



Dr. Vishwanath Karad
**MIT WORLD PEACE
UNIVERSITY** | PUNE
TECHNOLOGY, RESEARCH, SOCIAL INNOVATION & PARTNERSHIPS

INTERNATIONAL CONFERENCE ECOCOM 2020- DAY 1
MITWPU

Panellists- Dr Shailashree Haridas, Dean, MIT school of Economics, commerce, Dr R.M chitnis, Pro Vice Chancellor, MITWPU Ms. Helen Brand, CEO, ACCA, UK, Dr Anjali Sane, Associate Director, School of commerce Mr Rajat Kathuria Director and chief executive, ICRIER Dr Jayaraj R Head of school, School of economics, Mr Sudhakar Pai, CMD, Kurlon

Welcome address- Dr Shailashree haridas, Dean, MIT School of economics

Time – 10.30 am

Presidential address- Dr R.M Chitnis, Pro Vice Chancellor, MITWPU

Time -10.35

- Various topics for the conference
- Indian banking
- Future challenges of Indian banking
- Fintech
- Consolidation mergers and acquisition
- What is fintech?
- Fintech universe
- Fintechs
- Banking is necessary but banks are not

Inaugural session- Address by Ms. Helen Brand, CEO, ACCA, UK. , Mr Rajat Kathuria, Director and chief executive, ICRIER, Mr.T. Sudhakar Pai, CMD, Kurlon



Ms. Helen Brand, CEO, ACCA, UK

Time- 10.52

Topic- International Trade and way forward

- Inbuilt need to share n communicate
- Trade works effectively when there is communication
- 1970 global rise in the value of trade
- 120 nations require corporate reporting
- Fundamental issue of corporate reporting- Balance sheet does not talk about the true story of the company
- Wider thinking covering all the 6 capitals

Ms Helen Brand gave informative insights on International Trade and effect of ongoing Pandemic on Trade,

She later addressed European Union's formation right in 1970, and evolution of Trade including more than 190 countries including India and China.

Ms Brand correctly quoted "In resource constraints and deeply dependence and connection between economies, values play a crucial role", later she briefly addressed importance of values in each aspect of life, Trade importantly.

In addition, suggested sustainable development goals for better world

Thanking note- Dr Anjali Sane, Associate director, School of commerce

Time- 11.20



Mr. Rajat Kathuria- Director and chief executive of ICRIER

Time- 11.22

Topic- Data economy

- One of the main reasons that markets fail is because they don't have much information
- Reluctancy to part information
- Data is abundant and much more transparent, helping us to cope with market failures
- Data has been able to address one of the problems of market
- Very less information can be available or too much information can be available
- With technology market becomes more efficient
- Data economy has exploded because of technology, computing speed
- It is cheap to store data
- China wants to become technological leaders of the world by being ahead
- America is rich because it has good loans

Thanking note- Dr Jayaraj R, Head of School, School of Economics

Mr T. Sudhakar Pai- CMO, Kurlon

Time- 11.40

Topic- Possible Come Back

- Journey of life
- Technology has taken over data
- Where Manipal group came from
- What is right education?
- Data will give u good food but not good taste
- Roti, education
- India will become the richest country by 2050
- China has one disadvantage- Far way to go in the political freedom
- New oil of the world is sunshine through solar which will overtake even oil energy
- Small companies will always find ways to become bigger companies
- If u can follow the world of need and greed you can keep every family happy
- How was syndicate bank formed?
- The moment your institution is good, don't close the door, invite other institutions
- Manipal philosophy – Many people coming together (Many- pals)

Thanking Note- Dr. S. Haridas, Dean, School of Economics, commerce



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Session I Scaling for Sustaining: Future of Indian Banking

Mr. Jayesh Jadhav

Time – 13:31

Introduction to the ceremony/session and to the dignitaries.

Introduction video.

Mr. Pramod Panda (Former CGM, RBI)

Time – 13:35

- Scaling for sustaining: Future of Indian Banking
- There are number of levels of engagement in growth and sustainability.
4 factors have to be integrated at the level of engagement
 - 1) Financial bottom line
 - 2) People bottom line
 - 3) Environmental bottom line
 - 4) Community and system bottom line (Banking and Financial sector)
- All 4 have common subsets
 - 1) Risk management, compliance and Regulations
 - 2) Efficiency, productivity and profitability
 - 3) New Products, services, markets and business model
 - 4) Strategic integration
- Regulation is considered as a constraint. Indian regulatory framework leads the banks to the future.

Mr. Mrtyunjay Mahapatra (Former CMD, Syndicate Bank)

Time - 13:49

- Talk about History
- Banks started to collect deposit and give loans essentially. They started branches everywhere. They started the concept of payment/settlements etc. they became confidants of people. These were the essential functions why banks started. Banking has completely moved to something which people are dismissive to think about.



- “Banking is necessary. Banks are not” – Bill Gates 1990
- Invariably, the revenue base of the banks is shifting to cross and upscale with banks becoming platforms. The old concept of profit (Interest on lending – interest on deposit) is going to stop in few days.
- Design Thinking; The design principle of today is continuous experiments in banks. With this will lead to experience which is mandatory for modern banks to prosper. Simple things may not be very elegant.
- Sustainability will depend on good mapping
- It includes the Customer journey mapping it will define future scale.
- Competition mapping – Banks should do mapping for competition related to the advancement in technology.
- Ability to sell will define sustainability due to low shelf life of banks’ products and services. Selling will define banking and designing products and services.
- Hype cycle – for everything there will be a trigger. Innovation trigger at first, peak of inflated expectations, trough of disillusionment, slope of enlightenment, plateau of productivity. With time, expectation will vary. Hype cycle must be shrunk

Mr. Deenabandhu Mahapatro (Former CMD, BOI)

Time – 14:08

- Future of Indian Banking
- It is very clear that for Indian banking, future is very bright. Bankers and banking are most important thing to scale up.
- Recent happening in sustainability
- Scaling is not very hard in the emerging economy. Scope is very huge and if we go back to 8-10 years back, Indian banks have upscaled but have failed miserably. This is because of blind scaling that has happened in the last few years. Challenge is sustaining the business model. Today public sector is most affected because they scaled up for the public and the country, but they have suffered.
- Physical banks and digital banks go hand in hand. Even the developed economies require physical banks so as to operate effectively.
- The regulation has to cater for the new requirement. RBI has to be innovative so that it can include more different banks under it.
- Infrastructure is more needed, but the current arrangement will not help, leading to fail attempt. We need social infrastructure so as to develop more efficiently. Banks should contribute more towards social infrastructure. We have to enable or attract funding to social investments via banks.



Dr. Darko Vukovic (Finance and credit department, Faculty of Economics, People's Friendship University of Russia (RUDN University))

Time - 14:26

- The banking system in Europe
- Profit and how the banking system changed this. Traditional banks have more competitors to give credits. Due to the different kinds of risks we face, new technology and new solutions.
- Net interest income and non-interest income are two factors.
- The 2008 crisis hits due to non-interest-bearing income generating banks.
- The banks should know about the risks since they don't know what will happen in the next 2-3 years. In such cases, dealing with huge non-interest income will be bad.
- The crisis mostly hit the larger banks and did not impact much on the retail banks.

Questionnaire session (Time - 14:37)

Thanking Note (Time – 15:18) - Mr. Pramod Panda, Mr. Jayesh Jadhav and Dr. Anjali Sane



INTERNATIONAL CONFERENCE ECOCOM 2020 – DAY 1

Session II: Indian Economy: Reinvent, Reset and Resurge

Introductory Remarks:

Dr. Shailashree Haridas, Dean, MIT School of economics

Time: 15.30 Hrs.

Introduction to the ceremony/session and to the dignitaries.

Introductory video.

1) Dr.Aurodeep Nandi (VP at Nomura: Global Economy):

Time: 15.45

- Corporates with stronger balance sheets have not been affected much
- During crisis risk aversion increases and leads to investment on companies with strong balance sheets.
- Sharp increase in inequality would be seen in future
- Vaccine pivot: vaccine approval would lead a boost in confidence boosting the GDP.
- A massive increase in debt would lead to more liquidity ultimately leading to increased inflation
- In case of India, zigzag shaped recovery is seen. Next couple of months depicts positive response.
- Current state is not recovery but just going back to normalcy.
3 issues that still pose a significant threat to economy:
 1. Government is cutting its monthly expenditure both revenue and capital.
 2. The increased demand is not durable and the momentum that has been generated is a short term phenomena and would go away.
 3. The covid-19 cases can rise and the health crisis still remains unsolved.
- India's economy is in sync with global economy. As the global economy will grow so will India's economy.
- Lending rates have been so low providing an impetus to financial conditions
- The pandemic has impacted household savings massively. These shot up savings can be utilized for spending.



2) Dr. Radhika Pandey (National Institute of Public Finance and Policy):

Time: 16.15

- Before the pandemic the Indian economy was in the midst of a slowdown. Fiscal burden was also more.
- Policy response adopted to tackle the spread of the virus was a complete shutdown of the economic activity leading to the contraction of the economy.
- A reverse migration was also seen during the pandemic in search of potential employment opportunities.
- Policy response adopted to tackle the problem of increased rural unemployment was allocation of MGNREGA allocation was increased.
- Governments focus was on agriculture and rural areas.
- The main policy impetus of the 3 lakh crore package was on increasing the liquidity and not direct cash transfers.
- CPPI data indicates 8 crore jobs lost in informal sector. Another area of concern is Formal sector employment is not picking up.
- MSME sector are suffering from informality. Sectoral growth of MSME sector is not seen
- Regulatory compliance becomes a burden so when the MSME sector increases manifold the pressure also increases.
- For revival of financial sector the public debt management bill should be brought back.

3) Mr. Raghupati Mishra (Group CFO, Liberty House Group, India (HO: France): Industry Perspective):

Time: 16.28

- Turning the pandemic into an opportunity and looking on the brighter side of what we have gained during this pandemic.
- Digital economy has prospered.
- Productivity of people has increased.
- Meetings can be carried out virtually and travelling time can be saved.
- Cost is saved because of the virtual meetings.
- A growth in FMCG, food and retail sector can be seen. The demand for immunity buildings products have gone up.
- Steel industry's growth has also shown positive signs. The product prices have soared up to 18-20% and subsequently the demand has risen.
- The October, November and December quarter have shown signs of recovery.
- Recovery is going back to normalcy.
- In next quarter further recovery will happen.

4) Mr. Tanmay Kumar (CFO Spencer's):

Time: 16.50



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- The pandemic provided economy to have sectoral sifts.
- Resetting existing constraints and liberalization of the agricultural sector will help the economy in the long run.
- Government is very consciously channelizing the monetary resources towards capital expenditure.
- CPI still being at 7.5-8% has resulted in higher inflation levels and this has dampened the consumption in the short run.
- With all these shortcomings considered growth is going to continue; there would be a lag or short term labour issues. Having stated these issues the household consumption will reach pre pandemic levels.

❖ **Vote of thanks: Prof. Kavita Ingale, Professor, MIT School of Economics**

❖ **Concluding Remarks: Dr. Shailashree Haridas, Dean, MIT School of economics**

Time: 17.15



INTERNATIONAL CONFERENCE ECOCOM 2020- DAY 2

Session III Fintech: Confusion or Convergence

Rajneesh Jain, CFO, Reliance Jio Infocomm

Time: 10:26

Topic: Digital changes the world

- The topic throws light on the contribution provided by digital India and how it accelerated the working of transactions and activities in India.
- The speaker says that the present reforms are flexible and will help in restructuring the economy with the help of various initiatives like Labour law, Made in India etc.
- Data showing with the help of graphs, how the GDP fell due to Covid in the Q1 FY2021, being -23% and then how the Indian recovered (being the fastest in the world) to -7%
- Impact on Unemployment by using the graphs and the data, how in April it was at its peak.
- How the govt used Aatmanirbhar Bharat and Flexibility (making the eco more flexible by using structural laws) to bring the economy to stability.
- The economy will enter Goldilocks Economy, not too much inflation, not too much deflation, sustains moderate growth. Economy is in equilibrium with eco stability good employment figures, and higher than global average growth.
- India's growth story, it took 60 years to reach our first Trillion dollars. For the next trillion dollars it took 7 years, to reach next, it took 5 years, and by 2022,2023 or 2025 we will reach our 5 trillion-dollar economy.
- Sectoral Reordering, sectors riding on digital transformation
- Digitization.
- Penetration into Bharat, the virtual class system was possible through digitization and it reached small cities and not only to the metropolitan cities.
- EdTech - Use of AR VR reality, eBooks, Personalised learning. Govt played big part by promoting online learning.
- WFH - Work from Home has also provided opportunity to Learn and Grow in the spare time and also it provided employment and enabled the businesses to operate without interruption.
- Ecommerce – Covid boosted all the ecommerce section of the economy, it helped smooth functioning of essential services whether it be fitness, education, products, services, groceries, etc
- Digitization: Shaping the future of education, healthcare and agriculture.



- Agriculture and digitization: Smart Farming by using different technologies and improving the efficiency of farming as well as have effective farming. In future, small and smart farming will enable to increase the per capita production,
- Healthcare and digitization: Providing medical information and drugs to patients. Examples: Practo, Mera Patient, Onward Health etc.
- Edtech and digitization: the most funded sector in India in 2020. Example: Byju's learning app.
- Govt appetite for digital transformation: Govt has led by the examples that govt has improve the digitization by large area. Example: Aarogya Setu App, E-Aadhar, DigiLockers, My Gov, etc.
- Creating Smart Cities: Digitization will help in mobility, healthcare, Public Security, Utility Services, etc
- Phydigital: Blending physical and digital experiences to create immersive interaction new and better way to accomplish everyday tasks. Example: Digital Kiosks, Phydigital in Hospitality, Phydigital in Banking, Phydigital in retail etc.
- There should be trading with caution. Data security, over reliance and social disconnect, manipulation of daigital data, should be kept in caution so as to prosper in the long run.
- Winding-up the session a strong message by the speaker is that Digital society is what we are trying to make as it functions quick and is easy to handle.
- **Thanking Note and Questionnaire: (11:03)**

**Dr. Shailashree Haridas
Anuradha Pai**

Abhaya Hota, Former CMD, NPCI

Time:11:15

Topic: Birth of Fintech in India

The talk for the session was about the payments, there path ways and ease of payments.

- Throwing a light on the government established team National payments corporation of INDIA, (NPCI) and their contribution towards the ease of payments. We learnt how diligently the ATM'S mechanism was handled by the team and it held successful for the country.
- Real time gross settlement, (RTGS) which is a major source of quick availability of money and related facilities like NIFT, UPI came into light in the discussion.
- Further, we learnt about the relevance of Aadhar cards and there linkages with our bank accounts which saved time and are a secure source of identity and payment.
- Over the period of time the initiatives taken by RBI to make mandatory facility of Debit cards by banks. Today even the cooperative banks are also able to provide the facility of debit cards to its customers.



- Winding up the session we addressed the fact that the government of INDIA became role model for the world and stood strong in the digitisation of payment mechanism in INDIA.

Mr. Varun Sridhar, CEO, Paytm Money

Time: 11:48

Topic: The Movement

- Background
- What is Paytm today?
Largest UPI business in India.
Biggest wallet for transaction in India.
QR Code business in India and occupying around 41% of the shares in India.
They have fast tags and putting fast tag machines in toll booths, air ticketing, bus ticketing, train ticketing.
They have Paytm insider for events.
Paytm finance company so as to lend loans with minimal customer interaction and less paperwork.
They have insurance business competing with other insurance companies.
- 3 strong messages:
 - 1) Take Risk - The world is changing, India is at a very unique period, the next 10 years will be most important years. Don't join big company, join a start-up instead.
 - 2) The world coming is changing related to technology analytics. Try to understand technology and don't be ignorant towards it.
 - 3) Travel a lot and experiment things.
- **Questionnaire (12:17)**
Anuradha Pai

Moinak Maiti, Professor, National Research University-Higher School of Economics, Saint Petersburg, Russia

Time:12:35

Topic:

The talk for the session was next generation internet things in fintech ecosystem.

- The topic basically educates us about the role of internet in the growth of fintech's and how it is the backbone for the same.
- Further we learnt about blockchains and their growth by a statistical analysis depicting the growth as USD3.0 Billion in 2020 to USD 39.7 Billion by 2025.



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- IOT DEVICES, internet, cloud storage were the topics greatly talked about. Through this we learnt about their relevance in the growth of fintech's.
- Neurotech: The major talk for the sessions which tells us about the neurotechnology that is been used by various countries and several companies are working on this including US, UK INDIA, CANADA.
- Neurotechnology is reading your brain and using it in chambers of customer preference and behaviour which helps the firms depicting more accurately the choices of consumers.
- The session ended with an intellectual note where we learnt how the technology will help build Fintech's there position better into the market

Mr. Amrit Mukherjee, Information Materials and Intelligent Sensing Laboratory of Anhui Province, Anhui University, Hefei, People's Republic of China

Time: 12:57

Topic: Moderation & Speech

- IoT & IoVT are the new key areas for the technological development of the economy
- We need to balance between technology and environment
- Guidelines for the next gen IoT
- For a social purpose, we will try to fill it up with IoT and have sustainability.
- Structural incentives to design sustainability
- There is a vast diff between IoT and next gen IoT
- Impact measurement: how much impact is creating towards sustainability of technology.
- IoP (internet of Payments): There is an increasing number of phones using internet for FinTech
- Covid 19 effects on IoT and Sustainability
The number of devices is getting decreased in consumer IoT Services
Digital Twins

Concluding Remark (13:13)

Mr. Kaustubh Sarkar



INTERNATIONAL CONFERENCE ECOCOM 2020 - DAY 2

SESSION IV: TAXING OR BOOSTING - SAGA OF GST

Panellists-

CA Prafulla Chhajed, Chair Executive Committee World Congress of Accountants 2022 (IFAC)
Former President of ICAI,

CA Rajendra Kumar P, Chairman GST & Indirect Taxes Committee, ICAI, New Delhi,

Mr Raymond Feen, Board Member, International VAT Association,

CA Ramakanta Tripathy: Director, MIT WPU,

CA Ramakanta Tripathy: Director, MIT WPU.

Prof Jayesh Jadhav :

Introduction to the session and welcomed the dignitaries.

Introduction Video.

CA Prafulla Chhajed - Former President ICAI, Indian GST Structure, Chair Executive Committee World Congress of Accountants 2022 (IFAC)

Topic- Indian GST Structure (Introductory remarks)

- Defined obstacles in Indian taxing structure, specifically in GST.
- GST act since 2017.
- There is a lot of future associated with taxes.
- GST helps in removing the cascading effect of taxes.
- In GST there is a special treatment for e-commerce.
- CGST, SGST, IGST
- Entire framework of GST
- One unique feature of GST is it is technologically based platform.
- Because of the pandemic, economy has slowed down.



- Government has set the target of 5 trillion.
- GST will help in reducing the cascading affect and also in better pricing.
- Petrol and Diesel can also be included under GST to avoid cascading of Prices.

Mr Raymond Feen - Board Member International VAT Association.

Topic- International VAT

- Origin of VAT system - In 1954 french men decided to start taxing system, from France it spread to Europe and crossed borders as it was globally accepted.
- GST is in multiple countries
- Tax in basis of imports and domestic supply of goods and services
- Governments across the world collect VAT Varying from 0%-50%
- VAT Is consumption based
- Because of COVID-19, vaccines will have to be imported so the government is planning to reduce the taxes.
- Rules of VAT are complex.
- Noncompliance are punished
- Less time to become tax experts
- Fraud in Europe estimated at 50 Billion euros per year
- The internet is a big game changer for GST
- VAT helps in recording the flow of goods
- There are a lot of loop holes in VAT and GST
- GST can be collected when the server or supplier is established
- GST can be collected from the country where a customer is located
- OECD has laid down guidelines on how to tax cross border e-services to consumers.



CA Rajendra Kumar P - Chairman GST and Indirect Taxes Committee ICAI, New Delhi.

Topic- Impediments and plan ahead

- Mid 1980's, Government came up with an idea to put an end to "License Raaj", economy of India opened up and Taxation Reforms were brought in.
- Empowered Committee of Finance Ministers was set up and Service Tax was introduced in 1994-1995.
- In 2000, Second Tax reform was set up
- Empowered Committee of Finance Ministers was converted to GST in 2017.
- Frauds are followed by taxing structure.
- GST is a consumption tax or tax on expenditure
- If low value goods are exported to a country, they are required to register in that country, through IT services and are required payment of taxes is inevitable.

Thanking Note: Dr Shailashree Haridas, Prof Jayesh Jadhav



INTERNATIONAL CONFERENCE ECOCOM 2020 – DAY 2

Session V: Real Estate – A Critical Review, Public Policy Post COVID Economic Recovery

Introductory Remarks:

Anuradha Pai, Professor, MIT School of Economics

Time: 15.00 Hrs.

Introduction to the session and dignitaries.

1) B.P. Chandramohan (General Secretary, IEA):

Time: 15.04

- Institutional collaborations and initiatives during pandemic by IEA and Int' Economic Association.
- Covid-19 is a blessing in disguise. It is a onetime century phenomenon.
- Problem is uniform across all sectors.
- Economy will revive soon.
- Growth in Agricultural and manufacturing sector is seen.

2) Mr. Rakesh Singhania (CEO, Wells Fargo, India):

Time: 15.16

- From real estate perspective, finance is crucial driving force as sector is highly regulated.
- Finance is a lifeline of business cycle and economy.
- PSU Banks, Private and Foreign players are major participant in Indian Banking Sector.
- Emergence of NBFCs, Housing finance corporations, Mutual funds and Infra financing units in recent years are positive addition to sector's growth.
- Financial services experiences metamorphosis every decade as a result of exponential technological disruptions.
- Digital way is the only fast track path for accelerated growth and financial inclusion for banking and finance industry.
- Convergence between banking and technology companies has changed the fundamental way of transacting. E.g. GAF A companies entering into digital payment space.
- Collaboration between fintech and financial services leading to constant evolution in financial services.

- Pandemic has changed the entire way we work, transact and communicate with each other.



- Disruptions in business are here to stay for a long term as a result business need to become resilient, nimble and efficient to make their survival in future.
- Post covid, financial services can be seen as a mix interplay between technology companies and financial conglomerates and for business it would be a combination of digital and brick & mortar.
- We experienced liner challenges in last 50 years across the globe and ever-changing dynamics will pose progressive challenges for coming 30 years.
- People focused mindset, research-oriented approach, technology adoption and networking across the industry are determining factors for success in financial services for young graduates.
- Role of back-office and operations has now become crucial due to expansion of service lines across the borders to build customer centric and agile organization.
- As the digital technology around the business is growing, cybersecurity and integrity of digital business infrastructure are alarming concerns for business.

3) Mr. Prashant Thakur (Director & Head Research, ANAROCK):

Time: 15:46

- Role of real estate is crucial for an economy's growth.
- Challenging landscape of modern real estate business is conspicuous as traditional real estate was restricted to residential space and new asset class under real estate is materialized such as coworking space, co-living, warehousing and data centers.
- Magnitude of India's real estate is significantly voluminous as value under construction rallied to \$243B which is equivalent to 10x of Iceland's GDP.
- Real estate in India is expected to contribute 13% of country's GDP and projected to surpass \$650 B mark by the end of 2025.
- Accelerated revival of real estate is important to achieve the \$5 trillion Indian economy.
- Real estate is in bad light for several reasons such as low entry barriers, fragmented localized business, seller-controlled market and massive investor & speculator activity.
- Changing business environment in India from 2008 is indicating that sector is moving towards transparency, corporatization and disruption.
- Introduction of RERA and demonetization were landmark steps leading to the cleansing of real estate sector.
- Decline in sales volume and unsold inventory of residential real estate are major challenges posed resulting into high debt exposure, mergers and acquisition and large-scale industry consolidations as problems for the sector continues to compound due to covid and economic slump.
- Residential market in India is highly fragmented as business players are mostly unorganized in nature.
- Upward pressure in input cost and cash flow crunch are preventing price fall, are expected as the entire business value chain is impeded due to covid.



- Future of commercial real estate is hybrid model which will consist of offices, work from home and work from globe as non-client facing divisions can be shifted to permanent work from home.

4) Dr. Barendra Kumar Bhoi (Former Principal Advisor & Head of Monetary Policy Department):
Time: 16.11

- Valedictory address: Public policy post covid economic recovery.
- Public policy falls in the realm of political economy. Focuses on Fiscal, Monetary and Public policy.
- 3 Part Agenda:
 - 1) Impact
 - 2) Public Policy
 - 3) Way forward
- World output likely to contract by more than 4.4%.
- Real GDP contraction not related to monsoon or energy crisis but due to the pandemic. The real GDP is likely to contract by 7.5% and maximum by 10.5% being the severest contraction.
- 2nd quarter would show positive growth in the economy. January to March(Q1-21) a slight 0.7% increase is projected.
- Certain sectors are still lagging. The manufacturing sector has shown positive signs whereas the services sector is unlikely to be normal in last quarter as well.
- RBI is injecting liquidity into the economy. The household savings cannot suffice the fiscal deficit. Fiscal space is limited and there is a need for fiscal forbearance.
- To tackle the current crisis a combination of Fiscal and monetary policy is needed. But the right mix of Monetary and fiscal policy is a difficult proposition.
- The RBI has reduced the CRR and SLR by 100 basis points simultaneously for the 1st time in history and more than 100Bn\$ forex reserves have been purchased.
- Atmanirbhar package is a way of rehabilitation of the economy.
- Structural reforms are required with 2-3-year agenda with a focus on rural centric growth.
- There is a shift in focus from urban centric growth to rural and MSME sector because 90% of the economy is formed of the informal sector.
- Cash transfer is a short-term solution. Structural reforms like protection of employment is a long term or enduring solution.
- The GDP can be sustainable if investment is increased and productivity is increased as developing economies are investment driven. Productivity can be increased by structural reform. Growth in productivity lies in digitization.
- Rescaling is necessary. Sectors like Travel and tourism logistics, entertainment, events, retail, fashion, real estate will continue to contract for some time.
- Contactless economy such as health care and data science are growing at a faster rate.
-



➤ Globalization has taken a backseat due to the pandemic; the world economy will contract further and exports are likely to fall.

➤ Challenges:

- 1) Implementation of structural reforms require state cooperation.
- 2) Protection and creation of new jobs.
- 3) Education policy or reskilling institutions are required.
- 4) Corporate cash flows and bankruptcy.
- 5) Debt to GDP ratio in FY 20 was 72% and may increase to 85-90% in FY 21.
- 6) Short term rates are below the reverse repo rate.
- 7) Deposit growth is very high is an optical illusion. Deposits have increased due to increase in capital flow.
- 8) Fiscal and debt sustainability.
- 9) Collapse of external demand.
- 10) Inflation risk. There is irrational exuberance in Stock market, some missing link. This irrational exuberance is the harbinger of financial instability.
- 11) Ultra-accommodative monetary policy.

➤ Opportunities:

- 1) Crude oil prices low.
- 2) V shaped recovery possible.
- 3) Seize the opportunity when challenges are daunting.

❖ **Feedback from students of MIT School of Economics and Commerce**

❖ **Concluding Remarks & Vote of Thanks: Dr. Shailashree Haridas, Dean, MIT School of Economics and Commerce**

❖ **Time: 17.20**