

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

**LOK SABHA  
UNSTARRED QUESTION NO. 452  
TO BE ANSWERED ON MONDAY, 5<sup>th</sup> FEBRUARY, 2024  
16 MAGHA, 1945 (SAKA)**

**Restrictions on Borrowing by Kerala**

**452. SHRI M.K. RAGHAVAN:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has put restrictions on borrowing by the State Government of Kerala and if so, the details thereof and if not, the reasons therefor;
- (b) whether the Government has any data regarding the total debt of Kerala in comparison to other States of the country and if so, the details thereof;
- (c) whether the Government has restricted borrowing limits for any other States of the country and if so, the details thereof;
- (d) whether the Union Government has given all funds to the State Government of Kerala as is required under Finance Commission recommendations and if so, the details thereof; and
- (e) whether the Union Government has informed the State Government of Kerala that State shall not be given funds due to lapse of filing of required documents and if so, the details thereof?

**ANSWER**

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

(a) to (c) Based on the recommendation of the 15<sup>th</sup> Finance Commission (XV-FC), the normal Net Borrowing Ceiling (NBC) of all States including Kerala has been fixed at 3 percent of the Gross State Domestic Product (GSDP) for the financial year 2023-24. Accordingly, the normal NBC of the State of Kerala has been arrived at Rs. 32,442 crore for the Financial Year (FY)

2023-24. Besides this, extra borrowing ceiling of Rs. 1,787.38 crore has been allowed to the State Government of Kerala equivalent to estimated combined share of State and its employees' contribution pertaining to the financial year 2023-24 to be actually deposited with the designated authority as per the guidelines of National Pension System (NPS). In addition, the State Government of Kerala are also eligible to avail additional borrowing of up to 0.50% of GSDP amounting to Rs. 5,407 crore based on certain performance criteria in power sector.

Union Government applies a common yardstick while fixing the annual borrowing limit of all the State Governments under Article 293(3) of the Constitution of India. In doing so, it is guided by the recommendations of the Finance Commission.

As per Reserve Bank of India's report titled 'State finances: A Study of Budgets of 2023-24', the State-wise details of total outstanding liabilities of the State Governments including Kerala at the end of March 2022, March 2023(RE) and March 2024 (BE) are at **Annexure**.

(d) and (e) The Department of Expenditure releases grants in aid recommended by the 15<sup>th</sup> Finance Commission as accepted by the Union Government on 01.02.2021 vide Explanatory Memorandum to the Action Taken on the recommendations of the Commission based on recommendations from nodal Ministry(s) and fulfillment of stipulated conditions. The details of grant released to the State Government of Kerala during the award period of 15<sup>th</sup> Finance Commission are as under:

**(Rs. in crore)**

S. No	Grant	Year		
		2021-22	2022-23	2023-24 (upto 31.01.2024)
1.	Post Devolution Revenue Deficit Grant	19891.00	13174.00	3957.50
2.	Union Share of State Disaster Response Fund (SDRF)	251.20	264.00	138.80
3.	Union Share of State Disaster Mitigation Fund	62.80	0.00	66.00
4.	Urban Local Bodies grants	336.00	604.00	348.81
5.	Rural Local Bodies grants	1203.00	1246.00	630.00
6.	Health Sector grant to local bodies	427.13	94.30	458.03
	<b>Grand Total (1+2+3+4+5+6)</b>	<b>22171.13</b>	<b>15382.30</b>	<b>5599.14</b>

**Annexure referred to in the answer of part (b) of Lok Sabha Unstarred question no. 452 for  
05.02.2024**

**State-wise details of total outstanding liabilities of State Governments at the end of March  
2022, March 2023(RE) and March 2024 (BE)**

**(Rs. In crore)**

<b>State</b>	<b>2022 (Actuals)</b>	<b>2023 (RE)</b>	<b>2024 (BE)</b>
Andhra Pradesh	3,80,548.5	4,28,715.7	4,85,490.8
Arunachal Pradesh	15,924.6	18,850.4	21,654.2
Assam	1,02,366.3	1,26,281.4	1,50,900.4
Bihar	2,57,634.7	2,93,850.5	3,19,618.3
Chhattisgarh	1,06,451.1	1,09,664.1	1,22,164.1
Goa	29,209.2	30,743.2	34,758.4
Gujarat	3,88,582.8	4,21,018.2	4,67,464.4
Haryana	2,79,453.3	3,05,586.9	3,36,253.0
Himachal Pradesh	73,541.4	86,639.2	94,992.2
Jharkhand	1,13,568.1	1,18,855.5	1,31,455.6
Karnataka	5,03,987.7	5,35,408.1	5,97,618.4
Kerala	3,60,036.9	3,89,312.3	4,29,270.6
Madhya Pradesh	3,25,193.0	3,65,624.4	4,18,056.0
Maharashtra	6,06,407.1	6,53,197.0	7,22,887.3
Manipur	15,334.0	17,376.4	19,245.8
Meghalaya	16,927.6	18,845.1	20,029.9
Mizoram	10,953.7	12,880.0	14,039.3
Nagaland	15,834.5	17,085.2	18,165.8
Odisha	1,39,002.4	1,29,872.9	1,20,986.9
Punjab	2,84,923.2	3,16,346.1	3,51,130.2
Rajasthan	4,63,832.8	4,99,529.0	5,62,494.9
Sikkim	11,482.2	13,331.4	15,529.5
Tamil Nadu	6,67,974.9	7,41,497.7	8,34,543.5
Telangana	3,14,852.9	3,52,061.0	3,89,672.5
Tripura	22,438.6	23,360.5	26,505.8
Uttar Pradesh	6,46,321.3	6,93,577.1	7,69,245.3
Uttarakhand	78,952.1	80,120.4	89,466.0
West Bengal	5,48,235.9	5,96,725.2	6,58,426.2

**Source:** RBI report titled 'State finances: A Study of Budgets of 2023-24'.

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