

**Seventeenth Loksabha**

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Title : Regarding implementation of the Fiscal Responsibility and Budget Management Act

Shri Raghu Rama Krishna Raju (NARSAPURAM): Hon. Chairperson, the Fiscal Responsibility and Budget Management Act was enacted in 2003 with the aim to establish financial discipline, improve the administration of public finances, strengthen fiscal prudence and reduce the revenue deficit thereby to maintain a sustainable economic growth in the country. During the last two decades, it has been subjected to many amendments by the State Governments to borrow more funds to meet the expenditure of their States which resulted into a larger revenue deficit contrary to the objective of FRBM Act. Some State Governments are resorting to using it as a tool to increase their borrowings by showing fictitious Corporations that have no income of their own where the repayments were being paid by the Government. Due to such irresponsible and indiscipline borrowings of the State Governments, the main objective of the FRBM Act is being defeated and revenue deficit of the States is increasing instead of reduction. In view of the above, through this august House, I request the hon. Prime Minister and the hon. Minister of Finance to embark on taking immediate corrective steps before it goes out of hands and save the economy of the States.