

**PRESS INFORMATION BUREAU**

**GOVERNMENT OF INDIA**

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**TENTH MEETING OF THE FINANCIAL STABILITY AND DEVELOPMENT COUNCIL (FSDC) HELD UNDER THE CHAIRMANSHIP OF THE UNION FINANCE MINISTER ; TOOK STOCK OF THE INDIAN ECONOMY AND DELIBERATED ON DOMESTIC AND GLOBAL GROWTH SCENARIO, FISCAL, MONETARY AND EXTERNAL SECTOR, FOREIGN CAPITAL FLOWS, INFLATION, DEVELOPMENTS IN FINANCIAL MARKETS AND THE OUTLOOK AND CHALLENGES FACING THE INDIAN ECONOMY**

**New Delhi, May 13, 2014**

**Vaisakha 23, 1936**

The Tenth Meeting of the Financial Stability and Development Council (FSDC) was held here today under the Chairmanship of the Union Minister of Finance, Shri P. Chidambaram. The meeting was attended among others by Dr. Raghuram G. Rajan, Governor, RBI; Dr. Arvind Mayaram, Finance Secretary; Shri G.S. Sandhu, Secretary, Department of Financial Services; Shri U.K.Sinha, Chairman, SEBI; Shri T.S. Vijayan, Chairman, IRDA; Shri Ramesh Abhishek, Chairman, FMC; Shri Anup Wadhawan, Chairman(Concurrent-charge), PFRDA and other senior officers of the Government of India and financial sector regulators.

The Council took stock of the Indian economy and deliberated on domestic and global growth scenario, fiscal, monetary and external sector, foreign capital flows, inflation, developments in financial markets, as also the outlook and challenges facing the economy.

The Council also discussed the detailed assessment of external sector vulnerabilities of the economy while recognizing the improvement made in controlling Current Account Deficit (CAD), exchange rate volatility etc.

The Council was also apprised of the progress made by the FSDC Sub Committee and its Technical Groups in a number of areas like, Capital requirements for banks under the risk based supervisory framework, Non Legislative Recommendation (NLR) of FSLRC, Account aggregation for all asset classes, AMCs managing funds of insurance companies and pension funds, functioning of

State Level Coordination Committees, Lending by Insurance Companies, Strengthening and deepening the Interest Rate Futures (IRF) market in India.

Chairman FSDC – Finance Minister - urged all the regulators to be watchful of developments in the market and large volatility in key parameters. He also called upon the regulators and Ministry of Finance to be in a state of readiness and take necessary action if the situation so warrants.

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