

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA

UNSTARRED QUESTION NO. 2949

TO BE ANSWERED ON MONDAY, 7th AUGUST, 2023

16 SRAVANA, 1945 (SAKA)

Outstanding Debt of Punjab

2949. SHRIMATI HARSIMRAT KAUR BADAL:

Will the Minister of FINANCE be pleased to state:

- (a) the total outstanding debt of the Government of Punjab;
- (b) whether going by the current trend the public debt of Punjab is likely to cross Rs. 5 lakh crores in ten years and if so, the details thereof;
- (c) whether the Government allows the debt-ridden States to splurge public funds by offering freebies thus making the people of the State heavily indebted and if so, the details thereof and the Government's policy in this regard; and
- (d) whether the borrowings can be made to spend on unnecessary unscheduled expenditure and if so, the details thereof?

ANSWER

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

- (a) As per the Reserve Bank of India's report titled 'State finances: A study of budgets of 2022-23', the details of total outstanding liabilities of State Government of Punjab at the end of March 2021, March 2022 (RE) and March 2023 (BE) are as follows:

	(Rs. In crore)
Year (As at end- March)	Total Outstanding Liabilities of the State of Punjab
2021 (Actual)	2,59,266
2022 (RE)	2,82,456
2023 (BE)	3,05,047

(b) to (d) State Government of Punjab has enacted the Fiscal Responsibility and Budget Management (FRBM) Act which makes the State Government responsible to ensure inter-generational equity in fiscal management and long term financial stability by achieving sufficient revenue surplus, containing fiscal deficit, prudential debt management consistent with fiscal sustainability and greater transparency in fiscal operations of the government. Compliance to the Fiscal Responsibility and Budget Management (FRBM) Act is monitored by the State Legislature of the State of Punjab.

Department of Expenditure, Ministry of Finance generally follows the fiscal limits mandated by 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.
