

Interactive Session with Ms. Shyamala Gopinath, Deputy Governor, Reserve Bank of India on Monday, December 28, 2009

Bangalore Chamber of Industry and Commerce (BCIC) organized an Interactive Session with Smt. Shyamala Gopinath, Deputy Governor, Reserve Bank of India on Monday, December 28, 2009.

The objective of the Interactive session was to hear from the RBI Deputy Governor on the recent Policy initiatives especially on issues relating to Forex Regulations and Exchange Control Procedures, Credit Policy, Monetary Policy, Inflation as well as her perceptions on the resurgent Indian economy. In his welcoming remarks, Mr. K R Girish, President, BCIC extended a hearty welcome to Smt. Shyamala Gopinath, Deputy Governor, RBI and congratulated RBI for their efficient management of the economy due to which the Country was able to register a GDP growth of 6% despite the global meltdown. He requested RBI to ensure easy availability of Credit especially to MSME Sector and also requested the Deputy Governor to look into the policy on Forex measures to come out with specific policy measures. He also drew the attention of the Deputy Governor on the rising food prices and sought the views of the Apex Bank in measures being undertaken to bring down the prices of the essential commodities. With these few words he requested Smt. Shyamala Gopinath, Deputy Governor, RBI to deliver her Keynote address.

In her presentation, the Deputy Governor pointed out on the resurgent growth of the Indian economy despite global meltdown which was mainly possible due to the adequate monitoring regulations adopted by the Apex Bank. On the issue of rising food prices, the Deputy Governor said that the weak monsoon coupled with natural calamities like flood / drought in some States have engineered rise in prices of certain commodities and the Government is taking adequate measures on reigning on this issue. With the prospects of forthcoming good rabi crops, the prices may come down considerably, she added.

She also brought to the notice of the participants on the recent resurgence in the industrial growth mainly due to the stimulus package announced by the Union Government and she forecasted a double digit industrial growth soon. She said that RBI is constantly monitoring the inflation scenario and is taking all adequate measures to ensure that the inflation rate will be under control by March 2010 and will hover around 6.5% with an upward bias.

She also complimented the Corporate Sector for their creditable performance and assured that India Inc will not have any constraints with regard to availability of funds.

Following her presentation, there were detailed interaction with the participants and the following issues were raised:

- a) Debt finance for SME Sector
- b) MSME report on Credit Guarantee Scheme
- c) Derivatives guidelines
- d) Issue of Carbon Credit

The Deputy Governor addressed all the above issues and assured that RBI in collaboration with Union Finance Ministry is cognizant of all the issues and will take adequate measures to ease the burden of the industry. She requested the Chamber to submit a comprehensive

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memorandum to RBI on any of the issues referred above and also welcomed the representation of the Chamber on the Working Committee on MSMEs.

Subsequent to this interactive session, the following eminent speakers from Industry made presentation and addressed the participants.

Speaker	Presentation	Highlights
Mr. Rajendra Shreemal Vice President – Corporate Treasurer Wipro Ltd.	Forex Volatility: A Participant's View	<ul style="list-style-type: none"> ✓ Growth of Indian Economy ✓ Risk of Forex Volatility, Areas of impact and its Management ✓ Objectives of Hedging and its threats ✓ Comparison of Indian economy with the rest of South East Asian economy
Mrs. Arundhati Bhattacharya Chief General Manager State Bank of India LHO, Bangalore	Carbon Credit Finance	<ul style="list-style-type: none"> ✓ Effects of Global Warming; Innovative mechanisms ✓ Certified Emission Reduction (CER); Carbon credits benefits / opportunities ✓ SBI's 'Carbon Credit Plus Scheme' – Implementation Benefits – Terms & Conditions
Mr. Jayanta Chatterjee Senior Vice President & Head Southern Region ICRA Ltd.	India Debt Markets – The Way Forward	<ul style="list-style-type: none"> ✓ India's Infrastructure Needs ✓ Indian Debt Market ✓ Trends in Developing countries ✓ The Way Forward <ol style="list-style-type: none"> 1) Broadening of Investors base and guidelines for major investors 2) Requirement of the development of a derivative market and support through credit enhancements 3) Strengthening of infrastructure for trading, clearing and settlement needs 4) Reducing regulatory burden and making bonds competitive with bank loans 5) Funding of infrastructure projects through long-term bonds which can yield multiple benefits

Mr.Suresh Senapaty, CFO, Wipro Ltd Chaired the Panel Discussion and moderated the Q & A Session that followed the presentations.

There were around 80 participants at the above Interactive Session. Mr. H Sudhakar, Chairman, Banking and Finance Expert Committee, BCIC delivered the concluding remarks and proposed the hearty Vote of Thanks. He also assured that the Chamber will submit a comprehensive Memorandum to RBI after seeking the views of the Members.

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