

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5452  
ANSWERED ON:22.12.2000  
FINANCIAL POSITION OF ORISSA  
KUMUDINI PATNAIK

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

(a) whether the Union Government are considering a proposal to waive off interest payable by the Orissa Government for 2000-2001 and also announce a moratorium of loan burden for next five years;

(b) if so, the details thereof;

(c) whether the Union Government will come to the rescue of the State Government in payment of the State's matching share for all centrally sponsored Projects of the year 2000-2001 in view of the disastrous financial condition of the State associated with the super cyclone of 1999 and severe drought of 2000 in Orissa; and

(d) if so, the details in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) : The Eleventh Finance Commission, as per its term of reference, was required to make an assessment of the debt position of the States as on 31.3.99 and suggest such corrective measures as are deemed necessary, keeping in view the long term sustainability for both the Centre and the States. The Eleventh Finance Commission has, since submitted its Report including measures for debt relief. The Government of India has accepted the recommendation of the EFC with regard to debt relief of the States as contained in the main report for 2000-2005

(c) & (d): State Governments are autonomous under the Constitution and financial management of the States is primarily the responsibility of the State Governments. However, additional Central Assistance of Rs.43 crore for Annual Plan 1999-2000, was released to the Govt. of Orissa to meet the requirement of counter-part funding for restoration and reconstruction work in cyclone affected districts of Orissa. Apart from this the Government had rescheduled the repayment of loans, including interest for the period November 1999 to March 2000, as a measure of specific relief. The RBI also relaxed the Ways and Means Limit of the State Government till 31st March 2000.