

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7902
ANSWERED ON:17.05.2002
REPAYMENT OF CENTRAL LOAN
BHARTRUHARI MAHTAB

Will the Minister of FINANCE be pleased to state:

- (a) whether Orissa Government has made out a special plea for Central aid and concessions or moratorium in repayment of Central loans;
- (b) if so, the details of the financial issues raised by Orissa Government representatives therein and the aid concessions sought for; and
- (c) the reaction of the Union Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI GINGEE N. RAMACHANDRAN:

- (a) Yes, Sir.
- (b) Requests have been received from Government of Orissa for
 - (i) writing off outstanding loan and interest thereon up to March, 2002,
 - (ii) deferment of the balance debt servicing for the remaining part of the fiscal year 2001-02 to 2002-03,
 - (iii) conversion of Ways & Means Advance of Rs. 275 crores to an extended Ways & Means Advance recoverable in subsequent three financial years and
 - (iv) re-revision of Annual Plan Outlay for the years 1996-97 to 1999-2000.
- (c) The Government of India in view of the devastation caused by the Super Cyclone in Orissa, deferred the repayment of loan and payment of interest amounting to Rs. 548 crores recoverable in 1999-2000 to be recovered in 18 equal monthly instalments commencing from October 2000. A further deferment of Rs. 147.16 crores recoverable in 2001-02 was allowed for recovery in 12 equal monthly instalments in 2002-03. This is a special dispensation given to Government of Orissa. Recovery of Ways and Means advance over three years was not feasible as the Ways and Means Advance given to a State is budget neutral and there is no provision for deferring the recovery to future years. As regards revision of Annual Plan, this cannot be supported since cuts imposed for shortfall in States Plan expenditure are based on approved/revised plan outlays and retrospective revision would tantamount to allowing funds meant for plan to be diverted for meeting non-Plan expenditure.