

educational loan scheme and the implementing banks may vary their products as may be required.

In addition an interest subsidy scheme on such loans is in place. Under the scheme full interest subsidy is available for educational loans disbursed on or after 1st April, 2009, during the period of moratorium for the students belonging to economically weaker sections *i.e.* whose parental income from all sources does not exceed ₹ 4.50 lakh per annum. The moratorium period is course period plus one year.

Government of India has launched a Credit Guarantee Fund Scheme for Education Loans (CGFSEL) wherein collateral free and third party guarantee free loan is given upto ₹ 7.5 lakh.

#### **Constitution of Monetary Policy Committee**

2608. SHRI AJAY SANCHETI: Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to constitute a Monetary Policy Committee;
- (b) if so, composition of the Committee and the details of the work assigned to the Committee; and
- (c) whether the Committee will replace the existing system where the RBI is the sole authority on regulating the interest rates and if so, reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) to (c) The Government, in consultation with the Reserve Bank of India (RBI), is in the process of formulating suitable amendments to the Reserve Bank of India Act, 1934 to provide for a Monetary Policy Committee (MPC). Composition and other details are being finalized.

#### **Reasons for fiscal deficits**

2609. DR. BHALCHANDRAMUNGEKAR: Will the Minister of FINANCE be pleased to state:

- (a) what was the fiscal deficit during the first six months of the financial years 2012-13, 2013-14 and 2014-15;
- (b) what were three most important reasons for fiscal deficits during the aforementioned period; and
- (c) what shall be the likely scenario in this regard during the year 2015-16?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) Details of expenditure, receipts (excluding borrowings) and fiscal deficit during the first six months (April-September) of the financial years 2012-13, 2013-14 and 2014-15 are as below:

F.Y.	Total expenditure		Total receipts (excluding borrowings)		Fiscal deficit	
	₹ in crore	% of BE	₹ in crore	% of BE	₹ in crore	% of BE
2012-13	6,94,019	46.5	3,57,115	36.5	3,36,904	65.6
2013-14	8,09,050	48.6	3,96,962	35.4	4,12,088	76.0
2014-15	8,62,053	48.0	4,23,227	33.5	4,38,826	82.6

Source: Controller General of Accounts

As seen from table above, during the first six months (April-September) of the financial years 2012-13, 2013-14 and 2014-15, total expenditure was 46.5%, 48.6% and 48.0% of Budget Estimates (BE) for the year respectively and total receipts (excluding borrowings) were 36.5%, 35.4% and 33.5% of BE for the year respectively. Thus, receipts were sufficient to cover only 51.5%, 49.1% and 49.1% of expenditure during first six months of the financial years 2012-13, 2013-14 and 2014-15 respectively leaving the fiscal deficit of ₹ 3,36,904 crore, ₹ 4,12,088 crore and ₹ 4,38,826 crore at the end of second quarter (April-September) of the financial years 2012-13, 2013-14 and 2014-15 respectively.

(c) Details of expenditure, receipts (excluding borrowings) and fiscal deficit during the first six months (April-September) of the financial year 2015-16 are as below:

F.Y.	Total expenditure		Total receipts (excluding borrowings)		Fiscal deficit	
	₹ in crore	% of BE	₹ in crore	% of BE	₹ in crore	% of BE
2015-16	9,10,545	51.2	5,31,982	43.5	3,78,563	68.1

Source: Controller General of Accounts

As seen from table above, during the first six months (April-September) of the financial year 2015-16, total expenditure was 51.2% of Budget Estimates (BE) and total receipts (excluding borrowings) were 43.5% of BE for the year. Thus, receipts were sufficient to cover only 58.4% of expenditure leaving the fiscal deficit of ₹ 3,78,563 crore.