ABSTRACT:

The Reserve Bank of India had warned the Government that any delay in reform of the Banking system in the country would lead to greater risk in the economy. For a country as big and populous as India reforms cannot be shots in the dark, subjecting the economy to great uncertainty and risk. The most appropriate institutions will prevail when the competitive arena is level, so we have to remove regulatory privileges as well as impediments wherever possible. Some of the initiatives announced were thematically in continuation of the post liberalization banking reforms. We also saw the central bank shifting to an inflation targeting framework with the mandate to keep inflation below six percent by January, 2016. A new pro business government at the centre also ensuring the long pending proposal of higher Foreign Direct Investment (FDI) in the insurance section getting lawmakers’ approval till date.

KEY WORDS: FDI, Impediments, Initiatives, Reforms, Risk.

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