

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:578  
ANSWERED ON:09.07.2004  
FINANCIAL CRISIS FACED BY STATES  
Boianapalli Shri Vinod Kumar

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

- (a) whether some States are facing crisis in respect of financial resources;
- (b) if so, the details thereof;
- (c) whether the Union government have received any request from the Chief Ministers of various State governments for financial assistance to resolve their financial crisis; and
- (d) if so, the details thereof and the action taken by the government thereon, State-wise?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): No, Sir. However, some States have reported debt stress and liquidity mismatch. Details of States having debt to Gross Domestic Product ratio in excess of 30% is placed at Annexure 'A'.

(c) & (d): States of Kerala, Nagaland, Himachal Pradesh, Madhya Pradesh, Jammu & Kashmir & Uttar Pradesh have requested for advance release of Share in Central Taxes or Normal Central assistance or Non-Plan Gap Grant or their Share in Small Savings since April 1st, 2004. Some States have requested for debt write-off as well. Government of India in such cases has advanced States entitlements of Plan and Non-plan grants to enable the States to overcome their short term liquidity constraints. However, Debt Relief comes within the purview of the 12th Finance Commission (TFC). Government of India is also implementing a Debt Swap Scheme whereby States are being enabled to swap high cost debt carrying interest rate of 13% or above. Total debt to be swapped exceeds 1,00,000 crore and Rs. 75,273 crore already stands swapped.

STATEMENT REFERRED TO IN REPLY TO PART (A) OF THE LOK SABHA UNSTARRED QUESTION NO. 578 FOR ANSWER ON 09.07.2004 REGARDING FINANCIAL CRISIS FACED BY STATES

2002-03 (RE) (% ratio)

State Debt/GSDP ratio

Andhra Pradesh	31.5
Arunachal Pradesh	48.0
Assam	38.9
Bihar	50.1
Goa	40.8
Gujarat	33.1
Himachal Pradesh	77.9
Jammu & Kashmir	64.8
Kerala	35.2
Manipur	63.5
Meghalaya	36.0
Mizoram	89.8
Nagaland	68.1
Orissa	61.9
Punjab	45.0
Rajasthan	42.8
Sikkim	41.4
Tripura	63.4
Uttar Pradesh	36.5
West Bengal	40.7