

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO.2408**  
TO BE ANSWERED ON MONDAY, THE 1<sup>ST</sup> AUGUST, 2022  
SRAVANA 10, 1944 (SAKA)

**Debt-to-GDP Ratio**

2408. SHRI SUSHIL KUMAR SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) The details of debt-to-GDP ratio during the last five years;
- (b) The yearly interest burden of the Government during the last five years;
- (c) The yearly interest burden of the Government during the next five years, year-wise;
- (d) The steps being taken to reduce India's debt-to-GDP ratio;
- (e) Whether the Government plans to amend the Fiscal Responsibility and Budget Management Act; and
- (f) If so, the details thereof;

**ANSWER**

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

- (a) The details of debt-to-GDP ratio during the last five years are provided at **Annexure-I**.
- (b) The details of the yearly interest burden of the Government during the last five years and budget estimates (BE) for current financial year are provided at **Annexure-II**.
- (c) The Government of India mobilizes funds required to meet its fiscal operations during the financial year by issuing Dated Securities, Treasury Bills, Cash Management Bills, Special Securities, WMA/OD (if necessary), and funds from Public Account etc. The interest incidence comprises interest on outstanding debt/liabilities which is a fixed component and interest on new borrowings necessary for Government's fiscal operations in a particular financial year, which cannot be estimated precisely as it may vary depending upon quantum/composition/timing of new borrowings, prevailing interest rate etc. Even, the fixed component of interest incidental may be impacted by the Government's decision to switch/buyback/premature redemption etc. The details of fixed component of interest incidental on the basis of Central Government's outstanding debt/liabilities as on July 25, 2022, in the next five financial years is given in **Annexure-III**.
- (d) In FY 2020-21, the Central Government debt/liabilities increased by more than 9 percentage points of GDP in a single year mainly on account of COVID-19 global pandemic. 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 the Government to reduce the fiscal deficit and the debt.

(e&f) In the statement explaining reasons for deviation from the fiscal targets provided under the Fiscal Responsibility and Budget Management Act, 2003, laid before Parliament along with Union Budget 2022-23, the Government has stated that while India's economic foundations remain strong, it is vital for the Government to retain requisite fiscal flexibility to effectively respond to emerging contingencies till the pandemic-induced uncertainties ease. In line with the commitment made in the budget for FY 2021-22, the Government is committed to achieve fiscal consolidation to attain a level of fiscal deficit lower than 4.5 per cent of GDP by FY 2025-26.

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#### **Annexure-I**

**The details of debt to GDP ratio during the last five years:**

<b>Financial Year</b>	<b>(% of GDP)</b>
2017-18	48.5%
2018-19	49.0%
2019-20	52.4%
2020-21	61.6%
2021-22 (Prov.)	58.7%

#### **Annexure-II**

**The details of the yearly interest burden of the Government during the last five years and budget estimates (BE) for current financial year are as under:**

<b>Financial Year</b>	<b>(Rs. in lakh crore)</b>
2017-18	5.29
2018-19	5.83
2019-20	6.12
2020-21	6.80
2021-22(Prov.)	8.05
2022-23 (BE)	9.41

#### **Annexure-III**

**The details of fixed component of interest incidental on basis of Central Government outstanding debt/liabilities as on July 25, 2022, in the next five financial years are as under:**

<b>Financial Year</b>	<b>(Rs. in lakh crore)</b>
2023-24	8.31
2024-25	7.98
2025-26	7.65
2026-27	7.34
2027-28	6.76

Note: The above estimate does not include the variable interest component which depends upon quantum/composition/timing of new borrowings, prevailing interest rate etc., during the respective financial year.