

SHRI ARUN JAITLEY: Sir, the Bill was passed last year and this is going to be the first year when this is going to be implemented. As I said, we will, certainly, look into the entire mechanism. But only mentioning that I have spent is not enough; this has to be and will be a necessary part of the auditing, and, hence, of the annual returns that a company files and the regulating Department will, certainly, go into that question. It is because it is based on a principle that it is only profit-making companies which have to pay. And, therefore those who earn from the society, this is 'pay back time' for them, and, certainly, a scrutiny that people are paying back, or, at least, the reasons that they mentioned for not having paid back are plausible reasons or not, the Department will certainly look into a mechanism to check this.

*22. [The Questioner (Shri Ramdas Athawale) was absent.]

बढ़ता राजकोषीय घाटा

*22. श्री रामदास अठावले : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) आज की तारीख के अनुसार, विगत तीन वर्षों के दौरान आज तक भारत के राजकोषीय घाटे का विवरण क्या है;

(ख) राजकोषीय घाटे में निरन्तर वृद्धि होने के क्या कारण हैं;

(ग) राजकोषीय घाटे को कम किए जाने के लिए केंद्रीय सरकार ने अब तक क्या-क्या कदम उठाए हैं अथवा उठाए जाने का प्रस्ताव है; और

(घ) क्या उक्त अवधि के दौरान केंद्रीय सरकार को अन्तर-राष्ट्रीय मुद्रा कोष (आई.एम.एफ.) सहित अन्य विश्व स्तरीय वित्त संस्थाओं से राजकोषीय घाटा और मुद्रा संकट कम किए जाने से संबंधित कुछ अनुरोध अथवा निर्देश प्राप्त हुए हैं ?

वित्त मंत्री (श्री अरुण जेटली) : (क) से (घ) विवरण सभा पटल पर रख दिया गया है ।

विवरण

(क) विगत तीन वर्षों के दौरान और वर्तमान में आज की तारीख तक देश के राजकोषीय घाटे का ब्योरा निम्नानुसार है ।

वर्ष	राजकोषीय घाटा (रुपये करोड़)	राजकोषीय घाटा (स.घ.उ. का प्रतिशत)
2011-12	5,15,990	5.8
2012-13#	4,90,597	4.9
2013-14@	5,08,149	4.5

#अनंतिम आंकड़े @अनंतिम

वर्तमान वर्ष अर्थात् 2014-15 के दौरान मई, 2014 तक, राजकोषीय घाटे का स्तर 2,40,837 करोड़ रुपये है जो बजट अनुमान 2014-15 का 45.6 प्रतिशत है ।

(ख) जैसाकि उपर्युक्त (क) से देखा जा सकता है, विगत तीन वर्षों के दौरान राजकोषीय घाटे में गिरावट का रुख देखा जा रहा है।

(ग) राजकोषीय घाटे को वांछनीय स्तर से कम करने और वृहद-आर्थिक माहौल में सुधार लाने के लिये, सरकार ने अनेक उपाय किये हैं ताकि व्यय को युक्त-संगत बनाया जा सके और उपलब्ध संसाधनों का इष्टतम उपयोग किया जा सके। सरकार ने एफआरबीएम अधिनियम में संशोधन करने के बाद राजकोषीय समेकन के लिये एक रूपरेखा निर्धारित की है। अनेक चुनौतियों के बावजूद, सरकार ईमानदारी से राजकोषीय नीति का पालन करने में दृढ़ रही है। मध्यावधि फ्रेमवर्क के संदर्भ में, सकल घरेलू उत्पाद के प्रतिशत के रूप में कुल व्यय में कमी करके और सकल घरेलू उत्पाद के प्रतिशत के रूप में सकल कर राजस्व में बढ़ोत्तरी करके अर्थात् दोनों को युक्ति-संगत ढंग से करके, राजकोषीय घाटे में कमी की गयी है।

(घ) जी, नहीं। अन्तर-राष्ट्रीय मुद्रा कोष जैसी अन्तर-राष्ट्रीय वित्तीय संस्थाएँ किसी देश के राजकोषीय घाटे और अन्य पैरामीटरों पर केवल अपना आंकलन देती हैं। अन्तर-राष्ट्रीय मुद्राकोष ऐसा, मुख्यतया, अनुच्छेद IV विषयक परामर्श करके करता है। यह अनुच्छेद आई.एम.एफ. के करार अनुच्छेदों के अनुसार द्विपक्षीय निगरानी का एक साधन है। भारत भी इस करार का एक सदस्य है।

Rising fiscal deficit

†*22. SHRI RAMDAS ATHAWALE: Will the Minister of FINANCE be pleased to state:

- (a) the details of the fiscal deficit of the country during the past three years till date;
- (b) the reasons for continuous increase of fiscal deficit;
- (c) the steps taken so far or proposed to be taken by the Central Government to reduce the fiscal deficit; and
- (d) whether the Central Government has received any request or directions from international financial institutions including International Monetary Fund (IMF) for reducing fiscal deficit and to mitigate monetary crisis during the said period?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) to (d) A Statement is placed on the Table of the House.

Statement

(a) The details of the country's Fiscal Deficit during past three years and in the current year till date are as below:

Year	Fiscal Deficit (in ₹ crore)	Fiscal Deficit (% of GDP)
2011-12	5,15,990	5.8
2012-13#	4,90,597	4.9
2013-14@	5,08,149	4.5

#Provisional actuals @ Provisional

†Original notice of the question was received in Hindi.

The level of Fiscal Deficit during current year i.e. 2014-15, up to May, 2014 is ₹ 2,40,837 crore which is 45.6 % of BE 2014-15.

(b) As seen from (a) above, the fiscal deficit is showing declining trend during past three years.

(c) To reduce fiscal deficit below desirable level and to improve macroeconomic environment, the Government has taken various measures for rationalization of expenditure and optimization of available resources. Government has adopted roadmap for fiscal consolidation following amendment to the FRBM Act. Despite several challenges; Government has been steadfast in policy of fiscal rectitude. In the Medium-term Framework, the reduction in fiscal deficit has been designed with a judicious mix of reduction in total expenditure as percentage of GDP and improvement in gross tax revenue as percentage of GDP.

(d) No, Sir. International financial institutions, such as IMF, only provide their assessment on a country's fiscal deficit and other parameters. IMF does this primarily through Article IV consultation which is an instrument of bilateral surveillance as per the Articles of Agreement of IMF, of which India is also a member.

MR. CHAIRMAN: The questioner is absent. Any supplementary? Yes, Mr. Rajeeve.

SHRI P. RAJEEVE: Sir, as per the reply, the fiscal deficit is in a serious situation. It is ₹ 5,08,149 crore. Sir, as per the statistics submitted in this House, the default collection of assessed tax is ₹ 5.10 lakh crore. In the last Budget document, the default in collection of assessed Direct Tax is ₹ 5.10 lakh crore. Out of this, Sir, ₹ 75,000 crore is undisputed tax. The uncollected tax, *i.e.*, ₹ 5.10 lakh crore is above the fiscal deficit. In addition to this, the revenue forgone, as per the reply given to me in this august House in the last Session, is ₹ 5.29 lakh crore, which is, again, above the fiscal deficit. If you add these two, the revenue forgone plus the uncollected tax, it is more than ₹ 10.39 lakh crore. It is ₹ 10.39 lakh crore. I would like to know from the Minister whether you are ready to change your policies and take strong action to collect the taxes and revisit the revenue forgone, *i.e.*, exemptions given to the corporate. Are you ready to revisit these policies?

SHRI ARUN JAITLEY: Sir, when we get to the debate in the course of this Session, I think, the question of various revenue proposals of the Government will be gone into in detail. But whether we want to be a 'very high tax society' or otherwise is a question which will be a part of the policy of the Government. Now, revenue forgone is not a factor which is taken into consideration when fiscal deficit is calculated. Revenue forgone does not mean that at its whims and fancies — because this question has been raised earlier also — a Government decides not to charge some people revenue. But there

are industries to which legitimate exemptions are given. There are citizens to whom exemptions are given. Supposing senior citizens are given an exemption. Now do you want us to remove those exemptions and ask them to pay more and then say that this is revenue forgone? Now, all kinds of exemptions which are given under the Income Tax Act are given to incentivize a particular industry. Recently, when manufacturing growth for two years has fallen flat, the interim Budget granted exemption to the manufacturing industry. I have continued that exemption further. Now is that revenue forgone or is that an attempt to give a fillip to the industry? So, it is not a case where favoritism is shown and that you are not collecting legitimate cases.

As far as your other point is concerned about people from whom taxes are due and not collected, we certainly will intensify that action and I am one with you that those are the people to whom no laxity has to be shown.

SHRI ANAND SHARMA: Sir, the hon. Finance Minister, in his reply, has given the details on fiscal deficit. It is, Sir, very reassuring that the Minister's reply confirms a fact that the fiscal deficit of the country has been consistently going down for the last three years after the amendment of the FRBM Act and there is better revenue mobilization, collection of taxes and judicious mix of expenditure and revenue collection. This means that unnecessary, non-essential expenditure has been brought down in the last three years and tax collection is better. I was listening carefully to the Finance Minister's reply on the revenue forgone. On that, we are on the same page. I entirely agree that there are certain exemptions which had to be given. But I would like to know from the Minister, conscious of the fact that there are many intentions, initiatives and policy decisions that he and the Government will make in the coming days, which cannot be revealed today, do you propose to continue with the policy of fiscal rectitude to bring down the fiscal deficit, as has been done? Also, there are numbers given — 4.5 per cent of the GDP coming down from 5.8 per cent; what would be your fair expectation, a manageable deficit, for the current year?

SHRI ARUN JAITLEY: Sir, the hon. Member has raised a number of points. He is very well aware that there are facts which are going to be disclosed in the General Budget. I would only request my friend to wait for another 48 hours when the Government makes its fiscal deficit projections clear during that presentation. I would like to, not join issue but substantially agree, with him on one point. He is right when he says that fiscal prudence is required. If our fiscal deficit goes out of control, all that it means is, we are borrowing more and more in order to finance the current expenditure. So, if we are borrowing more in order to finance the current expenditure, we are spending beyond our means. If we are spending beyond our means, we are going to leave behind a legacy of debt, as far as the present policy makers from all States in this House are

concerned. Therefore, fiscal deficit has to be maintained at an acceptable level. And, the current acceptable level, which is by the FRBM Act, is that you have to move towards three per cent. Currently, the States are doing better than the Centre. Their fiscal deficit is a little less, collectively; for some States it has gone out of control. But all that I would like to say is that I would personally have been happier if the containment of fiscal deficit takes place by expansion of the economy, by greater tax buoyancy, by greater tax collection, rather than by contracting expenditure. Therefore, you can control fiscal deficit by either collecting more revenues or by spending less. When you spend less, you also tend to contract the expenditure and the economy. Therefore, we will have to have a judicious mix of expenditure as well as revenue collections. But, at the same time, we would always try to balance it, except under extreme circumstances, just as when the 2008-09 global slowdown took place when we had to put fiscal deficit behind us and come out with an economic stimulus. These are circumstances where the fiscal deficit itself will rise.

SHRI SUKHENDU SEKHAR ROY: Sir, in the context of the reply given by the Minister stating *inter alia* that the Government has taken various measures for rationalization of expenditure, my question is whether as a part of measures taken by the Government to reduce fiscal deficit the Government has also resorted to deferring the income tax refund for years together, as otherwise, why have payment of Income Tax refund become alarmingly irregular?

SHRI ARUN JAITLEY: Sir, what the hon. Member is mentioning is an issue which has been legitimately raised by several people — whether deferment of refunds itself is one of the factors which is taken into account while maintaining a particular figure. Now, without going into the details of that purpose, we are trying to ensure that those who are supposed to pay tax must pay tax and those who are entitled to refunds must get refunds. Otherwise, a fair tax system in the country cannot function. My learned friend has asked whether refunds are there. Certainly, there are refunds which are due. Particularly, under the TDS system, round the year people are entitled to refunds. Therefore, we are looking into that question and the process of refunding, whatever is due to the tax payer, is also being taken into consideration.

SHRI SUKHENDU SEKHAR ROY: Sir, my question was altogether different. I had categorically asked whether the deferment of Income Tax refunds relates to containing fiscal deficit or not. That was my question. That was my question.

SHRI ARUN JAITLEY: At any given point of time, there would be refunds due and, therefore, those refunds due at that time will not be taken into consideration. What is available with the Government will be taken into consideration while calculating the fiscal deficit.