

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:725
ANSWERED ON:04.03.2005
FISCAL POSITION OF PUNJAB
Dhindsa Shri Sukhdev Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government is aware that the present fiscal position of the State of Punjab is in jeopardy; and
- (b) if so, the manner in which the Government propose to help the Punjab Government to meet the situation?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI S.S. PALANIMANICKAM :

(a) Revenue Deficit of Punjab in 2003-04(RE) is 25.88% of Total Revenue Receipt. The outstanding liabilities of Punjab at Rs.42187 Crs. is 308% of Total Revenue Receipts in 2003-04(RE). Punjab is a debt stressed state. Twelfth Finance Commission (TFC) has also assessed Punjab as revenue deficit state.

(b) The estimated transfers recommended by TFC to Govt of Punjab for its award period, is likely to increase by 131% compared to that of EFC. Punjab can also benefit from the debt re-schedulement, interest rate reduction and debt write off scheme based on the TFC's recommendations.