

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1898
ANSWERED ON:17.07.2009
RELAXATION ON FISCAL DEFICIT TARGET
Sule Supriya

Will the Minister of FINANCE be pleased to state:

- (a) whether States have sought relaxation in fiscal deficit ceiling for 2009-10 so that they can spend more on infrastructure and social programmes during the pre-budget consultations with the Union Finance Minister on 11 June, 2009;
- (b) if so, the details thereof; and
- (c) the action taken / being taken by the Government in this regard?

Answer

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

- (a) and (b): Yes, Sir. During the pre-budget consultations with the Union Finance Minister on 11th June, 2009, some States expressed the need for relaxation of fiscal deficit targets. The details are annexed.
- (c): The Union Finance Minister in his Budget speech on 6th July, 2009 has proposed relaxation of fiscal deficit targets under Fiscal Responsibility and Budget Management Act for States from 3.5% to 4% of their Gross State Domestic Product.