh, CNBC TV18:
Thank you Governor for this opportunity. Well, I wanted to ask what is the RBI’s thinking in the forward premium market. The one year forward premium had spiked a lot and in the last three days it has come crashing down. Should we understand that now you are okay with the liquidity in the system? Or are you going to use, the VRR which you didn't use in the past few months? Or, are you also thinking of MSS as a way to absorb liquidity? What informs the RBI is thinking when it allows yields in the forward market to spike, and then now when it has come down?

Is it that too much liquidity now is not that uncomfortable for you? Are you comfortable that it will not increase inflation? And speaking of inflation, you have increased your forecast across Q2, Q3 Q4 by about 20-30 basis points. So is there some time that you're thinking of in terms of normalising the policy stance?

Shaktikanta Das:
With regard to normalising the policy stance, there is no thinking at the moment. We have given our inflation projections. In fact, for the whole year, if you see, our earlier projection was 5%. And, now we have given 5.1%. So, therefore, it is not a significant upward revision. And, with regard to normalisation, it is too early, it's too premature to talk about that. The other segment of the question, which you asked was with regard to the forward premium. I would request Deputy Governor Michael Patra to deal with that part of the question.

Dr. Michael D. Patra:
Thank you Governor. Yes, the former premia are essentially a market outcome. The last time when the forward spiked, it was because of foreign investment in an InvIT, which came in, and, given the thinness of the market. It created a spike. So, we watch these outcomes. We stand ready to take countervailing action to cool the forwards or the opposite as well as and when necessary, but essentially forwards are a market outcome.

Yogesh Dayal:
Thank you sir. May I request Mr. Mayur Shetty from Times of India to ask his question?

Mayur Shetty, The Times of India:
Governor, you mentioned in your policy statement that weak demand conditions in rural areas and urban areas due to the secondary wave. Do you think there is a need for the Government to shift some expenditure from investment to more demand generating segments?

Shaktikanta Das:
Now, I think this question should be addressed to the Government because I cannot speak on behalf of the Government. But having said that, let me say that the budget provision is there, we are just at the end of May and 10 months are still remaining in the financial year. Budget provision is available for the government to spend, and the capital expenditure budget provisions have been increased by about 30%. So, incurring of those capital expenditure by the Government is also demand creating. With regard to the overall policy, direction of the Government policy, etc., I will not be able to comment on that. With regard to demand, yes, rural and urban demand have been dented in the first wave, but the expectation is that and data also shows that the second wave has moderated from 4,14,000 new infections per day on sixth of May, it has come down to about 1,32,000 new infections. So, the COVID fresh cases are moderating. So, the second wave will perhaps be confined. Our assessment is that it will be confined within the first quarter. And, once that happens, then with a good agriculture with good monsoon, I think that will offer a great support to rural demand. On urban demand, this time most of the businesses and industries have adopted to COVID compliant new situation in working during partial lockdowns and restrictions. So, once the lockdowns are gradually removed, I would expect the activities to pick up even more in the urban areas and urban demand to pick up. We monitor the situation.

So, far as the RBI is concerned, we are monitoring it almost on a real time basis. Our expectation is that from the second quarter onwards, the overall demand position also will improve.

Yogesh Dayal:
Thank you, sir. May I request Bijoy from Informist Media to ask this question?

Bijoy Idicheriah, Informist Media:
Thank you sir for taking my question. As you spoke about FX reserves being almost at 600 billion, you said you probably crossed it during this week. That's a great number in terms of import cover and everything. And, we've never reached this record high. But, because of the kind of FX numbers that you all have been holding, there has been also a lot of conjecture on how your balance sheet has played out. It led to questions about how the dividend pay-out worked out, the accounting issues around it. Would you want to take a moment to clarify on a lot of the questions that came up, whether RBI looked at market trades possibly to try and handle the dividend number and separately, are you happy with the kind of term premiums that are that are being seen in the Indian market especially, considering where the global markets are? Thank you.

Shaktikanta Das:
Our forex operations are mainly driven by the consideration of maintaining the stability of the exchange rate, which we have been quite successful during this pandemic times, to maintain the stability of the exchange rate. And, it depends on the overall market situation, which fluctuates from day to day. And, of course, I have also said it earlier that emerging market economies have to build up their own buffers and RBI is no exception to that. With regard to the surplus transfer, etc., it is not really a policy issue. It's a purely accounting issue. I would request my colleague Deputy Governor Rabi Sankar to take that question.

T. Rabi Sankar:
Thank you sir. The increase in surplus transfer is largely due to the lower risk capital provisioning this year, compared to last year. And, that in turn, is because the balance sheet increase during last year, that is, 2019-20 was ₹12.37 lakh crore. So, the increased provision for risk correspondingly was much higher. This year, that is, 2020-21, ending in March 2021, the increase in balance sheet size was about ₹3.64 lakh crore, so, it sits nearly 1/4 the increase in the balance sheet size. That largely is linked to the fact that the transfer from profits to the contingent fund has come down, and therefore, the surplus has gone up. I hope that clarifies.

Bijoy Idicheriah:
Sir, I had also asked on term premium, I think, that got lost in the discussion.

Shaktikanta Das:
As Yogesh had said in the beginning, given the press conference, no derivatives, please. So because, you know Bijoy, we have to reply to so many other people so, we will respond if there is an occasion, or, maybe, Deputy Governor Patra can touch upon it, while replying to another question. Next question, please.

Yogesh Dayal:
May I request Madam Mythili from ET Now to ask a question?

Mythili Bhusnurmath, ET Now:
Thank you Governor. I wanted to know that according to RBI's Annual Report, the average inflation was 6.2% last fiscal. The April inflation of 4.3% is to be disregarded by the RBI's own admission because April last year's base was not credible for RBI. Given global deflationary pressures, chances are that inflation will remain high in the near to medium term. Given that monetary policy has long and uncertain lags and inflation is often compared to toothpaste - once squeezed out, it is very difficult to put it back. What will it take for the MPC to stop looking through inflation, especially since RBI doesn't have the luxury of other central banks. Fuel and food account for the bulk of our consumption basket and monetary policy has virtually very little control over these aspects. So what will it take, what is the growth inflation trade off that the MPC will want to shift its stance to inflation targeting?

Shaktikanta Das:
Our monetary policy stance, which we have said this time is to revive the economy and to look for a durable and sustained growth. I mean, if you see the monetary policy stance, that captures our approach. With regard to the other aspects, I would request my colleague Deputy Governor Michael Patra to reply to those aspects.

Dr. Michael D. Patra:
Thank you Governor. In several MPC statements, the analysis of inflation has been done and the view of the MPC is that at this time the inflation is not persistent. Inflation will turn persistent when it is backed by demand pull. At the current stage, we find demand very weak and there is no demand pull in the inflation formation, it is mostly on the supply side, and therefore, we have chosen to look through. But we are very, very vigilant about demand pressures. And, we will keep on monitoring as and when demand pressures start feeding into the inflationary process.

Yogesh Dayal:
Thank you Sirs. May I request Shri Govardhan Rangan from Economic Times to ask his question?

Govardhan Rangan, The Economic Times:
You mentioned in your statement about the FX market intervention and as part of futures as well forward market. So, there's a feeling that it is actually distorting the short-term interest rate market as well, because of its spillover effects. So, is there a scope for getting more tools to really handle this forex inflows? Will that be put to work?

Shaktikanta Das:
There are various tools, as you are aware. At the moment, we feel that there is no necessity for deploying any additional tool to sterilise the liquidity inflow or by way of foreign exchange inflows and I have devoted one full paragraph to this issue in my statement. In any case, at the end of the day, also there are our daily reverse repo

window, which we have kept open in parallel to the variable reverse repo auctions, which we are conducting. So, at the end of the day, every day, this liquidity is getting sterilised. So, therefore, with regard to additional tool deployment, it will depend on how the situation evolves.

Yogesh Dayal:
Thank you sir. We can move on to Swati Bhat Shetye from Thomson Reuters for her question.

Swati Bhat Shetye:
Thank you Governor. I just wanted to ask, you spoke about inflation not getting translated from WPI to CPI because of weak demand conditions. But you also mentioned that we're likely to see demand picking up and see this demand dent only in the first quarter. What happens when demand starts picking up and if there is this likely pass through to CPI inflation, will it force the RBI and MPC's hand in starting to exit the accommodative policy sooner?

Shaktikanta Das:
At this point of time, this question is purely speculative. As the Deputy Governor just mentioned that we are monitoring the situation we are vigilant and I have mentioned it also, during the first wave and in the interregnum and during the second wave and also thereafter, we are constantly monitoring the situation. So, as and when things happen, it is for the MPC to take a view. But having said that, please also look at the gross numbers in parallel. So, we are monitoring the revival of growth, how the growth is taking roots, we are monitoring the inflation dynamics, it's too early, having spelt out our monetary policy stance today. So, we will see how the situation plays out. Please remember that the last year we had a contraction of 7.3%, and, this year, we have just made a downward revision of growth from 10.5% projected earlier to 9.5%. So, at this point of time, therefore, the MPC has very consciously taken the decision to focus on growth and also to give a forward guidance with regard to the accommodative stance, which I think is not only accommodative but also it spells out what is meant by accommodative. So, therefore, the focus on growth will continue. The inflation, according to MPCs assessment during the current year will be 5.1% which is well within the band of 2 to 6%.

Yogesh Dayal:
Thank you Governor. I will now request Shri Pradeep Pandya from CNBC Awaaz to ask his question.

Pradeep Pandya, CNBC Awaaz:
Thank you, Governor. My question is that out of the announcements that you made in May 2021, how much advantage have people taken from it, so far? How much of the liquidity facility provided by you has been drawn by the banks, like the window you opened for Small Finance Banks, etc.? Till now, how much transmission has happened to the sector who needs these facilities? Another question is that some other sectors are still outside your resolution framework, like, malls, multiplexes, other non-essential retail facilities, big companies, etc. So, are you somehow confident that

these sectors would not fall into trouble or become NPAs, that they need not be brought under the resolution framework, only the loans up to ₹50 crore would come under the ambit? What is your opinion on this?

Shaktikanta Das:
You have asked three-four questions. First, we have not done any sectoral differentiation in the resolution framework. The framework that we offered in August 2020, the criteria was that those assets that were standard as on March 01, 2020 were eligible for resolution, irrespective of the sector. The announcement on May 05, 2021 also did not have a sectoral differentiation. We have said that those loans where aggregate outstanding exposure is up to ₹25 crore are eligible. In our announcement today, we said that borrowers having outstanding exposure up to ₹50 crore would be eligible. We have, again, not done any sectoral differentiation. Maybe, you are referring to the liquidity support that we are offering to COVID related healthcare facilities, infrastructure and vaccines as per announcement made on May 05, 2021, and, the measures announced today for contact intensive sectors. We are constantly monitoring the situation and wherever we see signs of stress, we are intervening, and, in future also, our response will depend on the evolving situation. I would like to say few words on the impact of the measures that we announced on May 05, 2021. One that all banks were supposed to put in place a Board approved Policy, and, by and large, most of them have done that. We had also permitted banks to use their own liquidity facility. Some large banks have comfortable liquidity and can use the same for their lending operations and would not need to come to RBI’s liquidity window. It has been only a month since the announcement and we will see how the scheme works, going forward.

Yogesh Dayal:
Thank you Governor. I would now request Swati Khandelwal from Zee Business to ask her question.

Swati Khandelwal, Zee Business:
Thank you very much Yogesh ji and Governor. I would want to know, the way you have alluded to keeping focus on growth, on one hand, bankers keep on saying that corporate loan book has still not picked up in the way it should and private capex cycle is yet to kick start. What is your assessment on this? Since we had seen that in the meeting that you held with bankers few days back, you have alluded to giving a push to credit growth. So, when do you think the credit growth would be kicked in, what is your assessment of the timelines and do you think that on the basis of today’s announcement, stimulus package would no longer be required in sectors like travel, hospitality, etc., where you have given a new window for banks to give out loans? So a separate stimulus package would no longer be required?

Shaktikanta Das:
First, I would like to say that we haven’t told this to the banks that you give a push to credit. We discussed on the aspects of credit flow that is happening in banks. To understand the perspective of banks and to get a feedback from on their assessment

of the demand pickup for loans, we conducted the meeting. We requested them to implement the resolution framework announced by RBI at the earliest and how and where to implement, would be decided by the respective banks, on a case to case basis. Central bank as a regulator would not ask banks to push credit growth since flow of credit depends on the demand existing in the market, the profile of the borrower and the appraisal of the borrowing proposal. I would like to reiterate that the dent on the economy would exist in the first quarter. Going ahead, in the second quarter onwards, overall economic activity would pick up. This our assessment. Exactly when it will revive, we all will get to know, going forward.

Yogesh Dayal:
Thank you Sir. May I request Mr. Anirban Nag from Bloomberg to ask this question?

Anirban Nag, Bloomberg:
Good afternoon Governor, always good to see you. I had a quick question for you. Drawing your attention to para 10 of your statement, where you call for calibrated and timely measures by the State and the Centre on supply side equation. You have also call for similar kind of action on fuel taxes. But nothing has happened. Do you expect anything from the Governments? And if not, what will be left for the RBI more to do on that? And secondly, on the dividend, where you paid double the budgeted amount, it's come handy to the Government finances, do you expect the government to remain targeted to the 6.8% fiscal deficit target this year? Thank you.

Shaktikanta Das:
On the fiscal deficit, it is for a Government to decide. I cannot really say what the Government will do, I’m not the right person to be asked that question. And, Government also, in parallel, makes its own assessment of the situation, we provide some inputs from our side from time to time. With regard to inflation, on pulses, there have been some supply side measures recently taken by the Central Government. The other matters are constantly under discussion between the RBI and the Government and Government has to take into account so many other factors also and take a decision. With regard to the other measures, Centre and States taking measures together, it's basically related to the supply constraints, the supply chain, the free movement of goods across the States. So, this is one area where the states and the Centre, their role comes in in a big way. And then, there is this whole issue of petrol and diesel prices, were again a co-ordinated action is needed. I have talked about it earlier, the MPC has talked about it earlier also, that there is need for co-ordinated action. I have said it even earlier, I'm not saying anything new, now it is for the States and for the Centre to take whatever decision they have to. But then, they have their own constraints with regard to financing of their fiscal deficit and I'm sure Government is also monitoring and keeping a watch on the inflation scenario. So, that is how it is. So, I cannot offer a black and white answer to your question on this.

Yogesh Dayal:
Thank you sir. May I request Mr. K. Ramkumar from the Hindu Business Line to ask his question.

K. Ramkumar, The Hindu Business Line:
Good afternoon sir. I wanted to know about the transmission of the 115 basis points rate cut that you have done till May 2020. Has it been complete into the credit markets? If it is not, then how long will it take? Thank you.

Shaktikanta Das:
See with regard to the transmission of the 115 basis points rate cut, Dr. Michael Patra, would have the numbers, I think, the total transmission so far from February 2019 is about 180 basis points, with regard to fresh loans. And, bulk of these 180 basis points transmission, I think, roughly about 115 or 120 basis points transmission has taken place after February 2020. That is my recollection of the figure.

Yogesh Dayal:
Thank you sir. May I request Mr. Ankur Misha from the Financial Express to ask his question.

Ankur Mishra, Financial Express:
Hello Governor. Sir, the RBI's Annual Report had warned that banks' asset quality in the coming quarters needs to be watched out. Despite uncertainties due to the second wave, are you confident that the NPAs of the banks will remain within the stress test scenario provided by FSR report? I understand, there will be an updated report soon, but I want to I want to understand what is the situation now, how do you see the stress?

Shaktikanta Das:
I don't want to pre-empt certain numbers, which will be given out in the FSR, the Financial Stability Report, which is due at the end of this month. But, having said that, I would like to mention that in response to RBI's call, and also based on their own assessment, large number of banks, both in the public and private sector, have augmented their capital, they have raised additional capital from the market throughout last year and I have also impressed upon in today's statement about need to build up provisioning and capital buffers. So, that is the signal that, is the message we are giving banks and NBFCs. They need to augment their capital because there could be some stress arising out of the second wave. Now, that is the assessment. Having said that, I would like to mention that, at the moment, the overall capital position of the banks, both private and public sector, as well as with regard to individual banks, both again in public and private sector, they're in very stable levels. They're all meeting our regulatory requirements, some of them are even much higher. And the NPA position, also, our expectation is that whatever projection we had given earlier in the last FSR, I think it will be within that, at the end of March. I think the figures are quite manageable. But, I would not say anything beyond that, because the numbers are coming in, our teams are assessing, and we will spell out the details in the Financial Stability Report. Thank you.

Yogesh Dayal:
Although we are running out of time, with your permission, we will take the last two-three questions. I will request Mr. Anand Adhikari from Business Today to ask his question.

Anand Adhikari, Business Today:
Good afternoon Governor. My question is regarding the new norms for the appointment of auditors for rotation in the joint audits. Now, post the RBI guidelines, we have seen industry bodies like CII, ASSOCHAM, NBFCs and all raising issues in implementing the proposed guidelines. So my question is, have you received any representation from the industry? Or, will you be open at relooking at some of the aspects of the new regulation, or is it a closed chapter now?

Shaktikanta Das:
I would request Deputy Governor M K Jain to take that question.

M. K. Jain:
Thanks Governor. You're right Anand. We have received certain representations from various stakeholders to seek clarification, which are being examined and shortly we will come out with those clarifications. But, the larger objective of these guidelines are basically to put in place ownership neutral regulation, ensuring independence of auditors, avoiding conflict of interest and improving the quality of audit. And we should also see these measures as part of RBI efforts to strengthen the assurance function in the regulated entities. Thank you.

Yogesh Dayal:
Thank you sirs. May I request Mr. Lalatendu Mishra from The Hindu to ask his question?

Lalatendu Mishra, The Hindu:
Sir, a lot of eminent persons have urged the RBI to print notes to support the economy and to enhance the balance sheet. What is your view about that?

Shaktikanta Das:
I think it's a very hypothetical question at this point of time. And secondly, with regard to printing of notes, central banks have their models, they have their own assessments. I have seen many remarks which have come, the central bank with regard to printing notes, takes a decision based on so many complex factors, which relate to financial stability, which relate to inflation, which relate to the stability of the exchange rate. So, these are all complex factors and at the moment, the RBI has been able to very successfully handle the borrowing requirement of the States and the Centre. Last year, the borrowing rates were the lowest in 16 years, this time also the RBI has taken measures in the form of G-SAP1 and G-SAP2. And, as I had said in my statement, in addition to G-SAP1, I'm repeating, since I heard some little bit of ambiguity in the understanding it in certain sections of the market, so, let me make it very clear that in addition to the G-SAP auction of ₹60,000 crore done so far, RBI has injected around ₹36,400 crore through our other operations in the secondary market

through NDS-OM operations. So, it is ₹60,000 crore injected through G-SAP1 and another ₹36,000 crore (approx..) injected through our NDS-OM. So, the borrowing is going on quite smoothly. And, that is how the situation is at the moment.

Yogesh Dayal:
Thank you sir. May I request Ashish Agashe from PTI to ask this question?

Ashish Agashe, PTI:
Thank you so much, sir. This was about a clarification earlier this week to banks on the Supreme Court order on cryptocurrencies. Sir, just wanted to know whether there has been any relook into the way Reserve Bank looks into cryptocurrencies? As well, what would you suggest the common person who would be tempted to buy those right now?

Shaktikanta Das:
There is no change in RBI's position. Our circular clarifies the position very well. As you are aware, the Supreme Court set aside the RBI circular that was issued in 2018. But, it came to us as a surprise that some banks were referring to that and citing that circular in their correspondence with their customers. So, therefore, we had to set the record straight, that the particular circular of RBI has been set aside. So, it is not correct at all to refer to that circular. And, with regard to RBI's position, I have said it earlier that we have major concerns around cryptocurrencies, which we have conveyed to the Government. With regard to advice to the investors, well, central banks do not give any investment advice. It is for each investor to make his own appraisal, to do his own due diligence and take very careful call with regard to his own investments. He has to take a careful and prudent call. Central bank cannot advice investors.

Yogesh Dayal:
Thank you Sir. I will take a last question from Mrigank Dhaniwala from Newsrise.

Mrigank Dhaniwala, Newsrise:
Good afternoon Governor. While the RBI us using unconventional tools like G-SAP to enhance financial stability, general government debt burden could keep rising as Government spends more, does more capex. We also have an inflation target of 4% for the next five years, so, Governments will not be able to inflate a part of their debt. Do you see a risk to the general government debt sustainability over the medium term?

Shaktikanta Das:
Our research teams have done a lot of work in the areas which you mentioned. So, I would like Deputy Governor Dr. Michael Patra to take that question.

Dr. Michael D. Patra:
Thank you, Governor. As per our assessment, the public debt, i.e., the debts of the Centre and states taken together will be around 9% of GDP at the end of March 2022. Now, our assessment based on what is called the Domar condition of sustainability, which requires the growth rate of the economy should be higher than the interest rate

at which the Government services the debt. And that condition is fulfilled, as of now. Since that condition is fulfilled, going forward, the level of debt in relation to GDP is set to decline over the next 5-6 years. Therefore, we assess that the public debt of India is sustainable.

Yogesh Dayal:
Thank you Sirs. With this we have come to the end of the press conference. I would like to thank all the media colleagues for having a very cordial and a very orderly press conference. With this also, I would like to thank the Governor and the Deputy Governors for participating in this press conference. Thank you everyone. Stay safe, stay healthy.