

P. Chidambaram: Revised FDI caps to be out by mid July

Finance minister P. Chidambaram on Tuesday said the revised FDI caps would be in place by mid July. He said the department of industrial policy and promotion (DIPP) has been asked to consult other ministries and bring out a note soon on the caps.

Terming the US Federal Reserve chairman Ben Bernanke's recent statement (on possible early withdrawal of stimulus) as ill-timed or completely misunderstood, he said it led to an outflow of billions of dollars from India and weakened the rupee.

The minister asked experts not to spread pessimism and investors not to panic. Pointing out that rupee was stable from August 2012-May 2013, he said the fundamentals of India have not changed in a few days since Bernanke's statement.

He expressed confidence that foreign investors will return soon as the government is clearly committed to reforms. Good monsoon, abundant grain stock and increase in machine-installed projects will help revive growth, he said.

Asked about the government's relief measure in the natural disaster-hit Uttarakhand, he said the LIC has been asked to settle all the insurance claims expeditiously.

Earlier, he launched India's first comprehensive measure of financial inclusion in the form of an index called Crisil Inclusix. The index is on a scale of 0 to 100 and combines parameters, including branch penetration, deposit penetration and credit penetration into one matrix.

The all-India Crisil Inclusix score of 40.1 is low though it has improved from 35.4 in 2009, according to a Crisil statement.

Chidambaram said banks need to improve financial inclusion, especially in central India. Pointing that gains made in deposit penetration was greater than the combined gains in credit penetration and branch penetration.

(Financial Express)