

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION NO. 881
TO BE ANSWERED ON TUESDAY, THE 11th FEBRUARY, 2025
22 MAGHA, 1946 (SAKA)

GOVERNMENT DEBT

881. Shri Raghav Chadha:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has data on India's total Government debt since independence;
- (b) if so, the year-wise details of Government debt, categorized as internal and external debt, along with their respective percentages of GDP;
- (c) the trends in India's tax-to-GDP ratio over the decades, with year-wise data since independence;
- (d) the key factors contributing to fluctuations in the tax-to-GDP ratio; and
- (e) the measures being implemented to manage public debt effectively and improve the tax-to-GDP ratio?

ANSWER

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

(a) & (b): The Central Government Debt for FY 1950-51 was ₹2865.40 crore. The available data on Central Government debt from 1980-81 in ₹ crore is available at <https://data.rbi.org.in/#/dbie/reports/Statistics/Public%20Finance/Central%20Govt.%20Finance> and as percent of GDP is available at <https://data.rbi.org.in/#/dbie/reports/Statistics/Public%20Finance/Central%20&%20State%20Govt.%20Finance%20%28Combined%29> .

(c): The trend in tax to GDP Ratio of Central Government for last decade is as follows:

Year	Tax to GDP Ratio
2016-17	11.1
2017-18	11.2
2018-19	11.0
2019-20	10.0
2020-21	10.2
2021-22	11.5
2022-23	11.3
2023-24	11.7
2024-25 RE	11.9
2025-26 BE	12.0

The historical series on the same is available in table 1.8 of Indian Public Finance Statistics at <https://dea.gov.in/sites/default/files/INDIAN%20PUBLIC%20FINANCE%20STATISTICS%202017-18.pdf>.

(d) & (e): The tax to GDP ratio has been on increasing trend since Covid-19. The fluctuations in tax to GDP ratio is recorded either due to exogenous shock like Covid -19, or any structured reforms implemented by the Government like rationalization of tax rates. Regarding, effective debt management, the Union Government in Budget Speech of FY 2024-25 (Regular Budget) has outlined a medium-term fiscal policy stance. It seeks to keep the Central Government fiscal deficit to GDP ratio such that the debt to GDP ratio is on a declining path. Further, it has been highlighted in FRBM documents of FY 2025-26, that sans any major macro-economic disruptive exogenous shock(s), and while keeping in mind potential growth trends and emergent development needs, the Government endeavours to keep fiscal deficit in each year (from FY 2026-27 till FY 2030-31) such that the Central Government debt is on declining path to attain a debt to GDP level of about 50 ± 1 per cent by 31st March 2031.
