

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA
UNSTARRED QUESTION NO. 542**

TO BE ANSWERED ON 7th FEBRUARY, 2023 (TUESDAY)/ 18 MAGHA, 1944 (SAKA)

**EFFECT OF SWITCHING TO OLD PENSION SCHEME ON THE STATE
GOVERNMENTS**

542. Dr. Fauzia Khan

Will the Minister of Finance be pleased to state:

- (a) whether Government has done any analysis of the fiscal effects that implementing the Old Pension Scheme by different States may have, on the fiscal soundness of the country;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) whether the State Governments that have decided to switch to the Old Pension Scheme, have been asked to send reports on the implications on fiscal stability, upon reverting to the Old Pension Scheme;
- (e) if not, the reasons therefor; and
- (f) the details of the outstanding debt of each State to the Union Government and fiscal deficit of each State/UT?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) to (c) As per Reserve Bank of India's (RBI) report titled 'State Finances: A Study of Budgets of 2022-23', the annual saving in fiscal resources that reversion to the old pension scheme entails is short-lived. By postponing the current expenses to the future, States risk the accumulation of unfunded pension liabilities in the coming years.

(d) & (e) As per Section 12 (4) of the Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013, any State Government may, by notification, extend the National Pension System (NPS) to its employees. Most of the States Governments at their own volition have extended NPS to their employees. Further, as noted by the 14th Finance Commission in para 4.4 of its Report, many States introduced measures such as NPS to rationalise their expenditure and reduce future fiscal risks.

(f) As per Statement 18 of RBI's Report: 'State Finances: A Study of Budgets of 2022-23', the details of State/UT-wise Composition of Outstanding Liabilities are placed at Annexure A. As per Statement 3 of RBI's said Report, the details of State/UT-wise Gross Fiscal Deficit/Surplus are placed at Annexure B.

Annexure A

Rajya Sabha Unstarred Question No. 542 for 07.02.2023

Details of State/UT-wise Composition of Outstanding Liabilities

(As at end-March 2023)

(₹ Crore)

S.No.	Name of State/UT	Outstanding Liabilities
1	Andhra Pradesh	4,42,442.0
2	Arunachal Pradesh	15,457.0
3	Assam	1,21,276.1
4	Bihar	2,86,016.6
5	Chhattisgarh	1,18,166.1
6	Goa	31,757.8
7	Gujarat	4,23,711.4
8	Haryana	2,87,266.2
9	Himachal Pradesh	80,815.6
10	Jharkhand	1,29,463.6
11	Karnataka	5,35,156.7
12	Kerala	3,90,859.5
13	Madhya Pradesh	3,78,616.5
14	Maharashtra	6,80,357.2
15	Manipur	15,917.3
16	Meghalaya	17,433.1
17	Mizoram	12,991.2
18	Nagaland	16,562.4
19	Odisha	1,13,856.4
20	Punjab	3,05,047.0
21	Rajasthan	5,37,012.5
22	Sikkim	12,982.6
23	Tamil Nadu	7,53,860.4
24	Telangana	3,66,306.0
25	Tripura	26,446.1
26	Uttar Pradesh	7,10,209.7
27	Uttarakhand	88,483.2
28	West Bengal	6,08,312.9
29	Jammu and Kashmir	69,532.8
30	NCT Delhi	21,958.8
31	Puducherry	11,651.3
Total		76,09,926.2

Note: The outstanding liabilities position for end-March 2023 have been derived by adding annual 2022-23 (BE) to the outstanding amounts for end-March 2022

Source: Statement 18 of RBI's Report: State Finances: A Study of Budgets of 2022-23

Rajya Sabha Unstarred Question No. 542 for 07.02.2023

Details of State/UT-wise Gross Fiscal Deficit/Surplus

(₹ Crore)

S.No.	Name of State/UT	2022-23 (Budget Estimates)		
		Receipts	Expenditure	Surplus (-)/ Deficit (+)
1	Andhra Pradesh	1,91,225.1	2,39,949.2	48,724.1
2	Arunachal Pradesh	23,838.5	24,898.3	1,059.8
3	Assam	99,662.5	1,15,016.5	15,354.0
4	Bihar	1,96,704.5	2,22,589.6	25,885.1
5	Chhattisgarh	89,073.3	1,03,673.0	14,599.8
6	Goa	17,350.1	21,652.7	4,302.5
7	Gujarat	1,82,045.5	2,18,158.2	36,112.7
8	Haryana	1,11,818.6	1,41,436.9	29,618.3
9	Himachal Pradesh	36,375.3	45,977.7	9,602.3
10	Jharkhand	83,025.2	94,311.6	11,286.5
11	Karnataka	1,89,905.5	2,51,469.8	61,564.3
12	Kerala	1,34,147.4	1,73,264.0	39,116.6
13	Madhya Pradesh	1,95,192.7	2,47,704.0	52,511.3
14	Maharashtra	4,03,427.2	4,93,025.6	89,598.3
15	Manipur	24,447.9	27,196.3	2,748.5
16	Meghalaya	16,035.4	17,884.1	1,848.7
17	Mizoram	11,426.2	12,636.6	1,210.4
18	Nagaland	16,075.1	17,427.6	1,352.5
19	Odisha	1,63,966.5	1,85,554.2	21,587.6
20	Punjab	95,878.3	1,19,713.4	23,835.1
21	Rajasthan	2,14,992.2	2,73,203.8	58,211.6
22	Sikkim	8,420.6	9,947.9	1,527.3
23	Tamil Nadu	2,31,407.3	3,28,021.0	96,613.7
24	Telangana	1,93,029.4	2,45,196.6	52,167.2
25	Tripura	21,047.2	25,868.5	4,821.4
26	Uttar Pradesh	4,99,212.7	5,80,390.7	81,178.0
27	Uttarakhand	51,474.3	59,978.0	8,503.7
28	West Bengal	1,98,047.0	2,60,444.0	62,397.0
29	Jammu and Kashmir	93,520.7	1,09,374.7	15,854.1
30	NCT Delhi	61,288.6	70,482.4	9,193.8
31	Puducherry	8,807.0	9,231.3	424.3
	Total	38,62,867.6	47,45,678.3	8,82,810.7

Notes: 1. Gross Fiscal Deficit Receipts includes revenue receipts and miscellaneous capital receipts.

2. Gross Fiscal Deficit Expenditure includes revenue expenditure, capital outlay and loans and advances net of recoveries.

Source: Statement 3 of RBI's Report: State Finances: A Study of Budgets of 2022-23