

India could benefit from Brexit: YES Bank CEO

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YES Bank Chief Executive Officer Rana Kapoor. (file photo)

Singapore, June 25:

India could benefit from Brexit and a delay in hike in US interest rate over the next six months, YES Bank Chief Executive Officer Rana Kapoor has said.

“In the next 1-6 months, India could very well be a significant beneficiary of this extraordinary event, given Eurozone pain points, delayed hike in US interest rates and with India increasingly standing out as the must invest destination for strategic and financial investors. Therefore this is good news in the bad news, for India,” Kapoor had said last night.

With Britain opting to repudiate its European Union membership, global markets are facing extreme volatility, noted Kapoor.

“In the very near term, there could be some adverse spillover on India through financial linkages with rest of the world. However, I expect the dust to settle down soon as our policymakers have enough ammunition to ward off unwarranted volatility,” he said, echoing views of the Indian business community.

Despite regular bouts of economic, financial, and political crises globally over the last two years, India has proved its economic mettle by boosting structural and institutional factors of growth while adequately ringfencing its vulnerabilities, the CEO said.

“The Government’s persistence with Foreign Direct Investment liberalisation, passage of critical reforms like the Bankruptcy Bill along with the anticipated Goods Services Tax Bill will help India,” said Kapoor, largely reflecting the Indian financial sector’s growing confidence in the government and its reforms.

Kapoor is leading YES Bank’s \$1-billion fund-raising on the global market and it is confident of winning new stakeholders for the bank and investors for India.

“We believe the steadfast Indian market will continue to be the world’s best performer with high yields,” he said, noting that the global financial institutions lost \$2.1 trillion within hours of learning British pullout of the European Union.

Kapoor expects the global economies to spend this week-end calculating the risk factors from Brexit, and hope for a sobering Monday (27 June 2016).

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