

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 1475  
TO BE ANSWERED ON TUESDAY, 14<sup>th</sup> MARCH, 2023  
23 PHALGUNA , 1944 (SAKA)**

**Expenditure on subsidies**

**1475. Shri Digvijaya Singh:**

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the State Government's expenditure on subsidies has grown at 12.9 per cent and 11.2 per cent during 2020-21 and 2021-22, respectively, after contracting in 2019-20, as indicated by the Comptroller and Auditor General of India;
- (b) if so, the details thereof and reasons therefor;
- (c) the steps taken to manage the expenditure on subsidies during the last five years;
- (d) the details regarding the expenses in percentage of Gross State Domestic Product (GSDP) spent on freebies and subsidies, year-wise and State-wise;
- (e) whether Government has issued any advisory or aid to manage State expenses during the last five years; and
- (f) if so, the details thereof?

**ANSWER**

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

(a) to (f) As gleaned from the State Finance Audit Report published by Comptroller and Auditor General of India (CAG), State Finance Accounts and Monthly Key Indicators of States available at website of CAG, State Government's expenditure on subsidies has grown at 11.06 per cent and 17.69 per cent during 2020-21 and 2021-22, respectively, after contracting in 2019-20.

The details regarding the expenses in percentage of Gross State Domestic Product (GSDP) spent on subsidies by State Governments during FY 2016-17 to FY 2020-21, year-wise and State-wise, are given in **Annexure**.

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. FRBM Acts of States generally make the State Governments responsible to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the government and conduct of fiscal policy in a medium term framework.

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.

Moreover, the Fifteenth Finance Commission (15<sup>th</sup> FC) has recommended Revenue Deficit Grants amounting to Rs. 2,94,514 crore for seventeen States for the five years period from 2021-22 to 2025-26. Based on the recommendations of 15<sup>th</sup> FC, Revenue Deficit Grant of Rs. 1,18,452 crore were released to States in FY 2021-22 and Rs. 86,201 crore has been released in current FY 2022-23 upto 09.03.2023.

\*\*\*\*\*

**Annexure referred to in the answer of Rajya Sabha Unstarred question no. 1475 for  
14.03.2023**

**Expenses in percentage of Gross State Domestic Product (GSDP) spent on subsidies by  
State Governments during FY 2016-17 to FY 2020-21**

S.No.	State	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Andhra Pradesh	0.91%	0.91%	0.27%	0.66%	0.49%
2.	Arunachal Pradesh	0.03%	0.00%	0.03%	0.00%	0.06%
3.	Assam	0.09%	0.25%	0.47%	0.42%	0.58%
4.	Bihar	2.08%	1.07%	1.58%	1.22%	1.39%
5.	Chhattisgarh	1.59%	1.77%	2.62%	3.33%	2.09%
6.	Goa	0.39%	0.38%	0.42%	0.35%	0.35%
7.	Gujarat	0.95%	1.02%	1.16%	1.14%	1.35%
8.	Haryana	1.36%	1.32%	1.22%	1.06%	1.01%
9.	Himachal Pradesh	0.61%	0.65%	0.86%	0.67%	0.79%
10.	Jharkhand	0.79%	0.53%	0.68%	1.38%	1.06%
11.	Karnataka	1.19%	1.06%	1.04%	1.09%	1.06%
12.	Kerala	0.27%	0.23%	0.21%	0.17%	0.82%
13.	Madhya Pradesh	2.54%	2.67%	2.55%	1.35%	1.40%
14.	Maharashtra	0.95%	1.44%	1.07%	1.04%	1.51%
15.	Manipur	0.74%	0.48%	0.44%	0.38%	0.35%
16.	Meghalaya	0.17%	0.18%	0.18%	0.12%	0.11%
17.	Mizoram	0.01%	0.07%	0.06%	0.10%	0.00%
18.	Nagaland	0.00%	0.00%	0.00%	0.00%	0.08%
19.	Odisha	0.61%	0.01%	0.64%	0.63%	0.81%
20.	Punjab	1.36%	1.48%	2.61%	1.89%	1.83%
21.	Rajasthan	2.26%	2.84%	2.36%	1.90%	1.46%
22.	Sikkim	0.01%	0.01%	0.01%	0.00%	0.01%
23.	Tamil Nadu	1.24%	1.04%	1.16%	1.16%	1.39%
24.	Telangana	0.90%	0.79%	0.74%	0.72%	0.99%
25.	Tripura	0.26%	0.27%	0.27%	0.10%	0.27%
26.	Uttar Pradesh	0.62%	0.64%	0.89%	0.83%	0.71%
27.	Uttarakhand	0.11%	0.08%	0.08%	0.01%	0.06%
28.	West Bengal	1.10%	1.20%	1.22%	0.80%	0.95%

**Source:** State Finances Audit Report published by CAG and State Finance Accounts of States, GSDP data from National Statistical Office (NSO), Ministry of Statistics and Programme Implementation