

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2658

ANSWERED ON:09.12.2011

FISCAL DEFICIT

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Will the Minister of FINANCE be pleased to state:

- (a) Whether the country is facing a huge fiscal deficit;
- (b) If so, the details thereof alongwith the reasons therefor; and
- (c) the steps being taken to contain/ leverage the high fiscal deficit during the remaining Eleventh Plan period?

Answer

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

(a) Fiscal Deficit for the year 2011-12 was estimated at Rs.412817 crore amounting to 4.6 per cent of GDP in the Budget for 2011-12. For the period ending October,2011, Fiscal Deficit is Rs.307009 crore which is 74.4 percent of Budget Estimate 2011-12. Fiscal Deficit as percentage of Budget Estimate during the first seven months of 2011- 12 is at a higher level when compared with five year moving average of 60.9 per cent.

(b) The increase in Fiscal Deficit during first seven months is on account of front loading of direct tax refund in the current year.

(c) To contain the Fiscal Deficit in 2011-12, Government has advised all Ministries/Departments to adhere to the expenditure ceilings in the Budget Estimates 2011-12. They have also been advised to meet additional expenditure requirements, if any, during the year through savings from the overall expenditure outlays. Instructions have also been issued to concerned Departments to make concerted efforts to achieve the revenue collection targets for 2011-12.