

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:965
ANSWERED ON:10.07.2009
WAVING OFF DEBTS OF STATES
Singh Shri Ganesh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has received requests from some States including Madhya Pradesh for waiving of debt/interest on their debt recently;
- (b) if so, the details thereof, State-wise; and
- (c) the action taken/being taken by the Union Government on each such requests?

Answer

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

- (a) to (c): The Twelfth Finance Commission (TFC) recommended a Debt Consolidation and Relief Facility (DCRF) over the period 2005-10. The Scheme has two components -
- (i) consolidation of central loans (from Ministry of Finance) contracted till 31.3.2004 and outstanding as on 31.3.2005, and
 - (ii) providing interest relief and grant of debt waiver to States, based on their fiscal performance.

The Finance Ministry annually processes, suo-moto cases of debt waiver to states, whether or not any claim is received from States. No request has been received recently for debt waiver / interest relief from Madhya Pradesh.

A statement showing Interest relief and Debt waiver awarded to States,so far is annexed.