

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 3040**

**TO BE ANSWERED ON MONDAY, 15<sup>th</sup> March, 2021/24 Phalguna, 1942 (SAKA)**

**Debt-to-GDP Ratio**

**3040. ADV. ADOOR PRAKASH:**

Will the Minister of FINANCE be pleased to state:

- a) whether the Government has reviewed the debt to GDP ratio of the States;
- b) if so, the details thereof, State-wise;
- c) whether aggressive borrowing of States is causing higher debt for the States; and
- d) if so, the details thereof and the measures proposed by the Government in this regard?

**ANSWER**

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

(a) & (b) As per the recommendations of the Fourteenth Finance Commission (FFC), during the period from 2015-16 to 2019-20, the States were eligible for flexibility of 0.25 percent over and above the normal fiscal deficit limit of 3 percent of Gross State Domestic Product (GSDP), if their debt-GSDP ratio was less than or equal to 25 percent in the preceding year. Accordingly, the debt-GSDP ratio of all States was monitored. The debt-GSDP ratio of all States for the financial year 2017-18 was last reviewed in the year 2019-20, State-wise details of which are at **Annexure**.

(c) & (d) States are allowed to borrow as per the recommendations of the Finance Commission, which prescribed that fiscal deficit of all States will be anchored to an annual limit of 3 percent of Gross States Domestic Product (GSDP). Further, in wake of current COVID-19 pandemic, additional borrowing limit of up to 2 percent of GSDP has been allowed to States for the year 2020-21 linked to specific State Level Reforms.

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**Annexure referred to in part (a) and (b) of Lok Sabha Unstarred question no. 3040 for  
15.03.2021**

**Debt to GSDP ratio of States for 2017-18**

	<b>State</b>	<b>2017-18</b>	<b>Remarks</b>
1	Assam	17.08%	Debt/GSDP ratio within 25%
2	Chhattisgarh	18.62%	
3	Gujarat	19.50%	
4	Karnataka	17.26%	
5	Madhya Pradesh	23.65%	
6	Maharashtra	17.93%	
7	Odisha	22.27%	
8	Sikkim	23.20%	
9	Tamil Nadu	22.34%	
10	Telangana	22.00%	
11	Uttarakhand	23.26%	
12	Andhra Pradesh	27.63%	Debt/GSDP ratio beyond 25%
13	Arunachal Pradesh	32.70%	
14	Bihar	32.34%	
15	Goa	26.20%	
16	Haryana	26.21%	
17	Himachal Pradesh	36.29%	
18	Jammu & Kashmir	49.25%	
19	Jharkhand	27.91%	
20	Kerala	30.62%	
21	Manipur	39.91%	
22	Meghalaya	30.81%	
23	Mizoram	37.52%	
24	Nagaland	42.87%	
25	Punjab	40.73%	
26	Rajasthan	33.65%	
27	Tripura	27.97%	
28	Uttar Pradesh	34.24%	
29	West Bengal	36.11%	

Source: CSO, State budget documents