

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

UNSTARRED QUESTION NO:3950

ANSWERED ON:13.12.2002

FINANCIAL CRISIS FACED BY STATES

BIKRAM KESHARI DEO;IQBAL AHMED SARADGI;PRABHA RAU;VILAS BABURAO MUTTEMWAR

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

- (a) whether the Government have announced medium- term loans for five crisis-ridden States to fund their opening deficit;
- (b) if so, the total aid to be provided to these five Crisis-ridden States;
- (c) to what extent it will help these States which are facing a serious problem of overdrafts;
- (d) whether this assistance would be recoverable or not; and
- (e) if so, the details thereof?

**Answer**

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

(a) to (c) : A sum of Rs.3154 crores have been approved as a Medium Term Loan to five States which faced acute cash imbalance in 2001-02, to enable them to tide over their cash imbalance.

(d) & (e): The assistance is recoverable, as it is in the form of a Medium Term Loan for 5 years with a moratorium of two years on repayment of principal.