

**Government of India
Ministry of Finance
Department of Revenue**

**LOK SABHA
UN-STARRED QUESTION NO. 1114
TO BE ANSWERED ON MONDAY, JULY 26, 2021
SRAVANA 4, 1943 (SAKA)**

IMPACT ON REVENUES

1114. SHRI MANISH TEWARI:

Will the Minister of FINANCE be pleased to state:

- (a) the impact on government revenues direct, indirect taxes as well as other sources in Q1 of the financial year 2021-22 as a consequence of the 2nd wave of COVID19;
- (b) the amount of money which the Government has borrowed/ taken from the RBI in any form in the financial year 2020-21 and the amount of money which it plans to borrow/take from the RBI in the financial year 2021-22;
- (c) the details of total government borrowing from all sources public, private, markets & international agencies in the financial year 2020-21 and the amount of money which the Government intends to borrow in the financial year 2021-22 in the light of the revised projections in the wake of 2nd wave of COVID-19;
- (d) the details of how the ballooning the fiscal deficits have impacted the sovereign ratings of India brought out by the international rating agencies, yearly ratings by all such agencies from the financial year 2004-05 to 2021-2022?

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

- (a) The net direct tax collection in the 1st quarter of FY 2021-2022 is Rs. 2,46,519.82 crore as against 1,17,783.87 crore during the same period of previous FY 2020-21 representing a growth of 109.3%. Similarly net indirect tax collection in the 1st quarter of FY 2021-2022 is Rs. 3,11,398 crore as against 1,82,862 crore during the same period of previous FY 2020-21 representing a growth of 70.3%.
- (b) Government has not borrowed long-term securities from RBI in 2020-21. However, to meet the short term cash mismatches, Government avails the Ways and Means Advance (WMA)/Overdraft (OD) on a regular basis. Under this facility, WMA/OD to the extent of Rs. 3,98,990 crore was availed from RBI during 2020-21. The same was fully repaid to RBI within 2020-21 itself. RBI transferred a surplus of Rs. 57,128 crore as non-tax revenue receipts to Government in 2020-21. In 2021-22 also Government does not plan to borrow any long-term securities from RBI.
- (c) The Government's plan to meet its fiscal deficit in the FY 2020-21 (RE) and 2021-22 (BE) are as under:

(Rs. in crore)

Source	2020-21 (RE)	(2021-22 (BE)
Market Borrowing (Net)	1048788*	917708*
Short term Borrowing (Net)	225000	50000
External Borrowings	54522	1514
Sec. Issued to NSSF (Net)	480574	391927
State Provident Funds (Net)	18000	20000
Others Receipts (Net)	39129	54280
Drawdown of Cash balance	-17358	71383
Total	1848655	1506812

*This excludes borrowing passed on to States/UTs as loan on back to back basis in lieu of GST compensation cess shortfall.

Further, it is stated that in FY 2020-21, Central had borrowed Rs. 1.1 lakh crore under a special window and passed on to the States as back-to-back loan to help the States to meet the resource gap due to short-release of compensation on account of inadequate balance in the Compensation Fund. Subsequent to deliberation in the 43rd GST Council meeting, it has been decided that the Centre is borrowing Rs. 1.59 lakh crores from the market through special window in current FY and passing it on to the States/UTs as a back to back loan in appropriate tranches as was done in last year. As per this decision Rs. 75000 crore has been released to States/UTs on 15.07.2021.

(d) India's sovereign rating by the major rating agencies from financial year 2004-05 to 2021-22 are as Annexure. It may be seen that India's rating in last few years have remained unchanged except for rating by Moody's Investor Services which changed from Baa3 to Baa2 in 2017 and again to Naa3 in 2020. Thus, changes in fiscal deficit do not seem to have directly impacted the sovereign rating of the country.

Standard & Poor’s Global

Rating status	Foreign Currency		Local Currency	
	Ratings	Outlook	Ratings	Outlook
2021	BBB-	Stable	BBB-	Stable
2020	BBB-	Stable	BBB-	Stable
2019	BBB-	Stable	BBB-	Stable
2018	BBB-	Stable	No ratings were given for local currency	
2017	BBB-	Stable		
2016	BBB-	Stable		
2015	BBB-	Stable		
2014	BBB-	Stable		
2013	BBB-	Negative		
2012	BBB-	Negative		
2011	BBB-	Stable		
2010	BBB-	Stable		
2009	BBB-	Negative		
2008	BBB-	Stable		
2007	BBB-	Stable		
2006	BB+	Positive		
2005	BB+	Positive		
2004	BB	Positive		

Moody’s Investor Services

Rating status	Foreign Currency		Local Currency	
	Ratings	Outlook	Ratings	Outlook
2021	Baa3	Negative	No ratings were given.	
2020	Baa3	Negative	Baa3	Negative
2019	Baa2	Negative	Baa2	Negative
2018	Baa2	Stable	No ratings were given for local currency	
2017	Baa2	Stable (revised from positive)	Baa2	Stable
2016	Baa3	Positive	Baa3	Positive
2015	Baa3	Positive	Baa3	Positive
2014	Baa3	Stable	Baa3	Stable
2013	Baa3	Stable	Baa3	Stable
2012	Baa3	Stable	Baa3	Stable
2011	Baa3	Stable	Baa3	Stable
2010	Baa3	Positive	Ba1	Positive
2009	Baa3	Positive	Ba2	Positive
2008	Baa3	Stable	Aa3	Stable
2007	Baa3	Stable	Aa3	Stable
2006	Baa3	Stable	Aa3	Stable
2005	Baa3	Stable	No ratings given	
2004	Baa3	Stable		

FITCH Ratings

Rating status	Foreign Currency		Local Currency	
	Ratings	Outlook	Ratings	Outlook
2021	BBB-	Negative	BBB-	Negative
2020	BBB-	Negative	BBB-	Negative
2019	BBB-	Stable	BBB-	Stable
2018	BBB-	Stable	BBB-	Stable
2017	BBB-	Stable	BBB-	Stable
2016	BBB-	Stable	BBB-	Stable
2015	BBB-	Stable	BBB-	Stable
2014	BBB-	Stable	No ratings were given	
2013	BBB-	Stable		
2012	BBB-	Negative		
2011	BBB-	Stable		
2010	BBB-	Stable		
2009	BBB-	Stable		
2008	BBB-	Stable		
2007	BBB-	Stable		
2006	BBB-	Stable		
2005	BB+	Stable		
2004	BB+	Stable		
