

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 2645
TO BE ANSWERED ON TUESDAY, THE 12th AUGUST, 2025
SRAVANA 21, 1947 (SAKA)

SETTING UP AN INDEPENDENT FISCAL INSTITUTION TO MONITOR FISCAL DISCIPLINE

2645. SHRI SANDEEP KUMAR PATHAK:

Will the Minister of FINANCE be pleased to state:

- a) whether the Fourteenth Finance Commission recommended the establishment of an independent financial council to monitor fiscal discipline, evaluate budgetary estimates and analyze deviations, the details of the progress made regarding the recommendation;
- b) the details of impact of the absence of an autonomous institution on long-term debt sustainability and transparency of budgetary estimates;
- c) whether any legislative or executive action has been taken in this direction, if so, the details thereof and if not, the reasons therefor; and
- d) whether any proposed time-frame has been set for the establishment of this institution, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): No sir. However, the 14th Finance Commission recommended the establishment of an independent fiscal council (not financial council). In the Explanatory Memorandum as to the Action taken on the recommendations made by the 14th Finance Commission, placed in Parliament on 24th February 2015, the Union Government had not specifically accepted the said recommendation.

(b): The necessary institutional arrangements already exist in the form of Public Accounts Committee, Estimates Committee, Finance Commission, Comptroller and Auditor General of India, etc. to monitor and review the matters relating to overall fiscal management including debt sustainability and transparency of budgetary estimates.

(c) & (d): In light of above, it doesn't arise.
