

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
RAJYA SABHA
UNSTARRED QUESTION NO. 1340
TO BE ANSWERED ON TUESDAY, 11th March, 2025
20 PHALGUNA, 1946 (SAKA)

BORROWING LIMITS FOR STATES

1340. **SHRI SATNAM SINGH SANDHU:**

Will the Minister of FINANCE be pleased to state:

- (a) the details of borrowings by State Governments during the previous and the current Financial Year along with respective borrowing limits set by Government, State-wise;
- (b) the steps being taken by Government in assisting States that have crossed or are on the verge of crossing the borrowing limits; and
- (c) the details of steps taken by the Centre to check burgeoning debt crisis in States, State-wise?

ANSWER

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

(a) Based on recommendations of the 15th Finance Commission (XV-FC), the annual normal Net Borrowing Ceiling (NBC) of all States has been fixed at 3 percent of the Gross State Domestic Product (GSDP) for financial year 2023-24 and 2024-25. In addition, State Governments may also avail additional borrowing of up to 0.50% of GSDP based on certain performance criteria in power sector. The details regarding state wise consent issued for open market borrowing by Government of India (GoI) and market borrowings availed by States during 2023-24 and 2024-25 (as on February 28, 2025) is at Annexure.

(b) & (c) 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. Department of Expenditure, Ministry of Finance considers the fiscal limits as per 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. Adjustments for the over-borrowing by States during previous years, if any, are made in the borrowing limits of subsequent years.

Instances of off-budget borrowings by certain State Public Sector companies, Special Purpose vehicles (SPVs) and other equivalent instruments, where principal and/or interest are to be serviced out of the State Budgets, had come to the notice of the Ministry of Finance. Considering the effect of bypassing the NBC of the States by such borrowings, it was decided and communicated to the States in March 2022 that borrowings by State Public Sector companies/corporations, Special purpose vehicles (SPVs) and other equivalent instruments, where principal and/or interest are to be serviced out of the State Budgets and/or by assignment of taxes/cess or any other State's revenue, shall be considered as Borrowings made by the State itself for the purpose of issuing the consent under Article 293(3) of the Constitution of India.

To take care of under reporting of borrowings from Public Account, a provision has been made in the borrowing guidelines since 2022-23 that if the liabilities arising from Public Account declared by the State for the years for which State Finance Account is not available, is less than the simple average of past three years for which State Finance Accounts are available, then the average is considered for calculation of the borrowing space available for Open Market borrowing, unless lower public account liabilities declared by the State is supported by the documentary evidence, and certified by the Accountant General of the State.

**Annexure referred to in the answer of part (a) of Rajya Sabha Unstarred question no.
1340 for 11.03.2025**

**Details of borrowing consent issued by Government of India and borrowings raised by
States**

(Rs. in crore)

Sl. No.	Name of State	Consent issued by Government of India for Open Market Borrowings	Actual amount of Market Borrowings availed by States	Actual amount of Market Borrowings availed by States	
				Consent issued by Government of India for Open Market Borrowings	Actual amount of Market Borrowings availed by States (as on February 28, 2025)
		2023-24		2024-25	
1	Andhra Pradesh	68,414	68,400	73,900	70,057
2	Arunachal Pradesh	902	902	1,010	795
3	Assam	22,124	18,500	22,055	15,700
4	Bihar	47,612	47,612	47,546	47,546
5	Chhattisgarh	32,000	32,000	18,898	10,500
6	Goa	3,300	2,550	4,500	1,050
7	Gujarat	51,000	30,500	41,500	30,200
8	Haryana	47,500	47,500	49,500	37,500
9	Himachal Pradesh	8,072	8,072	7,149	6,700
10	Jharkhand	13,065	1,000	14,999	0
11	Karnataka	84,000	81,000	78,392	72,025
12	Kerala	42,438	42,438	41,527	40,922
13	Madhya Pradesh	54,518	38,500	80,174	41,000
14	Maharashtra	1,15,914	1,10,000	1,25,238	99,000
15	Manipur	1,639	1,426	1,500	1,250
16	Meghalaya	1,364	1,364	1,882	1,882
17	Mizoram	901	901	1,086	1,049
18	Nagaland	2,651	2,551	1,750	550
19	Odisha	2,300	0	15,780	9,000
20	Punjab	42,387	42,386	38,852	38,830
21	Rajasthan	73,624	73,624	66,927	63,565
22	Sikkim	2,072	1,916	2,064	1,488
23	Tamil Nadu	1,22,664	1,13,001	1,24,074	1,01,025
24	Telangana	49,618	49,618	58,777	49,709
25	Tripura	800	0	1,511	0
26	Uttar Pradesh	98,183	97,650	62,000	35,000
27	Uttarakhand	15,500	6,300	7,500	6,400
28	West Bengal	1,06,688	69,910	99,747	51,500
	Total	11,11,250	9,89,621	10,89,838	8,34,243