

**PROCEEDINGS OF RBI CREDIT POLICY 2021 PRESENTATION UNDER
THE PROFESSIONAL DEVELOPMENT PROGRAM**

DATED, 30TH APRIL 2021

Google Meet Link: meet.google.com/yph-iekh-upv

The program got commenced by 3.00 pm dated 30-04-2021. The Masters of Ceremony, Saranya S (First-year M.com student) welcomed everyone to the “RBI Credit Policy” discussion program on behalf of the Department of Commerce and International Business. She then requested everyone to raise for the university anthem. After the university anthem, she invited Dileep Kumar J (First-year M.com student) to deliver the welcome speech. He warmly welcomed the chief guest Dr. Joseph Benaven (President, North Malabar Chamber of Commerce, Cannanore, Kerala), Prof. V Balachandran (Dean, School of Business Studies, Central University of Kerala), Prof. Joseph Koyippally (Head of the Department of English and Comparative literature, Director of Placement cell, Central University of Kerala), Prof. Dr. T Mallikarjunappa (Head of the Department of Commerce and International Business, Central University of Kerala), all the teaching and non-teaching staff, presenters and the students of Department of Commerce and International Business to the program.

PROFILE OF Dr. JOSEPH BENA VEN:



Dr. Joseph Benaven graduated from Medical College, Calicut, and has obtained Masters in Hospital & Health System Management from BITS, Pilani.

He is currently serving as the Managing Director of Lourde Hospital Managing Trustee, Lourde Education Academy. He was elected as the President of the North Malabar Chamber of Commerce, Kannur in December 2020. He is the Secretary of Kerala Private Hospitals Association and an Executive Member IMA Kerala State.

He is married to Shine, a garment manufacturer, and is blessed with a daughter, Athena.

Next, the Master of Ceremony invited Prof. Dr. T Mallikarjunappa (Head of the Department of Commerce and International Business) to give a brief introduction on the “RBI CREDIT POLICY”. He welcomed everyone to the program. He explained about the Monetary Policy Committee (MPC) and the announcement of the RBI credit policy by the RBI governor Shaktikanta Das on 7 April 2021. He said that it was not an easy task for the MPC of RBI and they had conducted elaborated discussions on various issues relating to inflation, repo rates, money supply, and the strategy of the Central bank of India during the pandemic time. He also shared his experience of being part of a discussion forum. He said that policy rates are kept constant without any change. He also mentioned the student’s need in understanding the RBI credit policy and its implications. He said that the first-year M.com students would be briefly presenting all the relevant details. He further added about entering into an MOU with the North Malabar Chamber of Commerce. Finally, he expressed his sincere gratitude to the chief guest Dr. Joseph Benaven for being a part of the program.

The Master of Ceremony then welcomed, Prof. V Balachandran (Dean, School of Business Studies, Central University of Kerala) for delivering the message. He expressed his happiness for being a part of the program. He congratulated Prof. Dr. TMallikarjunappa for organizing the program. He gave a brief explanation about

the monetary policy and fiscal policy. He also pointed out the restrictions on imports and exports, taxation rates, and inflation. He also talked about the importance of monetary policy and fiscal policy in determining the national development of any country. He expressed his happiness on students presenting monetary policy and the knowledge they would be gaining through this program. He concluded his words by wishing success to the program.

Next, the master of the ceremony invited Dr. Joseph Benaven (President, North Malabar Chamber of Commerce, Kannur, Kerala) for the inauguration of the program. First of all, he thanked all the dignitaries for inviting him to the program. He informed that the North Malabar Chamber of Commerce, Kannur is under the process of collaboration with the Central University of Kerala and have been planning to sign an MOU, which will help academy-industry partnerships and by which the students will be able to improve their skills, through various interactions and discussions with professionals and industrialists. He also pointed out that students are not supposed to be confined within the four walls of their campuses rather they should know what are the realities of the business environment other than understanding it through textbooks. He also congratulated students for taking up the RBI Credit Policy as the topic for the presentation as it impacts every life in the country because the government's move, whether it be on liquidity, the funds, or on inflation is dependent upon the policy. He ended his words by wishing grand success to the program.

The master of the ceremony next invited Professor Joseph Koyippally (Head, Department of English and Comparative Literature; Director of Placement Cell, Central University of Kerala) for felicitation. After addressing the dignitaries, he expressed his happiness for being a part of the event. He appreciated Prof. T Mallikarjunappa and thanked Dr. Joseph Benaven for his kind words and also for the collaboration between the North Malabar Chamber of Commerce and the Department of Commerce, Central University of Kerala. He also pointed out the importance of

credit policy in the business. Finally, he wished all success to the program and ended his words.

The next session was the presentation of RBI Credit Policy 2021. The Master of Ceremony, Geethika G (First-year M.com student), firstly invited Akhilesh K (First-year M.com student) to give a presentation on the “Macroeconomic Outlook”. He started his presentation by giving insights on the key developments of the Monetary Policy Report since October 2020. He further spoke about the Monetary Policy Committee which gave more priority to the revival of the economy from the unprecedented COVID-19 pandemic. He pointed out that the rural demand is likely to show good prospects in the agriculture sector and the urban demand and contact intensive services are expected to strengthen with the spread of vaccination. He further added that, according to the Reserve Bank’s Baseline projections, the inflation rate will be 5.0%, 5.1%, and 4.7% respectively for the years 2020-21, 2021-22, and 2022-23. Similarly, the Real GDP growth is expected to be -0.8%, 10.5%, and 6.8% for 2020-21, 2021-22, and 2022-23 respectively. He concluded his words by pointing out that the domestic economic activity is expected to rebound strongly in 2021-22 where the rapid vaccination drive, large pent-up demand, investment enhancing measures by the government, and better external demand will provide an upside to the baseline growth plan.

Next, the Master of Ceremony invited Anusree M K (First-year M.com student) to discuss “Chapter II: Price and Cost”. She said that in 2020-21, inflation breached the upper tolerance band of 6 % for six consecutive months in the post-lockdown period due to a series of cost-push shocks, supply chain disruptions, weather shocks, higher crude oil, other commodity prices, and higher taxes. She added that the core inflation remained sticky at elevated levels, costs of farm and industrial inputs recovered with the gradual unlocking of the economy, rural wage growth moderated and the CPI inflation excluding food and fuel remained sticky and hovered between 5.4 % and 6.0 % during September 2020 to February 2021. She further said that

Inflationary pressures persisted despite a bumper Kharif harvest and the increase in petrol and diesel prices is showing up in trade and transport costs, taxi and auto fares, and its second-round effects could push up the prices of goods and services further in a broad-based manner, with firms regaining pricing power. She concluded her presentation by pointing out that effective supply measures and tax rationalization are critical to help anchor inflation expectations and if inflation remains close to the target on a durable basis, it could provide monetary policy space to adequately support the recovery.

Next, the master of the ceremony invited Anjali K Nair (First-year M.com student) for the presentation where she presented on the “Demand and Output” aspect of the policy. She said that regarding the Demand and Output, after the unprecedented contraction in the first quarter, real gross domestic product (GDP) recorded a sequential upturn in the second quarter and regained positive territory in the third quarter with the scope of the recovery broadening to encompass a wider range of sectors, supported by a significant decline in COVID-19 infections. Furthermore, she added that the recent increase in COVID infections, if not contained, could push back the normalization process and impede the broader revival of economic activity. She said that the labour force participation rate improved considerably but remains below pre-COVID levels and the fixed investment gained traction during the period, although it continues to be weighed down by surplus capacity and uncertainty surrounding the outlook. She also added that Congenial financial conditions are expected to continue supporting the recovery in fixed investment. She concluded her words by saying that the economic activity in India is gathering pace on improving business sentiment and the rural demand is leading the expansion, and there is growing evidence of catch-up in urban demand, the fiscal stimulus under AatmaNirbhar 2.0 and 3.0, coupled with increased allocation for capital expenditure under the Union Budget 2021-22, would accelerate public investment and crowd in

private investment and the production-linked incentives scheme is expected to enhance India's manufacturing capabilities and bolster exports.

Then the Master of Ceremony invited Nisha K (First-year M.com student) to present her topic on "Financial Markets and Liquidity conditions". She began her presentation by talking about the effect of the COVID-19 pandemic in the global financial market. Then she explained in detail the different domestic financial markets which are the Money market, Govt. securities market, Corporate bond market, Equity market, Foreign exchange market, and Credit market. She said that during H2, domestic financial markets and conditions remained congenial, supported by ample surplus liquidity. She also talked about the different policy measures initiated by RBI. She concluded her presentation by saying that the RBI's market operations would ensure ample surplus liquidity in consonance with the accommodative policy stance to revive growth on a durable basis and mitigate the impact of COVID-19 on the economy.

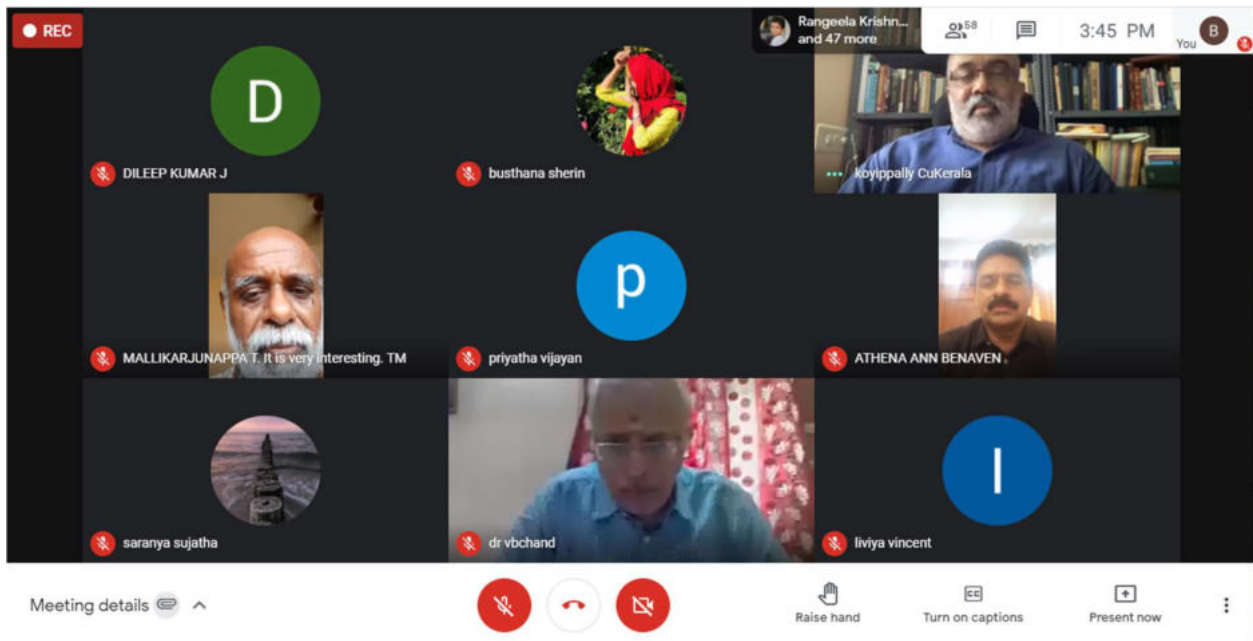
Then the Master of Ceremony invited Jose Roy to discuss the last chapter of RBI Credit Policy 2021 "External Environments". He said that in the quarter I of 2021, the global economy gradually regained momentum. Rapid mutations of the virus, concerns over the effectiveness of available vaccines, and limited access to vaccines in many countries kept the near-term outlook clouded and the recovery remained fragile, incomplete, uneven, and divergent. He said that the Inflation risks are widely perceived to be rising in an environment of exceptional monetary and fiscal accommodation, leading to turbulence in global financial markets and capital outflows from emerging markets in the second half of the first quarter. He further added that even though all the global economies showed a declining trend, the US economy showed stability and china had a positive side of GDP growth despite the COVID-19 crisis. Then he discussed Commodity prices and inflation globally and also about the Monetary Policy Stance where he pointed out that the bank rates have been reduced to a great extent to meet the requirements of the nation and the nations are concentrating

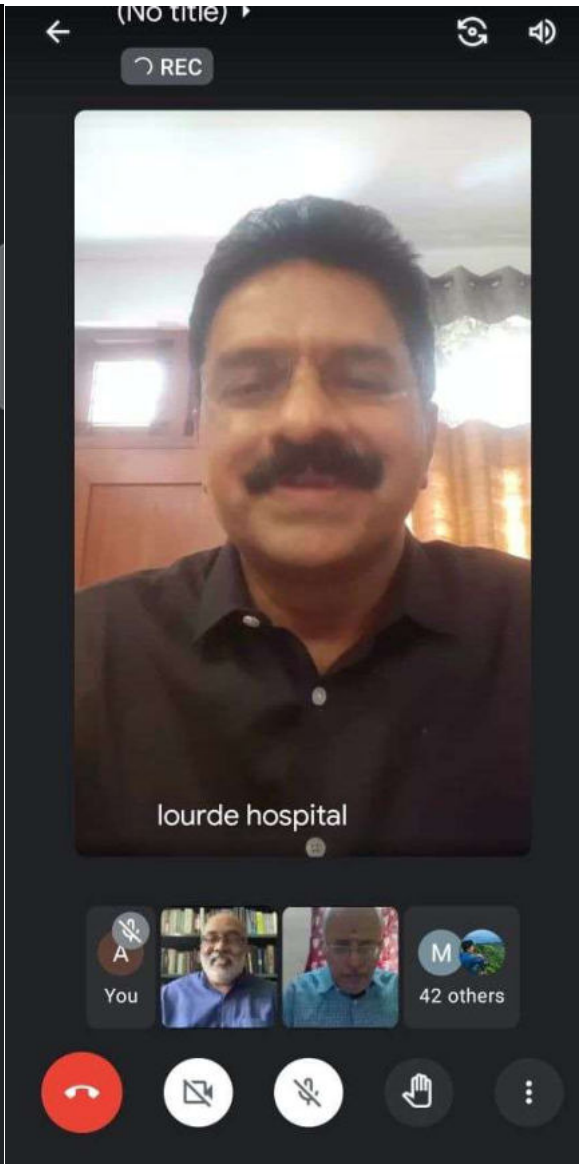
on asset purchasing. Finally, he discussed the Global Financial Market and the effect on different countries. He concluded his presentation by commenting that India should learn from countries like China and the US who revived their economy in this unprecedented time.

Then the program was opened for a Question-Answer session. The Master of Ceremony invited students and faculty members of the Department of Commerce and International Business to take part in the Question-Answers session. Prof. T Mallikarjunappa (Head of Department of Commerce and International Business) proposed a question about why the Monetary Policy Committee (MPC) decided to keep the interest rates unchanged. Jose Roy (first-year, M.Com student) opined that it may be because of a decline in Consumer Price Index (CPI). Next, Midhun K V (first-year, M.Com student) made a query on the statement made by our honorable Prime Minister Narendra Modi that India will become a five trillion dollar economy by 2024-25. He put forth his concern about the possibility of this target as we are facing the second phase of the COVID-19 pandemic. Afeefa Cholassery (Guest Faculty, Department of Commerce and International Business) added that is the government only forecasting things without taking into account the COVID-19 effects on the economy. Students of the first year M.Com, Jose Roy, Geethanjali, Ameensha, Priyatha and Yashaswini put forward their views. Prof. Mallikarjunappa commented that the target of a 5 trillion-dollar economy has not been given up. While targeting such aims anyone should consider the dynamics of the service sector, manufacturing sector, country as well as the world. The policymakers of the country as well as of the world should respond to the health crisis that the world is witnessing at present. About the policy rates, he commented that it is not easy to keep them unchanged. He further added that the MPC will be looking at the evolving situation, as and when the situation demands it might bring down policy rates.

Finally, Dr. P H Haritha (Guest Faculty, Department of Commerce and International Business) delivered the vote of thanks. The program reached its end by 6.00 pm(IST).

PROGRAM PHOTOS





REC anusree anilkumar is presenting

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Chapter II: Prices and Costs

Geethika Gopakumar nimisha manali
busthana sherin Akhilesh K
saranya sujatha Shilpa C
DILEEP KUMAR J SHILPA M
Saranya Narayanan

Meeting details



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anusree anilkumar is presenting

REC anjali k nair is presenting

Dheera K.R Guest Fa... and 32 more

DEMAND AND OUTPUT

Geethika Gopakumar Anagha Pv
busthana sherin Akhilesh K
saranya sujatha DILEEP KUMAR J
Ambika K SHILPA M
Saranya Narayanan

Meeting details



Raise hand

Turn on captions

anjali k nair is presenting

REC J JOSE ROY is presenting

Rajana Ramkumar and 33 more

Conclusion

In 2021, real GDP is expected to register a strong rebound following the record contraction in the previous year. The actual outcome will depend on how the race against the virus and its mutations is won. Inflation concerns are creeping up at a time when both monetary and fiscal policies are highly accommodative, there are promises of continued low rates for long and demand is recovering. If rising inflation and consequent movements in the bond markets lead to large valuation shifts in equity and other financial markets, it could lead to extreme volatility in global financial markets which could then spill over to emerging economies and impede the nascent global recovery.

Geethika Gopakumar Anagha Pv
 Nisha Aneesh anjali k nair
 Akhilesh K saranya sujatha
 Saranya Narayanan V RADHIKA
 DILEEP KUMAR J

Meeting details



REC

Bhagyalakshmi K and 32 more

MALLIKARJUNAPPA T. It is very interesting. TM

Geethika Gopakumar JOSE ROY

Nisha Aneesh anjali k nair Akhilesh K

saranya sujatha Saranya Narayanan V RADHIKA

Meeting details



REC J JOSE ROY is presenting D Dheera K.R. Gue... and 32 more 5:58 AM

External Environment

nimisha manali has left the meeting

Geethika Gop... DILEEP KUM... Nisha Aneesh...
anjali k nair Akhilesh K saranya sujat...
Anagha Pv Saranya Nara... Salman K

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REC Akhilesh K is presenting SEMNIL T M and 39 more 4:46 AM

Monetary Policy Report – April 2021

Geethika Gop... MALLIKARJU... saranya suja...
dr vbchand DILEEP KUM... Saranya Nara...
busthana she... priyatha vijay... Dheera K.R. G...

Meeting details Meeting controls: Mute, Video, Raise hand, Turn on captions, Akhilesh K is presenting

REC

Afeefa Cholasseri Guest Fa... and 56 more

59 You

MALLIKARJUNAPPA T. It is very interesting. TM

Meeting details

Raise hand Turn on captions Present now

REC

anjali k nair and 54 more

57 4:22 AM You

dr vbchand

Meeting details

Raise hand Turn on captions Present now