

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:5098  
ANSWERED ON:25.04.2003  
HIGH COST DEBT BONDS  
PRABODH PANDA

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

- (a) whether the Government have decided to buy back various high cost debt bonds issued by them; and
- (b) if so, the details thereof alongwith the reasons therefor?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) Government proposes to offer a buyback of high coupon relatively illiquid Government securities on voluntary basis. The participating banks will be allowed additional deduction for income tax purposes on premium received to the extent that such premium is used for provisioning for their non-performing assets. The scheme will enable the Central Government to reduce interest burden on the outstanding market loans and banks to make additional provision for non-performing assets, thereby improving their balance sheets.