

## **Edited Transcript of the Reserve Bank of India's Post-Monetary Policy Press Conference: August 6, 2025 (Wednesday)**

### **Participants from the Reserve Bank of India:**

Shri Sanjay Malhotra – 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. Poonam Gupta – Deputy Governor, Reserve Bank of India  
Dr. Rajiv Ranjan – Executive Director, Reserve Bank of India  
Dr. A. R. Joshi – 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 this Post Monetary Policy Press Conference, third in this financial year 2025-2026. I welcome Governor – Shri Sanjay Malhotra; Deputy Governors, Shri M. Rajeshwar Rao; Shri T. Rabi Sankar; Shri Swaminathan J; and Dr. Poonam Gupta. I also welcome Executive Directors, Dr. Rajiv Ranjan; and Dr. Ajit Joshi, and also, our other colleagues from Reserve Bank. Before we begin, I will request media friends present here to switch off their mobiles or keep them on silent. Further, please restrict to one question per person, it is very important, so that everybody gets a chance to ask. While asking the question, you please switch on the mic in front of you, so that others who are logged on to this or listening to this streaming, they are able to hear. And once you are done, please switch it off. And sir, there are 23 participants from media today, and with your permission, I will start taking the names

### **Sanjay Malhotra:**

Yes, please.

### **Puneet Pancholy:**

So, I will request Ms. Latha to ask her question.

### **Latha Venkatesh, CNBC-TV18:**

Thank you very much for the opportunity, Governor. You have given the growth forecast at 6.5%, retained it and given the forward forecast at 6.6%. How much of the tariff impact have you factored in? Is there a lack of clarity on tariffs and therefore, nothing is factored? And hence, if the tariffs stay or even increase, is there a likelihood that you will be lowering it? I am asking you particularly because that phrase 'very limited space for monetary easing' is absent in the entire speech. So, if you lower, will that phrase reappear or will that phrase have no chance of appearing because the year ahead inflation is 4.9%?

### **Sanjay Malhotra:**

So, first of all, on growth, you are very well aware that we had already reduced our forecast, which was earlier 6.7%, to 6.5%. So, some of the global uncertainties have

already been factored in the revised growth forecast. However, there is still a lot of uncertainty as was also mentioned in my statement, and it is really very difficult to predict as to what the impact will be. Going forward, as we have mentioned, we will maintain a very, very close vigil on the incoming data and take a call. As of now, we do not have sufficient data to revise our GDP forecasts. As to your question on the absence of the word or the phrase 'very limited space', that was in the context when we moved from accommodative to neutral, we are continuing in neutral. And so, that is why you do not find a mention of that in this statement.

**Latha Venkatesh, CNBC-TV18:**

Is it because it (inflation) is 4.9%, that is why you are saying? Why is that phrase absent? Is it because of high inflation or is it because we do not know enough about growth?

**Sanjay Malhotra:**

See, we will continue to monitor our macroeconomic conditions on a policy-to-policy basis and accordingly, take a call. It is all very, very uncertain. We already did 100 basis point rate cut. The other thing is that monetary policy transmission is still happening. So, we will continue to do whatever is required to facilitate good growth while, of course, maintaining price stability.

**Puneet Pancholy:**

Thank you, sir. From the right side, from Doordarshan, Shyama ji will ask the question.

**Shyama Mishra, Doordarshan:**

Namaskar, sir. Sir, is RBI worried about the fact that these global changes, trade changes will push up the inflation as the imports will get expensive?

**Sanjay Malhotra:**

See, first thing is that in India we are less dependent on the outside, insofar as inflation is concerned. And the other thing is that if at all there is an impact, there is also an impact on the growth, on the demand and that has a reverse impact. We mentioned this, we elaborated this in our monetary policy statement that we made I think a couple of months ago, where we highlighted this aspect that it moves in both directions. As of now we do not see a major impact of this unless we have retaliatory tariffs and so on and so forth, which I really do not foresee. I will request DG Poonam Gupta, would you like to add something?

**Dr. Poonam Gupta:**

Sure. In addition to what sir said, let me also remind that our inflation basket, nearly half of it consists of food, which does not get impacted directly by global developments. A significant part consists of non-tradables, which again does not get impacted by global developments. So, to that extent, a first order direct impact of these evolving uncertainties on India's inflation is likely to be very, very limited.

**Puneet Pancholy:**

Thank you, sir. Thank you, ma'am. I will ask Manojit Saha from Business Standard.

**Manojit Saha, Business Standard:**

Thank you, sir. What has stopped the MPC from, given that you have reduced the inflation forecast substantially lower to 3.1%, so what has stopped the MPC from a rate cut? Because you have indicated that you will be forward looking, you will be proactive in interest rate decisions. So, what has actually stopped MPC from a red cut? And also, if you can throw some light on whether the monetary policy is effective on pushing loan growth because loan growth continues to be tepid despite a 100-basis point rate cut?

**Sanjay Malhotra:**

See, the reasons for maintaining the policy rate are very, very clearly stated in our resolution, which also found a mention in my statement. Let me reiterate those.

One, we did first of all a front-loaded rate cut, 100 basis points over a short period of four months, February to June. Transmission is still happening. Uncertainties still continue. The situation is still evolving. Insofar as inflation is concerned, the projections are more or less, if you discount food which is very volatile. I think I mentioned it somewhere earlier also that while our headline and food inflation over the last 8-9 years since flexible inflation targeting (FIT) was introduced has been at 4.9%. The volatility in food prices is of the region of 3% on an average. The deviation, the absolute deviation is 3%, 5.9 plus minus 3% is the average. Whereas that in core is much less, about 1.1% in absolute terms. So, the changes that have happened are primarily because of food, and not core inflation. Core inflation, in fact, has only gone up slightly from the previous months. So, these are the reasons that we have continued to maintain the policy rate. We will keep watching incoming data and evolving outlook of our macroeconomic conditions and the MPC will accordingly take a view on the policy from meeting-to-meeting.

Insofar as the impact of rates is concerned, I have given figures in the statement. It is about 71 basis points on the credit side. Bank credit rates until June within a period of four months, of which about 55 basis points of total 71 basis points is because of the change in the rate and not because of the change in the mix of the credit loans.

So, that has happened. And obviously, that will certainly help not only growth in credit, but also, it will impact the real economy. As you are all aware, it happens with a lag this time while the rates have of course come down significantly faster. The impact on the real economy will also start to happen. So, there is no reason to believe that this will not have a growth inducing impact.

**Manojit Saha, Business Standard:**

Thank you.

**Puneet Pancholy:**

Thank you, sir. Next, we will have Mr. Mayur Shetty from the Times of India.

**Mayur Shetty, The Times of India:**

Thank you, sir. This morning you explained the credit, the slowdown in credit demand, you said that there is some shift to other financial instruments. But the sectoral figures

show that even housing, which typically goes up when rates go down, has slowed down. What do you think is the reason for this?

**Sanjay Malhotra:**

I think, first of all, it is important to look at data at a regular basis, at a micro basis, at a month-to-month, quarter-to-quarter basis. But to extract signals out of that, I think we should be hesitant in extracting signals out of that data. So, it is the long-term data that is more relevant to make any insights out of it.

And on the other hand, I would also like to point out, these fluctuations will be there. There will be noise, as you are aware. So, we have to remove that noise. How do you remove that noise, becomes very difficult if you are actually looking at data on a month-to-month, day-to-day basis.

Having said that, housing credit, I think overall, it is doing well, it is doing very well. It may have moderated somewhat, but these are to be expected. There will be some ups and downs. I think overall housing credit is 14% as we speak, which is very good, which is more than our average credit growth rate of about 10% that we are having this year.

And some of the impact, as I mentioned, happens with a lag, we have reduced the rate. So, while the reduction in the rates has happened, its' translation into credit growth rate, people take their time to... It is a long-term investment. Housing is not a short-term investment. If you go to the market, you buy a consumer durable, it is not like that. It is a long-term investment. So, that also has an impact over here.

**Mayur Shetty, The Times of India:**

Thank you.

**Puneet Pancholy:**

Thank you, sir. Now, I will request Ekta Suri from Zee Business to ask the question.

**Ekta Suri, Zee Business:**

Good afternoon, sir. Sir, first of all congratulations, sir. Prime Minister Narendra Modi has thanked RBI a lot for setting up camps for financial inclusion in the Gram Panchayats.

Sir, my question is that if we look at the results of banks this time, we see an increase in NPAs and if we talk about the MFI segment, you had raised concern last time too that NPAs are increasing in it. Can we see any kind of rules and regulations getting stricter regarding that? Especially when the NBFCs raise money in the priority sector but their rates have increased like money lenders. So, can we see the rules getting stricter to reduce that?

And secondly, if we talk about MuleHunter, many banks have implemented it, so how quickly can common people get their money back, the money lost due to fraud? And how safe is their money now? Thank you, sir.

**Sanjay Malhotra:**

You Ekta, have asked a lot of questions at once. First of all, thank you for congratulating us on financial inclusion. It is very important for us and we have mentioned it in our monetary policy statement as well. So, we would like you to convey our efforts to all our listeners and viewers, and publicise it so that people can benefit from it.

You mentioned that some NPAs have increased, I do not have such information. I have mentioned it in our monetary policy statement as well, that in total our net NPAs, our gross NPAs, when we look at the entire banking sector, 2.2% gross, it is from 0.5% to 0.6% net NPAs, so it is quite satisfactory, and it has not increased.

It is possible that in some sectors, as you mentioned in MFI, in unsecured loans, there are some NPAs that have increased, due to which we have increased the credit (risk) weights. We had also seen that the increase in the credit rates in MFI and unsecured personal loans, which then decreased. So, in general, there is nothing to worry about for us, and we are always trying. Especially in the bottom of the pyramid, microfinance people are taking loans up to ₹10,000, ₹5,000, ₹50,000, and that is a very important and important part of our entire stakeholders. Approximately 8 crore people, MFIs, although the amount is only ₹3,75,000 crore, approximately ₹4,00,000 crore, we have an overall credit of ₹180,00,000 crores. It accounts for only 2% of that amount, but there are approximately 8 crore people, because our total loan accounts are 8 crore. It may be fewer in terms of number of people, because sometimes a person takes up to two loans. So, this is a very important and important part for us, and whatever we have to do for them, to have more financial inclusion, like we are setting up camps, we will continue to work on that.

Third your question is on MuleHunter, first of all, I would like to say that last year, the financial frauds that we saw, if you look at the total amount, then it was about the same as it was in 2023-2024. It has not increased much. So, if you look at every transaction, there has been a reduction in it. So, this is a matter of satisfaction for us. Secondly, our MuleHunter programme is moving ahead, now 15 banks have joined us in this, and we will definitely benefit from it in this direction.

**Ekta Suri, Zee Business:**

Thank you.

**Puneet Pancholy:**

Thank you very much, sir. Now, I will ask Vishwanath Nair from NDTV Profit to ask his question.

**Vishwanath Nair, NDTV Profit:**

Thank you, Puneet sir. Governor, the conversation of the so-called uncertainty after the tariff policy measures that have been announced from the US, they are still continuing. The President there consistently makes statements about specific tariffs to India. A lot of economists have pointed out that monetary policy may not be the appropriate tool to support Indian businesses in such a scenario. Is there anything that the RBI can do or is prepared to do on top of, say, cutting rates?

**Sanjay Malhotra:**

See, we have taken a number of measures to support growth. It is not only on the monetary policy, liquidity side, even on the prudential regulation side, we have taken measures. Even on the FEMA side, I think we have a draft now, which will be put up, so as to ease doing businesses, to ease doing international trade. And we will continue to do whatever is required to be done in such a scenario. Of course, trade negotiations are still continuing. We are hopeful that we will have an amicable solution.

**Puneet Pancholy:**

Thank you, sir. Next, we have Hamsini from Money Control.

**Hamsini Karthik, Moneycontrol:**

Hi. Governor, when we speak to banks, one of the largest fears that they have is with respect to growth. And they are also seeing a large part of their deposits moving out into equity and equity-related products. Rather, corporatisation of deposits, as bankers call it, is a trend that they are increasingly seeing. In this context, how much room do you further envisage for transmission of rates?

Because we have already seen a healthy transmission as far as lending is concerned, numbers are in the ballpark of 71 (bps). On the lending side and on deposits, it is 87 (bps). We have had 100 bps cut from February. Do you see further room for rates happening for banks, considering that their balance sheets will also remain healthy? Should they transmit more money? Or should we look out for a longer pause in rate action, which of the two is more likely to play out?

**Sanjay Malhotra:**

I think, I answered your question earlier. We will continue to look at the incoming data. And the Monetary Policy Committee meets every two months, we will consider all possible scenarios. And basis that we will take a decision. It will not be right on my part to pre-empt. Not only pre-empt, I really do not have, as of now, any answers. We will see. Whatever was to be done today has been done. So, let us wait for another two months and see how the economy actually shapes up, how the monetary policy transmission is actually happening, how the real economy is responding to all these things. And then, we will again take up, as we have mentioned, we will not be found wanting in whatever is required, to provide the right balance of price stability and economic growth for the development of our country.

**Hamsini Karthik, Moneycontrol:**

Thank you.

**Puneet Pancholy:**

Thank you, sir. Now, I will ask Mr. Ashish Agashe from PTI.

**Ashish Agashe, PTI:**

Thank you so much, sir. Sir, with your statement today and especially by making the point that food inflation is very volatile and your projections also, are you probably preparing for a longer pause on the rates front from here on?

**Sanjay Malhotra:**

Same question asked in a different way. So, I do not have anything more to add, sorry.

**Puneet Pancholy:**

Thank you, sir. Next we will have Mr. Anup Roy from Bloomberg.

**Anup Roy, Bloomberg:**

Sir, if India has to stop buying Russian oil or has to revert back to that 1% of the total oil purchase that we had with Russia, what could be the impact on inflation? Has the RBI done any study or do you have any assessment on that?

**Sanjay Malhotra:**

See, how the inflation will pan out, I think some of it, DG also mentioned. Of course, crude is an important element in determining our inflation. But at the same time, let us keep two things in mind. It is not only Russian oil. Oil earlier, you know, I mean, it is not only Russian oil that we are taking. We are taking oil from many other countries. If the mix changes, what is its impact on prices? What is the global commodity prices of crude? It will depend on all that. And the other thing it will depend on is how much of its impact downwards or upwards, is actually you know, taken by the government in the form of excise duties and other tariffs. So, we do not see any major impact as of now because of this on inflation because I think the government over there will take an appropriate decision on the fiscal side in case there is any shock over there.

**Puneet Pancholy:**

Thank you, sir. Anurag Shah from ET Now Swadesh.

**Anurag Shah, ET Now Swadesh:**

Namaste sir. Sir you have announced three consumer centric policies today and crores of Jan-Dhan accounts re-KYC will be done through those three policies. They will be offered the insurance and pension products also. I wanted to understand that the Mule accounts have become a big problem in which you have said that there has been a reduction in the number of transactions. But now, another big issue has been exposed by the UP police. It was also done last month on a very large scale. These accounts, there are many big banks as well and some people have died a few months ago but through these big banks, their KYCs are being done. Their accounts are being opened. Transactions are taking place and this is going on a large scale. So, in view of that, this re-KYC will be done on a large scale. And, sir, you said in the same context that need analysis is very important for the products that are sold through banks. So, sir, will there be a framework for need analysis and how will the need analysis be done?

**Sanjay Malhotra:**

You have certainly raised very important questions and for this, the Reserve Bank, the banks are always vigilant. Whether you spoke about the Mule account. You said about the re-KYC. And you said about mis-selling. So, we have taken many steps for this. We are already running a project for the Mule account. We will implement it soon. We will get help from it, as I said earlier. And for mis-selling, we have warned our

banks and regulated entities many times. And there is definitely room for improvement in this. I will not say that there is no room for improvement. But there has already been a lot of improvement in this and we will take more steps in this and try to improve it further.

**Anurag Shah, ET Now Swadesh:**

Sir, there is credit-linked insurance. If we look around the world, there are regulators. There is no credit-linked insurance anywhere. Only in India, credit link insurance is encouraged more.

**Sanjay Malhotra:**

No, according to me, it is not like that. Only in India. You are probably saying bancassurance. You are probably saying that banks sell insurance products only in India. This is not right. There are many other countries where banks are selling insurance products. Other products are also being sold. And the benefit of this is that a network that we have already made earlier. If more than one product is sold through the same network, then the costs are reduced and economies of scale improve. And financial inclusion is also aided, especially in rural areas. So, keeping that in mind, we have allowed this here. And there are many other countries where this is allowed. Our effort should be that there should be no mis-selling. There should be need analysis, as you said. And the products should be sold to the right people. So, our focus should not be on totally banning it or shutting it down.

**Puneet Pancholy:**

Thank you, sir. Next will be Sangita Mehta from The Economic Times.

**Sangita Mehta, The Economic Times:**

Thank you, sir. Sir, you have spoken about transmission on the deposit side, almost 87 basis points and it is still unfolding. What I wanted to understand from you is that share of deposits in financial savings is likely to fall if interest rates come down. So, in that sense, there is also the perception that people would move to riskier assets, savings would move to high-yielding assets like mutual funds. So, are you seeing this affecting, impacting banks' deposit growth and also banks' ability to fund corporates?

**Sanjay Malhotra:**

So let me take your second question first. The ability of the banks to fund corporates, I do not think that is getting in any way impeded because of this. The banks have sufficient funds in order to meet the needs of the economy, be it corporates, be it households, be it the government sector. So that is certainly not impeded. Yes, to your first question as to whether there is a shift, there is certainly a shift from banking to equity, from debt to equity. I think that is on the whole it is a healthy trend for any economy. As it grows, there should be a good mix and I think we are moving towards that. We should not be unduly concerned about that.

**Puneet Pancholy:**

Thank you, sir. Next, I will have Aryan from Informist Media.



**Aaryan Khanna, Informist Media:**

Sir, thank you so much for the question. First, just a clarification, do the FY2026-27 CPI estimates take into account any changes in the weightage of the CPI basket which is expected in February next year?

**Sanjay Malhotra:**

No.

**Aaryan Khanna, Informist Media:**

Okay, so then coming to the question. Inflation projections seem to show that the current food inflation trajectory will not last in the sense that core inflation will overpower it in the coming quarters. Can the continued good monsoon and supply side measures not keep CPI nearer the target of around 4% in the next year as well?

**Sanjay Malhotra:**

See, we have given our projections, but when we give this projection, there are risks on both sides. So, can it not be downwards? Of course, it can be downwards, it can be upwards. That is the short answer to your question. These are projections, these are very difficult things to do. We had projected earlier and not only we, some of the professional forecasters too, you are aware, we had all projected a 3.7%, I mean we had projected 3.7%. They had in fact projected a 3.8% average growth inflation rate for this year and we have all been surprised this time. So, these are projections, these are difficult things to do. I would certainly not venture to say that it cannot be lower than this.

**Aaryan Khanna, Informist Media:**

So, just to follow up on this, would you then give greater primacy to core CPI, going ahead considering the minutes of the last meeting also mentioned it and you have also mentioned it in your statement?

**Sanjay Malhotra:**

Both are important, core as well as headline, both are important. What weightage is to be given at what point of time and the outlook, again that is something which the MPC looks at it from meeting to meeting and I did say and we are on record to say this, that there is higher volatility in food prices, they can be transient and so you have to see these things and sometimes look through if you feel that some of the inflation is because of transient reasons.

**Puneet Pancholy:**

Thank you, sir. Next, I will have Swati Bhat from Reuters.

**Swati Bhat, Reuters:**

Thank you, sir. Sir, just sticking to the trade talks, it seems like on the face of it, the diplomatic relations between India and the US have also soured to some extent. You would be more privy to what is happening there. But I just wanted to understand, would it impact the foreign portfolio inflows and foreign investments into India because of the way things stand? And subsequently, what would the impact on the rupee be? Are you concerned and looking at it internally at RBI? Thank you.

**Sanjay Malhotra:**

See, foreign flows - inflows, outflows will depend on so many things, both current account and capital account, It is very early, actually to say but as I mentioned earlier, we are quite confident that our reserves are, we are having 11 months of merchandise imports, reserves. And so, we are very confident of meeting whatever needs are there from the external sector.

**Puneet Pancholy:**

Thank you, sir. Next, we will have Mr. Ankur from ET Now.

**Ankur Mishra, ET Now:**

Thank you, Puneet ji, for giving a chance. Good afternoon, Governor. You have kept intact the projections for FY 2025-26 at 6.5% as far as GDP is concerned. In your statement, at point number 10, you have mentioned that growth remains robust in line with your projections, but below your aspirations. What is the aspiration you would want to have first? And another thing, last time when we had interactions, you did give assurance on one particular bank name. And whereby now the MD and CEO is also appointed, I want to understand from you, now any kind of remedial action is still remaining from the bank side. Because on SEBI front, yes, final order is still remaining, but is RBI also looking into it and the responses which has been given or the action which has been taken by the bank is sufficient?

**Sanjay Malhotra:**

See, we do not take specific entity-related, bank-related questions, so I will avoid that. But your first question related to what is the aspirational growth rate, it is certainly more than 6.5%, and in the past, we have done, I think 7.8% on an average. We have done that. So certainly, we should aspire for higher growth rates than 6.5%.

**Ankur Mishra, ET Now:**

Thank you.

**Puneet Pancholy:**

Thank you, sir. Next, we will have Lalatendu Mishra from The Hindu.

**Lalatendu Mishra, The Hindu:**

Good afternoon, Governor. US President Donald Trump has said that Indian economy is dead. What is your reaction to that, sir?

**Sanjay Malhotra:**

No, no, I am not the right person to react to the President, but, yes, I mean, you are all aware we have a very robust growth rate, 6.5%, and in fact as per IMF, 6.4% and 3% growth rate of the world when they look at that, we are contributing about 18%, which is more than US, where the contribution is expected to be much less, at about, I think, 11% or something. So, we are doing very well, and we will continue to further improve.

**Puneet Pancholy:**

Thank you, sir. From the right-hand side here, Mr. Mahesh Nayak from FE.

**Mahesh Nayak, Financial Express:**

Good afternoon, sir. Thank you for the opportunity. Just wanted to know, is today India ready to bite the bullet on capital convertibility, full capital convertibility? Would want your view on that, because having a very strong economy, do you think we can forego a temporary pain and look into fully capital convertibility?

**Sanjay Malhotra:**

There is no proposal for any changes as of now.

**Puneet Pancholy:**

Thank you, sir. Ms. Gopika from the Mint.

**Gopika Gopakumar, Mint:**

Good afternoon, Governor. This was regarding the currency depreciation we have seen over the last one month. Dollar-rupee has risen by around 2.8%. Is that limiting RBI's ability to cut rates? And secondly, taking Ankur's question forward, in similar circumstance, we have seen RBI suspending the board, taking over, appointing RBI nominee directors on the boards of such banks, where there is a fraud or instances of fraud which has happened. Is RBI planning to take any action against the promoter or the board in this particular case, considering RBI has also allowed the promoter to increase the stake and also appoint two nominee directors on the board?

**Sanjay Malhotra:**

See, we do not take, as I mentioned earlier, we do not take any entity-specific questions, so I will skip that. Rupee depreciation, again there will be some volatility. We are living in very uncertain times, as you are aware. And so, some of the volatility is expected. The volatility is there not only in our currency, but even in currencies of other countries, including the US. The US currency has seen depreciation and then depreciation, both side movement of about 10%. So, in that context, our movement is much less. How does it impact our monetary policy? As I said, it is a mix of so many things. But more so, the domestic growth and inflation dynamics.

**Puneet Pancholy:**

Thank you, sir. From the same side, Mr. Piyush from the Hindu Business Line.

**Piyush Shukla, The Hindu Business Line:**

Good afternoon, Governor, DGs, sir. Thanks, Puneet ji. Sir, upper-layer NBFCs are supposed to get listed by next month. Tata Sons has filed for a deregistration of their NBFC-CIC license. What is the update on that? Will you give them an extension or will you approve their request, one? Second, Rabi Sankar sir, some of the banks have actually started applying charges on UPI to payment aggregators and merchants of some categories. Governor Sir, in his earlier public remarks, mentioned that UPI can't be free forever. So, from a regulatory perspective, do you allow banks to... because this is no MDR, so they are somehow wanting to monetise this particular thing. Any views in this regard? Thank you.

**Sanjay Malhotra:**

Let me come in first, and then I will pass the floor to DG Rabi Sankar. You are aware, entity-specific questions we avoid, right? But, saying that I said that it (UPI) cannot remain free forever, I never said that. I am sorry. I want to clarify; I never said that it can remain free forever. The question was, I think, to the effect that whether do you see that the MDR, etc., will be charged on consumers. And I said over there that there are costs. What is important, I said, is that there are costs, and these costs have to be paid by someone. Who pays is important but not so important than someone footing the bill. And so, it is important for us, for the sustainability, that whether collectively or individually, someone pays for it. So, I never said that it cannot remain free forever. My sense is that it is not free even now. Someone is paying for it. The government is subsidising it. But somewhere the costs are being paid. The question really is who pays for it. That is the other question. But I never said that the users will have to pay. I did mention that the government policy has actually helped in expanding the use of UPI and I gave some numbers - 31 crore per day to 61 crore per day UPI transactions over the last two months. So I will leave it at that, and then I will request DG Rabi Sankar, if you have to add anything.

**T. Rabi Sankar:**

Nothing else. I think that answers this question.

**Puneet Pancholy:**

Thank you, sirs. Next, I will request Mr. Hitesh from Indian Express.

**Hitesh Vyas, Indian Express:**

Sir, in the monetary policy report, you have made some assumption with crude oil at USD 70 per barrel and rupee at 86 (per USD). Is there any need to change it in the current situation?

**Sanjay Malhotra:**

We just did this modelling. We have just taken these assumptions. As of now, obviously, there is no need to change it. Going forward, what happens, it is evolving. Things evolve. Earlier, we had taken some other numbers. And as data comes in, I am not saying that these are sacrosanct, and I will stick to these. No. I will not be so presumptuous to say that. But as of now, yes, these are the best estimates that we have.

**Puneet Pancholy:**

Thank you so very much, sir. Lastly, we will have Ben from The New Indian Express.

**Ben Kochuveedan, The New Indian Express:**

Hi, sir. You have mentioned the volatility in the food prices many a time during the conference also. There is some talk about or there is some call by some economists for taking out the food basket from retail inflation. What is the RBI's and the MPC's view on that? Is there any talk within MPC or RBI?

**Sanjay Malhotra:**

Our target is certainly the headline inflation. And the FIT is due for a review. Every 5 years, we do it. There is a discussion paper which we are preparing and which we will

open to public consultation. And after that, the final view has to be taken by the government. We will give our views to the government as to how we should move ahead in this regard.

**Latha Venkatesh, CNBC-TV18**

The consultation will be private or it will be for the public also, right?

**Sanjay Malhotra:**

Yes. It will be for the public also.

**Puneet Pancholy:**

Thank you, sir. With this, we come to the close of this press conference. I thank the top management of Reserve Bank for answering all the questions. And I thank you all for making it very interactive. Have a nice afternoon and good day.

**Sanjay Malhotra:**

Thank you very much.