NIPFP Working Paper Series

Fiscal Transparency and Budgetary Processes in India: Issues before the 16th Finance Commission

No. 424
06-March-2025

Sri Hari Nayudu A. and Lekha Chakraborty

National Institute of Public Finance and Policy
New Delhi

Fiscal Transparency and Budgetary Processes in India: Issues before the 16th Finance Commission

Sri Hari Nayudu A. and Lekha Chakraborty[1]

Abstract

Against the backdrop of Public Finance Management (PFM) reforms, we analyse the issues related to budgetary processes and fiscal transparency issues in India, at the national and subnational levels of government in India. The fiscal codes are built on the premise that fiscal transparency is crucial for financial stability, and the information asymmetries are a significant cause of financial-fiscal failures. The study identified various data gaps in the budgetary preparation and dissemination processes, and the need for the revised fiscal rules, and a comprehensive accounting and reporting processes. These inferences have policy implications for the recently constituted 16th Finance Commission. We suggest that constituting a Fiscal Council can improve fiscal transparency, efficiency and consistency.

JEL: M4, E6, E62, H50, H61, H70, H71, H72, H76
Keywords: Budget Systems, Fiscal Transparency, public expenditure management, fiscal rules.

[1] Economist and Professor respectively at National Institute of Public Finance and Policy (NIPFP), New Delhi. The earlier version of the paper was presented at the two-day national seminar on the "16th Finance Commission and Cooperative Federalism in India: Issues, Challenges, and Concerns", organized by the Public Policy Research Institute, Thiruvananthapuram, Kerala (22-23 Oct, 2024). The views are the personal. Email: sriharinaidua@gmail.com.

Fiscal Transparency and Budgetary Processes in India: Issues before the 16th Finance Commission

1. Introduction

Fiscal transparency refers to the information available to the public about the government's fiscal policy making process, which in turn depends on the clarity, reliability, frequency, timeliness, and relevance of public fiscal reporting and the openness of such information (IMF, 2018). The origins of fiscal transparency debates in India dates back to 1998, when India became a signatory to adhere to the IMF set of fiscal codes (IMF's Codes of Good Practises), ex-post to the East Asian financial crisis of 1997.

The IMF fiscal codes – based on the Report on Standards and Codes (IMF-ROSC 1997) - are built on the premise that fiscal transparency is crucial for financial stability and the information asymmetries are a significant cause of financial-fiscal failure. Subsequently, the RBI set up an Advisory Group in 2001 to evaluate the adherence of India to the fiscal codes. Rajaraman (2001) noted that the "Group was advantageously positioned in terms of its membership, which included senior members with experience of government at all levels, to ferret out examples where there is de jure compliance, but none de facto".

According to the RBI (2001), "(f)iscal transparency is important because fiscal soundness is one of the core requirements for financial stability and transparency is needed for markets to be able to assess fiscal soundness accurately." The RBI has used the IMF revised *'Code of Good Practices on Fiscal Transparency'* in 2001 as the benchmark to evaluate the degree of fiscal transparency in India. The IMF fiscal code for fiscal transparency was based on the following four principles: (i) clarity of roles and responsibilities within government and between government and the rest of the economy, (ii) public availability of information on fiscal outcomes. (iii) open and transparent budget preparation, execution and reporting, and (iv) assurances of integrity, including those relating to the quality of fiscal data and the need for independent scrutiny of fiscal information (RBI, 2001).

India received a good score on fiscal codes of transparency in 2001 as fiscal rules was freshly announced then with a legal backing, viz., the Fiscal Legislative Act, 2001. This fiscal rules stipulated that the threshold ratios of fiscal deficit to GDP as 3 percent and to phase out the revenue deficit. However the fiscal transparency related to revenue and expenditure though constitutionally envisioned, the Schedule 7 of Indian Constitution where the fiscal federal issues are aligned became a matter of debate against the backdrop of the mandates of the Union Finance Commissions. Over the years, the fiscal codes of transparency have thus started examining the fiscal federal issues, focussing the fiscal transparency codes relate to intergovernmental fiscal mechanisms including the Finance Commissions, as well as the State and local governments. However, the fiscal codes relate to the local governments are still in the process of evolution.

The fiscal codes on transparency relate to intergovernmental fiscal transfers is a matter of urgent concern. The Finance Commissions are constituted every five years to decide on the magnitude and criteria of tax transfers, however the fiscal transparency codes relate to the way in which the tax transfer formula is designed is completely opaque to the public; and the processes of choice of variables to decide the formula are confined within the Finance Commission. However, as the recommendations of the Finance Commissions so far remained "conclusive" as those recommendations have been accepted without any amendment by the Union government.

The Finance Commissions have recommended policy suggestions for improving the State level fiscal transparency in budgetary processes and debt-deficit dynamics. However, the fiscal transparency within the Finance Commission as an institution remained a matter of concern. Recently, the 16th Finance Commission chair Professor Arvind Panagariya has highlighted the issues related to the consistency in data building and maintaining such database across various Finance Commissions. He highlighted the significance of fiscal transparency and the need to formulate a data portal for Finance Commission[2]. This suggestion is welcome. Rajaraman (2001) also noted that "(n)othing is said about the transparency of functioning of the Finance Commissions themselves. Alterations of tax-sharing formulae from one commission to the next are rarely justified, or predicated on research findings on the efficiency and equity outcomes of fiscal transfers from centre to states, which include more than just the statutory transfers prescribed by the finance commissions". She further noted that "even the database assembled every five years at national expense is withheld from the public domain. The best-kept fiscal secret is how much each finance commission costs the country, aggregating across establishment expenditures by the centre, and expenditures by state governments". She cited Cashin and Sahay (1996) and Rao and Singh (2000) and highlighted the need to have transparent deliberations about the equity versus efficiency principles of the Finance Commissions.

In 2018, India has amended the fiscal rules by phasing out of revenue deficit, and the clauses related to these amendments were included in the Finance Bill, 2018. The IMF (2019) Article IV consultation report recommended to conduct a Fiscal Transparency Evaluation based on the IMF's Fiscal Transparency Code, where a key deliverable was the data building on "Public Sector Borrowing Requirement" (PSBR) as it was important to maintain a public sector balance sheet which identifies and consolidates all public assets and liabilities of a country. However the construction of time series data on PSBR is still on anvil due to data constraints. Over the years, the fiscal transparency issues relate to off budget liabilities across countries including India became a serious concern. In the post pandemic fiscal space, the issue of "hidden debt" has become a matter of serious concern,

[2] https://www.business-standard.com/economy/news/16th-fc-chair-panagariya-calls-for-permanent-data-portal-for-continuity-124062900414_1.html ; https://www.thehindu.com/business/Economy/panagariya-seeks-a-home-for-finance-commissions-data/article68348604.ece ; https://www.financialexpress.com/policy/economy-build-data-portal-for-finance-commission-says-panagariya-3539153/

and the IMF reported that globally the off-budget liabilities mounted to one trillion US dollars (Vasquez, 2024).

Against this backdrop, the present paper makes an attempt to unpack these debates, highlighting the data gaps and issues in the budgetary process of the Union and the State governments and their implications for fiscal transparency and openness. The study is organised into six sections. Section two presents an overview of fiscal transparency literature. Section three analyses the Government Financial Management in India and changes in the budgetary process over the years. Section four examines views of the various Finance Commission reports. Section five analyse the issues in Public Financial Management in India and agenda for reforms in the coming years to improve fiscal transparency in Union budgets, State Budgets. Section six presents policy suggestions and conclusions.

2. Fiscal Transparency: An Overview

Fiscal transparency is defined as the openness towards the public at large about government structure, functions, fiscal, public sector accounts and projections, as per the Global Initiative of Fiscal Transparency (GIFT's) High-level transparency principles (GIFT, 2018). The capital mobility, globalisation and sovereign debt crisis episodes in various countries created a case for higher fiscal transparency to avoid future crisis. Fiscal transparency initiatives are generally part of the larger Public Financial Management (PFM). Fiscal transparency is paramount due to the strong perception that information asymmetries are an important cause of financial market failures, which in turn lead to crises (RBI, 2001).

Fiscal transparency in government operations involves ready access to reliable, comprehensive, timely, understandable, and internationally comparable information on government activities so that the electorate and financial markets can accurately assess the government's financial position and the true costs and benefits of government activities, including their present and future economic and social implications (Kopits and Craig 1998).

Ideally, the objective of fiscal policy should be to achieve high standards on three counts: fiscal soundness, efficiency and transparency. The soundness of fiscal management relates to the macro-economic issue of the fiscal balance which is an essential pre-condition for stability. The efficiency of fiscal policy instruments relates to the micro-economic issues of the efficiency of expenditure programme in achieving their objectives and the efficiency of tax policies in raising revenues with minimum economic distortion. When fiscal transparency is combined with public participation, we get fiscal openness (GIFT, 2018).

The public financial management revolves around the norms, laws and provisions in the constitution. Indian constitution contains various provisions on fiscal transparency including the elements related to the budget (budget preparation and maintenance of accounts), parliamentary control (PAC) and external scrutiny (CAG audit). The principles of financial management applies to all levels of government in India. Public financial management is very complex in India as it falls under different entities and different legal provisions. Various committees are appointed from time to time to reform public financial management (PFM) in India (Table 1).

Table 1: Public Financial Management Legal and Institutional setup in India

Articles	Constitutional Provisions
Article-245/246	Clear demarcation of powers by the Constitution (Between Union and State)
Article-148	Uniform accounting standards and rules between Union and States
Article-112	Clear rules on the Annual Financial Statement
Article-114	Public Money is scrutinized at every stage (Budget, Demand for grants, Appropriation)
Article-148	Audit by C&AG on Appropriation Accounts
Article-105/118	The Reports of C&AG are again examined by Parliamentary Committees (Public Accounts Committee, etc)
Year	**Law/Acts**
1961	The allocation of Business Rules (1961)
1978	Delegation of Financial Power Rules (DFPRs), 1978
1983	Receipt and Payment (R&P) Rules, 1983,
1990	Government Accounting Rules, 1990 (GAR)
2003	Fiscal Rules (FRBM)
2017	General Financial Rules (GFR, 2017)
1964	The Central Vigilance Commission (CVC)
2005	The Central Information Commission (CIC)

Source: Authors' compilations

2.1: The IMF's Fiscal Transparency Code

The IMF's Fiscal Transparency Code is the international standard for disclosure of information about public finances. The Code comprises a set of principles built around four pillars, fiscal reporting, fiscal forecasting and budgeting, fiscal risk analysis and management and resource revenue management (IMF, 2018). Fiscal Transparency Evaluation (FTEs) are carried out at the request of the respective countries. IMF (2019) proposed that the government should requests the IMF's Fiscal Affairs Department to conduct a Fiscal Transparency Evaluation based on the IMF's Fiscal Transparency Code.

The IMF Report on Standards and Codes (ROSC) (2001) says that India has achieved a reasonably high level of fiscal transparency, especially as regards the amount of fiscal information that is made available to the public. The passing of fiscal policy legislation currently before parliament would result in the publication of statements that address the current lack of background information and analysis in connection with the central government budget (IMF, 2001). However, the IMF (2001) cautioned that there would still be need to pay more attention to reporting on general government finances, to providing information on contingent liabilities and quasi-fiscal activities, and to the analysis of fiscal risks.

The IMF Report (2019) highlighted the need for enhanced fiscal transparency in India. The report argued that "the government invest in processes and systems which support sounder fiscal reporting in the context of fiscal federalism. This includes establishing clear obligations for States to report fiscal data to the Union regularly, according to a shared calendar set by the centre, and possibly setting financial incentives for states to report on a timely basis; fully aligning the Chart of Accounts across all tiers of government to facilitate the consolidation of information at the central level; further integrating central and state-level IT financial management systems to facilitate timely data exchanges".

2.2: The International Budget Partnership-The Open Budget Survey (IBP-OBS)

The Open Budget Survey is the independent assessment of national budget transparency. Around 125 countries are ranked based on structured survey. The survey uses 109 equally weighted indicators and scores each country on a scale of 0 to 100. A transparency score of 61 or above indicates a country is likely publishing enough material and fiscally transparent on the budget. Both the IMF code and IBP Survey does not include subnational levels of governments.

The International Budget Partnership (IBP) has published the Open Budget Survey (OBS) every two years since 2006 (Table 2). The IBP Index gave moderate score for Indian Fiscal transparency in their recent assessments.

Table 2: India and some top countries' Score and Rank in the IBP-OBS

Country	2006	2008	2010	2012	2015	2017	2019	2021	2023
				Score					
New Zealand	86	86	90	93	88	89	87	85	87
South Africa	86	87	92	90	86	89	87	86	83
Georgia	34	53	55	55	66	82	81	87	87
Mexico	50	55	52	61	66	79	82	82	80
Sweden	76	78	83	84	87	87	86	85	85
India	53	60	67	68	46	48	49	37	51
					Rank				
Country	2006	2008	2010	2012	2015	2017	2019	2021	2023
New Zealand	3	4	2	1	1	1	1	4	2
South Africa	4	2	1	2	3	2	2	2	4
Georgia	42	30	34	33	16	5	5	1	1
Mexico	23	27	38	23	17	6	4	5	6
Sweden	8	7	6	4	2	3	3	3	3
India	17	20	14	14	53	53	53	78	54
Total Countries	59	85	94	100	102	115	117	120	126

Source: International Budget Partnership - Open Budget Survey (various years).

3. Government Financial Management in India and Fiscal Transparency

The IMF (2001) noted that India would still be need to pay more attention to reporting on general government finances, to providing information on contingent liabilities and quasi-fiscal activities, and to the analysis of fiscal risks. However, the literature on fiscal transparency in India is very scarce. This is mostly debated in the policy documents, committee and commission reports. Rajaraman (2001) argued that the India's response to IMF ROSA assessment is not complete and suggested various policy measures to improve fiscal transparency. Reddy (2008) mentioned that without incorporating transparent budget management rules and medium term fiscal framework, the objective of fiscal responsibility would not be achieved. Even though multiple reforms have been undertaken in India over the years, they have largely been piecemeal and driven by the need to incorporate developments in Information and Communications Technology (ICT) (such as the Integrated Financial Management Information System (James et al 2022).

The performance audit by the Comptroller and Auditor General of India has brought transparency in Government audit and accounting process (Kapila 2008). Rakshit (2005) has attempted to examine some analytics and empirics of fiscal restructuring in India. The study argued for the performance budgeting and improvement in transparency including elimination of all hidden subsidies. Iyar (2023) pointed out that lack of uniform accounting codes, limited data standards, and standalone systems across different tiers of governments have led to issues related to data comparability, data aggregation, and misclassification of data in India. The study developed as a framework called Digitalization for Public Expenditure Accountability and Transparency, (or d4PEAT).

3.1: Fiscal Rules: Fiscal Responsibility and Budget Management

In the recent times, there are many important reforms taken place in the budgeting system of India. Some of the reforms include, adoption of fiscal rules in 2003, abolition of five-year development planning process along with the Planning Commission in 2014 (Jena 2019), the modernization of budgetary institutions and computerization of treasury management across the country. These reforms enhanced the transparency by making available data and information in a timely manner and reduced irregularities (Jena 2019).

FRBM Act (2004) says "An Act to provide for the responsibility of the Central Government to ensure inter- generational equity in fiscal management and long-term macro-economic stability by removing fiscal impediments in the effective conduct of monetary policy and prudential debt management consistent with fiscal sustainability through limits on the Central Government borrowings, debt and deficits, greater transparency in fiscal operations of the Central Government and conducting fiscal policy in a medium-term framework and for matters connected therewith or incidental thereto". But, on the other hand, 15th Finance Commission observed that "Medium-Term Expenditure Framework and Fiscal Risk Statement are not published by the Union or States".

The Modified Cash Management System was introduced with features like monthly and quarterly expenditure plan to regulate the spending pattern and to obtain evenness in the budgeted expenditure within the financial year (Ghosh and Jena, 2008). The study found that It helped in reducing rush of expenditure during the end of the financial year and unspent balance. The UBIS system of the Government of India is implemented from budget 2018-19.

4. How is fiscal transparency relevant to 16th Finance Commission?

Most of the budgetary processes which we are implemented are more or less proposed or suggested by the different Finance Commissions. Hence, this is significant for the Finance Commission to pay attention to the budgetary processes and propose reforms in the budgetary processes. The previous finance commissions have emphasised the need for enhanced fiscal transparency. The Table 3 compiles the perspectives of various Finance Commissions – 11th to 14th Finance Commissions – on the fiscal transparency and the budgetary processes.

Table 3: Analysing Finance Commission Perspectives on Fiscal Transparency

11th FC	Development of a strong database on public finances is very necessary at the State level. This may start with the recasting of budget documents on the lines of the Central budgets. Separate books on Expenditure Budgets and Receipts Budgets which give volume of information on employment, expenditure on salaries and allowances, subsidies, budgetary_support to public sector enterprises, aided institutions, besides a time series on the actuals of the past ten years. The budget documents of the States need to be modelled on these lines so that information on these points is available in the budget documents itself. (Chapter 12 pp 109).
12th FC	Institutional Changes and Reforms Accounting Procedure: Recommendation of Twelfth Finance Commission relating to inclusion of eight additional statements in the Union Government Accounts for greater transparency, has not been acted upon, despite in-principle acceptance of the recommendation by the Government (Chapter 14).
13th FC	Transparency in government accounts improves the feedback loop, reflects the fiscal impact of all policy initiatives and enhances accountability, thus ensuring greater productivity. (ii) Proposed Consolidated Fiscal Roadmap to improve better governance at all levels of government through increased transparency and accountability. (iii) Independent review of implementation of the respective FRBMAs is proposed to improve the credibility and transparency of actions taken by the State Governments for implementation of fiscal responsibility legislation (Chapter 9 pp 137).
14th FC	Public Expenditure Management Budgeting and Accounting Systems: We note that budget documents, periodic information on public finances and annual accounts are placed in the Parliament and State Legislatures, as well as in the public domain. The FRBM Act and FRBM Rules, and similar initiatives by

	the States, have also enhanced fiscal transparency. However, it is important to assess whether the budget and accounts are credible, predictable, comprehensive and transparent. The challenge is to reconcile the objective of comprehensiveness with the need to reduce the voluminous information in these documents in order to make them informative and easily understood by the general public. We reiterate the importance of prompt and effective follow-up on the observations of the C&AG while preparing accounts, and adherence to the timeline prescribed for the laying of accounts before the Parliament and State Legislatures. (para 17.15, Chapter 17).

Source: Authors' Compilation from 10th-14th FC Reports.

4.1: The Fifteenth Finance Commission and the fiscal transparency

The Fifteenth Finance Commission (2020) in its report identified four overarching objectives of PFM, namely aggregate fiscal discipline, strategic budgeting and planning, operational efficiency, and accountability and transparency:

1. Under the aggregate fiscal discipline objective, it highlighted the need for adequate and consistent fiscal coverage and reporting, and accurate macroeconomic and fiscal forecasting;
2. Under the strategic budgeting and planning objective, it recommended moving towards performance orientation of budgets;
3. Under the operational efficiency objective, it recommended strengthening cash management practices; and
4. Under accountability and transparency, it noted the importance of timely public information being widely available.

4.2: The Case for an Independent Fiscal Council

Establishing independent review bodies like Fiscal Council is another key reform development prescribed to help governments in implementing the fiscal rules and improve accountability (Debrun et al., 2013). Independent review of fiscal policy can be a potential instrument to bring in efficiency to public spending and credibility. In this context establishing fiscal council is advocated with key functions like advising on fiscal policies and plans and auditing fiscal plans and performance (Hemming and Joyce, 2013).

The research shows that independent fiscal council tends to boost accuracy of fiscal projections even as it helps countries stick to fiscal rules better (Beetsma et al., 2018). In India the 13th, 14th and 15th Finance Commissions advocated for establishing independent fiscal agencies to review the government's adherence to fiscal rules, and to provide independent assessments of budget proposals. Following these recommendations expert bodies also have suggested creating independent fiscal councils. Improving fiscal transparency helps budget credibility and reliability by providing accessibility and information regarding budget execution and improving the quality of macroeconomic assumptions relating to budget making (Starr, 2015).

The N.K. Singh committee (2017) on the review of fiscal rules suggested the creation of an independent fiscal council that would provide forecasts and advise the government on whether conditions exist for deviation from the mandated fiscal rules. In 2018, the D.K. Srivastava committee suggested the establishment of a fiscal council that could co-ordinate with all levels of government to provide harmonized fiscal statistics and provide an annual assessment of overall public sector borrowing requirements.

While some of the state governments adhered to the recommendation of the 13th Finance Commission and entrusted review of their compliance to the fiscal rules to independent agencies, the central government entrusted this responsibility to the Comptroller and Auditor General (CAG) of India, the Supreme Audit Authority. Thus, the creation of a fiscal council has not been done. The CAG report on working of the fiscal rules has pointed out several anomalies over the implementation of rules and the extent of deficits a provided by the government (GoI, 2016; 2018). The end of the year audit reports of central government by the CAG, also points out to irregularities in the data and information every year.

The 15th FC mentioned that it is important that all committed expenditures and developmental expenditures are met from the augmented borrowing space recommended for the Union and the State Governments, without resort to off-budget or any non-transparent means of financing for any expenditures (para 12.75, 15th FC Report).

The FRBM Review committee (2017) and the 15th Finance commission advocated for the creation of "independent fiscal council" and argued that fiscal councils can improve fiscal outcomes, forecast accuracy and transparency. The Charter for Budget Responsibility ("the Charter") and The Office for Budget Responsibility (OBR) (2010) scrutinises the government's approach to operating fiscal policy, commitment to managing fiscal policy in accordance with clear objectives and its fiscal mandate[3]. These improve transparency, manage sustainable public finances in the long-term interests of the UK. The OBR also provide realistic fiscal forecasting and uphold Budget Responsibility and National Audit Act 2011.

5. Public Financial Management (PFM) and fiscal transparency

Fiscal operation of the government revolves around the "budget cycle". The stages in budget cycle includes budget preparation, execution, monitoring, control, preparation of accounts and audit.

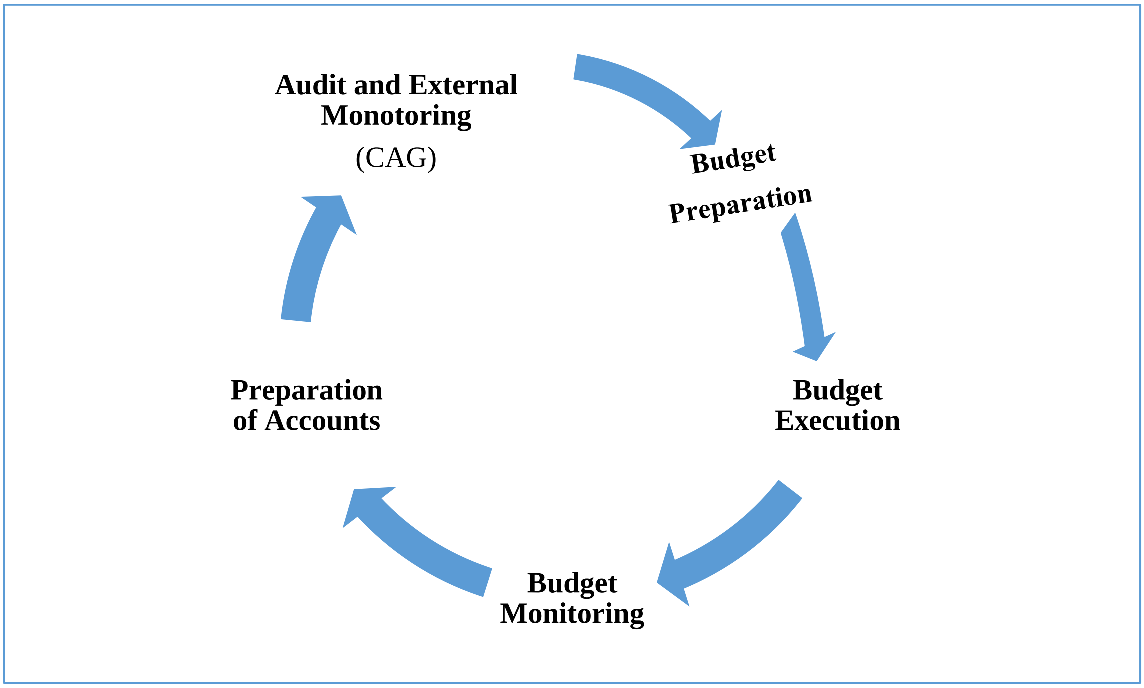
5.1: The Budget Cycle

The general budget cycle of the state is shown in the below figure. Even though these different stages appear to be independent, they feeds into another, act as forward

[3]Source:https://assets.publishing.service.gov.uk/media/61d55fedd3bf7f1f7036fb82/Charter_for_Budget_Responsibility_FINAL.pdf

and backward linkages and sometimes overlap. The effective budget execution is conditional upon the effective budget preparation. On the other hand, realistic budget preparation is possible when budget estimates are prepared well and data is fully available for previous years.

Figure 1: The Budget Cycle of the Governments



Source: Authors' illustration based on the budget.

In India, the state government's role is as important as Union government, as they are share 60 to 65 percent expenditure responsibilities. In Indian context, fiscal transparency discussion cannot be limited to Union government level as the states paly an equal role. The budget rules to Union and state government budgets are same except for some modifications and alterations at the state level. The study primarily used 2018-19, 2020-21 and 2022-23 Union and state budgets for the analysis.

5.1 The Budget Calendar

The budget preparation in India is guided by a budget calendar, which is generally indicated in the budget circular issued by the Ministry of Finance for the year (Jena, 2010). There will be Budget Manuals to follow in preparation of Budget estimates. Many states adopted IT enabled services to collect and process inter-departmental budget estimates. In the preparation of budget, the government collects mammoth of data from across the ministries and process it to arrive at final figures.

In India the financial year starts from April 1st to March 31st. Recently, Shankar Acharya committee (2016) submitted its report on this aspect and recommended to continue the same. The Union government budget date is almost fixed now but the state government's budget dates are not fixed. The states can fix a date either collectively or individually for annual budget presentation to enhance the budget process.

The IMF (2001) observed that "however, because states are dependent on budget transfers from central government and their budgets have to reflect plan expenditure, state budgets are typically finalized after the central government budget, and budgets for some states are not available before the fiscal year begins. It is usually three months into the fiscal year before budgets for all states are finalized". The OECD guidelines also indicate that "the draft budget should be presented no less than three months before the start of the relevant fiscal year, with the budget being approved before the fiscal year begins". The Andhra Pradesh has presented the budget on 16th June 2020-21, which is after almost two and half months past the financial year start. Leaving some states where they have presented interim budget due to state elections (e.g. Karnataka in 2023-24), most of the states are presenting the budget in March, which is just couple of weeks before the start of the new financial year. In 2023-24, Sikkim and Tripura presented the budget after the start of the financial year.

Table 3: The Budget Calendar by the State Governments

Month	2020-21	2021-22	2023-24
Feb	14	8	11
Mar	13	18	15
Apr	0	0	0
May	1	1	1
Jun	1	1	0
Jul	0	1	2
Total	29	**29**	29

Source: Authors' Compilations from state budget documents\

5.3: Thematic PFMs: The Optimal Number of Budget Documents

Table 4 presents the state-wise binary (Yes/No) information on the thematic PFMs including the green budgeting, gender budgeting and child budgeting across the States of India. In India, the budget preparation process at the union and across states need to follow a standard budget rules for the mandatory documents due to the constitution of India and the fiscal rules (FRBM Act) [4]. But, for all other documents, there is no standardised fiscal management in India. Following the RBI and MoF guidelines, many states started incorporating discloser statements (budget at glance) in the 2000s. Over the years, many states started incorporating more exclusive discloser statements. There is no uniformity nor standardization on these statements. The statements which states are providing along with the budget are primarily, gender budgeting, child budget, agriculture budget, green budget and SDG budget.

[4] http://indiabudget.nic.in

There is no standardisation in the preparation of SDG Budgets. Some states are (for instance, Odisha) including some additional expenditures in the SDG budgets. The green budgets is the newest initiative[5]. India does not have a green budget at the Union Government level but many states have introduced this statement in the recent years. Mostly, states are using “budget tagging” to produce a SDG and green budgets without accompanying / supplementing it with other PFM reforms. Kerala came up with a State level R&D Budget 2023-24. Tamil Nadu brings out MGR Mid-day meal statement. Tamil Nadu, Odisha and Manipur bring out a statement on subsidies (details of the schemes with more than Rs. 1 crore budget allocation in case of Tamil Nadu). Odisha publish Fiscal Strategy Report and Fiscal Risk Statement.

All the states include the SC/ST sub plan, expenditure on Backward class and minorities in the budget but some states (like Andhra Pradesh) bring out a separate statements on these expenditure. The budget preparation is a complex exercise in the states like Meghalaya and Manipur (where they had other aspects like hill, valley, general and 6th schedule area issues), those expenditure needs to be shown separately. After going through the budget documents, it is surprising to find that the Meghalaya is one of the best states to prepare and disseminate the budget documents.

Table 4: The Thematic PFM Statements by the State Governments

No	State	Gender	Child\ Youth	Disability	Agriculture / Krishi	Green	R&D	MDM / Nutrition	SDG s	Minorities	BCs	SC/ST Plan
1	Andhra Pradesh	Yes	Yes	No	No	No	No	No	No	Yes	Yes	Yes
2	Arunachal Pradesh	Yes	Yes	No	No	No	No	No	Yes	No	No	No
3	Assam	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	Yes
4	Bihar	Yes	Yes	No	No	Yes	No	No	No	No	No	Yes
5	Chhattisgarh	Yes	No	No	Yes	No	No	No	No	No	No	No
6	Goa	Yes	No	No	No	No	No	No	No	No	No	Yes
7	Gujarat	Yes	No	No	No	No	No	No	No	No	No	Yes
8	Haryana	No	No	No	No	No	No	No	Yes	No	No	No
9	Himachal Pradesh	Yes	No	No	No	No	No	No	No	No	No	No
10	Jharkhand	Yes	No	No	No	No	No	No	No	No	No	No
11	Karnataka	Yes	Yes	No	No	No	No	No	No	No	No	Yes
12	Kerala	Yes	Yes	no	No	Yes	Yes	No	Yes	No	No	No

[5] Starting with the first climate budget published by Nepal in 2013, several countries have followed suit, including Indonesia, Moldova, Kenya, Norway, Sweden, and France (Petrie, 2021).

13	Madhya Pradesh	Yes	Yes	No	Yes	No	No	No	No	No	No	Yes
14	Maharashtra	Yes	No	No	No	No	No	No	No	No	No	Yes
15	Manipur	Yes	Yes	No	No	No	No	No	No	No	No	Yes
16	Meghalaya	Yes	Yes	No	No	Yes	No	No	Yes	No	No	No
17	Mizoram	Yes	No	No	No	No	No	No	No	No	No	No
18	Nagaland	No	No	No	No	No	No	No	No	No	No	No
19	Odisha	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	No	Yes
20	Punjab	Yes	No	No	No	No	No	No	No	No	No	Yes
21	Rajasthan	Yes	Yes	No	Yes	Yes	No	No	No	No	No	No
22	Sikkim	No	No	No	No	No	No	No	No	No	No	No
23	Tamil Nadu	Yes	No	No	No	No	No	Yes	No	No	No	Yes
24	Telangana	Yes	No	No	No	No	No	No	No	No	No	Yes
25	Tripura	Yes	No	No	No	No	No	No	No	No	No	Yes
26	Uttarakhand	Yes	No	No	No	Yes	No	No	Yes	No	No	No
27	Uttar Pradesh	Yes	No	No	No	No	No	No	No	No	No	No
28	West Bengal	Yes	Yes	No	No	No	No	No	No	No	No	No

Source: The State Budget Documents (various years)

For instance, the Union Government budget introduced the gender budget in 2005-06. Broadly, gender budgeting is an exercise to translate the stated gender commitments of the government into budgetary commitments, involving special initiatives for empowering women and examination of the utilisation of resources allocated for women and the impact of public expenditure and policies of the government on women.

The analytical matrices and the institutional design for gender budgeting were designed by the Ministry of Finance, Government of India, based on the pioneering study on gender budgeting by the National Institute of Public Finance and Policy, the think tank of Ministry of Finance (Chakraborty, 2022). Subsequently, the Department of Expenditure, Ministry of Finance issued a Charter for Gender Budget Cells dated 8th March 2007. Every Government of India ministry and department was advised to create Gender budget cell (GBC), to undertake the exercise based on NIPFP matrices of gender budgeting, and was the NIPFP matrices were provided to all State governments as well to undertake the exercise. As the matrices of gender budgeting remained the same since 2004-05, India has generated time series data on thematic PFM – gender PFM – since 20024-05, which will help to analyse the impact of thematic PFM on outcomes. These GBCs are now going to be named as "gender and child budget cell" (GoI 2018). Many state governments adopted this and a separate statement is included in the budget now[6].The

[6] https://sansad.in/getFile/loksabhaquestions/annex/175/AU4116.pdf?source=pqals

establishment of gender and child budget cell is not complete across the Union ministries and especially at the state level[7]. This is the key to create an institutional setup and effective implementation of the gender budget.

5.4: The Uniformity of Units across State Governments

The units of the reported receipts and expenditures are not uniform across the states (Table 5). Probably "CAG Finance Accounts" units can be followed across the states. This will facilitate essay comparability across the states. The states can report Budget at Glance in Crore, AFS, revenue and expenditure budget in Lakhs. For example, Jharkhnad reported the total in lakhs but reported detailed heads (major and minor and object heads) in rupees. The Kerala and Meghalaya cases are unique, where the states reports the actuals in rupees and the previous year budget estimates and revised estimates and the budget estimates in thousands.

Table 5: The Units across the State Governments

No	State	Budget at Glance	AFS	RB- Major Heads	EB- Major Heads
1	Andhra Pradesh	Crore	Lakhs	Lakhs	Lakhs
2	Arunachal Pradesh	Crore	Thousands	NA	NA
3	Assam	Lakhs	Lakhs	Lakhs	Lakhs
4	Bihar	Lakhs	Lakhs	Rupees	Rupees
5	Chhattisgarh	Crore	Thousands	Thousands	Thousands
6	Delhi	Crore+Thousands	Thousands	Thousands	Thousands
7	Goa	Lakhs	Lakhs	Lakhs	Lakhs
8	Gujarat	Crore	Crore	Crore	Crore
9	Haryana	Crore	Thousands	Thousands	Thousands
10	Himachal Pradesh	Crore	Lakhs	Lakhs	Lakhs
11	Jharkhand	Crore	Lakhs	Lakhs	NA
12	Karnataka	Crore	Lakhs	Lakhs	Lakhs
13	Kerala	Crore	Rs+Thousands	Rs+Thousands	Rs+Thousands
14	Madhya Pradesh	Crore	Thousands	Thousands	Thousands
15	Maharashtra	Crore	Thousands	Thousands	Thousands
16	Manipur	Crore	Lakhs	Lakhs	Lakhs
17	Meghalaya	Lakhs	Lakhs	Thousands	Rs+Thousands
18	Mizoram	Lakhs	Lakhs	Lakhs	Lakhs
19	Nagaland	Lakhs	Lakhs	Lakhs	Lakhs
20	Odisha	Crore	Thousands	Thousands	Thousands
21	Punjab	Crore	Thousands	Thousands	Thousands
22	Rajasthan	Lakhs	Thousands	Thousands	Thousands
23	Sikkim	Lakhs	Thousands	Thousands	Thousands
24	Tamil Nadu	Crore+Lakhs	Thousands	Thousands	Thousands

[7]https://fpibengaluru.karnataka.gov.in/storage/pdf-files/Technical%20Reports/DrGunabhagyaResearchReportNo3.pdf

25	Telangana	Crore	Lakhs	Lakhs	Lakhs
26	Tripura	Crore	Lakhs	Lakhs	Lakhs
27	Uttarakhand	Crore	Thousands	Thousands	Thousands
28	Uttar Pradesh	Crore	Lakhs	Lakhs	Lakhs
29	West Bengal	Crore	Thousands	Rupees	Rupees

Source: Collected from the state budget Documents

5.5: The Macroeconomic assumptions

What are the macro and deficit assumptions of the Union and States in the budgets? Are they reported in the budget documents? IMF (2001) argued that "macroeconomic forecasts and assumptions underlying the budget are not made available to the public or to independent agencies. While some very basic information on macroeconomic aggregates (e.g., growth and inflation) is referred to in the Budget Speech, this is not sufficient to assess the reasonableness of budget estimates".

This criticism was addressed in the FRBM act. The two Statements presented to the Parliament viz. the Macroeconomic Framework Statement, the Medium-Term Fiscal Policy Statement cum the Fiscal Policy Strategy Statement under the FRBM Act, 2003, has further enhanced the scope of Budget to provide an assessment of the growth prospects of the economy, indicate the rolling targets for specific fiscal indicators as well as outline the strategic priorities of the Government in the fiscal area for the ensuing year (GoI, 2022). But, the macro forecasts and assumptions are criticised on the ground that they are biased and generate overly optimistic projections.

The United Kingdom (UK) and The Netherlands experiences are worth looking in this case. The UK established a new fiscal council called "the Office for Budget Responsibility (OBR)" in 2010 to address this perceived optimism bias in the macroeconomic and fiscal forecasts produced by previous UK administrations. The UK-OBR not just assess government's progress in achieving fiscal targets, long-term fiscal sustainability, it produces the official macro- fiscal forecasts used by the government in the preparation of the budgets and setting long term fiscal policy. The Dutch Central Planning Bureau also does the similar task[8].

5.6: The Tax data

The Committee on fiscal statistics (2018) argued that "A key issue relating to both direct and indirect tax statistics pertains to the publication of fiscal data. The Income Tax Department used to prepare a document called 'All India Income Tax Statistics' giving income tax collections as well as information on income tax base and number of assesses according to different rate categories. Although this document was prepared for departmental use, it was also accessible for the use of researchers. However, the compilation and publication of this document was discontinued in the early 90's. More recently, the CBDT published a set of data relating to such information for PIT and CIT as

[8] https://www.imf.org/external/np/pp/eng/2014/040714c.pdf

a one-time publication. This was soon after Thomas Piketty's critical comments on the lack of appropriately disaggregated direct tax data"[9]. Currently, The CBDT publish data in the name of "Income Tax Department Time Series Data Financial Year 2000-01 to 2023-24"[10]. This data provides the aggregate trends on various tax dimensions like number of returns, tax collection, type and state. But, many countries are disseminating the anonymised individual income tax returns data in the recent years (E.g US). India can take some steps in this direction.

5.7: The Intergovernmental Fiscal Transfers (IGFT) Statistics

The Committee on fiscal statistics (2018) argued that "There is lack of transparency and consistency in regard to data on inter-governmental transactions such as inter-governmental grants. The amount given by the Centre as transfers is not shown as the same as that received by the states in the respective accounts. The amount received by the states has not been equal to the share of transfers as prescribed by the FCs". There are two aspects to this issue. One is the collection of data and the other is the dissemination of the data. The PFMS system[11] captures and tracts whole of grants under all the channels in the real time. The aggregates or state-wise details of the inter-governmental transfers data can be disseminated.

5.8: The Demand for Grants and the Detailed Demand for Grants (DDGs)

The budget circular of the Government of India and the Ministry of Finance from time to time suggest that the DDGs should be prepared with at most care and also mentioned the list of statements that the DDG should contain[12]. The purpose is to bring uniformity of reporting and dissemination across all DDGs. It is observed that there are many inconsistencies in the reporting. Many ministries and departments are not reporting /furnishing all the statements in the DDGs, as mandated by the MoF budget circular (Table 6). The DDGs are cross checked for the transparency in publishing the statements. For the year 2018-19 and 2022-23, out of the sample of DDGs cross checked (91 and 68 respectively), only half of the DDGs furnish all the statements. This is the clear violation of the Ministry of Finance Budget Circular.

Ideally, the MoF should maintain the all the DDGs at one place. And also, it is ideal to provide the data of the DDGs in the excel format than PDF. It is observed that some of the DDGs are not possible to read or convert into excel. In some of the DDGs the aggregate sheets are not presented. Expenditure Profile, statement 21 (Contributions To International Bodies) are also not provided. The Errata and Corrigendum should be made

[9] The Committee on fiscal statistics, point 1.36

[10] https://incometaxindia.gov.in/Documents/Direct%20Tax%20Data/Final-Approved-Time-Series-Data-2023-24-English.pdf

[11] https://pfms.nic.in/Home.aspx

[12] Budget Circular, MOF (2023-24): 15.1 Ministries/Departments shall prepare the Detailed Demands for Grants (DDG) in the format given in Appendix XLVI.

15.4 The Detailed Demands for Grants will be accompanied by the following schedules/statements (Statements mentioned in table 6).

part of the DDGs. Some DDGs are providing them in the same PDF_ file, but they can be made part of the DDG itself to understand the real discrepancy in the amounts.

Table 6: The Detailed Demand for Grants (DDGs)

DDGs	2018-19	2022-23
1. Detailed Demand for Grants (Sample of DDGs collected)	91	68
2. Estimated strength of Establishment and provisions-Appendix – XXXI	89	58
3. Project-wise provision for expenditure on Externally Aided Projects in Central Plan- Appendix – XXXII	52	37
4. Statement showing broad details of Expenditure (other than centrally sponsored and central sector schemes) provisions Costing Rs.25 lakhs and above and included in the Budget Estimates 2018-19 - Appendix - XXXIII	50	42
5. Statement showing provisions in BE 2018-19 for payment of grants-in-aid-general to nongovernment bodies - Appendix - XXXIV	51	40
6. Details of individual works costing Rs. 5 crore or above - Appendix - XXXV	51	39
7. Statement showing Revised Cost Estimates of Projects of Public Sector Undertakings and Departmental Undertakings - Appendix - XXXVI	40	31
8. Particulars of Government property of value exceeding Rs. 5 lakhs proposed to be transferred / gifted to Non-Government Bodies - Appendix - XXXVII	42	32
9. Statement showing contributions to International Bodies	54	47
10. Statement showing guarantees given by the Central Government & outstanding as on 31 March - Appendix - XXXIX	54	40
11. Statement showing Grants-in-aid exceeding Rs. 5 lakh (recurring) or Rs. 10 lakh (nonrecurring) sanctioned to private institutions/organisations/individuals during the year - Appendix - XL	48	37
12. Statement showing the source of funds for grantee bodies receiving grants of over Rs. 10 lakh per year from Consolidated Fund of India - Appendix - XLI	42	35
13. Particulars of "New Service/ New Instrument of Service" for which provision is made in the Budget Estimates - Appendix - XLII	37	29
14 Statement showing the Detailed Provision object head-wise 25	63	60
15. Cash Management (Monthly Expenditure Plan) 26	71	57

Source: Compiled from Detailed Demand for Grants (DDGs), GoI.

5.9: The Reporting Of Subsidies

Historically, welfare expenditures and subsidies (which are often viewed as the converse of a tax) are used as a welfare augmenting instrument of fiscal policy across the world (Srivastava and Sen 1997). Subsidies per se are not good or bad, but its socio-economic outcomes, impact on economic agents and their fiscal impacts on the government finances makes this topic highly contested (Hebbarkalle. et.al 2023). Various reforms have been undertaken at Union and state government level to reduce the subsidies bill. The15th FC is of the view that expenditure on subsidies, particularly on petroleum products and fertilizers, declined significantly but food subsidies increased (due to NFSA and MSP). The commission expressed concern over the farm loan waivers and increase in subsidies at State level.

The adoption of the Fiscal Responsibility Legislations (FRLs)[13] by the State governments contributed to an improvement in their key fiscal parameters (RBI, 2023). In the FY 2006-07, around 20 States reported revenue surplus and the States reported a consolidated surplus on revenue account (0.3%) for the first time after almost two decades (RBI 2007-08). Many of the state governments resorted to provide subsidies, populist/freebees due to competitive populism and to gain political mileage, sometimes through appeasement in the recent years. To outperform the political competitions, the government of the day increased the volume and magnitude of these subsidies and populist schemes in their total expenditures (11th FC). But, the actual magnitudes of these subsidies and populist schemes are elusive, amorphous and hidden in some expenditure heads. There is no rational for the states to borrow on the one hand and subsidise their services on the other hand.

Hebbarkalle, Nayudu.et.al (2023) found that there is divergence between the subsidies reported in the CAG finance accounts and the actual estimation of subsidies in the select states. To improve transparency, the state may be asked to incorporate a "statement on subsidies" in the budget by following a uniform methodology. Some of the best practices can be studied (For example, Australia) to reform the Indian system (Box 1). In the Indian context, the Independent Fiscal council, CAG or NIPFP can be asked to evaluate the budget proposals in a scientific manner and prepare the potential budget resource requirement.

Box 1: Australia Charter of budget honesty- Costing Of Election Commitments:

The Charter outlines arrangements under which the Secretaries may be requested to cost election commitments during a caretaker period. The Parliamentary Budget Officer (the Officer) may also be requested to cost policies in the caretaker period.

The Secretaries Part 8 of the Charter sets out the arrangements for the costing of election commitments by the Secretaries. These provisions relate to the costing of publicly announced policies, referred to as election commitments, of the Government, the Opposition, and minority parties, and apply only during the caretaker period. The obligations of the Charter are independent of, but have precedence over, the caretaker conventions.

During the caretaker period, the Secretaries may be asked by the Prime Minister, the Leader of the Opposition or the Leader of a minority party1 to cost their publicly announced policies.

Source: Charter of budget honesty[14]

[13] Revisions in the process of preparing the MTEF in 2016 (Govt. of India, MTEF Circular 2016-17).
[14] https://www.finance.gov.au/sites/default/files/2024-09/Charter-of-Budget-Honesty-Policy-Costing-Guidelines.pdf

5.10: Data Dissemination: On Time lags, formats and Annual Calendar

In 2014 a UN resolution laid down 10 fundamental principles for official statistics. The first principle states that "Official statistics provide an indispensable element of the information system of a democratic society, serving the government, the economy, and the public with data about the economic, demographic, social, and environmental situation". To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honour citizens. The UN principles also argue for scientific standards, proper interpretation, all sources of data, confidentiality, rules and regulations, coordination, use of international concepts, and cooperation.

The Budget is the important document for economic wellbeing of the state to form future expectations by various economic agents. The information and the data should be disseminated in a user-friendly manner. According to IMF (2001) "Good dissemination practices are essential in addition to good data compilation". The good dissemination includes provision of metadata, a predictable release schedule, and readily accessible published data. The Union government started to provide almost all of the budget data in both PDF and Excel formats now. But, the DDGs of Union ministries are only in PDF format. At the Union Government level, only Ministry Of Tribal Affairs provided DDGs in the Excel in 2016-17, 2017-18 and 2018-19.

At state level, the Odisha is probably the only state which provide most of the budget and also demand for grants in excel format. In Maharashtra, all DDGs are provided as scanned copies and hence, it's not even possible to extract data or convert. Demand for grants are provided in PDF format by most of the states. In India, there is a noticeable heterogeneity in the timing of release of fiscal data by the Ministries of State and Union Governments. The Union and states governments can release an annual calendar smiler to Central statistical organisation (CSO). Control General of Accounts does have a annual calendar[15].

5.11: The Right to Information (RTI) Act

The celebrated RTI Act[16] is an acknowledged charter of people's right to information and, at the same time, it is an invocation to the Indian state to embrace

[15] Every month, the data is disseminated on the last date of the month following the reference month except in the case of March. As the financial year ends on 31st March, additional time is required for making the necessary year-end adjustments in the accounts. Hence, it would be released only by 31st May.
https://cga.nic.in/Page/Advance-Release-Calendar.aspx

[16] 1.1 The Administrative Reforms Commission (ARC) in its report has radically altered the governance landscape. ARC recommended that the Official Secrets Act of the government of India should be revised in the light of the provisions of the RTI Act.

1.1 The 'National Data Sharing and Accessibility Policy' by the Department of Science and Technology is based on the principle that all publicly funded information should be readily available. The policy has been notified in March 2012 and the schedule should be strictly adhered to.

transparency as central to its functioning (Tiwari & Ansari, 2018)[17]. The mandate for suo-motu disclosure is contained in Section 4 of the Act. This section 4 sets out in some detail, the parameters for information disclosure, on one hand, and on other, it defines the transparency horizon to be aimed for by the state instrumentalities.

Section 4 of the RTI Act provides the broad outline of the contents of the websites. Disclosures under this section are expected to: i) enable the citizen to access the information held by PAs without their having to take recourse to the provisions of RTI Act; and, b) promote transparency and accountability in the functioning of the government to promote participatory governance (Table 7).

Table 7: Scores of Various Key Fiscal Policy related Departments and Ministries

S. No.	Name of Public Authority	Score %	Grade
1	Department Of Economic Affairs	59%	E
2	Department of Financial Services	69%	D
3	Department Of Revenue	40%	E
4	Department of Expenditure	86%	B
5	DIPAM	82%	B
6	Reserve Bank Of India	60%	D
7	Niti Aayog	73%	C
8	Dept of Economics and Statistics, Govt. of NCT of Delhi	100%	A

Source: Central Information Commission (2018)
Note: Mandatory Disclosure Audit of Respondent Public Authorities.

5.12: The Audit and Finance Accounts

The fiscal management in general and budget management in particular has benefited from two other institutional developments. One, the reforms in cash management system and second, widespread computerization of fiscal management process both at central and state levels. This stabilizing the spending pattern during the year following agreed upon spending limit (Ghosh and Jena 2008). The computerisation of the budget management and treasuries, IFMS initiatives, RTI, cash management rules should be integrated with the CAG audit systems and which intern help the CAG to complete the audit process in a quick period. The CAG should find ways to reduce the time lag bring finance accounts, which are now available with a lag of one full financial year.

6. The Conclusions and Policy suggestions

There is a need for standardisation of state budget documents, demand for grants and especially the thematic budget statements. The units of the reported receipts and

[17] A N Tiwari & M M Ansari (2018). "Transparency Audit of Disclosures u/s 4 of the Right to Information Act by the Public Authorities" A Report Submitted to Central Information Commission, New Delhi. November 2018

expenditures are not uniform across the states, hence, the homogeneous reporting standards need to be established in this regard.

The Medium term expenditure frameworks (MTEFs) have been considered as one of the most popular budget innovations both in developed and developing world. The Government of India adopted MTEF in 2012 acknowledging the need for budget reforms to instil fiscal discipline and improve allocative and technical efficiency in budgeting in the country after the global financial crisis. However, the initiative was anchored in the fiscal rules, which could be further strengthened.

Bringing performance orientation in the budgeting process can improve strategic allocation of resources to programs brings efficiency and effectiveness in utilization of public resources. The states can fix a budget presentation date either collectively or individually for annual budget presentation to enhance the budget process. The fiscal transparency measures should be adopted and implemented not just in principle but in spirit. We suggest that establishing independent review bodies like Fiscal Council can improve fiscal forecasts, fiscal transparency, budget credibility and reliability.

References

Beetsma, R., Debrun, X., Fang, X., Kim, Y., Lledó, V., Mbaye, S., & Zhang, X. (2019): "Independent fiscal councils: Recent trends and performance," *European Journal of Political Economy*, *57*, 53-69.

Chakraborty, Lekha. (2022): "Fiscal policy for Sustainable Development in Asia Pacific: Gender Budgeting in India", Palgrave Macmillan.

Craig, M. J., & Kopits, M. G (1998): "Transparency in government operations," International monetary fund.

Brumby, J., & Hemming, R (2013): "Medium-term expenditure frameworks," In *The international handbook of public financial management* (pp. 219-236). London: Palgrave Macmillan UK.

Debrun, X., & Kinda, T (2017): "Strengthening post-crisis fiscal credibility: fiscal councils on the rise–a new dataset," *Fiscal Studies*, *38*(4), 667-700.

Government of India (2004): "FRBM Rules". Ministry of Finance," July 2.

Government of India (2009): "Thirteenth Finance Commission: 2010–2015," Volume I: Report.

Government of India (2008): "Economic Survey 2007-08," Ministry of Finance.

Government of India (2015): "Fourteenth Finance Commission: 2015 – 2020".

Government of India (2015): "Medium-term Expenditure Framework Statement," Ministry of Finance.

Government of India (2016): "Medium Term Expenditure Framework Circular 2016-17," Ministry of Finance.

Government of India (2016): "Report of the Comptroller and Auditor General of India on Government of India (2017): "Report of the committee on the review of the Fiscal Responsibility and Budget Management Act (FRBMA), 2003," Ministry of Finance.

Government of India (2018): "Report of the Committee on Financial Sector Statistics," Ministry of Statistics and Programme Implementation (MoSPI), Government of India.

Compliance of Fiscal Responsibility and Budget Management Act, 2003 for the year 2014-15," Report No. 27.

Ghosh Amiya Kumar, Pratap Ranjan Jena (2008): "Strengthening Financial Management System in India," National Institute of Public Finance and Policy. New Delhi.

Government of India (2016): "Shankar Acharya committee Report on New Financial Year,", Ministry of Finance.

Government of India (2022): "Budget Manual," Department of Economic Affairs, Budget Division, Ministry Of Finance.

Government of India (2020): "Report of the 15th Finance Commission, 2021–2026," Finance Commission of India.

Ghosh, A. K., & Jena, P. R. (2008): "Strengthening Financial Management Systems," National Institute of Public Finance and Policy, New Delhi.

GFR (2017). Government financial rules- GFR (2017), Government of India.

GIFT (2018). The High-Level Principles on Fiscal Transparency, Participation & Accountability. *The Global Initiative for Fiscal Transparency.*

Habbarkalle, Amarnath, Sri Hari Nayudu, Mitali Gurdutta (2023): "Shrinking Fiscal Space and its Impact on Welfare Expenditure and Subsidies at State Level in India," Arthika Charche, Vol 8, No. 1, 2023.

Hemming, R., & Joyce, P. (2013): "The Role of Fiscal Councils in Promoting Fiscal Discipline and Sound Government Finances," Public Financial Management and its Emerging Architecture.

IMF (2001): Report on The Observance Of Standards And Codes - India, Prepared By The Fiscal Affairs Department.

IMF (2018), Fiscal Transparency Handbook, IMF: Washington DC https://www.imf.org/en/Topics/fiscal-policies/fiscal-transparency

IMF (2019): India 2019 Article IV Consultation. IMF Country Report No. 19/385

IMF (2019) Appendix IV. Enhancing Fiscal Reporting and Fiscal Transparency, Article IV Consultation, IMF Country Report No. 19/385.

Iyer, Indira, Chowdhury. Soumi Roy (2023): "Digitalization for Public Expenditure Accountability and Transparency (d4PEAT) A re-engineered framework for Public Finance Management in India". Indian Public Policy Review 2023, 4(5): 01-26.

Jena, Pratap Ranjan (2010): "India Public Expenditure and Financial Accountability: Public Financial Management Performance Assessment Report," Working Papers 1/10, National Institute of Public Finance and Policy.

Jena, P. R. (2016). Reform initiatives in the budgeting system in India. *Public Budgeting & Finance*, *36*(1), 106-124.

Jena, Pratap Ranjan. (2018): "Adopting MTEF through Fiscal Rules: Experiences of Multi-year Budget Planning in India," *International Journal on Governmental Financial Management*, 18(2), 2018.

Jena, P. R., & Sikdar, S. (2019). Budget credibility in India: Assessment through PEFA framework. *National Institute of Public Finance and Policy. WP*, *284*.

Hemming, R., & Joyce, P. (2013): "The role of fiscal councils in promoting fiscal responsibility," *Public financial management and its emerging architecture*, 205-24.

James, K., Patel, K., & Singh, A. (2022): India's Public Financial Management System: Need for Reforms and Way Forward. *Indian Public Policy Review*, *3*(4 (Jul-Sep)), 30-58.

Kapila, U.& Kapila, R (2002), "The Role of Fiscal Policy in Reinvigorating Growth", in Uma Kapila & Raj Kapila (ed.), Economic Development in India Vol 49, Academic Foundation, New Delhi.

Kopits and Craig (1998): "Transparency in Government Operations," IMF Occasional Paper No. 158.

Petrie, M., & Petrie, M. (2021): "Environmental Governance and the Greening of Fiscal Policy" (pp. 109-142). Springer International Publishing.

Rakshit, Mihir (2005): "Some Analytics and Empirics of Fiscal Restructuring in India," *Economic and Political Weekly,* July 30 Mumbai.

Rajaraman, Indira (2001): "Fiscal Transparency," Economic and Political Weekly, No. 9 (Dec. 29, 2001), pp. 4881-4886.

Reddy. Y. V.(2008): "Fiscal Policy and Economic Reforms", *National Institute of Public Finance and Policy. WP*, *2008-53*.

Reserve Bank of India (2001): "Report of the RBI Advisory Group on Fiscal Transparency (RORB)," June.

Reserve Bank of India (2023): "State Finances A Study of Budgets of 2022-23," Reserve Bank of India.

Srivastava, D.K., Sen, Tapas K., Mukhopadhaya, H., Rao, C. Bhujanga., Amarnath, H.K. (1997): "Government Subsidies in India," National Institute of Public Finance and Policy, New Delhi.

Sarr, B. (2015): “Credibility and Reliability of Government Budgets: Does Fiscal Transparency Matter?” International Budget Partnership Working Paper 5. Washington, DC: International Budget Partnership.

Shah, Anwar and Chunli Shen (2007): “A Primer on Performance Budgeting,” in Anwar Shah (eds) Budgeting and Budgetary Institutions, The World Bank.

Simson, R., and Welham, B (2014): “Incredible budgets: budget credibility in theory and practice,” ODI Working Paper No. 400, London: Overseas Development Institute.

Vasquez, Karla, Kika Alex-Okoh, Alissa Ashcroft, Alessandro Gullo, Olya Kroytor, Yan Liu, Mia Pineda, and Ron Snipeliski. 2024. “The Legal Foundations of Public Debt Transparency: Aligning the Law with Good Practices.” IMF Working Paper No. 24/29, International Monetary Fund, Washington, DC.

World Bank (1998): “Public Expenditure Management Hand Book,” Washington, D.C.

MORE IN THE SERIES

- Chakraborty, Lekha, (2025). Mining Royalty is not Tax: Analyzing the Supreme Court Judgment, WP No. 423 (January).
- Bose, Sukanya and Saikat Banerjee, (2025). Social Spending and Fiscal Policy in India: Towards an Alternate Macro-Fiscal Framework Integrating Human Development, WP No. 422 (January).
- Patel, Urjit R., (2024). Asphyxiation by Sanctions: Harm, Fear and Smog, WP No. 421 (November).

Sri Hari Nayudu. A., is Economist, NIPFP
Email: sriharinaidua@gmail.com

Lekha Chakraborty, is Professor, NIPFP
Email: lekha.chakraborty@nipfp.org.in

NIPFP

National Institute of Public Finance and Policy,
18/2, Satsang Vihar Marg,
Special Institutional Area (Near JNU),
New Delhi 110067
Tel. No. 26569303, 26569780, 26569784
Fax: 91-11-26852548
www.nipfp.org.in