

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1808
ANSWERED ON:19.11.2010
ASSISTANCE FOR ORISSA FROM DEBT RELIEF FUND
Satpathy Shri Tathagata

Will the Minister of FINANCE be pleased to state:

- (a) whether some State Governments including Orissa have sought financial assistance from the Debt Relief Fund, during the last three years;
- (b) if so, the details thereof; and
- (c) the action taken by the Government thereon so far?

Answer

Minister of State in the Ministry of Finance(SHRI NAMO NARAIN MEENA)

(a) to (c) : No Debt Relief Fund exists to provide financial assistance to States. However, the Twelfth Finance Commission had recommended a Debt Consolidation and Relief Facility (DCRF) for its award period (2005 to 2010). DCRF provided for (i) Consolidation of central loans from Ministry of Finance contracted till 31.3.2004 and outstanding as on 31.3.2005 for a fresh tenure of twenty years at an interest rate of 7.5% per annum and (ii) Debt waiver to States based on their fiscal performance. Loans from Ministry of Finance to 26 States that had enacted their Fiscal Responsibility and Budget Management Acts, have been consolidated and debt waiver amounting to Rs.19,963.66 crore has been provided to eligible states, including Orissa.

Debt waiver of Rs.381.90 crore has been allowed to Orissa for each of the years 2007-08 and 2008-09. Orissa's eligibility for debt waiver for 2009-10 can be assessed upon receipt of its Finance Accounts for that year.