

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1518
ANSWERED ON:16.07.2004
REPRESENTATIONS FROM STATES
Athawale Shri Ramdas

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government have received any representation from the State Governments regarding reduction and moratorium of dues of the Union Government;
- (b) if so, the details about the issues mentioned in the representation; and
- (c) the action taken or proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (c): Yes, Sir. State Governments in fiscal stress have been requesting this Ministry for deferment/reschedulement/writing off/moratorium of their repayments of Central loans liability from time to time.

Central Government, as a policy, generally does not accept any such request. Recommendations made by Eleventh Finance Commission in respect of specific State were accepted and implemented by Government of India.