

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1542
ANSWERED ON:27.11.2009
INTEREST ON LOAN
Rajaram Shri Wakchaure Bhausahab

Will the Minister of FINANCE be pleased to state:

- (a) the Per Capita loan burden in the country as on date;
- (b) the year-wise amount spent by the Government as interest on loan during the last three years and the current year as on date; and
- (c) the measures taken by the Government to lessen the same?

Answer

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

(a): As per the latest data available the per capita loan burden in the country which includes external debt, internal debt and other liabilities including National Small Savings Fund and State Provident Funds etc., of the Union Government is Rs. 28,541 as on 31st March 2009.

(b): The year-wise amount spent by the Government as interest on loan (external debt, internal debt and other liabilities) during the last three years and the current year up to the end of September 2009 is as under:

(Amount in Rs. crore)

Year	Interest Payment
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2006-2007	1,50,272
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2007-2008	1,71,030
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2008-2009 (Provisional Actual)	1,90,485
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2009-2010 (upto September 2009)	86,669
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(c): The Central Government has been following a comprehensive strategy to moderate growth in public debt through a policy of fiscal rectitude inter alia, including recourse to lower cost borrowings, phased introduction of active consolidation of debt, emphasis on raising funds on concessional terms and from less expensive sources with longer maturities, monitoring short term debt and encouraging non-debt creating capital flows. The Central Government has also set up a Middle Office in order to have a more prudent management of government debt.