

(e) The Government is committed to revert back to the path of fiscal consolidation with gradual exit from the expansionary measures in a calibrated manner. The reduction in fiscal deficit from 5.9 per cent of GDP estimated in RE 2011-12 to 5.1 per cent of GDP in BE 2012-13 is designed with a mix of reduction in total expenditure as percentage of GDP and improvement in gross tax revenue as percentage of GDP. Government has also decided to adopt the following plan of fiscal consolidation during the period of the Twelfth plan *i.e.* from 2012-13 to 2016-17.

Year	Fiscal Deficit
	(As % of GDP)
2012-13	5.3
2013-14	4.8
2014-15	4.2
2015-16	3.6
2016-17	3.0

As indicated in the above table the fiscal deficit is estimated to further decline gradually to 3% of GDP by 2016-17 thereby reducing the pace of growth of debt accretion in medium term.

#### **Initiatives to attract foreign investment**

1460. SHRI AJAY SANCHETI: Will the Minister of FINANCE be pleased to state:

- (a) whether Government is taking a host of reform initiatives to attract foreign investment;
- (b) if so, the details thereof;
- (c) whether these were discussed with the representatives of FII recently; and
- (d) if so, the reaction of FIIs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Yes Sir. Government has been making concerted efforts to attract greater foreign investment into India. Some of the important steps taken in this direction are as under:

1. The Qualified Foreign Investor (QFI) scheme was introduced in the Budget 2011-12 by allowing foreign investors to invest in Mutual Funds, subject to certain conditions. On 1st January 2012, the Government expanded this scheme to allow QFIs to directly invest in Indian Equity Market. As announced in Budget 2012-13, QFI can now also invest in corporate bonds.
2. The limits for FII investment in various categories of debt securities have progressively been enhanced. Further, the debt limit allocation mechanism for FIIs have been rationalised by allowing reinvestment facility to FIIs; Reduction in utilisation period of debt limits and adoption of First Come First Serve (FCFS) method of allocating limits in case of the long term infra bonds.
3. The terms and conditions for the FII investment scheme in infrastructure debt and non-resident investment scheme in Infrastructure debt funds (IDFs) have been rationalised in terms of reduction in lock-in period and residual maturity criterion.
4. The policy pertaining to the Foreign Direct Investment is being periodically reviewed and the latest liberalisations measures taken are in the sectors of multi-brand retail trading, single brand retail trading, permitting investments in the civil aviation sector, enhancing limits in the Broadcasting sector, permitting FDI in power exchanges. These measures have been notified vide Press Notes No. 4 to 8, 2012, issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.

(c) and (d) Yes, Sir. The aforesaid reform measures taken by the Government were conveyed to the representatives of FIIs in recent meetings/discussions. These steps have been welcomed by FIIs.

#### **Muslim employees in LIC**

1461. SHRI AHMAD SAEED MALIHABADI: Will the Minister of FINANCE be pleased to state:

- (a) the total number of Muslim employees in each category in LIC and other Insurance Companies under Government;
- (b) whether there is any candidates from the Muslim Community;