

Edited Transcript of Reserve Bank of India's Monetary Policy Press Conference: December 04, 2020

Participants from RBI:

Shri Shaktikanta Das – Governor, Reserve Bank of India

Shri B.P. Kanungo – Deputy 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 Yogesh Dayal – Chief General Manager, Reserve Bank of India

Yogesh Dayal (Moderator): It is really a great pleasure to have all of you here in this press conference, post policy today. Today, with Hon'ble Governor, we have respected Deputy Governors, Shri B. P. Kanungo, Shri M. K. Jain, Dr. Michael Patra, and Shri M. Rajeshwar Rao. I welcome all the executives and the Top Management of this event of Reserve Bank of India, for joining us in this press conference. Sir, today we have about 38 participants, and they're representing various media houses, whether they are print, digital or electronic. I will make some announcements and then hand over to media people to proceed. We will try to accommodate as many questions as possible. I expect co-operation from all the media colleagues. I would call out names individually, so that everybody can be accommodated in the limited time we have. We have about half an hour time available with us. So, I would like to request you to make most of this opportunity. Once again, welcome to this virtual press conference. And with your permission Sir, we would start the first question.

Shaktikanta Das:

Yes, yes, please go ahead.

Yogesh Dayal:

I will request Mr. Govardhan Rangan of Economic Times to ask his question please.

Govardhan Rangan, The Economic Times:

Sir, you have kept the interest rate, the accommodative stance, everything, as it is, despite forecasting a higher inflation for the second half of this fiscal and even the first half of next fiscal. And with our markets actually dealing with the policy rates, there is a fear that there could be an inflationary spike in the next year, if supply side does not respond. Did the MPC debate about that and when would it become a kind of indication that the MPC has to change the stance? So, what will be the criteria?

Shaktikanta Das:

First of all, good afternoon to all the participants and it is really good to see you all and interact with you after a long gap. And, let's hope that we are able to hold a physical press conference soon. But coming to your specific question, I have spelt it out quite in detail in my statement. The first point is that there is a window available for checking the inflation momentum. I have said that the winter months come with festival arrivals, with the arrival of bumper kharif crop, and with the removal of the various containment and supply disruptions that are getting eased out and interventions from the

authorities, that is, the Government in particular, to take action on various fronts. We have seen some action in the recent weeks, for example, the import duty on edible oil which is one of the components where inflation was visible, the import duty has been reduced. You are aware of all the measures that have been taken and we are continuously watchful. And as I have stated, we will continue to be very watchful and take a call as we move ahead. Thank you.

Yogesh Dayal:

Sir, I will request Anup Roy from Business Standard to ask the next question.

Anup Roy, Business Standard:

Good afternoon Governor. My question is that even one year rates are lower than the overnight repo rate. Does it pose a challenge to your monetary policy conduct or is it deliberate that we keep that way? What is the exit point like? And, you haven't done anything on the liquidity front as such, you have not removed the liquidity but have assured more liquidity and adequate liquidity. So, how things will pan out in the future?

Shaktikanta Das:

I have assured that liquidity will be available, but I want to make the media interaction with RBI today as participative as possible. So I would request our Deputy Governor Dr. Michael Patra to respond to this question.

Dr. Michael D. Patra:

Thank you, Governor. As Governor mentioned, the level of liquidity is really a function of the stance of monetary policy and the MPC has adopted an accommodative stance in the monetary policy and has given time bound guidance. So, you would expect liquidity to be comfortable for the market. Okay, so the rates that you see are below the reverse repo rate because collateralized rates typically tend to be below uncollateralized rates. Another factor that you should bear in mind is that what is happening in the money markets is a result of the distribution of liquidity, there is an asymmetrical distribution of liquidity in which, those that have access to LAF are quoting rates at or within the LAF corridor. But non-banks like mutual funds and others who have no access to LAF are quoting rates below. Our open endeavour is that banks will intermediate these flows in the marketplace and there will be more evening out of rates, we do not want to intervene in market processes. What we are doing is that we are developing the markets. The whole slew of measures that Governor announced on the market development basis is intended to bring in more participants and enable more symmetrical distribution of liquidity.

Yogesh Dayal:

Thank you. I would request Gopika from Mint to ask her question.

Gopika Gopakumar, Mint:

Sir, you spoke about the two bank bailouts that happened. We've seen the RBI stance on bondholders where bondholders had to take a hit when RBI asked banks to write down these bonds. I'd like to know- is this marked shift in RBI stance from previous years where such bank bailouts have happened, to now, where RBI has been indifferent to the bondholders? That is one. Also, is RBI looking to ensure that mis-selling of these bonds by banks do not happen, going forward?

Shaktikanta Das:

The RBI is not indifferent to any segment of the economy or financial markets. We take decision, first in the best interest of the depositors. That is the paramount responsibility of the Reserve Bank of India, to protect the interest of depositors, and all our actions are within the legal framework, as per law, and as per regulatory guidelines. Beyond that, since both the cases are currently sub-judice, I would not like to elaborate further. Thank you.

Yogesh Dayal:

May I request Mayur Shetty from The Times of India to ask his question.

Mayur Shetty, The Times of India:

Good afternoon Sir. My question is on the asset quality of banks. Although the moratorium ended on August 30, there is an effective standstill because of the Supreme Court order. So is the Covid shock to the financial system still to be felt? And, is the worst yet to come for banks? I mean, this question is in light of Moody's statement yesterday that Italy and India are most exposed to economic and financial consequences of the shock.

Shaktikanta Das:

You see, we have made our internal assessments of the likely NPA scenario. The Supreme Court hearings are in the final stages. We will wait for the court orders but we have made our internal estimates. And as you will be well aware, the Financial Stability Report is due in the last week of December 2020. Once we get the Supreme Court orders and once we update our assessment of the likely NPA scenario, we will spell it out in the in the Financial Stability Report, which will be released in the last week of December. In the last Financial Stability report, we had given a scenario but one positive development is that the economy has recovered much faster than expected or anticipated at that time. So, therefore, please let us wait till the Financial Stability Report comes out where we will be spelling out the details. Thank you.

Yogesh Dayal:

May I request Swati Khandelwal from Zee Business to ask a question.

Swati Khandelwal, Zee Business:

Governor, my question to you is about the bank failures. There was timely intervention on the part of RBI but I want to ask one question from the point of view of shareholders that they lost their entire capital in this process. Do you think that we should devise better mechanism in which the interests of shareholders can be protected?

Shaktikanta Das:

I think, I have already answered this question in my statement. The decisions that we take in such cases, it is difficult to add a fixed template on to them. Because, the situation varies from bank to bank, so, it has to be case specific. And the other thing is that the decision that we take is in the best interest of the depositors. The decisions are taken in compliance with the legal provisions and regulatory guidelines. Beyond that, I would not wish to elaborate further at this point of time, since the matter is sub-judice.

Yogesh Dayal:

I would request Latha Venkatesh from CNBC to ask her question.

Latha Venkatesh, CNBC TV18:

Thank you, Governor. You know, there is a lot of liquidity and you also have stopped or scaled down OMOs and resorted to more Operation Twist. Are you worried that this surplus liquidity can make mischief in the form of probably inching up inflation or mispricing risk. Separately the internal working group of RBI has made a distinction between bank licences to corporates and licences to NBFCs owned by corporates, which they seemed to indicate can be automatically given bank licences. Are they really different? Licences to corporates and licences to NBFCs owned by corporates?

Shaktikanta Das:

On the second question, let me say very clearly that it is a report by an internal working group of RBI. It should not be seen as RBI's point of view or decision. That has to be very clearly understood. The Internal Working Group had two external members, who are also members of the RBI Central Board and the Internal Working Group has acted independently, they have had their independent deliberations, they have given a certain point of view. RBI has not taken any decision on these issues so far. As I said, in my monetary policy statement, and also, as I have said time and again earlier, our approach is consultative. The report of the Internal Working Group is now in the public domain. We will receive comments. After getting comments from various stakeholders and others who wish to give their comments to us, we will examine the whole matter and take a considered decision. That is how it stands. Now, with regard to the other part of your question, let Deputy Governor Michael Patra reply to that question.

Dr. Michael D. Patra:

Your question was about the types of instruments we're using. If you recall, in October, governor in his monetary policy statement gave clear financial market guidance that we will use a variety of instruments to ensure that markets are assured of liquidity and the smooth flow of finance. So, we have been using a variety of instruments, modulating their volume and their character in tune with the markets' needs. That explains why we have offered a variety of instruments and we will continue to do so in the near future. Yes, it is pertinent of you to remind us that excess liquidity can sow the seeds of inflation, but we were keeping a very careful and close watch on the liquidity situation. At the current time, our assessment is that the large part of inflation pressures are emanating out of supply side disruptions at the level of the retailer, very high margins being charged by retailers and some amount of indirect taxes. Element of demand, which could cause what you call mischief is still muted, but we keep continuously watching this, and we will take action as necessary, if we find that happening.

Yogesh Dayal:

I would request Mrs. Mythili from ET Now to ask a question.

Mythili Bhusnurmath, ET Now:

Thank you, Governor. And thank you also to the communications team of RBI for giving us this opportunity. It's always good to be able to ask the Governor questions directly. So thank you very much. So with that, let me start. At a time when an internal group within the Reserve Bank of India is looking at the monetary policy framework in the context of inflation targeting, would I be wrong in assuming from a reading of today's statement that the RBI has de-facto junked inflation targeting, at least as we knew it earlier? For the simple reason that you have listed some paramount objectives of the Reserve Bank of India. You have listed six objectives, Governor- enhance liquidity, deepen financial markets, conserve capital, strengthen supervision, facilitate external trade, upgrade payment system. Nowhere there is a mention of getting inflation under control at a time when inflation is running well above our upper band of 6%, and for close to three quarters. In fact, this is the time when RBI perhaps should be presenting a statement in the Parliament, on what it has done to inflation. So, would I be wrong in assuming that somehow de-facto inflation targeting, at least as we knew it, has been junked?

Shaktikanta Das:

Nothing has been junked. Let me be very clear and emphatic, nothing has been junked. Inflation targeting is uppermost in our agenda. There is a reference to it in the preamble of the Reserve Bank of India Act. We give it highest priority. About the priorities which you mentioned, these priorities are priorities, which are included in Part B of the MPC resolution. The part B of the MPC resolution has now been uploaded in the website. And as has been the practice on earlier occasions also, we have two parts to the MPC resolution. The first part is the Monetary Policy Committee deliberations and its decisions. So, similarly, in the first part of the resolution, which has been uploaded today, and in the first part of my statement today, I have highlighted the issues relating to inflation, growth, concerns of MPC, how MPC looks at things and how MPC is going to act. I've also touched upon MPC deliberations. It's only in the second part where I go for developmental and regulatory measures, which have nothing to do with the MPC's deliberations. It's in the second part, what we have done in RBI is that the various series of announcements which we have made, totally they run to about 20 or 21, we have just tried to capture what is the essence of those announcements. So, let me again reiterate inflation targeting is important. RBI is a multi-purpose central bank, it is not just an inflation targeting central bank. Inflation targeting is very important. It's a part of RBI Preamble, it is definitely of paramount importance. At the same time, the RBI has role as a banking sector and non-banking sector regulator, as the regulator of payment systems and so many other multifarious responsibilities, and you know it, I don't need to elaborate. That is how I would like to explain.

Yogesh Dayal:

Thank you, Sir. May I request Ira Dugal from Bloomberg Quint to ask a question?

Ira Dugal, Bloomberg Quint:

Good afternoon, sir. Sir, question actually on the core policy. Now, if you look at the inflation targets that have been given or the inflation forecasts that have been given for Q3, Q4, 2020 and H1 of FY 21, they are all above at least the midpoint, which is 4% of the inflation target. Now, in that kind of a forecast scenario, it's unclear where you continue to see room because you do continue to allude to the fact that there is room for policy easing, yet, it's not clear where that will emerge if these inflation forecasts actually, you know, play out as per expectation. So, are we just maintaining an accommodative stance more from a liquidity perspective, rather than an interest rate perspective? Sub-question to that is that there was an expected inflation cliff in about November that, things will fall down, inflation will fall very quickly. Has that now changed, given what you are seeing on the grounds?

Shaktikanta Das:

I have said it in my statement that our expectations on inflation, which we had over the last two months, obviously, that has not materialised. And we have to keep in mind that we are dealing with an extraordinary situation, a once in 100 years kind of event, and the kind of impact it has produced on the economy as well as on human lives, not just in India, but across countries, it's huge. So we have to respond to this particular situation. And beyond that, I think it's Dr. Michael Patra, you'd like to supplement something? I think he may elaborate further on our deliberations, because I need to take some rest also and take some water. But on a serious note, let me say that, you talked about the mid-point. So, when I said that it is a once in hundred years incident, unprecedented in the in the memory of the current generation, it was a reply to your question regarding the mid-point in the range of 2% to 6%. That is what I was trying to address. The other points, Dr. Michael Patra will elaborate.

Dr. Michael D. Patra:

Thank you, Governor. To your question about inflation, if you read the MPC's resolution, they have done a lot of analysis on inflation. And they see that over the next two months, they expect inflation to soften a bit, one, because of the kharif arrivals, and, two is about the usual winter easing of vegetable prices. And then Governor goes on to say in his statement that these two incidents offer a window of opportunity for supply side management. If supply side management is timely and effective, you will see the trajectory of inflation completely changing. But, what we have given you is the baseline with things standing as they are today. But, if you read into the guidance that Governor is giving, he sees this window as a chance for supply side management, which is the prime instrument to use at this juncture to produce a different trajectory of inflation.

Yogesh Dayal:

Now I would request Shri Pradeep Pandya from CNBC Awaaz to ask his question.

Pradeep Pandya, CNBC Awaaz:

Thank you, Sir. Governor, Sir, my question is regarding NBFCs. In your statement you mentioned that the framework on NBFCs needs to be reviewed. You also drew our attention in few other issues. So, what are your thoughts? Do you think that NBFCs

need to use their capital more, or they are paying higher dividends, because you seem to be reviewing these issues. And some investors and fund managers have been talking of the RBI thinking about getting some NBFCs converted into banks. So, what are your thoughts and what roadmap do you see for these entities?

Shaktikanta Das:

The first point that I would like to put forth is that the thinking in RBI is that we would want the NBFC sector to remain robust. And the work that they have been doing in terms of reaching out to the last mile connectivity is noteworthy. Where banks are not able to reach at times, NBFCs fill-up those gaps. That is why, we also permitted co-lending for NBFCs and we have recently made some changes in the policy related to co-lending. Our priority is that the NBFC sector should remain robust, strong, and conduct its work well. That's why the governance model, capital issues and other aspects need to be strengthened. We have taken many steps in the past one and half years. We prescribed the liquidity ratio for NBFCs, mandated that Chief Risk Officer to be appointed. Now, we are looking at their dividend policy and reviewing their regulatory structure so that a scale based regulation can be developed. In the NBFC sector, there are some NBFCs whose total asset size is 20-25 crore and on the other hand, there are some big NBFCs having asset size greater than 50,000 crore. So, we are reviewing regarding nuanced or scale based regulation for them and the discussion paper would bring out the dividend distribution matrix and scale based model for regulation in public domain and solicit inputs from members of public. I have repeatedly said that these are sensitive matters and we would not take a unilateral action, but, would rather consult the market, obtain inputs and then take a considered and responsible decision. In this matter also, our approach would be the same. Please let the two documents be put out, and we will then take a call.

Yogesh Dayal:

I would now request Bijoy from Cogencis to ask his question.

T. Bijoy Idicheriah, Cogencis:

My quick question is on FX strategy. Is the FX impact, the sheer amount of forex flows coming in and the fact that it's impacting also how you are handling liquidity, causing part of the problems that we are now seeing for you in the in the short term-rates and in the liquidity management strategy that you have been employing in in in India, but the bigger issue is - is appreciation a bigger concern for you than the domestic economy facing some short term disruptions?

Shaktikanta Das:

If I address all aspects of your question, that will be a giveaway of our internal strategy. But, our strategy as we have time and again articulated, is to prevent the volatility, the new volatility, and see that there is an orderly evolution of the exchange rate. You are right, the liquidity injection policies that the Reserve Bank of India has adopted since March 27, 2020 when we started with the COVID response announcements, whatever liquidity RBI has injected into the market has achieved its purpose. That is our assessment. Whether it relates to the crisis in the mutual fund segment, which happened at one time, but got controlled or whether it is to targeted sectors through

TLTROs. So, all the liquidity infusion measures of RBI have achieved their objective. Now, because of global conditions, which I have spelt out in my statement today are there is a lot of inflow into the emerging economies, particularly India. We are getting both FDI and FPI inflows, the gross FDI inflow has been about \$39.9 billion if I remember correctly. Similarly, FPI inflows also have are also very high. We are sterilising them at the moment through the reverse repo mechanism. And, we have various instruments as I have articulated in my statement, we have various instruments that are involved, and we are constantly monitoring the evolving situation and we will deal with it at the appropriate time.

Bijoy:

Sir, if you could just clarify one thing. In the guidance this time, you all have said that it was unanimous. All members of the MPC were unanimous this time, unlike last time when there was one dissenting view.

Shaktikanta Das:

All aspects of the monetary policy statement, of the monetary policy resolution, all aspects with regard to rate and with regard to the stance, they're unanimous.

Yogesh Dayal:

Thank you sir. I will request Shri Ramkumar to ask a question.

K. Ramkumar, Hindu Business Line:

Sir, just wanted to know, given that in the last eight months two banks had to be rescued. So, in this context, I just wanted to know whether there is something lacking in the supervisory mechanism of RBI and you need to fix it seriously?

Shaktikanta Das:

I have said this earlier on several other occasions. Over the last two years, we have really strengthened and deepened our supervisory systems. The kind of deep dive and analysis which we are now doing, the kind of test of our supervision, which we have achieved over the last two years, it's something like never before. And these two incidents of two banks, which we had to intervene and resolve, it's not as if they happened one fine morning, and we were not aware of what is happening. Our first focus is to work with the management of the bank and resolve the problem, nudge them, goad them, request them. So our first effort is always to work with the management of the banks and resolve the problems. Only when we see a need for regulatory intervention, only when we see that regulatory intervention is required in the best interest of the depositors, we intervene. With regard to what improvements we have brought in supervision, I would request Deputy Governor, Shri M. K. Jain to very briefly give some of the major highlights of the improvements and strengthening of supervision, which we have done in the recent months.

M. K. Jain:

Thank you, Governor. As Governor has told, in last two years, we have taken a lot of steps to strengthen supervision, and it was unprecedented steps that have been taken. Such as unification of supervisory departments, we have taken up strengthening the

off- site monitoring and surveillance, we have strengthened large scale uses of analytics and IT, upskilling the supervisors; all those steps have been taken. Even on the interconnectedness of various entities, we have created a dedicated team, who is doing off-site, analysis, using data analytics and IT.

Yogesh Dayal:

Thank you, sirs. We are almost through, but I'll request you to take two or three questions that are still there. So with your permission, we'll take another two or three questions. So I request, first of those from Swati Bhat from Reuters to ask a question.

Swati Bhat Shetye, Reuters:

Good afternoon, Governor. I just had one question. The finance minister on Thursday, indicated that we are likely to have a very expansionary budget next year in a bit to support the recovery that may seem. Has that been taken into consideration in terms of the impact it would have on the inflation trajectory or are you still waiting to see how that plays out? And secondly, also on the reverse repo being used to sterilise the FX intervention? Is that likely to be the only tool that is used in the near future? If you can just clarify that. Thank you.

Shaktikanta Das:

With regard to the reverse repo being the only tool, just please refer back to my statement. I have said that RBI has various instruments at its command, and these instruments will be used at the appropriate time. With regard to the first part of your question about what the finance Minister has said, I was busy with the MPC meeting. So, I have not heard it in full and not seen the full text of the statement. But, as far as my recollection goes, what I have seen in the media and in the newspapers, she has said that it will be a growth supporting budget, it will be a growth oriented budget. To the best of my knowledge, I don't think the Finance Minister has used the word expansionary budget. I think, she has said that it will be a growth oriented budget. Naturally, when we are recovering from a massive damage which the pandemic has wrought on the Indian economy, the budget has to be growth oriented. And, also let us keep in mind that during this year also, all the fiscal measures which the government has announced have been very well calibrated, very well targeted. And they are all they have been very prudently drawn out. In fact, at the beginning of the pandemic, there was a worry that the Government fiscal deficit would just go hay-where. Well, of course, the fiscal deficit has gone up, and it had to go up. But I think the response of the Government has been very calibrated, well calibrated, and prudent. So, the budget next year also, I expect to be really prudent, but naturally, it has to be a growth oriented budget. That is something which is bound to happen, it's a no brainer. I mean, it has to be a growth supporting budget.

Yogesh Dayal:

Thank you, Sir. I would request Anirban Nag from Bloomberg to ask his question.

Anirban Nag, Bloomberg:

Governor, I had two questions. One is, there have been lot of views about the overvaluation of the rupee. Do you think that it is going to have an impact on exports,

especially since you've said that the export recovery has been rather uneven this morning. And the other thing that I had in question to you was on the inflation targeting regime being reviewed by the RBI, which we are expecting in the currency and finance report. My question to you was, is the RBI giving any thought to introducing the WPI as an inflation anchor along with the CPI?

Shaktikanta Das:

Well, wait for the report to come. But, at least we are not considering introduction of the WPI element. That's not under consideration of the RBI. And, in any case, it has to be a part of the law. The current legislation says that it is CPI inflation. The policy is based on the CPI inflation, the inflation targeting is based on CPI inflation and final call will be taken by the Government and the parliament. But having said that, let me say that I don't see a situation of switching over from CPI, to the best of my understanding of the situation, and within RBI, there is no such thinking of switching over from CPI to WPI, but please wait for the detailed report to come. And if you can, just remind me about the first part of your question?

Anirban:

It was all the overvaluation of the rupee.

Shaktikanta Das:

On the overvaluation or undervaluation of the rupee, as you know, as a central bank, we will not be able to say, whether it is overvalued or undervalued and what level we want to be. This we have said so many times earlier. We don't have a target, I can see some of you smiling. We don't have a specific target about what should be the value of the rupee in the market. Our primary objective is to curb undue volatility.

Yogesh Dayal:

I will request Ashish Agashe to give you the final question here. After this, we should be winding up.

Ashish Agashe, PTI:

Thank you so much Sir. You spoke about strengthening supervision and it being a priority in the morning. Sir, this was about yesterday's revelation by HDFC Bank about the penalty which they have been made to pay because of service outages. Also, yesterday, we also saw SBI being sort of hindered. Usually we used to take the entire monetary penalty route to discipline banks. So, is this a newer way of disciplining, which you have adopted and would it be sparingly used? Or should we see more of it going ahead?

Shaktikanta Das:

The decisions, whether it is a monetary penalty or it's a supervisory action, that depends on case to case and it will not be proper for me to discuss individual cases. But since both of these issues are so much in the media, let me say that in the case of HDFC Bank, there were earlier episodes also and HDFC Bank has an overwhelming presence in the digital payment segment, in the internet banking segment. So, we have some concerns and about certain deficiencies etc. And therefore, we felt that it

is required and it is necessary that HDFC Bank strengthens its IT systems before expanding further. Therefore, this business restriction has been imposed on them. And I'm quite sure that HDFC Bank will comply with whatever we have suggested to them, I'm sure they will comply with it. In that background, this decision was taken. You see, we cannot put thousands or lakhs of customers who are using digital banking into any kind of difficulty for hours together. And, especially when we are ourselves giving so much of emphasis on digital banking, the public confidence in digital banking has to be maintained. And, we are quite optimistic that HDFC Bank will take necessary action in that direction and that is the indication we have received. With regard to SBI, it happened yesterday, our teams are studying it, it's too early for me to comment on that. But at a more general level, I would like to say that there is a need for all banks and all financial entities to invest more in their IT systems and in technology. If you want to remain competitive in the coming years, technology is the key, robustness of your IT system is the key. So, banks, NBFCs and other financial entities need to invest more in their IT systems, need to invest more in technology and strengthen all their systems, so that public confidence is maintained. And this is something, going forward, the entire financial landscape is going to become more and more it dependent. So, there is need for more investment by all financial sector entities in these areas. So, these are the remarks we have. Let me also say that we are constantly engaged with the managements of various banks and NBFCs. Where we see deficiencies in their systems and procedures, we always try to work with them internally and nudge them and advise them to improve their systems. We will continue to do that. But certain times, in certain situations, certain actions become unavoidable and inevitable. Now, as the regulator and as the custodian of the digital payment segment in the country, I think the central bank also has to act. And that's precisely what we have done. Thank you.

Yogesh Dayal:

Thank you, Sir. Before we close, there is a request for one last question from Shritama Bose from Financial Express.

Shritama Bose, Financial Express:

Good afternoon, Sir. You said today that two crisis ridden banks were resolved this year, keeping depositors' interest as the topmost priority. But, the Punjab and Maharashtra Cooperative Bank, which has been under administration for more than a year now and there has been a change in the administrator also. We have not a resolution for that. Could you just tell us why it is so challenging to resolve that particular bank and by when the depositors of that bank can expect a full resolution? Thank you.

Shaktikanta Das:

You see, the situation in PMC Bank was completely different. As you would be aware that PMC Bank has called for Expression of Interest (EOI) from possible investors who would like to invest and take over the bank. The last date for receipt of EOI and information memorandum was 30th of November, 2020 and the response looks positive at this point of time. The last date for submission of EOI is 15th of December.

So, let us see what is the response and after that only, we can take a view on this. The bank and its management are fully engaged with the investors who have purchased the information memorandum.

Yogesh Dayal:

Thank you, Sir. With this, we come to the close of the press conference. I must thank the Governor for taking the initiative to meet all of you, despite the challenging issues which we are facing, logistically as well as in life. I would thank each one of you for participating in this press conference. Special thanks to all the Deputy Governors for supporting this press conference. Stay safe, thank you very much.