

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:151
ANSWERED ON:17.10.2008
PER CAPITA LOAN BURDEN
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Will the Minister of FINANCE be pleased to state:

- (a) the present per capita loan burden of the country;
- (b) the amount of money spent on interest on loans during the last three years and the current financial year;and
- (c) the steps taken by the Government to reduce the loan burden of the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

- (a) As per the information available, the per capita burden of Consolidated General Government liabilities,consisting of the Central and State governments, of both internal and external variety,was Rs. 31,874 in 2007-08 (RE).
- (b) Available information on interest payments of the Consolidated General Government for the last three years and the current financial year is given below :

Interest Payments of Consolidated General Government

(Rs. Crore)

2005-06 2006-07 2007-08 (RE) 2008-09 (BE)

2,03,977 2,30,831 2,63,736 2,87,477

Source : Reserve Bank of India.

- (c) The initiatives taken by the Government to reduce the burden,inter alia,include adherence to the objectives and targets of the FRBM Act, 2003 and rules made thereunder at the Centre;enactment of fiscal responsibility legislations by 26 States;consolidation of the debt of 25 States and relief in the form of rescheduling of debt at lower interest rates and debt waiver for fiscal correction as per the award of the Twelfth Finance Commission;maintaining soft interest rate through appropriate policies;restructuring debt through recourse to low cost market borrowings thereby reducing the carrying cost of outstanding debt;and pursuing appropriate tax policies which result in higher tax-GDP ratio and prudent expenditure management that facilitates the process of fiscal consolidation.