

non-plan revenue expenditure while improving the quality of expenditure. To this end the Budget contains a number of initiative which among others include restricting fresh recruitment to one per cent of total civilian staff strength, user charges for services provided by the Government and its agencies to be revised keeping in view the increased cost of these services etc. Further, with a view to reduce interest burden, most administered interest rates were reduced by 1.5 per cent as on March 1, 2001. Besides, the Fiscal Responsibility and Budget Management Bill, 2000 was introduced in Parliament in December 2000. This Bill includes provisions relating to ceilings on debt, deficit and borrowing. Policy initiatives announced in the Budget are expected to have a favourable impact on growth during the current year.

### **Financial package to J and K**

**2527. MIRZA ABDUL RASHID:** Will the Minister of FINANCE be pleased to state:

(a) whether Government have any plan to grant a financial package to Jammu and Kashmir on the pattern of North-East States or on Punjab;

(b) if so, by when it is likely to be granted; and

(c) if not, what are the constraints coming in the way of Government in doing so for a State like Jammu and Kashmir, where proxy war by Pakistan has completely destroyed infrastructure in every sphere of development?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):** (a) to (c) The State of J and K enjoys the status of a Special Category State, in line with States of the North East. Plan assistance to J and K is extended as 90% grant and 10% loan, as against the normal pattern of 70% loan and 30% grant for Non-Special Category States. The total amount of Plan and Non-Plan assistance to J & K has increased over 30% during the last 4 years. The resource transfer to J and K has increased considerably during the recent past mainly on account of enhanced allocation of Rs. 2111.66 crores during 2000-01 and Rs. 2240.87 crores during 2001-02 as non-plan revenue deficit grant recommended by the Eleventh Finance Commission. Moreover, progress of various development projects/Special schemes sanctioned for J and K is reviewed periodically in consultation with the State Government and necessary financial resources are made available through the respective Central Ministries.