

Headline: More low-risk capital market products needed to attract retail: Jaitley

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Finance Minister Arun Jaitley at a conference on Capital Markets jointly organised by NSE, IFC, EXIM Bank, IIF at New Delhi on 5th April 2016

More low-risk capital market products needed to attract retail savings: Jaitley

The dependence on foreign portfolio investors is 'still very large', says Finance Minister

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India needs to create adequate products to enable retail savings to flow into low-risk investments in the capital markets, Arun Jaitley, Union Finance Minister, said.

There is a need to incentivise the public, whose savings rate is high, to invest in safer and low-risk capital market products, Jaitley said at a conference on

'Fulfilling India's potential: How Capital Markets can Meet Financing Needs', here on Tuesday.

The day-long conference was jointly organised by the National Stock Exchange (NSE), International Finance Corporation, Exim Bank and Institute of International Finance.

Jaitley said the capital markets reflect the maturity of the Indian economy.

However, as the capital mar-

kets grow, there is a lot of distance that needs to be covered, the Finance Minister added.

He also pointed out that the dependence on foreign portfolio investors is "still very large".

Infra financing

Jaitley said India needs long-term funds for infrastructure financing even while noting that there was a pick up in activity on roads and more action would happen in airports this year.

The Modi-led Government has targeted development of 25 new regional airports this year. While 10 would be done by the Airports Authority of India, the rest will be done in association with State Governments, Jaitley said.

In the case of some airports, the operation and management would be handed out to the private sector, he added.

Commenting on the roads sector, Jaitley said that India has gone back to a situation of building 21 km of road network each day and would in the coming days look to take this up to 30 km per day.

On Railways, he said that efforts are being taken to bring lot of private investments into this

sector. Jaitley said that the Joint Committee of Parliament looking into the Bankruptcy code Bill was at the final stage of firming up its report. He said the Government was open to any suggestions from the committee for improving the proposed bankruptcy system. Jaitley expressed hope that the crucial Bill will be taken up for consideration during the next leg of the Budget session, which begins on April 25.

The Finance Minister said that the Government has undertaken the exercise of recapitalisation of banks and was now looking for resources to strengthen the banks.

Bank consolidation

"Once the banks are strengthened, I will go for consolidation of some of the banks," he said.

The Centre had, in the recent Budget, stuck to its earlier commitment of infusing ₹25,000 crore into public sector banks in 2016-17, under its Indradhanush plan.

This amount is seen as insufficient given the weak asset quality and sharp rise in bad loans, after the RBI's asset quality review.



Arun Jaitley, Finance Minister, addressing a conference on the capital markets in New Delhi on Tuesday