# Edited Transcript of the Reserve Bank of India's Post-Monetary Policy Press Conference: June 7, 2024

**Participants from the RBI:**
Shri Shaktikanta Das – 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 Swaminathan J. – Deputy Governor, Reserve Bank of India
Dr. O. P. Mall – Executive Director, Reserve Bank of India
Dr. Rajiv Ranjan – Executive Director, Reserve Bank of India

**Moderator:**
Shri Puneet Pancholy – Chief General Manager, Reserve Bank of India

**Puneet Pancholy:**
Hello and good afternoon. Welcome to the Post-Policy Press Conference. Today we have with us the Governor, Reserve Bank of India – Shri Shaktikanta Das, Deputy Governors – Dr. M.D. Patra, Shri M. Rajeshwar Rao, Shri T. Rabi Sankar and Shri Swaminathan J. We also have with us Executive Directors – Dr. O.P. Mall and Dr. Rajiv Ranjan and other colleagues from the Monetary Policy Department. To begin with, I would request the Governor to make his Opening Remarks and thereafter we will move to Q&A. Sir, please.

**Shaktikanta Das:**
Good Morning and welcome to all of you. Nice to see you after a gap of two months. I am not going to say anything new, but basically what I have tried to do is to capture the highlights of this Monetary Policy statement which I made. I have culled out certain relevant portions just to put things in perspective for better clarity for you, as well as for the wider audience, who may be watching this programme. I have about ten points to make, and they are very short points, and it goes like this:

i. Growth-inflation balance is evolving favorably as per our projections.
ii. Headline CPI inflation is moderating, but the last mile of disinflation is sticky. Our target is 4% on a durable basis and we will work towards that.
iii. Our monetary policy is primarily guided by domestic macroeconomic conditions and the outlook.
iv. GDP growth outlook is bright. The momentum of economic activity is well sustained. GDP growth projection of 7.2% for 2024-25 (Apr-Mar), when it materialises will be the fourth consecutive year of growth at 7% of growth at or above 7%. So, if you see the last three years and the current year, either the growth would be at 7% when it materialises or more than 7%. In fact, the average growth in the last 3 years ending 2023-24 exceeds 8%.
v. Liquidity management will continue to be nimble and flexible.

vi. The financial sector continues to be stable and resilient.
vii. Foreign exchange reserves have reached a historical high of US $651.5 billion at the end of May this year.
viii. The external sector is expected to remain stable.
ix. The Reserve Bank stands committed to maintain the stability and the orderliness in all segments of the financial markets and the institutions regulated by it.
x. The agenda for the run-up to RBI@100 has been given out as part of the Monetary Policy statement. It is given out in the Annex. This is our dynamic document and will be updated as per requirement. Thank you.

**Puneet Pancholy:**
Thank you Sir. Before we start, I will request the media friends present here to wait for their turn before asking questions. Also, please restrict it to one question per person. If time permits, we can go for another. So, I will call out the names now, starting with Shri Govardhana Rangan from the Economic Times.

**Govardhana Rangan, The Economic Times:**
Thank you. Good afternoon, Governor. So, one of the things that you have been reiterating is that you do not follow the (US) Federal Reserve and the domestic policy decisions will be based on domestic considerations. That is also being interpreted as a kind of dovish sign in the sense that even if the Fed does not ease, you would really go ahead and ease when the conditions permit. Is that the right interpretation?

**Shaktikanta Das:**
The converse can also be true. In other words, even if the US (Fed) eases, we may not. So, therefore, I would suggest that what I have done is that I have just explained our overall approach and I have done it in the past. I decided to reiterate it again for better clarity.

**Puneet Pancholy:**
Thank you Sir. I request Ms. Latha Venkatesh from CNBC-TV18.

**Latha Venkatesh, CNBC-TV18:**
Thank you very much. Governor Sir, in your para 22, where you speak about unsecured retail loans and it coming down further, just I am reading…'recent data suggests that there is some moderation in these advances. We are closely monitoring incoming data and to ascertain if further measures are necessary'. Can you clarify it if further measures are necessary? That is like vital to both consumers as well as to banks. And of course, if you do not mind Sir, you said you will give us the neutral rate after the GDP comes, the newest calculation?

**Shaktikanta Das:**
DG Swaminathan can take that question.

**Swaminathan J.:**
Sir, I would like to only reiterate what is stated there. We are closely watching the incoming data and any measures, if necessary, will be basis the reading of the data. I do not think that you should read more than that at this point in time.

**Shaktikanta Das:**
The message is to convey that the RBI is watchful of every aspect of the overall financial sector, especially in the banking sector. We are agile. We are watchful. If and when, some further measures are required, they will be taken. Nothing more than that at this stage. About the neutral rate, we will come back subsequently. Or DG can apply now itself.

**Michael D. Patra:**
It (the neutral rate) will be published in the bulletin for everyone.

**Puneet Pancholy:**
Thank you Sir. Shri Mayur Shetty from the Times of India.

**Mayur Shetty, The Times of India:**
Thank you Sir. Governor, the growth last year was 8%, which is higher than most forecasts. And, also credit growth has been outpacing deposit growth. Are you seeing any signs of overheating in this context? And if not, are you willing to say that rate hikes are off the table?

**Shaktikanta Das:**
I think DG Michael Patra can take it.

**Michael D. Patra:**
No, we are not seeing signs of overheating because remember that the level of output had fallen very low during the pandemic. And even these high rates of growth are enabling it to catch up with that level. So, no signs of overheating. And about taking it (rate hikes) off the table, nothing is off the table.

**Puneet Pancholy:**
Thank you Sir. I will ask Shri Manojit Saha from Business Standard to ask his question.

**Manojit Saha, Business Standard:**
Thank you. What is the reason you think growth in FY 2024-25 will be 100 basis point lower than in FY 2023-24? What are the worries? And have you reassessed the real potential growth rate and the neutral rate which I earlier asked?

**Michael D. Patra:**
Yes, it is a year-on-year growth rate. So, it will be influenced by the high base of 2023-24. But the momentum is high.

**Shaktikanta Das:**
I said it in my statement, and I think I took a pause while reading out the statement. And if you recollect, I said that it very clearly that the growth outlook is bright and the momentum of economic activity is well sustained. So, therefore, we have slightly increased the growth projection from 7% to 7.2%. And, the base effect DG has explained.

**Puneet Pancholy:**
Thank you Sirs. Next, we have Shri Anup Roy from Bloomberg.

**Anup Roy, Bloomberg:**
Thank you Sir. Sir, how is your monetary policy impacted by the surprising election outcome? And do you expect fiscal consolidation to get impacted because of more populist policies?

**Shaktikanta Das:**
The question actually is in the realm of speculation and the question basically pertains to the Government. It is in the remit of the Government and I am in no position to comment on fiscal consolidation, at the moment.

**Puneet Pancholy:**
Thank you Sir. Now we have Shri Ankur Mishra from ET Now.

**Ankur Mishra, ET Now:**
Good afternoon Governor. We have seen a pattern from the Reserve Bank of India. First, there is a warning and then there is an action. Today also, you have given several warnings including high interest rates and C/D (credit-depost) ratio, in particular, because this warning had already been given in earlier meetings. So, will there be action now followed by this warning?

**Swaminathan J.:**
See, essentially, it is our intention to flag any possible build-up of risks. Potential areas of concern are what we keep looking for. And then it is our intention to communicate them to the regulated entities. And as mentioned in the Governor's speech, we have requested the boards to relook and re-strategise their business plans, taking into account, the widening gap between the growth in deposits and growth in their loan book. So, it is left to the individual entities, basis their business plans. And then if it is required, they will have to modify their business plans to suit long-term sustainability.

That is what we would look for, because these kinds of risk, ultimately may result in certain potential risks to those entities. So, at this point in time, it is a concern that is being flagged. We have left it to the wisdom of the respective boards to re-strategise, if necessary. It is not our intention to interfere with or get into any micro-management of as to how the business is done. It will be left to the boards to plan and do that. We will only look at any macro level impact of any of the building up of risks. That is what we will watch. Thank you.

**Puneet Pancholy:**
Thank you Sir. I will now request Ms. Swati Bhat from Reuters.

**Swati Bhat, Reuters:**
Thank you Sir. Governor, in the recent Annual Report that was released, in the agenda for the next financial year, you mentioned that you plan to expand your intervention toolkit. I just wanted to understand what are you referring to and what exactly do you mean by expanding the toolkit? You have been intervening in almost every possible market - spot, NDFs included. So, what are other tools that you are looking at? Thank you.

**Michael D. Patra:**
No, we would go on refining our toolkit, and intervening as and when needed.

**Shaktikanta Das:**
Look, if there is a new instrument deployed, you will have to wait for that. If you look back in the last few years, currency swap was another approach which we adopted for liquidity purposes. Our intervention in the NDF market has also undergone a change. We are now very clear and explicit that the RBI is there in the forward market, and we are there. So, therefore, these are the developments which are taking place and it is a constant process. As and when any new toolkit is deployed, you will know about it. Let's not jump the queue. Let's wait.

**Puneet Pancholy:**
Thank you Sirs. Now I will request Ms. Pratigya Vajpayee from Informist Media.

**Pratigya Vajpayee, Informist Media:**
Good afternoon Governor. Drawing from the last policy's analogy of the elephant in the woods, so has the elephant now settled down in the woods? Where are we on the disinflationary process as per your assessment?

**Shaktikanta Das:**
You see, the elephant as usual, is walking very slowly and inflation, you know, it was 4.9%, then 4.8%, and before that it was around 5.0%. So, the elephant is walking very slowly. We are watchful, and we would like the elephant to enter the forest and be

there in the sense, we would like inflation to reach, to align itself with the target and be there on a durable basis. And I think I have just now also repeated, that the last mile of our journey towards 4% is pretty sticky, and that is the case the world over. So, the analogy about the elephant - yes, the elephant is walking slowly, and we have to be very watchful.

**Puneet Pancholy:**
Thank you Sir. Now I will invite Shri Brajesh Kumar from Zee Business.

**Brajesh Kumar, Zee Business:**
Sir, you said we are seeing a disinflationary trend so can we assume that you would not think about the rate cut till the time it reaches 4%? And secondly, what does it mean when you say durable basis?

**Shaktikanta Das:**
See, I have not indicated anything regarding the rate cut. The only indication we have given is that we reach 4% and it stays at that level. Like I have explained, if you see our projection this year, in the second quarter, there are chances that inflation numbers would reach to 3.8% and our analysis is showing that only. But, it does not mean that we reach 3% and our work is done and we do the rate cuts, because we know in the next quarter, inflation is again rising. We have given a number of 4.6%-4.7%, it is quite close to 5% also. Therefore, we should be watchful, and it (inflation) has to align with that target. After reaching 4%, it should stay at that level. Once we are confident that it will stay at 4% and it will not rise, then we will think about what the further monetary policy action will be.

**Puneet Pancholy:**
Thank you Sir. Now I will request Shri Anurag Shah from ET Now Swadesh to ask his question.

**Anurag Shah, ET Now Swadesh:**
Thank you sir for giving me an opportunity to ask a question. Sir, in today's Monetary Policy, you have talked about higher interest rates on small-value loans, you have talked about 'soodhkhori' (usury). So how much is the RBI worried about it because you are talking about the customer relief? Sir, when we talk about customer relief, we have seen in the recent past there were so many outages. Because of that, digital transactions could not be done and in banks also, transactions could not be done. There is one press release by the BSE that on June 4 people could not do the payment through UPI. They were unable to invest as there was a problem with the payment aggregator. So, are you thinking about strengthening the supervision on the same?

**Shaktikanta Das:**
About the digital part of the transactions, DG Rabi Sankar can explain. Outages of the banks, DG Swaminathan can explain. And usurious rates part, I will address. So, we have a Fair Practice Code and bank interest rates, NBFC interest rates, MFI interest rates are fully deregulated. So, the guideline of the RBI is that the interest rates which they would charge should be fair and transparent. We are not saying this is something system-wide that is happening. But, there are some outliers where we have seen it. Our supervision department is directly talking to them and interactions are going on with them and we are asking on what basis they are charging this (high) interest rate. We are sensitising them so that their interest rate is fair. Secondly, some interest rate charges are not annualised, in common language this is known as the 'hidden charges'. That is why in the Key Fact Statement (KFS) which we have now mandated, the annualised rate of interest has to be explained in the KFS. There are few entities where we have noticed some usurious rates. We are in discussions and asking them to justify how they are charging so much high interest rate. System-wide things are alright, but few outliers are there with whom we are dealing.

**Swaminathan J.:**
The system outages are under close monitoring by us. We have a portal in which all the regulated entities are required to report their outages, both planned and unplanned. At the system level, we are seeing a trend which is encouraging. However, if there are any outlier entities on a bilateral basis, we talk to them and we also issue them a corrective action plan for them to augment their infrastructure, proportionate to the growth in business levels. So, this is an item which is under our constant monitoring and any downtime will be dealt with as laid down in our Master Directions on IT Risk Management.

**Shaktikanta Das:**
In future, wherever outages happen, we have our CSITE team. We immediately engage with that particular bank where an outage happens. We supervise it, we see what caused the outage, what was the reason, we study all the aspects and then sensitise the bank for the deficiency, if any. RBI's supervision is very alert about this. We monitor it very carefully and take quick action. Regarding UPI, something was asked?

**T. Rabi Sankar:**
You are asking about UPI downtime?

**Anurag Shah, ET Now Swadesh:**
Yes, BSE said in today's release that people who made the investments on June 4 could not get the NAV as UPI payments could not be made?

**T. Rabi Sankar:**
I do not have any information regarding today's release, so I do not want to say much about that. But I would definitely like to say that efforts are being made to reduce the downtime in UPI. This effort has been continued for the last few years. If you look at the last one year, the downtime is almost below 1% continuously. Other efforts are also ongoing like UPI Lite wallet is being used. It's purpose is to reduce the pressure, so that the bank system is not get hit by the UPI charges. UPI Lite is gradually becoming more popular; currently there are 10 million transactions per month and it will increase, but when it will increase, the pressure on the bank system will also start reducing. So, all these efforts are ongoing with which this downtime can be reduced further.

**Shaktikanta Das:**
UPI transactions per day are above 45 crores. But I emphatically want to say that whenever an outage happens, problem do not arise from NPCI or UPI end. Problem comes from the bank-end, so that should also be taken into consideration. We always check in such outages if there is an issue at the NPCI end, but NPCI which runs the UPI platform, we do not find an issue. The problem is in the bank link and we are dealing with that problem there.

**Puneet Pancholy:**
Thank you Sirs. May I request Shri K. Ramkumar from the Hindu Business Line:

**K. Ramkumar, The Hindu Business Line:**
I just wanted to understand. You referred to banks, they should re-strategise their business plan, given that the credit and deposit growths are, there is a gap between them, so do you have any number in mind in terms of C/D ratio? What is the C/D ratio now and should they reach a particular level of C/D ratio so that the system is comfortable actually?

**Swaminathan J.:**
The answer is a resounding no. We do not have an ideal C-D ratio that can be prescribed across the system because it purely depends on the business model, the type of bank and their own risk appetite framework. So, that is why it has been categorically made clear that these are business plans which will have to be made as well as recalibrated depending upon the emerging circumstances. The risks that can probably come is in case if this gap widens further, there could be a liquidity risk or there can be a rollover or repricing risk as far as their deposits are concerned. So, that is the reason that we would like to flag it to their attention. But as I said earlier, it is not our intention to prescribe a particular ratio and guide them towards that. We would like them to re-strategise their business in case, the ratio at which they are pursuing business is not sustainable over a long-term. So, that is our intention. I hope it is clear.

**Puneet Pancholy:**
Thank you Sir. Now it will be Shri Ashish Agashe from PTI.

**Ashish Agashe, Press Trust of India:**
Thank you so much sir. Sir, this is a follow up to Anurag's question and your comment on that. So, you mentioned that problems many a time have been found at the banks' end, due to which outages or transactions do not go through. After the last policy meeting, we also saw business restrictions against the lender. So, what is your general view on expenses by banks? Is there any prescription there because banks have been telling us that they are typically spending about 7% to 8% of the operating expenses? So, what is your view on this? Are they doing enough? And if they are, then why are we witnessing such instances?

**Shaktikanta Das:**
See, banks should invest adequately. They are, I am not saying banks are not. What is necessary is to see that the IT systems in terms of capacity for processing data keeps pace with the growth of business. And it is for the banks to assess what investment is required to ensure this. It is a micro aspect of their management. RBI does not prescribe how much they should invest. If there is a problem, we see whether the system has any deficiencies and we advise the banks to take necessary corrective action. The IT systems, the capacities and all the overall infrastructure have to keep pace with the growth of business and also, the Disaster Recovery Centers (DRCs) needs to be always kept active.

**Puneet Pancholy:**
Thank you Sir. Next, we have Ms. Gopika Gopakumar from Mint.

**Gopika Gopakumar, Mint:**
Thank you. Good afternoon, Governor. In your statement, you have mentioned that the rural recovery has been quite good, but from the recent election outcome, we have seen that there is disenchantment at the rural level. So, are we missing something? Are the broad headline numbers not telling us something that the reality is throwing up?

**Shaktikanta Das:**
You see, I reiterate what is there in the statement that the rural demand is showing signs of recovery and we have given out the data also in support of that in the footnotes. Beyond that, what you said is your analysis of the situation. I would not like to venture into that.

**Puneet Pancholy:**
Thank you Sir. Next is Shri Dinesh Unnikrishnan from Moneycontrol.

**Dinesh Unnikrishnan, Moneycontrol:**
Thank you. Governor, there have been a series of cases where you have acted against NBFCs if you look at the last 6 to 8 months. So, in most cases, you have very clearly said that you have been engaging with the management and the promoters over a period of 1 to 2 years, at least. But still, such cases are recurring and you have cited material concerns in some of these cases, recently also you acted. So, it's a broader question, how worrying is this culture of lack of compliance in this non-banking space? I mean is that something that the RBI has taken a view because you have been acting very aggressively over the last one year, if I may say? So, is that something which is worrying the central bank?

**Shaktikanta Das:**
As I said, overall, the banking sector, the NBFC sector and the MFI sector, they all remain stable. Wherever we see outliers, we engage with them. And also for the sake of clarity, let me also mention in how many cases we have put supervisory restrictions. In the NBFC universe, there are 9500 NBFCs and we have taken supervisory action and put restrictions only against three. Three out of total 9500. Similarly, in the banking space also. Therefore, it is not as if there is a large-scale deficiency in the system. Wherever we see the deficiency, we engage with the regulated entity to see that necessary corrective measures are taken. Our first priority is bilateral engagement with the regulated entity. In fact, there are a few cases where we found there were deficiencies, we engaged with them and necessary corrective action was taken. The numbers where we have taken supervisory action are a very miniscule percentage of the total number of banks or the NBFCs. So, we should read it in that sense.

**Puneet Pancholy:**
Thank you Sir. Next, we will have Shri Vishwanath Nair from NDTV Profit.

**Vishwanath Nair, NDTV Profit:**
Thank you, Puneet sir**.** Governor, the eighth consecutive policy of this status quo, albeit with the voting pattern having changed a little bit. I wanted to ask you what is the withdrawal of accommodation stance serving? I mean you said anchoring of inflationary expectations but concretely, what is it exactly? What is it doing? Conversely, changing it? How would that affect your objectives?

**Michael D. Patra**:
It is also the eighth consecutive time when inflation has not aligned with the target. So, the stance which indicates the future course of policy is focused on aligning inflation with the target.

**Puneet Pancholy:**
Thank you Sir. We will have Shri Anand Adhikari from Business Today.

**Anand Adhikari, Business Today**:
Good afternoon Sir. Sir, one of the DGs recently said the ARC route is becoming a vehicle for the re-entry of tainted promoters. I just want to understand how widespread is this or are you still investigating some cases?

**M. Rajeshwar Rao:**
See, we would not like to comment on individual instances of what has been seen, but the basic legislative intent under the IBC was to keep out the promoters who were actually responsible for the downfall of the entity in the concerned place. That principle needs to be respected by all regulated entities when they are doing their transactions. That was the intent, which needs to be emphasised.

**Puneet Pancholy:**
Thank you Sir. Next, we will have Shri Lalatendu Mishra from The Hindu.

**Lalatendu Mishra, The Hindu:**
Good afternoon Governor. What are your expectations from the new Government which will be taking over shortly? And this is to achieve your growth targets as well as to keep inflation under control? And did the MPC discuss the outcome of the recent election results? Thank you.

**Shaktikanta Das:**
You see what the MPC discussed comes out in the individual minutes of the MPC members, which will be uploaded 2 weeks from now. And as regards the new Government's policy *etc.,* again, it is in the Government's remit and I am in no position to reply on that.

**Puneet Pancholy:**
Now I am going to invite Shri Jeevan Bhawsar from Akashvani.

**Jeevan Bhawsar, Akashvani:**
Namaskar, sir. Today you talked about the Digital Payment Intelligence Platform, so would like to know about that in detail because this is a matter associated with almost everyone.

**Shaktikanta Das:**
DG Rabi Sankar will reply to this.

**T. Rabi Sankar:**
The objective of Digital Payment Intelligence Platform is that by using new technologies like artificial intelligence, machine learning, we can proactively detect risk of fraud in any transactions and send the alert to all the stakeholders including banks

who do the transaction, so that the fraud incidence can be proactively reduced. Now how it will be done, what will be its contours, what data will be required for it - for all this, we have formed a group and that group will look upon it and will analyse it and will recommend it. After that, a decision would be taken.

**Puneet Pancholy:**
With your kind permission, the last two questions. So, next, we will have Shri Hitesh Vyas from The Indian Express.

**Hitesh Vyas, The Indian Express:**
Sir, good afternoon. I just want to understand what are your risks to the 7.2% growth target? What are the risks you are seeing to this?

**Michael D. Patra:**
Mainly we are seeing global risks there, including volatility in crude prices and geopolitical conflict getting wider, *etc.*

**Hitesh Vyas, The Indian Express:**
Domestically, are you seeing any?

**Michael D. Patra:**
Domestically, we are hoping that there will be a normal monsoon, that there will not be extreme weather events.

**Puneet Pancholy:**
Thank you Sir. Lastly, we will have Shri Ajay Ramanathan from the Financial Express.

**Ajay Ramanathan, The Financial Express:**
Good afternoon Governors. Just a question on the Payments Bank. We have been hearing that many of them have been clamouring for some form of lending even if it is small ticket. Now, where do your concerns stem from? Does it align with the fact that simultaneously you are also looking at the unfettered growth in unsecured personal loans? Is that some of your concerns from there?

**M. Rajeshwar Rao:**
See the basic payment bank model is designed to address the small customers, in terms of giving them as a menu of products, deposit products as well as remittance and other facilities, intended to promote financial inclusion. That model does not really envisage any granting of credit *etc.* And as it stands today, the regulatory framework is about 5 to 6 years old. We normally review any regulatory framework periodically and if that periodic reviews throws up any recommendations, we try to implement that.

**Puneet Pancholy:**
Thank you Sir. With this, we come to the close of this press conference.

**Latha Venkatesh, CNBC:**
My question has not been addressed. Can I please ask regarding the bulk deposit limit that you have raised, since it is topical? We are given only one, Sir. It was not covered.

**Shaktikanta Das:**
We have to accommodate everyone. If there is a second round of questions, then it will become unmanageable. But since you have mentioned bulk deposits, I will request DG Swaminathan to reply on that.

**Swati Bhat, Reuters:**
So, one other question I had Sir, essentially on the gold. I mean a lot of gold has been brought back into the country. I just wanted to understand if there is a change in policy and is it because of the geopolitical tensions (and decognition of Russian reserves) that we are trying to keep more gold within India now?

**Brajesh Kumar, Zee Business:**
Regarding reviewing minimum balance charges, it was mentioned in 2018-19 policy on page no. 118?

**Shaktikanta Das:**
I understood that you are asking about minimum balance. That is all. Kindly cooperate. You asked about bulk deposit? DG will reply.

**Ankur Mishra, ET Now:**
JP Morgan bond inclusion. Now we are closer to the time?

**Shaktikanta Das:**
Bond inclusion has been done. Your question or worry is whether there will be inflows, how the RBI will manage it? RBI has a number of instrumentalities; we have managed it in the past. We will manage it this time also, so no worries on that score. And I think very quickly you can reply.

**Swaminathan J.:**
Bulk deposit revision is a routine review that we do. If you remember a few years ago, it was only ₹1 crore and later it was enhanced to ₹2 crore and now, it is ₹ 3 crore, just keeping in tune with the times. Secondly, in our view, it is likely to have better asset liability management for the banks to help them in terms of classification of bulk and retail. And as to your possible concern whether it is likely to increase the cost of deposit is something which will be purely entity dependent - to what extent they are dependent and in what segment they play. So, there may not be any systemic impact in our view,

but certain entities may have either a beneficial or a detrimental impact depending upon how their liability side is managed. But, we don't expect any systemic impact on account of this change.

**Shaktikanta Das:**
You see, with regard to the movement of the gold. In fact, I am quite surprised that it is appearing in the media so late. We release half-yearly data of our gold reserves and that clearly says how much is held in India and how much is held outside India. I was expecting the media to pick up the end-September 2023 data. Nobody picked it up and we were really surprised. I was expecting the end-March 2024 data also to be picked up by the media and nobody noticed it. Basically, the quantum of gold held by the RBI outside the country was static for a long time. But in the recent years, the data shows that the Reserve Bank has been buying gold as a part of its reserves management, and the quantum held outside was going up. We have domestic capacity now, and we felt part of the gold should be stored within the country. That is it. Nothing more should be read into it.

**Anand Adhikari, Business Today**:
Regarding gold Sir, Dr. Rangarajan Committee on Balance of Payments in 1993, had recommended that the RBI should keep at least one-fourth of the gold in the offshore centre. So, is your policy also aligned to this?

**Shaktikanta Das:**
Between 1993 and 2024, a lot of water has flown under the Ganges, so we have a high-level committee which takes a call on this. So, thank you very much. Thank you.