

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

UNSTARRED QUESTION NO:5796
ANSWERED ON:02.05.2003
CENTRAL ASSISTANCE TO STATES
RAM PRASAD SINGH

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

- (a) whether the Union Government have received a proposal from State Government of Gujarat to modify the norms for releasing the additional Central Assistance on the basis of 70 percent grant and 30 percent loan;
- (b) if so, whether any consideration has been made in this regard;
- (c) if so, whether such type of relaxation has been granted in case of EAPs of certain States in the past;
- (d) if so, the reaction of the Union Government on the proposal of State Government of Gujarat; and
- (e) if so, the details thereof and when it is likely to be implemented?

Answer

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

- (a) to (c) Yes, Sir. Ministry of Finance has received a proposal from Government of Gujarat to change the loan-grant ratio of Additional Central Assistance against loans received for Gujarat Earthquake related Externally aided projects from 70% loans and 30% grants to 30% loans: 70% grants. Requests for modifying the current formula have been received from various States from time to time for External Aid in the face of calamity. However, the Central Government has not granted such relaxation to any State in the past.
- (d) and (e) Do not arise.