

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

UNSTARRED QUESTION NO:727
ANSWERED ON:22.11.2002
GRANT TO MAHARASHTRA
SADASHIVRAO DADOBA MANDLIK

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

- (a) whether the State Government of Maharashtra has urged the Union Government for consideration of one time grant/very soft loan;
- (b) if so, the details thereof and the reduction of Union Government thereon; and
- (c) the steps taken by the Government to improve the States economy?

Answer

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

(a) to (c): Yes, sir, the Government of Maharashtra have, inter-alia, requested for, a one time infusion by way of grant or soft loan to ease out their ways and means position.

Any one time grant or soft loan to ease the ways and means position of the state needs to be in consonance with the Medium Term Fiscal Reforms Programme agreed to by the State, under the States fiscal Reform Facility 2000-01 to 2004-05, of the Government of India. In keeping with the recommendations of the Eleventh Finance Commission, an Incentive Fund has been created under this Facility, to supplement the efforts of the State towards fiscal reforms. A sum of Rs. 55.55 crores so far, has been released under Incentive Fund to the Government of Maharashtra. Besides, the Government of India has also put forward a proposal for debt swap to enable States to retire high cost debt so as to supplement their efforts towards fiscal consolidation.