

## Statsguru: Covid-19 pandemic forces states to expand their borrowing

**Most large states, and 13 out of the 26 that have issued state development loans so far, have borrowed at least 50 per cent more than the previous year**

Abhishek Waghmare August 17, 2020 Last Updated at 06:02 IST



*Tamil Nadu has borrowed close to a massive Rs 40,000 crore in four-and-a-half months, compared to Rs 17,000 crore last year*

The pandemic's impact on the economy has forced both the Centre and states to borrow more from the market to finance their expenditure. While the Centre has already expanded its gross borrowing plan to Rs 12 trillion for the financial year, states are also borrowing more by the week. Most large states, and 13 out of the 26 that have issued state development loans (SDLs) so far, have borrowed at least 50 per cent more than the previous year, Care Ratings noted in its weekly report. But there are some states that have borrowed less (chart 1). While industrial states such as ...