

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

RAJYA SABHA

UNSTARRED QUESTION NO. 384

TO BE ANSWERED ON TUESDAY, 6th FEBRUARY, 2024

17 MAGHA, 1945 (SAKA)

Financial assistance to State Governments

384. SHRI ELAMARAM KAREEM:

Will the Minister of FINANCE be pleased to state:

- (a) the actions taken by Government to help the State Governments from financial crisis after the introduction of GST and COVID-19 scenario;
- (b) whether Government has taken measures to increase the lending limits of the States to address their financial crisis, if so, the details thereof; and
- (c) the grants and other financial assistances extended to the State Governments during the last five years, State-wise?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) In view of the resource requirement to meet the challenges posed by the COVID-19 pandemic, the Government of India had enhanced the borrowing limit of the States by 2 percent of their Gross States Domestic Product (GSDP) for the year 2020-21. Out of which, 1 percent was linked to reforms in four citizen centric areas. The citizen centric areas identified for reforms were (i) Implementation of One Nation One Ration Card System, (ii) Ease of doing business reform, (iii) Urban Local body/ utility reforms and (iv) Power Sector reforms.

In addition, in order to meet the shortfall in Goods and Services Tax (GST) compensation to be paid to States, the Government of India had set up a special borrowing window. The Government of India had borrowed Rs. 1.1 lakh crore during financial year

2020-21 and Rs. 1.59 lakh crore during current financial year 2021-22 under this special window and passed on to States and UTs with Legislature as a back-to-back loan to help the States/UTs to meet the resource gap due to short release of compensation on account of inadequate balance in the compensation fund.

(b) Based on the recommendation of the 15th Finance Commission (XV-FC), the normal Net Borrowing Ceiling (NBC) of all States has been fixed at 3 percent of the Gross State Domestic Product (GSDP) for the financial year 2023-24. Besides this, extra borrowing ceiling has been allowed to State Governments equivalent to estimated combined share of State and its employees' contribution pertaining to the financial year 2023-24 to be actually deposited with the designated authority as per the guidelines of National Pension System (NPS). In addition, State Governments are also eligible to avail additional borrowing of up to 0.50% of GSDP based on certain performance criteria in power sector.

Union Government applies a common yardstick while fixing the annual borrowing limit of all the State Governments under Article 293(3) of the Constitution of India. In doing so, it is guided by the recommendations of the Finance Commission.

(c) Details of grants-in-aid released to State Governments as recommended by the successive Finance Commissions for the last five years from 2018-19 to 2022-23 are at **Annexure.**

**Annexure referred to in the answer of part (c) of Rajya Sabha Unstarred question no.
384 for 06.02.2024**

**Details of grants-in-aid released to State Governments as recommended by the
successive Finance Commissions for the last five years from 2018-19 to 2022-23**

(Rs. In crore)

S. No.	Name of State	Year				
		2018-19	2019-20	2020-21	2021-22	2022-23
1	Andhra Pradesh	6553.037	6451.717	12233.233	21342.432	13174.270
2	Arunachal Pradesh	257.062	380.985	841.385	439.694	210.400
3	Assam	1121.183	4793.050	10578.266	8916.051	7605.002
4	Bihar	4775.203	7896.784	10105.270	8116.515	6732.650
5	Chhattisgarh	1679.475	2044.750	2289.500	2379.794	1772.800
6	Goa	66.635	163.615	85.500	119.550	54.200
7	Gujarat	3313.360	5040.240	5672.500	5002.420	5304.630
8	Haryana	1274.264	2005.737	2364.000	1493.429	1620.751
9	Himachal Pradesh	9058.540	9135.880	12426.996	11044.260	10703.960
10	Jammu & Kashmir	13534.010	10047.608	0.000	0.000	0.000
11	Jharkhand	1059.891	3154.602	3070.000	2318.798	1826.593
12	Karnataka	4333.726	7578.190	6246.270	7862.335	4435.080
13	Kerala	4551.070	2343.010	18048.799	22171.130	15382.300
14	Madhya Pradesh	4876.620	7788.130	9613.790	5946.399	5494.769
15	Maharashtra	8585.410	14131.130	12275.120	8748.897	9968.159
16	Manipur	2154.476	2168.536	3111.996	2674.377	2387.700
17	Meghalaya	337.110	175.450	708.513	1494.648	1144.700
18	Mizoram	2616.675	2803.425	1606.980	1910.290	1685.500
19	Nagaland	4217.080	4532.270	4051.783	4763.510	4737.004
20	Odisha	3181.387	6857.430	5449.000	5056.767	4220.801
21	Punjab	719.539	2710.125	11481.233	12435.605	10258.450
22	Rajasthan	3647.600	9281.140	6305.150	17210.671	10521.203
23	Sikkim	125.860	88.480	623.856	852.708	528.200
24	Tamil Nadu	4605.770	5905.686	8930.373	10116.768	5791.678
25	Telangana	1806.131	3219.032	3134.570	1850.932	3359.386
26	Tripura	1360.040	1120.425	3576.883	4911.082	4654.900
27	Uttar Pradesh	9475.042	12964.760	16023.000	12306.421	12383.737
28	Uttarakhand	703.565	974.723	6864.930	9424.096	8501.236
29	West Bengal	4189.107	6983.463	14600.710	23867.467	19824.476
	Total	104178.870	142740.373	192319.605	214777.047	174284.534

Note:- It includes assistance from NDRF/NDRMF/Excluded Areas Grant released to the concerned States.