

Managing growth and inflation is a challenge, says Former ED, RBI

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Former ED of Reserve Bank of India (RBI) and a whole time member of the Securities and Exchange Board of India (SEBI), G. Mahalingam, addressed the students of Great Lakes Institute of Management, a premier B School in India in its 7th Annual Great Lakes - Union Bank Finance.

"Managing growth and inflation has been the biggest challenge to the central banks of all the emerging markets; not to forget the over-valuation and under-valuation of currency adding to the task," said G. Mahalingam while outlining the effects of global financial crisis after 2009.

He also remarked that the question why common people choose Bank fixed deposits over bonds which have excellent liquidity has still no definite answer. He also suggested that experts should focus on creating more awareness in this area.

Setting the tone for the conference, Great Lakes Founder, Dean and Chairman Dr. Bala V Balachandran said that the finance conference this year is aimed at bringing together some of the best minds from policy making, mutual funds and industry to analyse, debate and discuss the effective policy making process to aid wealth maximisation of a larger section of the society.

"The narrative today is to show the consumers high returns and lure them into unwanted investment plans. This is partly consumers' fault too as people are unwilling to take calculated risks," said Parekh.

Furthermore, Parekh revealed that apart from the price inflation, managing the lifestyle or the aspiration inflation, as one may call it, has become a major factor in investment related decisions.

"While there is financial inclusion when it comes to traditional options like bank accounts, the case is not the same when it comes to equities. Even today, a local Bank, real estate agent or a gold jewelry shop are more accessible than an equities expert. The sheer number of choices alone when it comes to equities can startle a commoner and this is where experts should focus on creating awareness," Ranjan further added.

The conference also witnessed a panel discussions on the topic 'Mutual Funds - opportunities and cautions' participated by eminent members of the industry like Srikanth Meenakshi (Founder and Director, Wealth India Financial Services), Lakshminarayanan Duraisamy (Chief Executive Officer, Sundaram AMC), Aarati Krishnan (The Hindu Business Lines and Value Research Pvt. Ltd.) and Mitu Samar (Founder, Eminence Panel Moderator).

The Annual Conference concluded with a CRISIL workshop on 'Wealth creation and financial planning' which was led by Jiju Vidyadharan (Director, Funds and Fixed Income CRISIL) and Piyush Gupta (Associate Director, Funds and Fixed Income, CRISIL).

