

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1104
ANSWERED ON:23.11.2001
WAIVER OF INTEREST BURDEN ON ORISSA
KUMUDINI PATNAIK

Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Orissa has approached Union Government for waiver of interest burdens on Orissaw.e.f. 1999-2000 till date because of the poverty of the State as well recurring natural calamities since 1999 super cyclone followed by severe drought of 2000 and heavy flood in 2001;

(b) if so, the steps taken by the Government in this regard;

(c) whether the State Government has approached the Union Government for moratorium of the Central Government loans and arranging World Bank and DFID assistance for financial restructuring of the State; and

(d) the progress made in this regard ?

Answer

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

(a) to (d): Requests have been received from the Government of Orissa from time to time, for the waiver of outstanding loans and interest and for moratorium on Central Government loans from 1999-2000 onwards.

In the aftermath of super cyclone, in view of the financial constraints faced by the State, the repayment of loan and interest for the period from November 1999 - March 2000 was rephased for two years, with a moratorium of six months. The recovery of loans along with the interest due for 15th March 2001 was also deferred till 29th March 2001. For the over alleconomic development of the State, Government of India has provided Central Assistance to the State Plan amounting to Rs. 2626.56 crores from 1999-2000 till date. Besides Government of India has also released Rs. 1106.48 crores during this period as the Center's share towards the Calamity Relief Fund of the State and assistance under Natural Calamity Contingency Fund for calamity relief.

Orissa Government have approached the Government of India, for World Bank assistance for Structural Adjustment loan of Rs.3000 crores with possible DFID co-financing, which is under the active consideration of Government of India and World Bank.