

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:880

ANSWERED ON:12.11.2010

DEBT BURDEN OF PUNJAB

Badal Harsimrat Kaur;Ghubaya Shri Sher Singh;Tewari Shri Manish

Will the Minister of FINANCE be pleased to state:

- (a) the extent of indebtedness (public debt) that Punjab is burdened with as on 1 November, 2010;
- (b) whether the Government of Punjab has estimated the extent of debt as on 31 March, 2010 and urged the Union Government to waive it;
- (c) if so, whether the Government of Punjab has detailed the obligations that it is willing to undertake in lieu of this waiver;
- (d) whether the Union Government has conveyed to the Punjab Government its willingness to waive off half its debt i.e. rupees 35,000 crores of the projected rupees 70,000 crores debt; and
- (e) if so, the details, thereof?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) & (b): The estimated debt and other liabilities of Government of Punjab as on 31.03.2010 were ` 68,986 crore. Government of Punjab has indicated that it will have a gross debt of ` 71,086 crore at the end of 2010-11, and has requested a package to ameliorate the debt burden of the State.

(c), (d) & (e): Punjab is one of the three general category States identified by the Thirteenth Finance Commission (FC-XIII) as being in revenue deficit. FC-XIII recommended, and the Union Government accepted, that the aggregate debt-GDP ratio of States be brought down to comply with the target of 24.3% by 2014-15. Accordingly, a committee was set up to explore ways to assist the three States to get out of their current fiscal stress, along with measures to be taken by the States to prevent the recurrence of such a situation in the future. None of the three States, including Punjab, has provided a detailed blueprint to ameliorate indebtedness and remove structural deficit. Only upon receipt of such blueprints can the committee explore ways to assist the States as provided in the committee's mandate.