

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5426
ANSWERED ON:22.12.2000
LOAN AGAINST STATES
RAMSHETH THAKUR

Will the Minister of FINANCE be pleased to state:

- (a) whether Maharashtra has always been placed at the top in the list of loan payable States;
- (b) if so, the details of loans payable by the State Governments since 1996-97 onwards;
- (c) the factors responsible for putting the Maharashtra at the top;
- (d) whether the Government have ever waived-off the loan amount in favour of Maharashtra;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor while the Union Government waived-off the total loan in respect of several other States?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI BALASAHEB VIKHE PATIL

(a): No, Sir. The liability for repayment of loans depends on the outstanding loan and the repayment schedule.

(b) & (c): Do not arise.

(d) to (f): In the matter of debt relief to States, the Government of India is generally guided by the recommendations of Finance Commissions. Tenth & Eleventh Finance Commissions, as per their terms of reference, were required to assess the debt position of States and suggest corrective measures as were deemed necessary, keeping in view the long-term sustainability for both the Centre and States. Government of India had accepted the recommendations of the Finance Commissions relating to debt relief. Copies of the reports of the Finance Commissions, alongwith copies of explanatory memorandum as to the action taken, were laid on the Table of the both Houses of Parliament.