

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2456
ANSWERED ON:07.12.2012
SURRENDER OF UNUTILIZED FUNDS
Kashyap Shri Virender;Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

- (a) the procedure followed with regard to funds utilized by the States against ongoing schemes;
- (b) whether Union Government has asked the State Governments to surrender the funds which are unlikely to be utilised for ongoing schemes during the course of current financial year and if so, the response of the State thereto;
- (c) the target of fiscal deficit and the estimated amount of fund likely to be spent on fuel, food and fertilizer subsidy; and
- (d) the steps taken or proposed to be taken to lower fiscal deficit?

Answer

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

(a) The Planning Commission/ Line Ministries concerned monitor the physical progress and utilization of funds under different schemes through various mechanisms.

(b) No Sir,

(c) Fiscal deficit has been estimated at 5.1 percent of GDP in the BE 2012-13. Budgetary provisions (B.E) in respect of the three major subsidies are as follows:

Petroleum Rs. 40,000 Crore
Fertilizer Rs. 61,000 Crore
Food Rs. 75,000 Crore

(d) Government has imposed economy measures like rationalization of expenditure and optimization of available resources with a view to improve macroeconomic environment.

(i) Government has reverted back to the path of fiscal consolidation with gradual exit from the expansionary measures in calibrated manner. The reduction in fiscal deficit from 5.9 percent of GDP estimated in RE 2011-12 to 5.1 percent of GDP in BE 2012-13 is designed with a mix of reduction in total expenditure as percentage of GDP and improvement in gross tax revenue as percentage of GDP.

(ii) Government has also introduced 'Medium-term Expenditure Framework Expenditure Statement', setting forth a three-year rolling target for expenditure indicators with a view to under taking a de-novo exercise for allocating resources for prioritized schemes and weeding out other that have outlived their utility. It would also encourage efficiencies in expenditure management.

(iii) Government will also endeavour to contain the expenditure on Central subsidies.

(iv) Government has also decided to adopt the following plan of fiscal consolidation during the period of the 12 Plan i.e. from 2012-13 to 2016-17.

Year Fiscal deficit (%)

2012-13	5.3
2013-14	4.8
2014-15	4.2
2015-16	3.6
2016-17	3.0