

PRESS INFORMATION BUREAU

GOVERNMENT OF INDIA

MOS (Finance): Macro-economic indicators of late have shown positive trend and the structural reforms undertaken have started contributing to the sustainable growth through participation by States; First Conference of States' Finance Secretaries held here today attended by the Principal Secretaries/Secretaries Finance of 29 States and two UTs

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The Minister for State for Finance, Shri Jayant Sinha said that the macro-economic indicators of late have shown positive trend and the structural reforms undertaken have started contributing to the sustainable growth through participation by States. He also stressed on the need to increase social sector spending and increase Capital expenditure and at the same time' strive to remain on path of fiscal consolidation. Shri Sinha was addressing the First Meeting of State Principal Secretaries of Finance/States' Finance Secretaries here today. He dwelled upon the priorities for an inclusive growth wherein support for the poor people has to be kept in mind. Shri Sinha emphasized on access to financial services; Direct Benefit Transfers (DBTs); removing distress in agriculture by encouraging investment and solving credit issues and tackling the problem of unplanned urbanization among others.

The First Conference of States' Finance Secretaries convened by Department of Expenditure, Ministry of Finance (MoF) was held here today. Principal Secretaries/Secretaries Finance of 29 States and two UTs have participated in the event. This Conference was convened in the backdrop of Fourteenth Finance Commission's recommendations which are being implemented from 1st April, 2015 and will continue till 31st March, 2020. Ministry of Finance has mooted the idea of holding this Conference with the objective of enhancing the capital expenditure, social sector expenditure without losing sight of fiscal consolidation.

The Conference was divided into Four Sessions which touched upon the issues of fiscal consolidation at State level; FFC fiscal glide path for 2015-20; transfer of resources to States; Devolution of Central Taxes and linkages with Expenditure Management; Debt Sustainability; Grants-in-Aids just-in-time release; States borrowing and cash management; Funding pattern of Centrally Sponsored Schemes (CSS); and expenditure pattern in States.

It was felt that States need to be sensitized on implications of FFC; convergence of CSSs; increased tax devolution to States be used more for capital expenditure; Financial inclusion and control of unauthorised deposit taking, changing in accounts of classification and linking expenditure to outcomes.

Making his Concluding remarks, Finance Secretary and Secretary (Expenditure), Government of India' Shri Ratan P. Watal said that the States views on these issues have been taken on board. He said that the deliberations would help the Government to understand States finances better; implementation and governance issues; inclusive and sustainable development; fiscal consolidation; gender budgeting etc. Shri Watal said that the valuable inputs given by the State Finance Secretaries during the one day Conference would help the Ministry of

Finance and State Governments to calibrate their policies further and help run the schemes in a manner which could lead to better expenditure management; fiscal consolidation and achieve true spirit of cooperative federalism. The Finance Secretary said that in future, such Meetings would be held in a much more structured and planned manner on a regular basis.

The Meeting was attended among others by the Secretary, Department of Economic Affairs (DEA) Shri Shaktikanta Das, Secretary, Department of Financial Services (DFS) Ms Anjuli Chib Duggal, Chief Economic Adviser (CEA), Dr. Arvind Subramanian, Special Secretary (Expenditure) Shri A.N Jha and Controller General of Accounts (CGA), Shri M.J. Joseph and Senior Officers of Ministry of Finance.
