

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

LOK SABHA

**UNSTARRED QUESTION NO. 4683
TO BE ANSWERED ON FRIDAY 23rd March, 2018**

[2 Chaitra 1940 (SAKA)]

‘Loans to States’

No. 4683, Shri Kirti Azad:

Will the MINISTER OF FINANCE be pleased to state:

- (a) the details of purposes for which various State Governments had taken loans along with the purpose for which the loan amount were utilised for the last three years till date. State/UT-wise;
- (b) the details of the requests as received from the States in respect of the outstanding loans; and
- (c) the action taken by the Union Government in this regard, State/UT-wise?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)**

(a) : State Governments take loans from different sources to finance its fiscal deficit. The utilization of funds including loans by the States is as per the States’ Budget approved by the State Legislature. The details of utilization of loans by the State/UTs are not centrally maintained. However, the loans from External agencies are passed on to the States Governments through Union Accounts for the purpose of financing the Externally Aided Projects in States/ UTs.

(b) & (c): Request from States for waiver/restructuring of outstanding loans is considered within the ambit of recommendations of Finance Commissions. Fourteenth Finance Commission has not made any recommendation in this regard. Hence requests for waiver/ restructuring of outstanding loans received in the recent past from the States such as Assam, Arunachal Pradesh, Manipur and Punjab has not been agreed to.
