

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
LOK SABHA
UNSTARRED QUESTION NO. 412
TO BE ANSWERED ON MONDAY, 2nd FEBRUARY, 2026
MAGHA 13, 1947 (SAKA)

INCREASING BORROWING CAPACITY OF KERALA

412. Shri N K Premachandran

Will the Minister of **Finance** be pleased to state:

- (a) whether the Union Government proposes to increase the borrowing capacity of Government of Kerala unconditionally, if so, the details thereof;
- (b) whether the Government of Kerala requested to the Union Government to increase the borrowing capacity without condition, if so the details thereof along with the action taken thereon;
- (c) whether the Government of Kerala remitted the State share of Jal Jeevan Mission;
- (d) if so, the total share of the State as per norms till date and the total share spent by the State till this date and balance State share;
- (e) whether the Government of Kerala requested to the Union Government to allow the State to borrow an additional amount equal to the State share of Jal Jeevan Mission exceeding the borrowing limit of State of Kerala; and
- (f) if so, the action taken thereon?

ANSWER

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

- (a) No Sir. As per the recommendations of the Fifteenth Finance Commission, the Net Borrowing Ceiling of the States has been fixed at 3 percent of the Gross State Domestic Product (GSDP) for the current financial year 2025-26. Additionally, the States may also avail an additional borrowing of up to 0.50 percent of GSDP subject to meeting certain performance criteria in Power Sector.

(b) Yes Sir. The State Government of Kerala vide memorandum dated 09.10.2025 has requested the Union Government to increase the borrowing capacity of the State. A suitable reply in this regard from the appropriate level has been sent to the State Government vide letter dated 26.12.2025 stating that the Union Government follows a uniform yardstick while considering the requests for borrowing consent to States under Article 293(3) of the Constitution of India.

(c) & (d) Yes Sir. As per the information provided by Jal Jeevan Mission (JJM), Department of Drinking Water & Sanitation, Ministry of Jal Shakti, the State Government of Kerala is remitting its State share of JJM. The State share from 2019-20 to 2024-25, as per the funding norms prescribed in JJM operational guidelines, is Rs. 5,479.03 crore and expenditure incurred by the State during the corresponding period is Rs. 6,021.96 crore.

(e) & (f) Yes Sir. The State Government of Kerala vide memorandum dated 12.11.2024 has requested the Union Government to increase the borrowing capacity of the State for paying the State share for JJM. A reply to the State Government from the appropriate level has been issued vide letter dated 01.01.2025 mentioning that the Government of Kerala may avail financial assistance under Part-I of SASCI 2024-25 for paying the State share of JJM.
