

Edited Transcript of the Reserve Bank of India's Monetary Policy Press Conference: June 8, 2023

Participants from the 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
Dr. O. P. Mall – Executive Director, Reserve Bank of India
Dr. Rajiv Ranjan – Executive Director, Reserve Bank of India

Moderator:

Shri Yogesh Dayal – Chief General Manager, Reserve Bank of India

Yogesh Dayal:

Welcome to the post-Monetary Policy press conference. Today, we have Governor Shri Shaktikanta Das, Deputy Governors – Shri M. K. Jain, Dr. Michael D. Patra, Shri M. Rajeshwar Rao, Shri T. Rabi Sankar and we have Executive Directors Dr. O. P. Mall and Dr. Rajiv Ranjan, along with my colleague, Muneesh Kapoor. I welcome all of you to this press conference and without much ado let me begin by inviting the Governor to make opening remarks and then we will go ahead by taking your questions one by one.

Shaktikanta Das:

Thank you Yogesh. By way of opening remarks, I have six points to make:

- i) The first point is that the rate in this meeting of the MPC is obviously a pause. Future action will depend on the evolving situation.
- ii) Secondly, the headline inflation has eased and so also all its components. But there is no room for complacency. The MPC remains resolutely focused on the 4% inflation target in the interest of sustainable growth.
- iii) Thirdly, the Indian economy presents a story of resilience with macroeconomic and financial stability. Prospects for growth are steadily improving and becoming broad-based.
- iv) Fourthly, the healthy twin balance sheets of banks and corporates also augur well for GDP growth.
- v) Fifthly, the external sector is eminently viable, as reflected in the current account deficit situation, stability of the Indian rupee and build-up of foreign exchange reserves.
- vi) Finally, the Reserve Bank's liquidity management will be nimble and two-sided as per requirement and as demonstrated in our recent actions.

Thank you.

Yogesh Dayal:

Thank you Sir. I will begin the press conference by inviting Shri Jeevan Bhawasar from Akashvani.

Jeevan Bhawasar, Akashvani:

Good afternoon, Sir. I would like to know by when can we expect the public launch of the CBDC and by when the common people would start using the CBDC?

Shaktikanta Das:

Deputy Governor Rabi Sankar may please answer this question.

T. Rabi Sankar:

Thank you Governor. We are not planning by keeping any specific date in our minds. We have said earlier also that it will be gradual and calibrated because we would like to assess the impact first and then we will go ahead with the policy of 'learn, as we go'. As of now, our plan is that there should be one million customers by the end-June 2023. Secondly, we are planning to have its interoperability with the UPI/QR code.

Yogesh Dayal:

Thank you Sir. Now I will move to Piyush Shukla from the Financial Express.

Piyush Shukla, The Financial Express:

Good afternoon Governor. Just wanted your perspective on the SBI moving to the Supreme Court, seeking clarification on fraud classification. The Supreme Court had issued some notice regarding that because some of the banks have stopped marking accounts as fraud. They are waiting for more clarity from the RBI. Is the RBI going to issue a detailed report on fraud classification? Secondly, Sir, you had said that foreign countries with excess Rupee balance can invest in G-sec and T-bills, so, actually what is the amount that has been invested by foreign countries?

Shaktikanta Das:

The international settlement of trade in Rupee through the arrangement of Rupee VOSTRO accounts, the process has already started. As regards investment in Indian securities or bonds, etc.; being the first time, the central banks as well as the banks on the other side are seeking some further clarity through bilateral discussions. It is under discussion with them and we expect the process to begin soon. With regard to fraud classification, I would request Deputy Governor Shri Jain to take that question.

M. K. Jain:

As you are aware that the Supreme Court has given its judgment that natural justice has to be provided to the borrower before declaring the fraud and subsequently, SBI filed the review petition. The Supreme Court has clarified that there is no need for giving a personal hearing while they are allowed to file a review petition for the remaining part of the SBI. So, we are reviewing the entire guidelines on fraud and we will come out with our guidelines very shortly in consultation with various stakeholders.

Nevertheless, the Supreme Court judgement is applicable to all regulated entities, irrespective of the RBI's guidelines.

Piyush Shukla, Financial Express:

By when can we expect this circular to come out?

M. K. Jain:

Very shortly.

Yogesh Dayal:

Thank you Sirs. I will move on to Ms. Latha Venkatesh from CNBC TV18.

Latha Venkatesh, CNBC TV18:

This is regarding the withdrawal of ₹2000 notes. How much has come back so far? How much of it was exchanged and how much of it came as deposits?

Shaktikanta Das:

As on March 31, 2023, there was a total of 3.62 lakh crore of ₹2000 notes in circulation. After the announcement of withdrawal, so far about 1.8 lakh crore of ₹2000 notes have come back, which is roughly about half of the ₹2000 notes in circulation as on March 31, 2023. Regarding how much of them through exchange and how much through deposits requires reconciliation because we find that there is some amount of overlap in reporting and we want to avoid any possibility of double counting. However, broadly on a provisional basis, I can say that about 85% of the ₹2000 notes have come back as deposits into bank accounts. Let me also take this opportunity to say that more or less this is in line with our expectations and the good thing is that there has not been any rush in any of the banks. Going forward, I would appeal through you to everyone that not to rush or not to go to the bank in a panic, go whenever you are free, and take your time. But at the same time, I would make one more request, generally, the habit is we do things at the last moment, so please avoid last minute rush in the last 10-15 days of September.

Further, for wider dissemination, I will like to request in Hindi; जैसा कि मैंने दो सप्ताह पहले कहा था, जब भी आपको समय हो आप आराम से बैंक जाकर अपने ₹2000 नोट को या तो बदल लीजिये या अपने खाते में जमा कर दें। कोई जल्दबाज़ी करने की जरूरत नहीं है; हमारे स्टॉक में करेंसी नोट्स की कोई कमी नहीं है। आप अपने सुविधानुसार इसे बदल या जमा करा सकते हैं। साथ में यह भी आग्रह करता हूँ कि 30 सितंबर के आखिरी 10 -15 दिन के panic rush का इंतज़ार नहीं करके बल्कि अपनी सुविधानुसार, अभी पर्याप्त समय है, इसे या तो अपने खाते में जमा करा दें या बैंक से बदल लें।

Thank you.

Latha Venkatesh, CNBC TV18:

Sir, my next question is on liquidity. There seems to be a greater willingness to do V-RRRs, that is the removal of liquidity and a slight hesitation in doing Repo auctions

which is giving liquidity. So, should we understand that the RBI would be happier if the weighted average call rate lay between 6.5% to 6.75%. I mean, the comfort is more if it is higher and not as much when it is lower. Considering that banks also have been hesitant, as you say that they are very cautious about giving you money in V-RRR, will you look for more enduring ways like an OMO purchases or something like that?

Shaktikanta Das:

The target of the Monetary Policy is the Policy Repo Rate, which is 6.5%. What we would like to see is that the overnight call rates are also aligned to 6.5%. Beyond that, it is a function of day-to-day fluctuation or week-to-week fluctuation in the overall liquidity situation. So, we expect and would like the overnight call rates to be aligned with policy rate. Whether there is a preference for V-RR or V-RRR that depends on the prevailing situation in the market. As we have done over the last four days, we will remain nimble and remain flexible and act swiftly. I have also said in my statement and also mentioned in my opening remarks that we will do two-sided operations as per requirement.

Latha Venkatesh, CNBC TV18:

Other than Repo, it seems that the banks have been cautious, will you look for other instruments?

Shaktikanta Das:

As and when we decide, you will know. But banks have been cautious and let me make also one point. There is still some amount of liquidity sitting there. When we say banks are cautious; let us remember that about ₹1.5 lakh crore have been mopped up through V-RRR operations.

Yogesh Dayal:

Thank you Sir. I will move on to Mr. Govardhan Rangan from the Economic Times.

M. Govardhan Rangan, The Economic Times:

On the liquidity issue, there is a feeling that the entire liquidity dynamics have changed in the last few months because of the 24x7 payments. The 1% of NDTL that used to be a case that it may have to be relooked at and you also mentioned in your speech that banks are cautious. How do you address this, is there a need for a policy overhaul or a need to relook at that?

Shaktikanta Das:

I would request Deputy Governor Michael Patra to take that question.

Michael D. Patra:

It is true that there are payments transaction going through till the middle of the night. But as banks get used to this, the liquidity is balancing out. We saw there was a lot of tightness in the middle of May, but after that, there has been an easing of liquidity. So, banks are slowly getting used to those transactions coming in late and in any case,

after 5:30 pm, we have standing windows open and a SISO facility which will sweep in and sweep out. So, banks are not inconvenienced by it.

M. Govardhan Rangan, Economic Times:

Just on that because the banks are getting used to it, they are also feeling that neutral liquidity itself will be a kind of surplus of ₹60-70,000 crore. The depreciation of the neutral itself is getting redefined. Is that the case?

Michael D. Patra:

No, we abandon that quantitative ceiling. Right now, we look at the call money rate and look at it to get aligned with the Repo Rate. As soon as it gets aligned, we feel liquidity is balanced out.

Yogesh Dayal:

Thank you Sirs. I will move on to Mr. Manojit Saha from Business Standard.

Manojit Saha, Business Standard:

The Reserve Bank released the list of online FOREX platforms last evening, which are unauthorised. Earlier also, there was a list, but those applications are still there in the Google Play Store and all. Is there any further steps the RBI is contemplating to curb those issues?

Shaktikanta Das:

Dr. Patra, you can take that question.

Michael D. Patra:

You are right that we issued a list yesterday. So, there is a two-pronged approach to this. One is to build up levels of awareness and for that purpose the RBI not only issues those lists which say unauthorised but we also give you a list of authorised platforms. The other thing that we do is that we interact very closely with the enforcement agencies and the Ministries like Information Technology and Finance, and they are taking action on an ongoing basis. We are already hearing of various platforms being raided and assets seized. So, action is taking place there. The third line of action should be that the tech companies, which are uploading those mobile apps, should apply caution and ensure that what they are uploading is by the laws of the land.

Yogesh Dayal:

Thank you Sirs. I will move on to Ms. Swati Khandelwal from Zee Business.

Swati Khandelwal, Zee Business:

The withdrawal of ₹2000 notes was a big move by the RBI since the last Monetary Policy announcement. Everybody was taken by surprise and of course, you have responded to that. This is on behalf of our consumers who watch us and ask us that will the RBI issue a new ₹1000 note and whether ₹500 note will also see the same fate as the ₹2000 notes. What do you want to say to the people who have such questions and what is the RBI thinking on those lines?

Shaktikanta Das:

You asked whether we are going to introduce ₹1000 notes or are we going to withdraw the ₹500 note. I do not have any information on all these issues, and we are not thinking along those lines. Therefore, please do not do any sort of speculation in the market. I would like to say to the general public through you not to speculate. As of now, I have no information and we do not have any such idea.

Swati Khandelwal, Zee Business:

Thank you Sir. It was an important clarification. Now, I have a question about ECL. The thought process regarding expected credit loss is that the banks are thinking it would be implemented by June 30, 2023. Is it correct and what is the situation at this moment? If you can give an update on what is the Finance Ministry's view on it, perhaps there is no consensus between the RBI and the Finance Ministry on that so is that correct or not?

Shaktikanta Das:

What is going on between the RBI and Finance Ministry even I am not aware, but I will request Deputy Governor Rajeshwar Rao to take that question.

M. Rajeshwar Rao:

We have received comments from all the concerned stakeholders. Those comments are being evaluated. Some more refinements and work are being done. At this point in time, it is not correct to infer that June 30th would be the date when it is going to be launched. That is an absolutely incorrect assumption. I will stop it with that.

Swati Khandelwal, Zee Business:

Can you give us a date?

Shaktikanta Das:

No, you look at our track record. What is our track record over the last few years? We give the time for compliance. It is not that today we announce something and from tomorrow introduce those regulatory guidelines. We will give sufficient time to the bank to implement the ECL. If you see over the last few years, whenever we issue any new guideline, we give time to the banks to introduce from a particular date. I would like to say that there is no need to create any panic or anything about the ECL also. As the Deputy Governor has pointed out, comments have been received. They are under examination, and we will issue the circular, but we are mindful of the fact that the banks will need some time to implement it.

Yogesh Dayal:

Thank you Sir. I will move on to Mr. Anup Roy from Bloomberg.

Anup Roy, Bloomberg:

Thank you Sir. Sir, why not change the stance to neutral and have you pivoted? Last time, you stressed that this is a pause, not a pivot, but this time you did not mention that so should we interpret it as a pivot?

Shaktikanta Das:

I would mention only if there were a change. So, it is a pause in this meeting of the MPC and I have not said anything about the pivot, so whatever I said in the last meeting that it is not a pivot, I reiterate that.

Yogesh Dayal:

Thank you. We will move to Mr. Ankur Mishra from ET Now.

Ankur Mishra, ET Now:

Good afternoon Governor. I want to ask regarding the stance, you have said in your speech that often it is said that in the end, it becomes a little difficult and then hence you have mentioned that future actions will be based on evolving situations. But as per your assessment, only you have said that the situation has improved from the last time, be it integrators or other things. So again, how should we infer that not mentioning of exact word of the pivot, it is not what you have mentioned but you believe that it is we are much closer to the change in stance than we were last time.

Shaktikanta Das:

I have said in my statement and that is the MPC's view also that our target is 4%. So, our effort will also be to align all our actions to move towards that target and reach the target. It will, therefore, depend on the evolving situation. Given the kind of uncertainties, which still persist and I have listed them out in my statement, to say anything other than what I have said – our endeavour is to align the inflation target to 4%, we will move towards 4% and we will be very watchful of the evolving situation and modulate our action suitably – is not desirable. About a year ago also, we have said that given the high uncertainty, which is prevailing all over not just in India, particularly in the external sector and especially when we are in a tightening cycle, it is not desirable to give any forward guidance because that may create expectations which may not be aligned with our thinking or our action.

Yogesh Dayal:

Thank you Sir. I will move on to Ms. Swati Bhat Shetye from Reuters.

Swati Bhat Shetye, Reuters:

I have a two-part question, first is apart from a slowdown in growth, what would be the other factors that would prompt the MPC to start cutting rates? Is there a level of real rate, which will make it restrictive for the economy to keep growing? Secondly, there are expectations that the US Fed could continue to keep hiking rates so is the RBI comfortable with a rising interest rate differential with the Fed?

Shaktikanta Das:

I will ask Deputy Governor Dr. Patra to reply to this question, but one point I would like to mention that our monetary policy actions, as I have been saying time and again, are determined primarily by domestic conditions. We do not look at the action of other central banks to determine our actions. But yes, we do watch what other central banks

are doing, because that will have an impact on the financial sector situation, on currency markets and other aspects, but our actions are determined primarily by our domestic factors.

Michael D. Patra:

We have described to you what exactly our comfort zone is and that is when inflation aligns with a target and growth returns to potential after the shock, it received from the pandemic. Both are works in progress. There is little better progress on the growth front, inflation is also progressing towards our goal, but not as fast as growth is normalising. So, we look at both to take the next step.

Yogesh Dayal:

Thank you Sirs. I will move on to Mr. Mayur Shetty from The Times of India.

Mayur Shetty, The Times of India:

Governor Sir, recently the Kanungo Committee had submitted a recommendation on customer service standards. So, I wanted to know how would these standards be enforced, and in that context, there were two incidences that videos which were circulating on social media; one was of a bank manager pushing the staff to sell insurance policies instead of the need-based selling that the RBI requires and the other is of regulated entity saying that if people who do not want to be disturbed and if they want to opt out of our calls then they should not come back for loans in future. So, whether such issues would get addressed?

M. K. Jain:

Let me respond about the Kanungo Committee report, we have put out on our website for public comments. By and large, this Committee has focused on the adequacy of a regulatory and institutional framework, the customer experience, the efficacy of grievance redressal, extent of customer education and awareness. These are the five areas, where they have focused. We will wait for public comments and thereafter we will decide what can be implemented, and what cannot be implemented. On the calls basically, as far as recovery agents are concerned, we have already issued our guidelines and we have put out our code that what they have to follow for the recovery agents. For the marketing calls, this is the decision of the individual banks, and the TRAI has to look into if there is a 'Do not Registry' done by any customers. Nevertheless, this issue, which you have brought it out, will be examined separately.

Yogesh Dayal:

Thank you Sir. I will move to Ms. Gopika Gopakumar from the Mint.

Gopika Gopakumar, Mint:

Sir, at the time of demonetisation, the RBI had introduced an incremental CRR, do you think that is required at this point in time, and secondly do you think after SEBI, will the RBI also be coming out with regulations or financial influencers?

Shaktikanta Das:

So far as financial influencers are concerned, we have no such thinking. SEBI is already dealing with it. We have no such thinking in the RBI to get into that territory. With regard to the incremental CRR, that will depend on the situation. I do not want to speculate what action we will take, but just keep in mind that we have mopped up ₹1.5 lakh crore through our V-RRR auctions and that process is already. We will see going forward.

Yogesh Dayal:

Sir, I will now invite Mr. Pankaj Aher from Informist Media to ask his question.

Pankaj Aher, Informist Media:

Thank you Sir. There is a big difference between the earlier policy statements and this one in the fact that the earlier policy statement spoke predominantly about the flexibility of the inflation target. Today you have been very clear that 4% is the target. It has been a while since we heard that. I would like to know a bit more about that. Does the market now take it that rate cut potentially or a stance change is on the table only when inflation reaches is 4%?

Shaktikanta Das:

What I have said is that our target and our endeavour will be to see that the inflation aligns with the target on a durable basis. Let me clarify. Our effort is to ensure that the actual CPI headline inflation aligns with the targets on a durable basis not a one-off basis at any point of time. With regard to the band and specific target, the specific and primary target of monetary policy is 4%. During the stressful times of COVID and thereafter when the Ukraine War broke out and the fallout of the Ukraine War, we operated within the band. We use the flexibility, which is available to the Monetary Policy Committee. We operated within that band. We were tolerant of inflation above 4% and our effort and focus was to remain within the target band. Now the situation has changed. There is now greater certainty and I have mentioned it in my opening lines also. The overall path is much clearer than it was earlier. So, we are now targeting 4%, which is our primary target.

Yogesh Dayal:

Thank you Sir, I will now invite Mr. Vishwanath Nair from BQ Prime.

Vishwanath Nair, BQ Prime:

Governor, I am coming back to the liquidity question because that is an important issue at this point of time. You are talking about ₹1.5 lakh crore mop up from the system through V-RRR. Your auction was like ₹4.5 lakh crore if we put all the auctions together. I am just trying to understand what is the reason for this caution among banks. Secondly, if you look at the way the interest rates, lending rates and deposit rates, are panning out in the system. The RBI data suggest that in April fresh loan and fresh deposit rates have fallen by 20 basis points which is a marginal fall. But still, at

a time when you are talking about status quo, rates falling may not go well for transmission?

Michael D. Patra:

The reason for caution among banks is that there is an eminent advance tax outflow which is always sizable that will happen in the next week. So, they are holding back money for that purpose. But as you saw we were persevering in our efforts and the fact that we repeated our auctions indicated our purpose, which is what we wanted to convey. It was important therefore to withdraw that excess liquidity so that the deposit rate and lending rate shuffling that was happening was more aligned with what the interest rate cycle is and that is why we have withdrawn ₹1.5 lakh crore so far. As Governor pointed out that is exactly why we withdrew liquidity.

Shaktikanta Das:

It is necessary that any segment of the market does not prematurely assume certain things and then start cutting rates. Whether it is a lending rate or deposit rate. It is a commercial decision as you know that both deposit rates and lending rates are all deregulated, banks are free to do it. But, if they are doing it on the assumption of a certain action which is likely to be taken by the RBI that would be wrong and as Deputy Governor clarified our liquidity action also should be seen in the context that our Monetary Policy stance and our policy rate are well-aligned with the interest rates which are prevailing in the market including banks.

Yogesh Dayal:

Thank you Sirs. I will request Anshika Kayastha from The Hindu Business Line to go ahead.

Anshika Kayastha, The Hindu Business Line:

Sir, has the framework for settlement and write-off been triggered by the huge amount of write-offs that we saw post-COVID and is the RBI concerned because the recoveries from written-off accounts have been underwhelming so far? Secondly, the RBI is looking to issue FLDG guidelines but to understand what were the points of contention till now and what is direction the RBI is looking in now.

Shaktikanta Das:

On FLDG guidelines, you will have to wait for the circular, it will come out very shortly and on the other component about compliance, etc., I would request Deputy Governor Rajeshwar Rao to take that question.

M. Rajeshwar Rao:

It is not correct to infer that the write-offs have triggered the issue of a compromise settlement. Essentially, what we have done is rationalise the existing framework for compromise settlements. These instructions were issued across several circulars at different points in time and they have now been brought in one place and enabled. What is more significant is this has been extended to the urban cooperative banks also

which was not there, hitherto. This is the basic change and that is what has been done nothing more than that.

Yogesh Dayal:

Thank you Sir. Now I will invite Anurag Shah from ET Now Swadesh.

Anurag Shah, ET Now Swadesh:

The insurance sector is growing very fast, and the Government also wanted to increase the penetration of insurance. The insurance industry has been demanding a separate regulation on insurance premium financing as it is there on home loans and auto loans. Is the RBI thinking about this as this will be a new avenue for financial institutions and the way there has been changes in the technology it can be implemented very well?

M. Rajeshwar Rao:

Credit decisions are decided by the banks based on board-approved policy. There is no specific guideline of the RBI and insurance premium financing is one of the financial products and bank has to take a decision based on potential, and there is no guideline of the RBI.

Anurag Shah, ET Now Swadesh:

Sir, many people have complained that those who have no credit footprint do not get an easy loan. For example, in a couple, the husband uses a credit card, so he is getting a loan offered and the rates are also less, but the wife has maintained financial discipline and never taken any credit so she is not getting any loan and if she is getting that too at very expensive rate. How do we cope-up with that in that continuation somebody is maintaining a good credit score for the last 20-25 years, but because of a mistake of a financial institution and because of miss-selling it is getting defaulted and in return, his score gets impacted, so in this what is the view of the RBI?

M. Rajeshwar Rao:

I have said earlier also that the credit decision is based on the bank's internal board approved policy. Regarding the issues of credit history, the RBI has issued guidelines in 2014 which says that credit history should not be the only factor while taking a credit decision for first-time borrowers and first time borrowers should not be denied access to credit just because they have no credit history. It is one of the best practices recommended by the RBI way back in 2014. Regarding the second question on the wrong credit history, I would like to tell you that the credit information companies have been brought under RBI Ombudsman Scheme in August last year. Further, we have issued a guideline to CIC in October that an internal Ombudsman should also be appointed. We have a guideline that CICs and banks should correct the errors in credit history within 30 days and if they do not rectify then one can complain to the internal Ombudsman of CIC or the RBI Ombudsman regarding the same.

Yogesh Dayal:

Thank you Sir. Now I invite Hitesh Vyas from The India Express to ask his question.

Hitesh Vyas, The Indian Express:

Sir, what will be the impact of the MSP hike on inflation and whether it has been factored into your revised projection currently.

Michael D. Patra:

We got the MSP data yesterday and we find that the average increase across all crops is about 7.5% to 8%. So, over and above our projections this will have impact to the extent of 10 to 12 basis points.

Shaktikanta Das:

Part of the hike is already built into our projections going by the past years. So, it will be another 10 or 12 basis points that is the quick calculations we have done overnight.

Yogesh Dayal:

Thank you Sirs. Now I invite Mr. Sachin Kumar from The New Indian Express.

Sachin Kumar, The New Indian Express:

Sir, you mentioned that your target is to bring inflation to 4%. Given this, is it safe to assume that now there will be no rate cut in the current fiscal; and secondly, it is regarding ₹2000 notes. There are many NRIs, who are outside, and they may not be able to come back by that deadline. So, do you have some thinking to extend that date so that their problem can be addressed?

Shaktikanta Das:

I replied to this specific point on May 22, 2023 in a media interaction. I had specifically said that we are aware that at an individual level or at a group level there could be problems. There are Indians who are travelling abroad, and many of them stay with their children for very long periods. There are Indians, who are H1B Visa holders and live abroad. They may have left behind a certain ₹2000 notes. We are sensitive to all those representations which we keep getting. We will examine them and do whatever is required, but our endeavour will be to see that nobody is put into any inconvenience. We want to see that the whole process goes very smoothly and so far, you have seen it is going very smoothly. With regard to inflation, I thought I have replied to that. Deputy Governor Michael Patra can add anything in his language.

Michael D. Patra:

Governor was very categorical about what will the future look like. One thing he has kept on stressing is that we were looking at inflation aligning with the target, not with the inflation at target.

Yogesh Dayal:

Thank you Sirs. I will move on to Mr. Benn Jose from PTI.

Benn Jose, PTI:

In Kerala, there were reports not in the mainstream, but in online media and some TV channels that hundreds of customers of Federal Banks were facing problems wherein after UPI payment, may be a small amount even a chai amount paying for a tea, their account gets completely blocked and when they walk into the bank, the bank refuses and the answer they get is that the police from Bihar or Chhattisgarh or Haryana have asked the banker to block their account. They freeze their account, and they cannot do any transactions. There are some middlemen engaging and it is phishing, and police ask for lakhs of rupees to reopen their account.

Shaktikanta Das:

Deputy Governor Rabi Sankar can respond.

T. Rabi Sankar:

Offhand, there is no reason I can think of why an account should be blocked after the transaction. If it is happening, it is happening because of like you are saying police is getting involved for law enforcement reasons then we will have to look into that and we will have to find out. If it is happening because of some problem at the bank end then if these issues come to our notice we will look into that as well.

Shaktikanta Das:

This problem so far, which you are referring to, has not come to our notice. As and when it comes to our notice, we will find out through our sources if there is any such problem, and we will examine it and we will deal with it.

Yogesh Dayal:

Thank you Sirs. I will take the last question from Manish Suvarna from Moneycontrol.

Manish Suvarna, Moneycontrol:

Sir, do you think the repo rate at 6.5% is appropriate to sustain growth in the long run, second, what is the status of that the RBI centralised portal for unclaimed deposits?

Shaktikanta Das:

So, the first part of the question Deputy Governor Dr. Patra can take, and the portal Deputy Governor Rajeshwar Rao can reply.

Michael D. Patra:

The rate of 6.5% is adjudged to be appropriate at this point of time and as and when we have new information or a new outlook on the growth, we will take a new view on the rate.

M. Rajeshwar Rao:

The work on the portal and software development, *etc.*, is going on and as soon as it is ready, we will launch it.

Latha Venkatesh, CNBC TV18:

I have one question, the market wanted to know after all the last two numbers came down because of a fall in core inflation, you do not see that momentum in the second

half because the reduction in the forecast was a little less than what others arithmetically arrived at. So, if you are not confident that the way core fell in the second half, you could expect a lower inflation.

Shaktikanta Das:

There is a momentum, but we would like to see sustained momentum, not one-off. There are still uncertainties. How the distribution and the timing of the monsoon, the spatial and temporal distribution of monsoon as I mentioned there is also a forecast of a *EL Nino*. With so many uncertainties, our assessment gave these numbers. We would like to see a sustained momentum towards the alignment of inflation with the headline targets.

Manojit Saha, Business Standard:

Will the RBI recommend to the government to withdraw the legal status of ₹2000 note after September 30?

Shaktikanta Das:

To my knowledge, there is no such idea.

Yogesh Dayal:

Thank you Sir. With this, we come to the conclusion of today's press conference. Thank you everyone for joining the press conference. I thank the top management of the Reserve Bank led by respected Governor Shri Shaktikanta Das and Deputy Governors along with Executive Directors and thank all media friends for making it here and for a very conducive press conference. Till next time thank you so much and take care.

Shaktikanta Das:

Thank you.