

**Statement**

*The devolution of States' Share of Union Taxes and Duties made to the State Government of Gujarat  
12th Finance Commission on recommendation period*

(Rs. in crore)

Gujarat 2005-06	2006-07	2007-08	2008-09	2009-10	Total devolution of State's share
3372.43	4301.63	5426.09	5725.86	5890.92	24716.93

*Details of the grant-in-aid recommended by the Twelfth Finance Commission (TFC) for its award  
period 2005-10 and amount released to Gujarat*

As on 31.03.2010

Sl.No.	Sector	(Rs. in Crore)	
		2005-06 to 2009-10	
		Allocation	Released
1	Forest	20.00	20.00
2	Roads & Bridges	895.20	895.20
3	Public Buildings	203.61	101.81
4	Heritage Conservation	25.00	25.00
5	State Specific Needs	200.00	196.98
6	Local Bodies Grant	1345.00	1345.00
7	Calamity Relief Fund	1019.47	10319.47
	<b>TOTAL</b>	<b>3708.28</b>	<b>3603.46</b>

**Frequent change in interest rates by RBI**

†3601. SHRI NARESH CHANDRA AGRAWAL: Will the Minister of FINANCE be pleased to state:

(a) the reasons for raising the interest rates on loan by the Reserve Bank of India (RBI) frequently;

†Original notice of the question was received in Hindi.

(b) whether it is a fact that crores of people of the country are getting affected because of frequent increase in loan rates;

(c) whether Government is planning to provide relief to them; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) Reserve Bank of India (RBI) has been increasing policy rates to contain inflation and inflationary expectation to prevent the economy from getting overheated.

(b) Taking cues from the tightening of monetary conditions by RBI, the banks have also been raising their deposit and lending interest rates. Scheduled Commercial Banks (SCBs) have raised their deposit rates in the range of 25-500 basis points between mid-March, 2010 and July 30, 2011 across all maturities. Similarly, the banks have also increased their lending rates in the range of 75-325 basis points during July, 2010-July 2011. The increase in deposit and lending rates have effected both the depositors and borrowers.

(c) and (d) The RBI's monetary policy stance is aimed at maintaining an interest rate environment that moderates inflation and anchors inflationary expectations. While cost of borrowing goes up with the increase in policy rates, on balance lower levels of inflation would provide greater relief to the common man. Further, on an ongoing basis, Government has also been providing interest subventions for key sectors of economy and sections of the society.

#### **Reduction of taxes on petro-products**

3602. SHRI PRAKASH JAVADEKAR: Will the Minister of FINANCE be pleased to state:

(a) whether Ministry is planning to reduce taxes levied upon petro products considering recent steep inflation in its prices;

(b) if not, the reasons therefor; and

(c) the details of amount earned from all Central taxes on petro products for last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) No, Sir. There is no such proposal at this stage.