

Government of India
Ministry of Finance
Department of Expenditure

**LOK SABHA
UNSTARRED QUESTION NO.2255**

**TO BE ANSWERED ON MONDAY, THE 2nd DECEMBER, 2019
Agrahayana 11, 1941 (Saka)**

FREE AND POPULAR SCHEMES

2255. SHRI ARJUN SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) the details of steps being taken by the Government to restrict the State Governments from announcing free and popular schemes to mislead people during election despite being debt-ridden themselves;
- (b) whether the Government proposes to enact any law to check the debt-ridden State Governments from announcing such schemes; and
- (c) if so, the details thereof along with the time by which it is likely to be enacted?

ANSWER

MINISTER OF STATE FOR FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) to (c): As enshrined in Article 1 of the Constitution, India is a Union of States. The Constitution defines the powers and duties of the State Governments including powers to legislate in terms of the Seventh (7th) Schedule to the Constitution. States implement schemes taking into account development needs and resource availability.

States fund the schemes, inter-alia, through taxes, allocation of taxes as recommended by the Finance Commission in terms of Article 280 of the Constitution and borrowings subject to conditions stipulated under Article 293 of the Constitution. Fiscal Responsibility and Budget Management (FRBM) legislation lays roadmap to institutionalize financial discipline, reduce fiscal deficit, improve macro-economic management and strengthen fiscal prudence in states.