

Government of India  
Ministry of Finance  
Department of Economic Affairs

**LOK SABHA**  
UNSTARRED QUESTION NO. 1726  
*To be answered on Friday, July 27, 2018/Shravana 5, 1940 (Saka)*

**FISCAL DEFICIT**

**1726. DR. THOKCHOM MEINYA**  
**SHRI ASHOK MAHADEORAO NETE**  
**SHRIMATI POONAMBEN:**

Will the Minister of FINANCE be pleased to state:

- (a) the details of fiscal deficit during the last three years and as on date along with the reasons for continuous increase in the fiscal deficit;
- (b) whether India will be able to adhere to or restrict the fiscal deficit below the budgeted level of 3.3 per cent of GDP in 2018-19, if so, the details thereof along with the expected revenue to be collected from Goods and Services Tax by the year end;
- (c) whether on account of the recently announced Minimum Support Price the fiscal deficit of current year would remain homogenous, if so, the details thereof;
- (d) whether the Government has received directives from International Monetary Fund and other international financial institutions regarding reducing the fiscal deficit and currency crisis during the said period, if so, the details thereof; and
- (e) the steps taken and contingency plan drawn by the Government to reduce/bridge the fiscal deficit?

**A N S W E R**

**MINISTER OF STATE FOR FINANCE (SHRI PON. RADHAKRISHNAN)**

(a): The details of Fiscal Deficit for the last three year may be seen in the table given below. It may be noted that the figures for the year 2017-18 are provisional/unaudited.

Financial Year	Fiscal Deficit (in Rs. crore)	Fiscal Deficit as % of GDP
2015-16	5,32,783	3.9%
2016-17	5,37,799	3.5%
2017-18 (prov.)	5,91,663	3.5%

As on 31<sup>st</sup> May, 2018, the Fiscal Deficit for 2018-19 stands at Rs. 3,45,493 crore.

As per the FRBM Act, the targets for the Government are defined as a percentage of GDP. The Fiscal Deficit has declined from 3.9 percent in 2015-16 to 3.5 percent in 2016-17 and has remained at the same level in 2017-18.

(b) & (c): The budgeted figure of fiscal deficit at the end of the year 2018-19 is ₹6,24,276 crore which works out to 3.3% of GDP. An assessment of revenues and expenditure is undertaken with all the Ministries/Departments of the Government of India in order to

ensure that fiscal target laid out in Budget are adhered to. A half-yearly review is undertaken by the minister-in-charge of the Ministry of Finance of the trends in receipts and expenditure in relation to the budget and the outcome is placed before both Houses of Parliament the outcome of such reviews as per Section 7 (1) of the FRBM Act, 2003. As per BE 2018-19, the Central Government's GST receipts are estimated to be Rs. 7,43,900 crore.

(d) No. The World Economic Outlook, 2018 released by the IMF in April 2018, suggests that India should continue its fiscal consolidation into the medium term to further strengthen fiscal policy credibility. The above commitment is reflected in the FRBM related statements placed by the Government along with Budget 2018-19.

(e) The Fiscal Policy Strategy Statement and the Medium-Term Fiscal Policy Statement, presented by the Government along with the Budget 2018-19 contains the detailed road-map that Government of India has adopted to reduce its Fiscal Deficit target.

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