

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2074
ANSWERED ON:05.08.2005
LOANS TO STATES
Athawale Shri Ramdas

Will the Minister of FINANCE be pleased to state:

- (a) Whether the State Governments have taken loan from the Union Government during the last three years and till date in the current year ;
- (b) If so, the details thereof, year-wise ;
- (c) The purposes for which the State Governments had taken these loans and the purposes for which these have been utilised ;
- (d) Whether the Government have received complaints regarding huge misuse of the loans taken by the State Governments ;
- (e) If so, the details thereof; and
- (f) The action taken or to be taken by the Government in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a) : Yes, Sir.
- (b) : Statement is annexed.
- (c) : State Plan Loans were provided to the States for undertaking Developmental Works in the State under Annual Plans approved by the Planning Commission.
- (d)to(f) : The State Governments are accountable to their legislature for proper utilization of funds. Besides, Accounts of States are subject to audit by C&AG of India under Article 151(2) of the Constitution. However, if there is a shortfall in expenditure against the Plan outlays, a proportionate cut is made from the Central assistance released to the States.