

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

**RAJYA SABHA
UNSTARRED QUESTION NO. 546
TO BE ANSWERED ON TUESDAY, 7th FEBRUARY, 2023
18 MAGHA, 1944 (SAKA)**

Debt burden on States

546. SHRI DEEPENDER SINGH HOODA:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the debt burden on States is increasing each year and States are failing to service their debt on regular basis;
- (b) if so, the reasons therefor;
- (c) the steps taken by Government to control the increasing amount of debt in respect of various States in the country; and
- (d) the details of the said debt, in each of the last five financial years, State-wise including Haryana?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): As per the Reserve Bank of India's (RBI) report titled 'State finances: A study of budgets of 2021-22', States' outstanding debt has shown a gradual upward movement *inter alia* due to implementation of Ujjwal DISCOM Assurance Yojana (UDAY), farm loan waivers, pandemic-related revenue losses, additional expenditures and growth slowdown. However, RBI has informed that States have been regularly servicing the State Government Securities.

(c): All States have enacted their Fiscal Responsibility and Budget Management (FRBM) Act. Compliance to the State FRBM Act is monitored by the respective State Legislatures. Department of Expenditure, Ministry of Finance generally follows the fiscal limits mandated by the accepted recommendations of the Finance Commission while exercising the powers to approve borrowings by States under Article 293 (3) of the Constitution of India. The normal Net Borrowing Ceiling (NBC) of each State is fixed by the Union Government in the beginning of each financial year. Adjustments for the over-borrowing by States during previous years, if any, are made in the borrowing limits of subsequent year.

Instances of borrowings by certain State Public Sector companies, Special Purpose vehicles (SPVs) and other equivalent instruments, where principal and/or interest are to be serviced out of the State Budgets, had come to the notice of the Ministry of Finance. Considering the effect of bypassing the NBC of the States by such borrowings, it was decided and communicated to the States in March 2022 that borrowings by State Public Sector companies/corporations, Special purpose vehicles (SPVs) and other equivalent instruments, where principal and/or interest are to be serviced out of the State Budgets and/or by assignment of taxes/cess or any other State's revenue, shall be considered as Borrowings made by the State itself for the purpose of issuing the consent under Article 293(3) of the Constitution of India.

(d) As per Reserve Bank of India's report titled 'State finances: A study of budgets of 2022-23', the State-wise details of total outstanding liabilities of State Governments including State of Haryana at the end of March 2018, March 2019, March 2020, March 2021 and March 2022 (RE) are given in **Annexure**.

Annexure referred to in the answer of part (d) of Rajya Sabha Unstarred Question no. 546 for 07.02.2023

State-wise details of total outstanding liabilities of State Governments at the end of March 2018, March 2019, March 2020, March 2021 and March 2022 (RE)

(Rs. In crore)

State	(at the end-March)				
	2018 (Actual)	2019 (Actual)	2020 (Actual)	2021 (Actual)	2022 (RE)
Andhra Pradesh	2,29,333.8	2,64,451.0	3,07,671.5	3,53,021.0	3,93,717.8
Arunachal Pradesh	6,968.7	8,430.5	12,125.1	14,077.4	14,477.7
Assam	49,309.8	59,796.4	73,527.8	89,709.1	1,04,151.1
Bihar	1,56,980.5	1,69,045.4	1,93,534.3	2,27,425.9	2,59,783.5
Chhattisgarh	55,049.5	68,981.5	86,005.7	1,00,016.1	1,06,879.1
Goa	18,641.9	20,500.2	22,645.7	26,612.6	28,441.2
Gujarat	2,68,263.2	2,98,755.1	3,29,351.8	3,63,647.0	3,89,681.2
Haryana	1,67,262.1	1,87,635.8	2,19,245.9	2,46,279.0	2,62,331.6
Himachal Pradesh	51,030.4	54,303.3	62,218.4	68,896.0	72,277.6
Jharkhand	77,585.7	83,878.2	94,504.5	1,09,270.6	1,16,518.0
Karnataka	2,45,950.6	2,86,328.7	3,38,665.7	4,21,503.8	4,73,437.9
Kerala	2,16,499.4	2,43,745.7	2,67,585.4	3,10,856.2	3,52,323.2
Madhya Pradesh	1,73,137.0	1,95,178.3	2,11,489.0	2,90,859.3	3,26,918.2
Maharashtra	4,32,479.4	4,38,841.8	4,80,955.2	5,48,348.2	5,96,689.1
Manipur	9,564.9	10,463.0	11,405.8	13,060.5	14,399.1
Meghalaya	10,157.5	11,348.4	12,320.7	14,704.9	15,760.8
Mizoram	7,547.0	7,638.7	9,001.4	10,217.1	11,667.2
Nagaland	10,399.2	11,639.5	13,836.1	15,254.0	15,059.6
Odisha	1,03,065.7	1,05,685.1	1,43,800.3	1,41,239.6	1,29,355.7
Punjab	1,95,174.1	2,11,940.1	2,29,629.9	2,59,266.0	2,82,456.4
Rajasthan	2,81,663.1	3,11,853.6	3,53,182.0	4,11,001.4	4,58,088.7
Sikkim	5,910.9	6,850.4	7,954.0	9,655.7	11,455.4
Tamil Nadu	3,26,636.0	4,01,503.8	4,62,201.8	5,68,892.7	6,56,625.8
Telangana	1,60,296.3	1,90,202.7	2,25,418.0	2,71,259.0	3,14,135.5
Tripura	13,383.7	15,085.5	18,178.9	21,490.5	22,843.7
Uttar Pradesh	5,17,584.9	5,67,777.0	5,49,559.2	6,00,109.5	6,43,586.1
Uttarakhand	53,071.1	59,386.6	67,544.7	75,248.9	80,111.2
West Bengal	3,71,071.5	4,04,735.9	4,45,790.4	4,97,266.1	5,50,707.9

Source: RBI report titled 'State finances: A study of budgets of 2022-23'