

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2759  
ANSWERED ON:17.12.2004  
RAJASTHAN AGAINST GADGIL-MUKHERJEE FORMULA  
Kaushal Shri Raghuvir Singh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the State Government of Rajasthan has suggested any amendment to the Union Government with regard to the assistance amount to be given on the basis of scheme size opposing the Gadgil-Mukherjee formula in this regard;
- (b) if so, the details of the action taken in this regard;
- (c) whether assistance amount to be given to States has been curtailed; and
- (d) if so, the details thereof and the reasons therefor?

**Answer**

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

- (a): Yes, Sir. Government of Rajasthan has suggested for transfer of Central Plan assistance to States on a 50:50 loan/ grant basis as against 30:70 at present.
- (b): The existing pattern of loan grant ratio for Plan assistance is based on the Gadgil-Mukherjee formula as approved by the National Development Council (NDC). Any change in the formula therefore, requires the approval of the NDC. The State has been accordingly informed.
- (c): No, Sir.
- (d): Does not arise.