

Reviewing of Debt to GDP ratio of States

2450. DR. L. HANUMANTHAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government reviewed the debt to GDP ratio of States, if so, the details thereof State-wise;

(b) whether the ratio prescribed by the Finance Commission of debt to GDP has been achieved by all the States, the details of the same, State-wise; and

(c) whether aggressive borrowing of States causing higher debt for States, if so, the details thereof and the measures proposed by Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) As per the recommendations of Fourteenth Finance Commission (FFC), subject to fulfillment of other conditions, the States will be eligible for flexibility of 0.25 percent over and above the normal fiscal deficit limit of 3 percent, if their debt-GSDP ratio is less than or equal to 25 percent in the preceding year. Accordingly, the debt-GSDP ratio of all States are monitored. The debt-GSDP ratio of all States for FY 2017-18 is given in the Statement (*See* below).

(c) States are allowed to borrow within the recommendation of FFC, which prescribes that Fiscal deficit of all States will be anchored to an annual limit of 3 percent of GSDP. Further, under the flexibility option, subject to fulfillment of certain eligibility criteria, States can avail additional borrowing of 0.5 percent of GSDP in any given year.

Statement***Debt to GSDP ratio of States for 2017-18***

State	2017-18	Remarks
1. Assam	17.08%	Debt/GSDP ratio within 25%
2. Chhattisgarh	18.62%	
3. Gujarat	19.50%	
4. Karnataka	17.26%	

State	2017-18	Remarks	
5. Madhya Pradesh	23.65%	Debt/GSDP ratio within 25%	
6. Maharashtra	17.93%		
7. Odisha	22.27%		
8. Sikkim	23.20%		
9. Tamil Nadu	22.34%		
10. Telangana	22.00%		
11. Uttarakhand	23.26%		
12. Andhra Pradesh	27.63%		Debt/GSDP ratio beyond 25%
13. Arunachal Pradesh	32.70%		
14. Bihar	32.34%		
15. Goa	26.20%		
16. Haryana	26.21%		
17. Himachal Pradesh	36.29%		
18. Jammu and Kashmir	49.25%		
19. Jharkhand	27.91%		
20. Kerala	30.62%		
21. Manipur	39.91%		
22. Meghalaya	30.81%		
23. Mizoram	37.52%		
24. Nagaland	42.87%		
25. Punjab	40.73%		
26. Rajasthan	33.65%		
27. Tripura	27.97%		
28. Uttar Pradesh	34.24%		
29. West Bengal	36.11%		

Source: CSO, State budget documents