

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4086

ANSWERED ON:20.03.2015

FINANCIAL REFORMS

Kateel Shri Nalin Kumar; Tanwar Shri Kanwar Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether it is true that the Government has set the target of bringing down the fiscal deficit to 4.1% during the year 2014-15;
- (b) if so, the details thereof;
- (c) whether the Government has taken necessary financial reforms including austerity measures to achieve the said target; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE FOR FINANCE (SHRI JAYANT SINHA)

(a)&(b): Yes Sir.

For financial year 2014-15, fiscal deficit was budgeted to 4.1 per cent of GDP. In the Revised Estimates for 2014-15, fiscal deficit target has been retained at the same level i.e. 4.1 per cent of GDP.

(c) & (d): Government has taken measures for fiscal prudence and economy to rationalise expenditure and optimize available resources. This include 10% mandatory cut in the current financial year on non-plan expenditure excluding interest payments, repayment of debt, Defence capital, salaries, pension and Finance Commission grants to States. Austerity measures, such as restrictions on holding of meetings and conferences at five star hotels, ban on creation of Plan and Non Plan posts, restriction on purchase of new vehicles, restrictions on foreign travel, observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/State/Local level have also been imposed.

Government has constituted Expenditure Management Commission (EMC) which has been mandated to review the major areas of Central Government expenditure and suggest ways for creating fiscal space to meet developmental expenditure needs, without compromising the commitment to fiscal discipline. Government is committed to progressively pursuing subsidy reforms. Both petroleum and diesel are now fully decontrolled. The Government has launched a new universal Direct Benefit Transfer Scheme for LPG subsidy from 1st January, 2015 onwards, which will help to avoid duplication and prevent leakages.