

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

RAJYA SABHA

UNSTARRED QUESTION NO. 384

TO BE ANSWERED ON TUESDAY, 6th FEBRUARY, 2024

17 MAGHA, 1945 (SAKA)

Financial assistance to State Governments

384. SHRI ELAMARAM KAREEM:

Will the Minister of FINANCE be pleased to state:

- (a) the actions taken by Government to help the State Governments from financial crisis after the introduction of GST and COVID-19 scenario;
- (b) whether Government has taken measures to increase the lending limits of the States to address their financial crisis, if so, the details thereof; and
- (c) the grants and other financial assistances extended to the State Governments during the last five years, State-wise?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) In view of the resource requirement to meet the challenges posed by the COVID-19 pandemic, the Government of India had enhanced the borrowing limit of the States by 2 percent of their Gross States Domestic Product (GSDP) for the year 2020-21. Out of which, 1 percent was linked to reforms in four citizen centric areas. The citizen centric areas identified for reforms were (i) Implementation of One Nation One Ration Card System, (ii) Ease of doing business reform, (iii) Urban Local body/ utility reforms and (iv) Power Sector reforms.

In addition, in order to meet the shortfall in Goods and Services Tax (GST) compensation to be paid to States, the Government of India had set up a special borrowing window. The Government of India had borrowed Rs. 1.1 lakh crore during financial year

2020-21 and Rs. 1.59 lakh crore during current financial year 2021-22 under this special window and passed on to States and UTs with Legislature as a back-to-back loan to help the States/UTs to meet the resource gap due to short release of compensation on account of inadequate balance in the compensation fund.

(b) Based on the recommendation of the 15th Finance Commission (XV-FC), the normal Net Borrowing Ceiling (NBC) of all States has been fixed at 3 percent of the Gross State Domestic Product (GSDP) for the financial year 2023-24. Besides this, extra borrowing ceiling has been allowed to State Governments equivalent to estimated combined share of State and its employees' contribution pertaining to the financial year 2023-24 to be actually deposited with the designated authority as per the guidelines of National Pension System (NPS). In addition, State Governments are also eligible to avail additional borrowing of up to 0.50% of GSDP based on certain performance criteria in power sector.

Union Government applies a common yardstick while fixing the annual borrowing limit of all the State Governments under Article 293(3) of the Constitution of India. In doing so, it is guided by the recommendations of the Finance Commission.

(c) Details of grants-in-aid released to State Governments as recommended by the successive Finance Commissions for the last five years from 2018-19 to 2022-23 are at **Annexure.**

**Annexure referred to in the answer of part (c) of Rajya Sabha Unstarred question no.
384 for 06.02.2024**

**Details of grants-in-aid released to State Governments as recommended by the
successive Finance Commissions for the last five years from 2018-19 to 2022-23**

(Rs. In crore)

| S. No. | Name of State | Year | | | | |
|--------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
| 1 | Andhra Pradesh | 6553.037 | 6451.717 | 12233.233 | 21342.432 | 13174.270 |
| 2 | Arunachal Pradesh | 257.062 | 380.985 | 841.385 | 439.694 | 210.400 |
| 3 | Assam | 1121.183 | 4793.050 | 10578.266 | 8916.051 | 7605.002 |
| 4 | Bihar | 4775.203 | 7896.784 | 10105.270 | 8116.515 | 6732.650 |
| 5 | Chhattisgarh | 1679.475 | 2044.750 | 2289.500 | 2379.794 | 1772.800 |
| 6 | Goa | 66.635 | 163.615 | 85.500 | 119.550 | 54.200 |
| 7 | Gujarat | 3313.360 | 5040.240 | 5672.500 | 5002.420 | 5304.630 |
| 8 | Haryana | 1274.264 | 2005.737 | 2364.000 | 1493.429 | 1620.751 |
| 9 | Himachal Pradesh | 9058.540 | 9135.880 | 12426.996 | 11044.260 | 10703.960 |
| 10 | Jammu & Kashmir | 13534.010 | 10047.608 | 0.000 | 0.000 | 0.000 |
| 11 | Jharkhand | 1059.891 | 3154.602 | 3070.000 | 2318.798 | 1826.593 |
| 12 | Karnataka | 4333.726 | 7578.190 | 6246.270 | 7862.335 | 4435.080 |
| 13 | Kerala | 4551.070 | 2343.010 | 18048.799 | 22171.130 | 15382.300 |
| 14 | Madhya Pradesh | 4876.620 | 7788.130 | 9613.790 | 5946.399 | 5494.769 |
| 15 | Maharashtra | 8585.410 | 14131.130 | 12275.120 | 8748.897 | 9968.159 |
| 16 | Manipur | 2154.476 | 2168.536 | 3111.996 | 2674.377 | 2387.700 |
| 17 | Meghalaya | 337.110 | 175.450 | 708.513 | 1494.648 | 1144.700 |
| 18 | Mizoram | 2616.675 | 2803.425 | 1606.980 | 1910.290 | 1685.500 |
| 19 | Nagaland | 4217.080 | 4532.270 | 4051.783 | 4763.510 | 4737.004 |
| 20 | Odisha | 3181.387 | 6857.430 | 5449.000 | 5056.767 | 4220.801 |
| 21 | Punjab | 719.539 | 2710.125 | 11481.233 | 12435.605 | 10258.450 |
| 22 | Rajasthan | 3647.600 | 9281.140 | 6305.150 | 17210.671 | 10521.203 |
| 23 | Sikkim | 125.860 | 88.480 | 623.856 | 852.708 | 528.200 |
| 24 | Tamil Nadu | 4605.770 | 5905.686 | 8930.373 | 10116.768 | 5791.678 |
| 25 | Telangana | 1806.131 | 3219.032 | 3134.570 | 1850.932 | 3359.386 |
| 26 | Tripura | 1360.040 | 1120.425 | 3576.883 | 4911.082 | 4654.900 |
| 27 | Uttar Pradesh | 9475.042 | 12964.760 | 16023.000 | 12306.421 | 12383.737 |
| 28 | Uttarakhand | 703.565 | 974.723 | 6864.930 | 9424.096 | 8501.236 |
| 29 | West Bengal | 4189.107 | 6983.463 | 14600.710 | 23867.467 | 19824.476 |
| | Total | 104178.870 | 142740.373 | 192319.605 | 214777.047 | 174284.534 |

Note:- It includes assistance from NDRF/NDRMF/Excluded Areas Grant released to the concerned States.