GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
PLAN FINANCE-I DIVISION

LOK SABHA
UNSTARRED QUESTION NO. 3820
TO BE ANSWERED ON FRIDAY, THE 24th March, 2017/ 3 Chaitra, 1939 (SAKA)

DEBT BURDEN

3820. SHRI M. K. RAGHAVAN:
SHRI SISIR KUMAR ADHIKARI:
DR. SWAMI SAKSHIJI MAHARAJ:

Will the Minister of FINANCE be pleased to state:

a) whether the Government is aware that many of the States/ UTs in the country are in Debt Trap;
b) if so, the details thereof and the reasons therefor;
c) whether as per the recommendations of Finance Commission, a State/ UT with more than 20 per cent of debt to Gross State Domestic Product (GSDP) ratio should be considered as debt stressed and if so, the details therefor and the debt share of GSDP, State/UT-wise; and
d) the steps taken by the Government to improve the conditions of States/UTs?

ANSWER

MINISTER OF STATE IN MINISTRY OF FINANCE
(**SHRI ARJUN RAM MEGHWAL**)

(a to d) One of the terms of reference of Fourteenth Finance Commission (FFC) was to consider the resources of the State governments and demands on such resources under different heads, including the impact of debt levels on resource availability in debt stressed states, for the five years commencing on 1st April 2015, on the basis of levels of taxation and non-tax revenues likely to be reached during 2014-15.

FFC has not adopted the criteria of Debt/GSDP with more than 20% for categorizing any State as debt stress State. FFC has noted that there were varying degrees of fiscal stress among States and it is difficult to draw a line and categorise some as seriously debt stressed. As gleaned from Finance Accounts and Budget documents of the States, the State/UT-wise details of debt to GSDP ratio of the States/UTs during last three years are placed at **Annex**.

In its assessment of fiscal needs of the States, FFC have provided for full interest payment by the States and recommended biggest ever increase of 10% in the share of States in net proceed of shareable pool of Union taxes, from 32% to 42%. The substantial increase in tax devolution and grant-in-aid recommended by FFC is a major step in the process of transferring more resources to the States in the nature of untied funds so that States may make and implement schemes or programmes which are best suited to their local needs and requirements.

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Annex to reply to part (a to d) of Lok Sabha unstarred question No. 3820 for 24.03.2017 regarding Debt Burden

Sl. No.	States	2014-15 Actuals	2015-16 Revised Estimates	2016-17 Budget Estimates
1	Andhra Pradesh	24.2	22.3	24.4
2	Arunachal Pradesh	40.7	30.2	27.0
3	Assam	19.8	20.0	20.6
4	Bihar	25.8	23.2	23.9
5	Chhattisgarh	15.4	15.2	17.5
6	Goa	30.3	23.9	36.7
7	Gujarat	22.1	22.7	23.0
8	Haryana	19.2	23.8	27.7
9	Himachal Pradesh	41.1	39.3	38.3
10	Jammu & Kashmir	52.1	46.9	53.6
11	Jharkhand	20.4	26.5	23.5
12	Karnataka	23.1	23.6	17.8
13	Kerala	31.0	30.6	29.0
14	Madhya Pradesh	24.2	20.8	27.1
15	Maharashtra	17.8	18.9	18.5
16	Manipur	47.7	41.6	42.0
17	Meghalaya	29.3	26.1	30.6
18	Mizoram	66.8	49.0	49.9
19	Nagaland	50.6	33.4	39.5
20	Odisha	15.4	16.4	19.1
21	Punjab	30.8	31.4	32.3
22	Rajasthan	26.0	30.7	35.4
23	Sikkim	28.3	23.3	26.7
24	Tamilnadu	20.4	20.3	18.8
25	Telangana	23.5	22.3	22.0
26	Tripura	33.4	29.5	31.1
27	Uttar Pradesh	32.2	33.9	33.8
28	Uttarakhand	24.4	23.8	22.2
29	West Bengal	34.0	32.5	33.7
	All States/GSDP	**24.4**	**24.9**	**25.1**
	UTs with legislature:			
1	NCT Delhi	7.5	6.3	Not Available
2	Puducherry	27.3	24.2	Not Available

Note: In case of UTs, Revised estimates and Budget estimates for the years 2014-15 and 2015-16 respectively are taken from RBI publication of "State Finances-A study of budgets of 2015-16"