

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:787
ANSWERED ON:25.07.2003
BUDGET ESTIMATES
RAGHUNATH JHA

Will the Minister of FINANCE be pleased to state:

- (a) Whether the presentation of budget estimates is not in consonance to the actual collections but on optimistic projections as has been brought out by the C & AG in its Report No. 10 of 2003 (Indirect Taxes-Customs);
- (b) If so, the reasons for making optimistic projections;
- (c) the steps taken to present realistic budget?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a)&(b): Budget Estimates are made on the basis of certain assumptions which appear plausible at the time of formulation of the budget. These assumptions, like projected growth in the manufacturing sector, export import trade, exchange rate changes and market forces of supply and demand etc. may fluctuate. This may result in actual collection of revenue varying from the budget estimates.

(c) Various factors affecting the economy cannot be predicted with great degree of accuracy. Efforts are, however, made to make the assumption as realistic as possible.