

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3638
ANSWERED ON:16.12.2005
REPAYMENT OF BORROWINGS
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Will the Minister of FINANCE be pleased to state:

- (a) the repayment as percentage of borrowings as on date and ten years before;
- (b) whether it is correct that the percentage of the repayment borrowings has increased;
- (c) if so, the details thereof; and
- (d) the steps taken by the Government to check the unnecessary borrowings?

Answer

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

(a) to (c): The share of gross market borrowings raised through issue of dated securities required for redemption of such securities contracted earlier to finance fiscal deficit is estimated to increase from 14.4 percent in 1995-96 to 25.6 percent in 2005-06 (BE). However, share of gross external loans required for repayment of external loans is estimated to decline from 95.3 percent to 43.8 percent during the same period. The general increase in the domestic redemption burden during the period is on account of increase in the quantum of domestic debt and increase in relative dependence on such debt. Inter-year variations arise due to, inter alia, bunching of repayments, debt-buyback scheme and prepayment of external loans.

(d): Central Government has been following a policy of fiscal rectitude so as to reduce gross fiscal deficit and thereby contain borrowings.