

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
LOK SABHA

UNSTARRED QUESTION NO: 2370

ANSWERED ON: 23.08.2013

ECONOMIC REFORMS

RAJIV RANJAN (LALAN) SINGH

ASHOK ARGAL

YASHWANT SINHA

ANANT KUMAR HEGDE

P. KARUNAKARAN

MEENA SINGH

NISHIKANT DUBEY

BALKRISHNA KHANDERAO BALU SHUKLA  
SHUKLA

Will the Minister of

FINANCE

be pleased to state:-

- (a) the details of economic reforms undertaken by the Government during each of the last three years and the current year along with the positive effects noticed therefrom; and
- (b) the details of the other measures proposed to be taken by the Government in the country to boost the ongoing economic reforms?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (b): During 2010-11, the major reforms measures, include, among others, the announcement of setting up of the Financial Sector Legislative Reforms Commission (FSLRC) with a view to rewriting and cleaning up financial-sector laws to bring them in tune with current requirement; setting up of an apex level body –the Financial Stability and Development Council (FSDC); modifying the External Commercial Borrowing (ECB) Policy to enable low cost foreign borrowings by Indian companies and Non-Bank Finance Companies (NBFCs) Reforms.

In 2011-12, the major economic reforms initiated include change in the FDI policy to include exemption of construction development activities in the education sector and in old-age homes, from the general conditionalities in the construction development sector and notification of the revised limit of 26 per cent for foreign investment in Terrestrial Broadcasting/ FM radio.

In 2012-13, the Government has taken reform measures to address the slowdown in growth and to strengthen the investment climate which among others, include liberalization of FDI in multi-brand

retail; civil aviation and broadcasting; rationalizing diesel prices and capping subsidized LPG cylinders to consumers with Direct Benefit Transfer (DBT) through AADHAR; introducing the Competition Commission of India (Amendment) Bill 2012 in Parliament; reducing the rate of withholding tax to enable low cost foreign borrowing by Indian companies; legislative measures in the Banking Sector paving the way for granting of new bank licences by the RBI; setting up the Cabinet Committee on Investment (CCI) for fast-tracking mega projects of over Rs.1,000 crore; boosting infrastructure financing by encouraging Infrastructure Debt Funds, enhancing credit to infrastructure companies; provision of greater support to MSMEs and approving the scheme for Financial Restructuring of State Distribution Companies (DISCOM) by the Cabinet Committee on Economic Affairs.

Recently in the year 2013-14, further reform measures related to FDI have been taken in sectors/areas like single brand retail trading, air transports, teleports, cable networks and basic and cellular services, etc.

Besides the above, other reforms are also being taken which include the following. The Financial Sector Legislative Reforms Committee is examining the laws governing the financial sector with a remit to suggest ways of modernizing them. The recommendation of Kelkar committee on roadmap for fiscal consolidation has been accepted by the Government. The Land Acquisition and Rehabilitation and Resettlement (LARR) Bill has been cleared by the Cabinet, to bring greater clarity, reduce uncertainty, and thereby aid investments.