

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2662  
ANSWERED ON:19.12.2003  
FISCAL RESPONSIBILITY LAW  
TRILOCHAN KANUNGO

**Will the Minister of FINANCE be pleased to state:**

- (a) the names of States which have enacted fiscal Responsibility Law and implemented along with the date from which they have implemented;
- (b) the name of State which have fixed target to achieve zero-revenue-deficit along with the achievements made by them so far;
- (c) whether any sustainable limit for Gross State Domestic Product and revenue deficit ratio has been fixed for State Government;
- (d) if so, the details thereof;
- (e) whether the Government aware of the deficiencies in concept and measurement of State Domestic Products;
- (f) if so, the details thereof; and
- (g) the steps taken to correct the deficiencies?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

(a) According to information available with this Ministry, the following states have enacted Fiscal Responsibility Legislation: (i) Karnataka (w.e.f September 28, 2003) (ii) Punjab (w.e.f. May 5, 2003) (iii) Tamil Nadu (w.e.f. May 19, 2003) (iv) Kerala (w.e.f. September 17, 2003).

(b) The State-wise details on targets of revenue deficit are:

Item/State	Karnataka	Kerala	Tamil Nadu	Punjab
Revenue Deficit	Nil by 2006	Nil by 2007	Ratio of revenue deficit to revenue receipts below 5 per cent by 2007	Reduce revenue deficit to revenue receipts by at least 5 percentage points until revenue balance is achieved.

(c) and (d) Under the States` Fiscal Reforms Facility (2001-01 to 2004-05), the States have been urged to improve their revenue deficit as percentage of total revenue receipt by 5 percentage points annually starting from 2000-01 over 1999-2000. For special category States the targeted improvement has been modified to 2 percentage points prospective from 2002-03.

(e) to (g) Government follows the recommendations of expert groups constituted from time to time for the measurement of State Domestic Product. The income originating approach has been adopted for estimating the State Domestic Product, in accordance with the recommendations of the Regional Accounts Committee.