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UP posts highest rise in borrowing between April and October: CARE Ratings

Uttar Pradesh has posted the highest year-on-year rise in borrowing, between April 9 and October 18, among Indian states, according to a CARE Ratings report.

It borrowed 71% more than it did in the same period last fiscal.

The other major states that saw a big rise in its borrowing during this period are West Bengal (25%) and Kerala (19%). The three states have been facing revenue deficit this fiscal, said the report.

Uttar Pradesh is also among the top borrowing states, along with Maharashtra, Tamil Nadu, West Bengal, Andhra Pradesh, Rajasthan and Telangana. All of them together account for 70% of the total borrowing.

Overall, borrowing by Indian states during this period has been lower than the same period last year, said the report. "The market borrowings of the state governments during 8 April-18 October of FY22 is 15% less than that in corresponding period of FY21," said the report, adding that the reasons could be an improved revenue generation compared to the expenditure they had to incur last fiscal. Another reason for the reduction in borrowing, the report said, could be the states' reluctance in adding to their liabilities after having borrowed heavily last fiscal.

Odisha has not availed of marketing borrowing so far, against the Rs 3,000 crore it raised in the same period last year. Karnataka saw an 83% dip in its borrowing, Madhya Pradesh a 43% decrease and Gujarat a 23% reduction.