

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA

UNSTARRED QUESTION NO. 2839

TO BE ANSWERED ON FRIDAY, 28th December, 2018

7 PAUSHA, 1940 (SAKA)

Fiscal Consolidation Targets of States

2839. SHRI A. ARUNMOZHITHEVAN:

Will the Minister of FINANCE be pleased to state:

- a) whether the States are set to miss their fiscal consolidation targets budgeted at the beginning of the year and if so, the reasons therefor;
- b) whether the States fiscal deficit is primarily financed by issuing State Development Loans (SDLs) and if so, the details thereof; and
- c) whether Rs. 1.3 lakh crore of SDLs scheduled to be redeemed in the financial year 2019 are much higher than Rs. 0.8 lakh crore redeemed in the financial year 2018 and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PON. RADHAKRISHNAN)

(a) & (b) As per the report issued by Reserve Bank of India (RBI) titled “State Finances: A Study of Budgets of 2017-18 and 2018-19”, the States have budgeted for a revenue surplus in 2018-19 and a lower fiscal deficit. Going forward, fiscal risk may emanate for many states going for election during the year, continuing announcements and rollouts of farm loan waivers as well as the implementation of the pay commission awards by some states.

The States’ gross fiscal deficit is financed by various sources of borrowings, including open market borrowings (OMBs)/ state development loans (SDLs), negotiated loans from financial institutions, National Small Saving Fund loans, Central Government loans including EAPs, etc. Further, as per this report issued by RBI, the OMBs/ SDLs of all States were 65.8% of gross fiscal deficit in 2016-17 which is estimated to be increased to 74.9% of gross fiscal deficit in 2017-18(RE).

(c) The State wise details of State Development Loans (SDLs) redeemed in 2017-18 and 2018-19 are at [Annexure](#).

Annexure to reply to part (c) of Lok Sabha Unstarred question no. 2839 for 28.12.2018

Redemption of State Development Loans of States

(Rs. in crore)

State	2017-18	2018-19
Andhra Pradesh	3,878	6,377
Arunachal Pradesh	185	26
Assam	963	2506
Bihar	1,092	3,397
Chhattisgarh	-	-
Goa	400	500
Gujarat	8,215	9,534
Haryana	800	3,295
Himachal Pradesh	2,049	2,102
Jammu and Kashmir	2,226	1,757
Jharkhand	1,192	1,486
Karnataka	4,750	7,417
Kerala	4,297	5,516
Madhya Pradesh	1,875	4,495
Maharashtra	8,520	17,762
Manipur	247	303
Meghalaya	196	259
Mizoram	147	123
Nagaland	369	467
Orissa	-	1000
Punjab	4,121	5,061
Rajasthan *	8,137	12,992
Sikkim	250	293
Tamil Nadu	4,942	10,848
Telangana	2,772	4557
Tripura	-	156
Uttar Pradesh	4,422	12,693
Uttarakhand	830	1,011
West Bengal	11,607	12,397
Total (States) -A	78,482	1,28,330
Puducherry (B)	337	350
Grand Total (A+B)	78,819	1,28,680

* Includes redemption of UDAY bonds of Rs. 4,150 crore in 2017-18 and Rs. 6,636 crore in 2018-19.