

Reduce compliance burden to aid investments: Kamath

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The issue of litigation should be addressed with greater speed as a step towards enhancing investments. This is high on policymakers' agenda, K V Kamath, chairman, National Bank for Financing Infrastructure and Development (NABFID) said on Friday.

"The regulators will also take notice of this. The regulation is tight but whether it will lead to litigation? I do not know," Kamath said in response to queries on the spate of litigation and tangled tax laws. He was speaking at FICCI's CFO summit.

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The compliances are huge. Maybe the burden of compliance needs to be corrected. The government is cognizant about the matter, he said.

The ease of compliance will enhance India's standing to emerge as a preferred destination for foreign capital and also reduce the burden on the judiciary.

Referring to the slowdown in foreign direct investment (FDI) in the country, he said the causes could include events



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**K V KAMATH,
CHAIRMAN, NABFID**

around the world.

“People are not in a position to invest; they are re-assessing their own future,” he said.

“Can you imagine any European company really putting money in now? For that matter, in USA, you do not know whether you are in recession or in a growth phase. And, Japan is no different. So, large pools of capital, which would have come this way (to India) or investment on their behalf are not happening,” Kamath said.

According to Reserve Bank of India

(RBI) data, gross inward FDI flows declined 16.3 per cent year-on-year to \$71.0 billion in 2022-23.

Net FDI also fell to \$28 billion in 2022-23 from \$38.6 billion a year ago, mainly due to moderation in gross inflows and increased repatriation.

Manufacturing, computer services and communication services recorded the highest decline in FDI inflows compared with the preceding year. The major contributors towards the fall in inflows were the US, Switzerland, and Mauritius.