GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE

RAJYA SABHA UNSTARRED QUESTION NO. 58

TO BE ANSWERED ON TUESDAY, THE 11TH DECEMBER, 2018,

20 Agrahayana, 1940, (SAKA)

Managing Fiscal Deficit

58. SHRI RITABRATA BANJERJEE

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government missed the GST Revenue Collection targets by Rs.22,000 crores, which will adversely affect the fiscal deficits;

(b) the way in which high oil prices in the global market affected the fiscal deficit in India; and

(c) whether Government has planned certain disinvestments or sell-offs to meet the fiscal deficit targets, if so, details thereof?

ANSWER

MINISTER OF STATE IN MINISTRY OF FINANCE

(SHRI SHIV PRATAP SHUKLA)

(a): Against the budget estimate of Rs 603900 crore for Central Goods and Services Tax (CGST) in the financial year 2018-19, the net CGST collection till October,2018 has been Rs. 214947 crore. In addition, Integrated Goods and Services Tax (IGST) net of refunds and apportionment of about 25000 crore and Rs. 47716 crore in compensation cess fund is available with the Union of India. Further, the average gross GST collection in the financial year 2018-19 is Rs. 97040 crore as compared to the average collection of last year Rs. 89885 crore. As the GST collection for the remaining four months in the financial year have to be taken into account, it cannot be said at this stage that the fiscal deficit has adversely affected because of fall in GST collection.

(b): The oil prices have an impact on fiscal deficit through two routes. There is an upward pressure on subsidy payment and an increase in non-tax revenues to the Centre. The former worsens the fiscal deficit, while the later reduces fiscal deficit. The net impact depends on the magnitude of the two opposing effects and the duration of the higher oil price in global market. However, the oil price in the global market has recently come down drastically. Hence, the impact on fiscal deficit is minimal.

(c): The Government through a variety of measures including listing of unlisted Central Public Sector Enterprises (CPSEs), Offer for Sale (OFS) mechanism, Exchange Traded Funds (ETFs), buyback of shares and strategic disinvestment of CPSEs/Units/subsidiaries, plans to achieve the target for disinvestment set for 2018-19.

A number of Initial Public Offerings (IPOs) have been launched and such CPSEs got listed in the current year (MIDHANI, RITES, IRCON and GRSE). A number of companies have been identified for buyback of shares also. The OFS of Coal India ltd. was successfully completed. The strategic disinvestment of Hospital Services Consultancy Corporation Limited (HSCC) has been completed. The ETF route has proved to be very effective in attracting investor interest and both the Bharat-22 ETF FFO(Further Fund Offer) launched in June 2018 and CPSE-ETF FFO in November,2018 were very successful. Against B.E of Rs. 80,000 crore, till 03.12.2018, Rs. 32,247 crore has been realized.

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