

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

**LOK SABHA
UNSTARRED QUESTION NO. 2179**

TO BE ANSWERED ON MONDAY, 2nd December, 2019 11 AGRAHAYANA, 1941 (SAKA)

Fiscal Stress Faced by States

2179. SHRI G.M. SIDDESHWAR:

Will the Minister of FINANCE be pleased to state:

- a) whether it is a fact that several States are under severe fiscal stress due to schemes like loan waivers and higher borrowings;
- b) if so, the details thereof;
- c) the names of the States which are having severe fiscal stress and highest debt-Gross State Domestic Product ratio; and
- d) the name of the States which tops the spending under non-development expenditure?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)**

(a) to (c) Following the recommendations of 13th Finance Commission, the States have amended /enacted their Fiscal Responsibility and Budget Management (FRBM) Acts to build a fiscal reform path. Further, the Fourteenth Finance Commission (FFC) for its award period 2015-20 has observed at para 14.49 of its Report that “the aggregate debt and deficit indicators of all States are well within the target threshold suggested by the Thirteenth Finance Commission. However, there are variations among States in fiscal consolidation when the debt sustainability is measured on a multiple indicator payment approach like debt as percentage of Gross State Domestic Product (GSDP) and interest payment relative to revenue receipts”. The States having Debt-GSDP ratio of more than 25% in 2019-20 (BE), are Andhra Pradesh, Arunachal Pradesh, Bihar, Goa, Haryana, Himachal Pradesh, Jharkhand, Kerala, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tripura, Uttar Pradesh and West Bengal.

(d) As per the Reserve Bank of India (RBI) report titled “State Finances: A study of budgets of 2019-20”, the five States which are characterized by highest Non-development Expenditure in 2019-20 (BE) are Uttar Pradesh, Maharashtra, Tamil Nadu, West Bengal and Rajasthan.
