

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1088
ANSWERED ON:28.07.2000
WAIVER OF LOAN
PRENEET KAUR

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have waived Rs.8,500 crore loan to Punjab;
- (b) if so, the details of orders by which the waivers have taken place; and
- (c) the outstanding amount that the State owes to the Centre as on April 1,2000 ?

Answer

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

(a) & (b): The Tenth Finance Commission(TFC) had recommended write off of one-third of the repayment of principal for the period 1995-2000 in respect of the special term loans given to the State to fight militancy and insurgency. Government of India had waived the remaining repayment of principal and interest falling due during 1995-96. During 1997-98 Government of India further waived off unpaid repayment obligations of 1997-98 and repayments falling due during 1998-99 and 1999-2000. The details are as follows:

(Rs. in crore)
Amount written off

Year	As per Govt. of India recommenda- decision tion (principal (principa and interest)	As per TFC	Total
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1995-96	803.23	88.07	891.30
1996-97		88.07	88.07
1997-98	584.16	88.07	672.23
1998-99	771.15	110.29	881.44
1999-2000	759.35	120.72	880.07

(c): Loan of Rs. 6785.91 crore payable to the Ministry of Finance was outstanding against the State Government as on 1st April, 2000. This includes an amount of Rs. 4297 crore on account of special term loans. The report of the Eleventh Finance Commission (EFC) has been received by the Government of India. The report along with the explanatory memorandum as to the action taken thereon has been tabled in the Parliament. As per the decision taken by the Government of India recommendations made by EFC in regard to debt waiver will be implemented.