risk, apart from crowding out the private investment and restraining growth impulses. It implies that the CAD has implications for inflation and therefore for the conduct of monetary policy.

(b) Subdued economic and financial conditions due to euro-zone crisis led to weak external demand for India's exports. This together with higher imports of petroleum, oil lubricants (POL) and gold & silver led to widening of trade and current account deficits.

(c) and (d) Government has announced the roadmap for fiscal consolidation by containing the current year's fiscal deficit at 5.3 per cent of the GDP and reducing it to 4.8 per cent next year. The Government has revised diesel prices and capped subsidized LPG cylinders to consumers to contain the fiscal burden of subsidies in September 2012. Oil marketing companies (OMCs) have been permitted to raise diesel prices in small measures periodically. These measures are expected to contain fiscal deficit and demand for oil imports. Beside, Government has also taken a number of measures to boost exports and reduce imports of gold to lower the trade and current account deficits.

Report of Kelkar Committee

†810. SHRI DHARMENDRA PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government has received the report of the Kelkar Committee constituted for fiscal consolidation;

(b) if so, whether Government has studied the report;

(c) if so, the main recommendations of the report; and

(d) the action being taken by Government on the recommendations of the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Yes, Sir.

(c) The recommendations of the Committee mainly emphasize on adjusting the price of petroleum products on regular basis in incremental steps towards eventual deregulation of diesel and an affordable level of subsidy on LPG and

†Original notice of the question was received in Hindi.

kerosene, increase the MRP of Urea, right-sizing of Plan Expenditure without affecting benefits to malnourished children and lactating and pregnant mothers, employment generation to protect the most vulnerable segments of the Indian population, efficient system of food grain delivery, linking CPP increases to MSP increases, disinvestment of minority government equity stakes in private entities, monetization of land held by Government or PSUs, sound investment by CPSEs with large cash balances, monetization of land, comprehensive review of Direct Taxes Code Bill, 2010, establishing a data-warehousing and data-mining infrastructure, amendment in law to provide quoting of PAN or the UID in all economic transactions including bank accounts, fixed deposits with banks, reconciliation of the Income Tax Returns and Tax Deducted at Source database for expanding and deepening of the tax base, and online verification of PAN for all high value transactions to reduce black money transaction. The Committee also recommended that the Union Excise Duties and Service Tax must be reformed so as to be in a state of preparedness for smooth integration of these levies into the Goods and Service Tax and that the negative list of services to be reviewed for further pruning as well as not extending the exemption granted to railways for transportation of goods and passengers (of higher class) beyond 30.9.2012. The Committee has opined that CBEC should put in place a robust information system to increase the deterrence level and the cost of evasion. The Committee also stressed on need for structural reforms towards reducing the regulatory and business climate impediments to private investment and stressed that they are essential, from pricing to taxation and access to land and other resources. Expediting of proposals for financial sector deepening in domestic capital markets, banking and insurance also formed part of Committee's recommendations. Government has broadly accepted the recommendations of the Committee with some reservations.

(d) Government took set of reforms, while implementing the recommendations made by the Kelkar Committee, which have resulted in retaining fiscal deficit at 5.2 per cent of Gross Domestic Product (GDP) at Revised Estimates 2012-13. Besides, Government has decided to adopt the following plan of fiscal consolidation during the period from 2013-14 to 2016-17 at 4.8%, 4.2%, 3.6% and 3.0% respectively as percent of GDP.

Export of Indian capital abroad

811. SHRI D. BANDYOPADHYAY: Will the Minister of FINANCE be pleased to state: