

# Battle-hardened India Inc girds up for inflation war

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Mumbai: India Inc's coming of age was clearly visible during the Economic Times Awards for Corporate Excellence 2021 held here in person on Saturday after a two-year hiatus. Far from complaining about the need to be competitive in funding or trying to forestall policy action to raise rates further, corporate leaders acknowledged that the beast of inflation has to be tamed. In a panel discussion, SBI chairman Dinesh Khara highlighted the need for the rate hike by the RBI, pointing to the reported inflation numbers and its trajectory in the backdrop of the global scenario. "It was a surprise but not a shock because it came at a point when the policy was just announced a few days back," said Khara.

JSW Group chairman Sajjan Jindal pitched for a bigger interest rate hike. "I was surprised, on the contrary, that it was not increased enough even though it affects me as a borrower. I have not seen in my business career such a long run of benign interest rates," he said. "When the world is going through these big changes and commodity prices are going up and India is following the same trend, the poor man gets affected the most by inflation. It is the primary responsibility of the RBI to ensure that inflation does not go up," said Jindal.

Hindustan Unilever CEO & MD Sanjiv Mehta stated that this is not structural, demand-led inflation but one that has come on the back of supply constraints during the pandemic and due to geopolitical issues. He pressed for the need to rein in inflation. "When the common man reduces the consumption of soap or detergent powder, it does become a cause for concern. Inflation always bites the poor much harder so there was a very clear indication that steps would have to be taken to rein in inflation," Mehta added.

According to Piramal Group chairman Ajay Piramal, the increase in interest rates and withdrawal of liquidity by the RBI will not dampen capital expenditure in the corporate sector.

In an address via video link, Times Group vice-chairman & MD Samir Jain said, "Today, it's invigorating to see metaguys of this antifragile nation thrive and not be fooled by randomness, attracting investors with their khaatirdari and internationally known public display of affection."

"We know the game of thinking fast and slow, but acting faster, as we rebounded from Covid...We own our own risks as we're en route to become an atmanirbhar \$5-trillion economy in five years," he said.

"Times Group has charted India's tale for 185 years. India's transition from being a British vassal to a Swadheen nation, reclaiming its pre-British-era glory, has been mirrored by Times Group...For both India and us, these growth curves have not been linear, but exponential. Most of India's growth over a century have happened only in the past 30 years. And even in these 30, the last 10 make up the lion's share," the Times Group VC & MD said.

Times Group MD Vineet Jain said the last two years "have tested the mettle of all of India, from the smallest kirana shop-owner to the largest auto manufacturer". "But today, as we meet in person, India's GDP growth is back on track. And if proof of robustness were required, it's just come in the form of the highest ever GST collection in April," he said.

"The Covid crisis has provided an impetus to a range of structural reforms...These measures will see us through what looks to be the next challenge of the century: geopolitical instability and war in Europe. Once again, India and the international community are facing runaway inflation, commodity shortages, and tangled supply chains. India's policymakers and businesses have shown resilience in dealing with the pandemic and am sure, working together, we will overcome these latest challenges," the Times Group MD said.