

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO.1236
TO BE ANSWERED ON MONDAY, THE 25TH JULY, 2022
SRAVANA 3, 1944 (SAKA)

Government Debt

1236. SHRI THIRUNAVUKKARASAR SU:
SHRI RAVNEET SINGH BITTU:
DR. KALANIDHI VEERASWAMY:

Will the Minister of FINANCE be pleased to state:

- (a) Whether according to the latest Public Debt Management, the total liabilities of the Government rose 3.74 percent to Rs.133.22 lakh crore in March, 2022 from 128.41 lakh crore in December, 2021;
- (b) If so, the details thereof during the last four years and the current year, year-wise along with the reasons for such steep rise in Government's total liabilities;
- (c) Whether any steps are being taken by the Government to reduce the liability burden and to improve the reserves;
- (d) If so, the details thereof; and
- (e) If not, the reasons therefor?

ANSWER

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

(a): Quarterly report on Public Debt Management mainly depicts information of Government's debt / liability contracted on the Consolidate Fund of India and Public Account of India for managing Central Government's fiscal operations. Therefore, the Public Account liabilities on account of investment in Special Securities of States under NSSF etc. (which are actually liabilities of the concerned State Government(s)) are excluded. The external debt is shown at current exchange rate including SDR allocation of India. As per latest quarterly report on Public Debt Management, the total liabilities/debt of the Government depicted in line with above, has risen from Rs.128.41 lakh crore at the end of Dec. 2021 to Rs. 133.22 lakh crore at the end of March, 2022 i.e. an increase of 3.74 per cent. The information provided in the Quarterly report on Public Debt Management is provisional.

(b): The details of gross liabilities/debt of the Government including investment in Special Securities of States under NSSF, liabilities on account of Extra Budgetary Resources, external debt valued at current exchange rate (as on 31st March of the respective financial year) and after adjusting year-end cash balances, during last four years and the current years estimates are as under:

Financial Year	Government's total liabilities	
	(Rs. in lakh crore)	(% of GDP)
2018-19	92.50	49.0%
2019-20	105.23	52.4%
2020-21	122.05	61.6%
2021-22(Prov.)	138.88	58.7%
2022-23(BE)	155.33	60.2%

Note: GDP for FY 2019-20, 2020-21 & 2021-22 as per latest estimates published by MoSPI on 31.05.2022

In FY 2020-21, the Central Government debt increased by more than 9 percentage points of GDP in a single year mainly on account of COVID-19 global pandemic, which hugely disrupted projections of Government's public finances, including contraction in GDP/denominator. Notwithstanding pandemic-induced revenue shortfalls, the Union Government, with the objective of saving lives and livelihood, provided for an unprecedented step-up in budgetary allocations. This led to closure of last FY 2020-21 with fiscal deficit of 9.2% of GDP, up from 4.6% of GDP achieved in FY 2019-20.

The risk profile of Government's debt stands out as safe and prudent in terms of accepted parameters of indicator based approach for debt sustainability. The Government debt is held predominantly (about 95%) in domestic currency. Outstanding external debt is financed by multilateral and bilateral agencies at concessional rates.

(c) to (e): The Government has announced its commitment to reduce fiscal deficit to the level below 4.5% of GDP by FY 2025-26. Increasing the buoyancy of tax revenue through improved compliance, mobilisation of resources through monetisation of assets, improving efficiency and effectiveness of public expenditure etc. are the important measures initiated by Government to control the fiscal deficit and the debt burden.
