

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE

**LOK SABHA**  
**UNSTARRED QUESTION NO. 931**

TO BE ANSWERED ON FRIDAY, THE 21<sup>st</sup> July, 2017/ 30 Ashada, 1939(SAKA)

**STATE DEBT CRISIS**

931. SHRI B. SENGUTTUVAN:

Will the Minister of FINANCE be pleased to state:

- a) Whether according to the Reserve Bank of India (RBI) the debt crisis in States is all set to worsen and to double over the next fiscal year and if so, the details thereof, State/UT-wise along with the reasons therefor;
- b) Whether the Tamil Nadu State's debt has run up to Rs. 2.56 crore with the social sector expenditure in the current budget at Rs. 78000 crore and if so, the details thereof; and
- c) Whether the freebie culture is responsible for stultifying the progress of Tamil Nadu which has fallen to the 16<sup>th</sup> from a prime position on growth index and if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN MINISTRY OF FINANCE

**(SHRI ARJUN RAM MEGHWAL)**

(a) As per Reserve Bank of India (RBI) Report titled "State Finances; A Study of Budgets of 2016-17", there is no mention of debt crisis in States, worsening of debt position and doubling of debt level in the next fiscal year.

(b) As per RBI report, the outstanding liability of State Government of Tamil Nadu as at end 2017 is estimated to be Rs. 2560.7 Billion and the social sector expenditure of the State during 2016-17 (BE) is estimated to be Rs. 781.8 Billion. The details are given in the **Annex-I**.

(c) RBI report has not made any observation on the ranking of the States on growth index. As per CSO, the real Gross State Domestic Product (GSDP) growth of State Government of Tamil Nadu during 2016-17 is 7.94%, which is higher than the Real All India GDP growth of 7.11% for the corresponding period.

**Annex I to reply to part (b) of Lok Sabha Unstarred question No. 931 for 21.07.2017**

**Composition of Outstanding Liabilities of Tamil Nadu  
(As at end March 2017)**

<b>Component of borrowing</b>	<b>Amount (Rs. in billion)</b>
State Development Loans	1,833.1
NSSF	252.3
Loans from LIC	-1.1
Loans from GIC	0.2
Loans from NABARD	22.3
Loans from SBI and other Banks	-0.6
Loans from NCDC	0.9
Loans from other Institutions	4.2
Loans from Banks and FLs	25.9
Internal Debt	2,11.3
Loans from Center	163.3
Provident Fund	185.1
Reserve Fund	19.2
Deposit and Advances	80.4
Contingency Fund	1.5
<b>Total Outstanding Liabilities</b>	<b>2,560.7</b>

**Composition of Social Sector Expenditure of Tamil Nadu in 2016-17**

<b>Component</b>	<b>Amount (Rs. in billion)</b>
<b>Revenue Expenditure</b>	
Social Services	578.3
Rural Development	107.2
<b>Capital Outlay</b>	
Social Services	72.0
Food Storage and Warehousing	4.9
Rural Development	9.6
<b>Loans and Advances by State Govt.</b>	
Social Services	9.8
<b>Total Social Sector Expenditure</b>	<b>781.8</b>

Source: RBI report "State Finances; A study of Budgets of 2016-17"