

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

**FINANCE MINISTER P. CHIDAMBARAM EXPRESSES SATISFACTION
OVER SEBI MEASURES**

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The Union Finance Minister, Shri P. Chidambaram has noted with satisfaction the measures announced by the Securities and Exchange Board of India (SEBI). Following is the text of his statement:-

“It may be recalled that in my statement of August 6, 2012, I had said that *“In the next few weeks, we will announce a number of decisions to attract more people to invest in mutual funds, insurance policies and other well-designed instruments.”* In the context of that statement, Government welcomes the decisions taken by SEBI. These measures will stimulate financial savings among households as well as give a fillip to the mutual fund industry. More and more households should be encouraged to save in financial instruments rather than in gold.

Government has noted with satisfaction that the measures announced by SEBI yesterday have been widely welcomed by all the stakeholders.

There are a number of other suggestions which are under consideration by the Government. When Shri U K Sinha, Chairman, SEBI called on me on August 14, 2012, I had requested him to examine those suggestions independently and advise me. The examination by the Government and SEBI is likely to be completed in the next two weeks. I have requested Chairman, SEBI to schedule another meeting of the Board in early September when some more decisions can be taken on the suggestions that are under examination.

Government has also taken note of the recommendation of SEBI that the Rajiv Gandhi Equity Savings Scheme (RGESS) should also “provide for investments in equity schemes of mutual funds which have the securities allowed under RGESS as the underlying.” I have asked the Department of Economic Affairs, Capital Markets division, to examine the recommendation of SEBI and I expect that it would be possible to take a decision shortly.”

DSM/RS/GN