

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:808  
ANSWERED ON:25.02.2011  
PHALGUN SAKA REDUCTION OF EXPENDITURE QUESTION  
Chitthan Shri N.S.V.

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of the measures adopted by the Union Government to reduce the Government expenditure and downsizing the Government;
- (b) whether the Government has also issued some directions to the various Ministries and State Governments in this regard;
- (c) if so, the details thereof; and
- (d) the other steps taken by the Government to control the fiscal deficit ?

**Answer**

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

(a)to(c): Expenditure of the Ministries of the Central Government is controlled in accordance with Budgetary provisions approved by Parliament. Guidelines are laid down in General Financial Rules 2005 for keeping standards of financial propriety and prudence in expenditure management. The Government also issues instructions from time to time for effecting economy in expenditure of Central Government or for downsizing.

(d) The medium term objective of the Government is to revert to the path of fiscal consolidation with emphasis on structural fiscal reforms. With improvement in prevailing economic conditions, the process of fiscal consolidation is back on track in the year 2010-11. From 6.3 per cent of GDP in 2009-10, fiscal deficit has been projected in BE 2010-11 at 5.5 per cent. This is due to the gradual withdrawal from the fiscal stimulus measures announced in 2008-09 and 2009-10.