

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:952  
ANSWERED ON:19.07.2002  
BAILOUT PACKAGE TO ASSAM  
MONI KUMAR SUBBA

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

- (a) whether the Government of Assam has pleaded for sanctioning a bailout package to enable the State to meet its payment obligations;
- (b) if so, whether rescheduling of Central loan repayment liability and clearance of payment of sales tax on petroleum products, besides other steps were requested for as a part of the package; and
- (c) if so, the details thereof alongwith the Union Government's response thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI ANANT G. GEETE:

(a) and (b): Yes, Sir.

(c): In the matter of debt relief the Government of India is guided by the recommendations of the Eleventh Finance Commission. No selective reopening of the Eleventh Finance Commission award is possible or expedient. On the issue of arrears & sales tax on petroleum, Ministry of Petroleum and Natural Gas have indicated that on their directions, the Indian Oil Corporation has released the following amounts, "on account" basis to the Government of Assam.

(i) Rs. 86.41 crore, being the principal amount collected as sales tax by Indian Oil Corporation during the period July 1993 to September 1998 and deposited with the oil pool account.

(ii) An interest amount of Rs 54.77 crore, calculated @ 10.5% simple interest p.a. on the aforesaid principal amount upto 31st May 2002.

As in the case of all States, Assam has been advised to draw up a Medium Term Fiscal Reforms programme to address the problem of fiscal imbalance on a long-term basis.