

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

RAJYA SABHA

UNSTARRED QUESTION NO. 1827

TO BE ANSWERED ON TUESDAY, 19th DECEMBER, 2023
28 AGRAHAYANA, 1945 (SAKA)

Limiting the financial borrowing of Kerala

1827. SHRI ABDUL WAHAB:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the Government of Kerala is eligible for the financial borrowing upto ₹ 32,442 crore, which is the 3 per cent of its GSDP;
- (b) if not, the reason therefor;
- (c) whether it is also a fact that Government has significantly slashed the financial borrowing limit of the Government of Kerala to ₹ 15,390 crore;
- (d) if so, the reason therefor;
- (e) if not, the details of financial borrowing limit of Kerala at present; and
- (f) whether Government will consider to increase the borrowing limit of the Kerala, considering its severe financial crisis condition that is affecting welfare of people?

ANSWER

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

(a) and (b) Yes Sir. Based on the recommendation of the 15th Finance Commission (XV-FC), the normal net borrowing ceiling (NBC) of the States including Kerala has been fixed at 3 percent of Gross State Domestic Product (GSDP) for the Financial Year (FY) 2023-24. Accordingly, the normal NBC of the State Government of Kerala for FY 2023-24 has been fixed at Rs. 32,442 crore.

(c) to (e) No Sir. For the FY 2023-24, the Gross Borrowing Ceiling of Kerala has been fixed at Rs. 50,903.28 crore. Out of this, Rs. 32,277.41 crore is Open Market Borrowing (OMB) while the rest is borrowing from other sources. Out of the total OMB, consent has already been issued to the State Government to borrow an amount of Rs. 26,992 crore so far from the open market. Borrowing from other sources is resorted by the State Government from time to time as per its requirements.

(f) Presently, there is no proposal to increase the borrowing limit of Kerala.
