

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:504  
ANSWERED ON:24.11.2006  
PROVISION OF LOANS/GRANTS TO STATES  
Bhargav Shri Girdhari Lal;Gudhe Shri Anantrao

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

- (a) whether any guidelines have been fixed by the Union Government to provide loans, financial assistance and grant for various projects/schemes in States of Special category and non-special category;
- (b) if so, the details thereof;
- (c) the details of the grants and loans provided to different States including Maharashtra, project-wise and scheme-wise during each of the last three years;
- (d) whether any State Government has sought amendment in the existing procedure for provision of loan/grant assistance to States;
- (e) if so, the details thereof; and
- (f) the reaction of the Government thereto?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

- (a): Yes, Sir.
- (b): The Central assistance is allocated to States by Planning Commission in the loan -grant ratio of 10:90 for Special Category States and 70:30 for non-Special Category States on the basis of revised Gadgil Formula which takes into consideration population, per capita income, performance, tax effort, fiscal management, progress in respect of national objectives and special problem of States.
- (c): The details of Central assistance are placed at Annex.
- (d) The State of Rajasthan had suggested for transfer of Central Plan Assistance to States on a 50:50 loan/grant basis as against 70:30 at present,
- (e): Rajasthan had asked for revision of existing Gadgil-Mukherjee Formula with weightage to geographic area, index of infrastructure development and percentage of SC population,
- (f): As the request was only from one State, there is no proposal to revise it.