

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1831

Answered on the 19th December, 2023/Agrahayana 28, 1945 (Saka)

AVAILING BANK LOANS BY ANDHRA PRADESH

1831. Dr. C.M. Ramesh:

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Government of Andhra Pradesh have availed bank loans by mortgaging valuable future assets and by showing future revenue from the liquor sales, if so, the details thereof; and
- (b) whether any other State Governments in the country have availed such bank loans, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a) and (b): As per the provisions of clause (b) of sub-section (1) of section 21A of the Reserve Bank of India Act, 1934, Reserve Bank of India (RBI) may by agreement with any State Government undertake issue of any new loans by that State Government, and in accordance with the same, RBI currently acts as banker to the Governments of all States in India except Sikkim. Thus, new loans to the State Governments are issued by RBI (and not Public Sector and Private Banks) in its capacity as banker to the Government.
