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# Risk of food price rise still high

RBI's tryst with Inflation continues with unwavering focus. While the overall trends in inflation are positive, the risk of food inflation is still relatively high. The said worry is pronounced in the form of probable food price shocks as an after-effect of the delayed monsoon and unknown geo-political developments. This would result in future policies being more data-dependent.

**In the absence of credit growth, the central bank is sitting on the sidelines for economic activity, credit off-take to pick-up**

In the absence of credit growth, the central bank is sitting on the sidelines for economic activity, credit off-take to pick-up, with structural reforms the new government might have to offer to perk up the investment climate.

However, prolonged elevated levels of interest do not augur well for investments.

The comforting external factors remain with the Federal Reserve postponing an impending interest rate hike. This is adequately supported by a combination of now favourable oil prices and a stable government, providing room to gauge the emerging scenario in a holistic manner.