

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

UNSTARRED QUESTION NO:5014
ANSWERED ON:20.12.2002
BUDGETARY DEFICIT OF ANDHRA PRADESH
PRABHA RAU;PRAKASH YASHWANT AMBEDKAR

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

- (a) whether the State Governments including state Government of Andhra Pradesh have received financial assistance from British Government to fill the budgetary deficit for the year 2000-01 and 2001-2002 with the consent of Union Government;
- (b) if so, the details and the amount received;
- (c) the date on which the permission/consent was granted by the Union Government;
- (d) if not, the action intended to be taken by the Government;
- (e) whether the States are entitled under the Constitution to receive such kind of financial assistance from foreign Government; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a) to (f): State Governments are not entitled to receive financial assistance directly from foreign Governments. No State Government, including the State Government of Andhra Pradesh, has received any financial assistance from the Government of United Kingdom directly during the year 2000-2001 and 2001-2002. Government of India had received a grant of Pound65 Million (equivalent of Rs.450 Crores approximately) from DFID as a part of co-financing package with a World Bank loan of \$ 250 Million for implementing the Structural Adjustment Programme by the Government of Andhra Pradesh. The entire amount of the DFID grant was released by the Government of India to the Government of Andhra Pradesh in a single tranche in March 2001.