

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE**

DEPARTMENT OF EXPENDITURE

LOK SABHA

STARRED QUESTION NO. †*105

TO BE ANSWERED ON MONDAY 25th JULY, 2022

[3 SRAVANA, 1944 (SAKA)]

Debt Burden of States

†*105. SHRI KISHAN KAPOOR:

Will the Minister of FINANCE be pleased to state:

- (a) the steps taken by the Government to control the increasing amount of debt in respect of various States in the country; and
- (b) the details of the said debt, at present, State-wise?

ANSWER

FINANCE MINISTER

(SHRIMATI NIRMALA SITHARAMAN)

(a) to (b): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. †*105 for answer on July 25, 2022 raised by Shri Kishan Kapoor regarding ‘Debt Burden of States’:

(a) All States have enacted their Fiscal Responsibility and Budget Management (FRBM) Act. Compliance to the State FRBM Act is monitored by the respective State Legislatures.

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. The normal Net Borrowing Ceiling (NBC) of each State is fixed by the Union Government in the beginning of each financial year. Adjustments for the over-borrowing by States during previous years, if any, are made in the borrowing limits of subsequent year.

Instances of borrowings by certain State Public Sector companies, Special Purpose vehicles (SPVs) and other equivalent instruments, where principal and/or interest are to be serviced out of the State Budgets, had come to the notice of the Ministry of Finance. Considering the effect of bypassing the NBC of the States by such borrowings, it was decided and communicated to the States in March 2022 that borrowings by State Public Sector companies/corporations, Special purpose vehicles (SPVs) and other equivalent instruments, where principal and/or interest are to be serviced out of the State Budgets and/or by assignment of taxes/cess or any other State’s revenue, shall be considered as Borrowings made by the State itself for the purpose of issuing the consent under Article 293(3) of the Constitution of India.

(b) As per Reserve Bank of India’s report titled ‘State finances: A study of budgets of 2021-22’, the State-wise details of total outstanding liabilities of State Governments at the end of March 2020, March 2021(RE) and March 2022 (BE) are given in **Annexure**.

**Annexure referred to in the answer of part (b) of Lok Sabha Starred question no. †*105
for 25.07.2022**

**State-wise details of total outstanding liabilities of State Governments at the end of
March 2020, March 2021(RE) and March 2022 (BE)**

(Rs. In crore)

State	(at the end-March)		
	2020 (Actual)	2021 (RE)	2022 (BE)
Andhra Pradesh	3,07,671.5	3,60,333.4	3,98,903.6
Arunachal Pradesh	12,125.1	13,841.1	15,122.6
Assam	73,527.8	90,764.9	1,07,719.5
Bihar	1,93,534.3	2,23,645.8	2,46,413.1
Chhattisgarh	86,005.7	1,00,150.8	1,14,200.8
Goa	22,645.7	25,765.3	28,509.9
Gujarat	3,29,351.8	3,78,734.3	4,02,785.4
Haryana	2,19,245.9	2,34,917.7	2,79,022.8
Himachal Pradesh	62,218.4	66,939.4	74,686.4
Jharkhand	94,504.5	1,05,570.9	1,17,789.8
Karnataka	3,38,665.7	4,01,227.1	4,61,832.8
Kerala	2,67,585.4	3,05,351.7	3,35,989.1
Madhya Pradesh	2,11,489.0	2,66,899.1	3,17,736.8
Maharashtra	4,80,955.2	5,30,310.4	6,08,999.7
Manipur	11,405.8	12,334.4	13,510.6
Meghalaya	12,320.7	14,027.1	15,125.0
Mizoram	9,001.4	10,401.8	11,830.4
Nagaland	13,836.1	14,586.3	15,620.8
Odisha	1,43,800.3	1,56,985.1	1,67,205.8
Punjab	2,29,629.9	2,59,901.8	2,82,864.6
Rajasthan	3,53,182.0	4,08,526.6	4,77,177.2
Sikkim	7,954.0	9,560.3	11,285.3
Tamil Nadu	4,62,201.8	5,59,232.6	6,59,868.9
Telangana	2,25,418.0	2,67,530.7	3,12,191.3
Tripura	18,178.9	20,797.5	23,624.5
Uttar Pradesh	5,49,559.2	6,00,006.2	6,53,307.5
Uttarakhand	67,544.7	75,351.4	84,288.7
West Bengal	4,45,790.4	5,01,837.2	5,62,697.2

Source: RBI report titled 'State finances: A study of budgets of 2021-22'