

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA**

**UNSTARRED QUESTION NO. 587  
TO BE ANSWERED ON MONDAY 6<sup>th</sup> FEBRUARY, 2023  
[MAGHA 17, 1944 (Saka)]**

**'Devolution of Revenues and Control of Inflation'**

**No.587 Shri Kanumuru Raghu Rama Krishna Raju:**

Will the Minister of Finance be pleased to state:

- (a) Whether the Government has taken note of the reported complaints by some States that under the devolution of taxable revenues, they get unfair share of revenues compared to what they contribute to the economy of the country and if so, the details thereof and the reaction of the Government thereto;
- (b) Whether the Government has evaluated the approach taken by State Governments to control inflation in their respective States and if so, the details and the outcomes thereof; and
- (c) The corrective steps taken by the Government to rein the inflation in the country?

**ANSWER**

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

- (a) : The Central Government transfers resources to States under Finance Commission Transfers (including devolution from the divisible pool of Central taxes and duties) and other Grants-in-Aid including Centrally Sponsored Schemes, Central Sector Schemes etc., as per the allocations provided in the Union Budget. Net Proceeds of Central Taxes including Central Goods and Service Tax, are devolved to States on monthly basis, as per recommendations of Finance Commission accepted by the Government of India. Such net proceeds are ascertained and certified by the Comptroller and Auditor General of India, in terms of Article 279 of the Constitution of India.
- (b) & (c): Price situation of major essential commodities in the country is periodically monitored and corrective action is taken as may be necessary. These include supply side measures such as reduction in excise duty on petrol and diesel (May 21, 2022), prohibition of export of wheat products, imposition of export duty on rice, etc. These measures are aimed at managing inflation across the country.

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