

Interest rate on small saving loans

1916. SHRI Y.S. CHOWDARY: Will the Minister of FINANCE be pleased to state:

(a) the details of requests received from various States including Andhra Pradesh State for reset of interest rates on small saving loans and status thereof; and

(b) the steps taken/being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Sir, as recommended by 13th Finance Commission, a committee headed by Ms. Shyamala Gopinath, then Deputy Governor, Reserve Bank of India was set up for review of reset of interest rate with other matters. The committee recommended that interest rate might be reset at 9% in accordance with the recommendation of 13th Finance Commission.

After examination of recommendation made by Committee and requests received from various States including State of Andhra Pradesh, the Government has decided that the rate of interest on securities issued between 1999-2000 and 2006-07 and outstanding at the end of previous year shall bear the interest rate of 9% depending on compliance to FRBM targets.

Release of Debt Waiver for Andhra Pradesh

1917. SHRI Y.S. CHOWDARY: Will the Minister of FINANCE be pleased to state:

(a) whether Government has received any request from the State Government of Andhra Pradesh for releasing of Debt Waiver for the year 2005-06 and 2008-09;

(b) if so, the details thereof and the status thereof; and

(c) the steps taken/being taken by Government to expedite releasing of Debt Waiver for the years 2005-06 and 2008-09?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) Government of Andhra Pradesh had requested that latest Central Statistical Organisation Gross State Domestic Product (GSDP) estimates (1999-2000 series) be adopted to determine the State's eligibility for debt