

study, submitted a detailed project report in February, 2007 and recommended launch of Passport Seva Project (PSP) in Public Private Partnership (PPP) mode, envisaging *inter-alia* setting up of 77 Passport Seva Kendras (PSKs) across the country, based on the number of passport applications received from various districts under each Passport Office. The PSP was approved by the Union Cabinet in September, 2007.

(b) 5 (five) planned Passport Seva Kendras (PSKs) have been set up in the state of Gujarat—two in Ahmedabad and one each in Rajkot, Vadodara and Surat.

Goods and Service Tax Issues of Centre and States

647. SHRI NAND KUMAR SAI: Will the Minister of FINANCE be pleased to state:

(a) whether the differences between Centre and the States have narrowed down on the issue of implementation of the Goods and Services Tax;

(b) if so, the details thereof;

(c) the details of the issues on which Centre and States have reached a consensus so far;

(d) the details of issues on which there has still been the differences between the Centre and States on GST; and

(e) the details of the steps taken by Government to address such issues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) On 8th November, 2012 a meeting was held between Union Finance Minister and Empowered Committee of State Finance Ministers in which the States voiced their support for GST but there were differences on its design. The states also requested that the issue of Central Sales Tax (CST) compensation must be settled. It was decided to constitute two committees to consider the issue of CST compensation and to finalize the design of GST, simultaneously.

Financial health of debt ridden States

648. DR. JANARDHAN WAGHMARE: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that Maharashtra State which was financially very sound at a time has now achieved a dubious distinction of being the leading debt ridden State;

(b) if so, what are the factors responsible due to which the Maharashtra State has now become debt ridden State; and

(c) the steps taken by Government to improve the financial health of the debt ridden States particularly of Maharashtra?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The Thirteenth Finance Commission (FC-XIII) has *inter-alia* prescribed annual debt to Gross State Domestic Product (GSDP) targets for each State to be maintained during its award period 2010-15. The States are required to monitor their debt under their respective Fiscal Responsibility and Budget Management Acts (FRBMAs), enacted/amended by all States in line with recommendations of FC-XIII. Debt/GSDP ratio of Maharashtra for the years 2010-11 (actuals as per Finance Account), 2011-12 (Revised Estimate), and 2012-13 (Budget Estimate) are 22.3%, 21.2% and 20.4%, which are within the targets of 26.3%, 26.1% and 25.8% prescribed by FC-XIII and in the State's FRBMA for these years respectively. Further, the interest payment/total revenue receipts ratio of the State is also within the permissible limits, making the State debt sustainable.

(c) The recent most comprehensive debt restructuring exercise was undertaken under the award of the Twelfth Finance Commission (TFC) (2005-2010). The Debt Consolidation and Relief Facility (DCRF), subject to compliance with prescribed conditions was extended to all States. This facility involved (i) consolidation of loans from Ministry of Finance (MoF), contracted till 31.03.2004 and outstanding as on 31.03.2005, for a fresh tenure of 20 years at an interest rate of 7.5% per annum and (ii) waiver of consolidated debt based on fiscal performance of States. Under the scheme, loans extended by Ministry of Finance (MoF) amounting to Rs. 1,13,601 crore, were consolidated and debt waiver of Rs. 19,726 crore was provided to twenty six eligible States, till 31.3.2010 including Maharashtra. Loans extended by MoF to the remaining two States, amounting to Rs. 8747 crore outstanding as on 1.4.2010 were consolidated as recommended by the Thirteenth Finance Commission (FC-XIII). Under DCRF, central loans from MoF amounting to Rs. 6799 crore was consolidated for Government of Maharashtra and Debt waiver of Rs. 1360 crore has been extended from 2005-06 to 2009-10.

Further, as recommended by FC-XIII for its award period (2010-15), loans extended to States through Ministries other than MoF under Centrally Sponsored Schemes/ Central Plan Schemes (CSS/CPS) and outstanding at the end of 2009-10, have also been written off to the extent of Rs. 2,050 crore till 31.3.2012. Government of Maharashtra has been extended debt waiver of Rs. 182 crore till 2011-12 on this account.

FC XIII has also recommended reset of interest rates on loans from National Small Savings Fund, contracted up to 2006-07 and outstanding at the end of the year preceding the year of enactment/amendment of the States' FRBMAs, at a common rate of 9% per annum. As estimated by FC XIII, interest relief of Rs. 13,517 crore is expected to accrue to States on this account, during 2010-15. The benefit continuing beyond the award period of FC-XIII has been estimated to reach Rs. 28,360 crore by the maturity of the last loan coming under purview.

Opening of branches of nationalised banks in Uttarakhand

†649. SHRI MAHENDRA SINGH MAHRA: Will the Minister of FINANCE be pleased to state:

- (a) the places where it is proposed to establish the branches of nationalised banks in Uttarakhand;
- (b) when the proposal of opening the branches was made;
- (c) whether branches have been opened as per the proposal; and
- (d) if not, the reasons therefor and the reasons for delay?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) As reported by the State Bank of India (SBI), the State Level Bankers' Committee (SLBC) Convenor Bank for the State of Uttarakhand, from April, 2012 to September, 2012, a total of 15 branches (7 in rural areas, 3 in semi-urban areas and 5 in urban areas) were proposed to be established by banks in the State of Uttarakhand. Out of these 15 branches, one rural branch in Raiwala Centre has been opened on 26.7.2012 and the process of opening remaining branches is in various stages readiness.

Property seized by ED

650. SHRI RASHEED MASOOD: Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.