

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:174
ANSWERED ON:22.02.2013
LOANS TO STATES FROM NSSFS
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Will the Minister of FINANCE be pleased to state:

- (a) whether States are facing difficulties in financing their annual plans due to reduced share of loans from National Small Saving Funds (NSSFs) given to the States;
- (b) if so, the details thereof including the percentage of share from NSSFs given to the States; and
- (c) the details of steps taken to make up with reduced share of loans from NSSFs to the States and the extent of success achieved therefrom?

Answer

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

(a): Annual Plans of States are financed through Balance of Current Revenues of State, Central Assistance, Miscellaneous Capital Receipts and various sources of borrowings of which NSSF is a part. Overall borrowings of States are capped as per their respective Fiscal Responsibility Legislations. States manage their debt resources from different sources subject to overall cap.

(b) & (c): State Governments make request to the Government of India under Article 293(3) for raising Additional Open Market Borrowings (AOMBs) in lieu of shortfall under NSSF transfers for financing their Annual Plans as approved by Planning Commission. As and when such requests are received from States, the same are examined with reference to available borrowing space considering the anticipated shortfall under NSSF transfers. During 2011-12, an amount of Rs. 10243.35 crores were transferred from NSSF to the States as against their projected NSSF allocation of Rs. 32847.35 crore, which is 31.18% of the projected NSSF allocation. Besides this, 9 State Governments were allowed AOMBs of Rs. 13886 crore in lieu of shortfall under NSSF.