

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE  
FINANCE COMMISSION DIVISION

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 226**

Answered on December 1, 2015/Agrahayana 10, 1937 (Saka)

**Central funds for States facing financial crisis**

226. KUMARI SELJA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has made an assessment or survey of the financial health/condition of the States, if so, the details thereof, State-wise including Haryana;
- (b) whether some States are facing a financial crisis, if so, the details thereof and the reasons therefor;
- (c) whether Government has proposed to enhance funds to such States; and
- (d) if so, the details thereof and the time by which the aforesaid fund is likely to be released?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI JAYANT SINHA)

(a) to (d): The Thirteenth Finance Commission (FC- XIII) has worked out a fiscal consolidation roadmap for each State to eliminate Revenue Deficit (RD) and achieve Fiscal Deficit (FD) of 3% of their respective Gross State Domestic Product (GSDP) by 2014-15. FC-XIII has also prescribed annual Debt to GSDP ratios for each State to be maintained during its award period 2010-15. The States are required to enact/amend their respective Fiscal Responsibility and Budget Management Acts (FRBMA) incorporating the fiscal targets prescribed by the FC-XIII and adhere to these targets. All States have FRBMAs in place. The fiscal position of the States including Haryana in terms of Revenue Deficit to GSDP ratio, Fiscal Deficit to GSDP ratio and Outstanding Debt to GSDP ratio as gleaned from 2013-14 (Finance Account), 2014-15 (Revised Estimates) and 2015-16 (Budget Estimates) is at Annex -1. Ways and Means position of the States as on 24.11.2015 indicates aggregate cash balance of Rs.1.31 lakh crore and all the States are within their ways and means limit fixed by Reserve Bank of India. The Ways and Means position of States as on 24.11.2015 is at Annex – 2.

Some States in recent past have indicated likely fiscal stress on account of increase in liabilities of power distribution companies (DISCOMs) and consequent interest burden. Government of India has recently approved a new scheme named Ujwal DISCOM Assurance Yojna (UDAY). UDAY provides for the financial turnaround and revival of Power Distribution companies (DISCOMs), and importantly also ensures a sustainable permanent solution to the problem. UDAY is available for all States.

Further, as per the recommendations of 14th Finance Commission (FFC), for its award period (2015-20), the States' share in divisible pool of Union taxes has been enhanced from 32% to 42% which is highest ever vertical increase in tax devolution. As a result there is an estimated increase of Rs. 25 lakh crore in tax devolution to States during FFC award period as compared to the FC-XIII award period. FFC has also recommended revenue deficit grant of Rs. 1,94,821 crore during the award period for eleven States, which were estimated to be in revenue deficit post devolution of States' share of central taxes. Revenue deficit grant is released on pro-rata monthly basis.



**Annex -1 referred to in reply to part (a) to (d) of Rajya Sabha Unstarred Question No. 226 for answer on  
01/12/2015**

**Fiscal position of States as per 2013-14 (FA), 2014-15 (RE) and 2015- 16 (BE)**

(In percent)

Sl. No.	States	RD/GSDP			FD/GSDP			Debt/GSDP		
		2013-14 FA	2014-15 RE	2015-16 BE	2013-14 FA	2014-15 RE	2015-16 BE	2013-14 FA	2014-15 RE	2015-16 BE
1	Andhra Pradesh*	0.0	2.5	1.2	2.0	3.5	3.0	21.4	20.2	22.4
2	Arunachal Pradesh	-0.7	NA	NA	13.1	NA	NA	40.1	NA	NA
3	Assam	-0.2	2.9	-2.7	2.6	8.7	2.2	24.0	21.6	21.4
4	Bihar	-2.1	1.2	-2.5	2.7	8.6	2.8	27.7	25.6	23.0
5	Chhattisgarh	0.5	-1.2	-1.7	3.0	2.8	2.7	14.5	15.1	15.0
6	Goa	0.7	-0.1	-0.6	2.8	3.5	2.4	26.3	NA	NA
7	Gujarat	-0.6	-0.7	-0.7	2.3	2.0	2.2	23.6	22.2	22.8
8	Haryana	1.0	2.1	1.9	2.1	3.4	3.2	18.8	19.6	21.3
9	Himachal Pradesh	2.0	3.9	1.7	4.9	6.4	4.9	41.5	40.2	38.7
10	Jammu & Kashmir	-0.1	-3.3	-2.3	5.8	7.8	6.3	56.5	51.3	44.0
11	Jharkhand	-1.6	-1.8	-2.2	1.3	2.3	2.4	22.0	20.0	22.5
12	Karnataka	-0.1	0.0	-0.1	2.8	2.8	2.7	22.5	22.6	23.6
13	Kerala	2.7	2.2	1.5	4.1	3.5	3.4	30.0	30.7	30.7
14	Madhya Pradesh	-1.5	-1.4	-0.9	2.5	3.0	2.8	24.7	23.4	18.8
15	Maharashtra	0.3	0.7	0.8	1.6	2.1	2.5	18.0	NA	NA
16	Manipur	-11.9	-6.3	4.2	-2.1	6.1	3.2	53.8	48.4	40.7
17	Meghalaya	-3.6	-5.3	-2.7	1.9	2.3	2.8	31.7	31.0	27.3
18	Mizoram	1.8	9.7	-7.6	8.8	20.4	0.8	65.9	59.1	43.7
19	Nagaland	-5.2	-3.1	-1.0	3.2	5.4	5.0	58.4	52.7	34.8
20	Orissa	-1.2	-1.0	-1.5	1.6	2.8	3.1	15.6	16.8	18.1
21	Punjab	2.1	1.7	1.6	2.8	2.8	3.0	33.1	30.8	31.3
22	Rajasthan	0.2	0.7	-0.1	3.3	4.1	3.0	28.4	25.8	24.6
23	Sikkim	-8.4	-10.4	-3.1	0.5	3.6	3.0	29.5	27.4	22.4
24	Tamil Nadu	0.2	0.4	0.4	2.5	2.9	2.9	20.6	20.4	20.3
25	Telangana		-0.1	-0.1		4.3	3.3		23.6	22.3
26	Tripura	-7.3	-8.5	-9.7	0.2	4.7	5.5	37.5	33.4	32.8
27	Uttar Pradesh	-1.2	-3.4	-3.1	2.8	3.0	2.9	32.9	27.8	26.7
28	Uttarakhand	-0.9	-1.6	0.0	2.3	4.6	4.4	23.8	23.7	23.0
29	West Bengal	2.7	1.3	0.0	3.6	2.9	1.7	35.9	33.5	31.7

(-) sign indicates revenue surplus. NA: Not Available.

\* 2013-14 indicates fiscal position for Andhra Pradesh prior to re-organization.

**Annex -2 referred to in reply to part (a) to (d) of Rajya Sabha Unstarred Question No. 226 for answer on  
01/12/2015**

**Ways and Means position of States as on 24.11.2015**

<b>State</b>	<b>W&amp;M position (Rs. in crore)</b>
<b>(A) States in Overdraft</b>	Nil
<b>(B) States without Treasury Holdings but within W&amp;M Limit</b>	
1. Jammu and Kashmir	188
2. Nagaland	111
3. Punjab	306
<b>(C) States with Treasury Holdings and Action T-Bills Holdings</b>	
1. Andhra Pradesh	522
2. Arunachal Pradesh	876
3. Assam	5,169
4. Bihar	5,363
5. Chattisgarh	513
6. Goa	21
7. Gujarat	8,453
8. Haryana	2,904
9. Himachal Pradesh	124
10. Jharkhand	1,575
11. Karnataka	17,650
12. Kerala	884
13. Madhya Pradesh	7,079
14. Maharashtra	32,873
15. Manipur	139
16. Meghalaya	632
17. Mizoram	204
18. Orissa	5,723
19. Rajasthan	9,303
20. Tamil Nadu	22,236
21. Telangana	1,597
22. Tripura	3,237
23. Uttar Pradesh	2,222
24. Uttarakhand	314
25. West Bengal	1,746
<b>(D) State not banking with RBI</b>	
1. Sikkim	22
<b>Total</b>	<b>131,381</b>