

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
RAJYA SABHA

UNSTARRED QUESTION NO. 234

TO BE ANSWERED ON TUESDAY, 04th FEBRUARY, 2025
15 MAGHA, 1946 (SAKA)

ENHANCEMENT OF BORROWING LIMIT FOR STATES

234. Smt. Jebi Mather Hisham

Will the Minister of **Finance** be pleased to state:

- (a) Whether Government proposes to enhance the borrowing limit for states;
- (b) What percentage of states' GDP is the current borrowing limit;
- (c) the amount Kerala borrowed in the last five years;
- (d) the amount allotted to Kerala so far this year and the amount already availed; and
- (e) Whether Kerala Infrastructure Investment Fund Board (KIIFB) loan will be exempted from the borrowing limit?

ANSWER

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

(a) & (b) No Sir. As per the recommendations of the Fifteenth Finance Commission, the Net Borrowing Ceiling of the States has been fixed at 3 percent of the Gross State Domestic Product (GSDP) for the current financial year 2024-25. Additionally, the States may also avail an additional borrowing of upto 0.50 percent of GSDP subject to meeting certain performance criteria in Power Sector.

(c) As per the information received from the Reserve Bank of India (RBI), the details of Open Market Borrowing raised by the State Government of Kerala in the last five years are as under:

(Rs. in crore)

Financial Year (FY)	Open Market Borrowings
2019-20	18,073
2020-21	28,566
2021-22	27,000
2022-23	30,839
2023-24	42,438

(d) Open Market Borrowings (OMBs) consent of Rs. 40,922 crore has been issued to the State Government of Kerala so far during the current financial year 2024-25. Out of this, State Government of Kerala has raised OMBs Rs. 36,002 cores till January 29, 2025.

(e) Any borrowings made by State Public Sector companies/corporations, SPVs and other equivalent instruments, where principal and/or interest is being serviced out of the State Budgets and/or by assignment of taxes/cess or any other State's revenue, are considered as Borrowings made by the State itself for the purpose of issuing the consent under Article 293(3) of the Constitution of India. Any borrowing by the Kerala Infrastructure Investment Fund Board (KIIFB) not falling in this category is not counted as borrowing of the State.
