

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3387
ANSWERED ON:01.08.2014
STATE DEBTS HELD BY BANKS
Venugopal Dr. Ponnusamy

Will the Minister of FINANCE be pleased to state:

- (a) whether State Government debts are held by banks and if so, the details thereof and the conditions attached therewith along with losses incurred thereon, bank and State-wise so far;
- (b) the ways considered and steps taken so far by the Union Government and the Reserve Bank of India till date along with present status of the case;
- (c) whether such debt is allocated/being allocated to bidders and if so, the details thereof; and
- (d) the measures taken or proposed to be taken in the matter?

Answer

The Minister of State in the Ministry of Finance (SMT. NIRMALA SITHARAMAN)

(a) to (d): The Reserve Bank of India, being debt manager for 29 State Governments and the Union Territory of Puducherry, mobilises the State Development Loans (SDLs) which are subscribed by various investors such as scheduled commercial banks, cooperative banks, insurance companies, mutual funds, etc. The SDLs are sold through the RBI by auction. RBI has also raised power bonds for the State Governments. These loans are being raised on the basis of written sanctions by Ministry of Finance, Government of India.

State-wise outstanding SDLs and Power bonds as on June 30, 2014 are at Annexure.