

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

**RAJYA SABHA
UNSTARRED QUESTION NO. 1004
TO BE ANSWERED ON TUESDAY, 26th JULY, 2022
4 SRAVANA, 1944 (SAKA)**

Debt and financial health of Andhra Pradesh

1004. SHRI G.V.L. NARASIMHA RAO:

Will the Minister of FINANCE be pleased to state:

- (a) the debt of residual Andhra Pradesh at the time of bifurcation in 2014;
- (b) how much the State Government has borrowed from 2014 to 2019, year-wise;
- (c) how much the State Government has borrowed from 2019 till date, year-wise;
- (d) whether it is a fact that Government of Andhra Pradesh has been borrowing in State corporations outside the State budget;
- (e) if so, the action the Ministry has initiated;
- (f) the assessment of the Ministry regarding the financial health of the State; and
- (g) the steps proposed to make Andhra Pradesh financially healthy?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

- (a) As per Andhra Pradesh State Finance Accounts for 2014-15 (02 June 2014 to 31 March 2015) audited by Comptroller and Auditor General of India (CAG), Public Debt liability allocated to residual Andhra Pradesh at the time of bifurcation was Rs. 97,123.93 crore.
- (b) and (c) As per Andhra Pradesh State Finance Accounts audited by CAG (2014-15 to 2020-21) and information received from State of Andhra Pradesh for the period 2021-22, year-wise details of Public Debt borrowing (Net) of Andhra Pradesh during the period from 2014-15 to 2021-22 is given in Annexure.

(d) and (e) Yes Sir, State of Andhra Pradesh has declared borrowings during 2020-21, 2021-22 and 2022-23 by State Public Sector companies/corporations, Special purpose vehicles (SPVs) and other equivalent instruments, where principal and/or interest are to be serviced out of the State Budgets and/or by assignment of taxes/cess or any other State's revenue.

Considering the effect of bypassing the NBC through such borrowings by some States including Andhra Pradesh, it was decided and communicated to the States in March 2022 that borrowings by State Public Sector companies/corporations, Special purpose vehicles (SPVs) and other equivalent instruments, where principal and/or interest are to be serviced out of the State Budgets and/or by assignment of taxes/cess or any other State's revenue, shall be considered as Borrowings made by the State itself for the purpose of issuing the consent under Article 293(3) of the Constitution of India.

(f) and (g) All States including Andhra Pradesh have enacted their Fiscal Responsibility and Budget Management (FRBM) Act. Compliance to the State FRBM Act is monitored by the respective State legislatures. Andhra Pradesh Fiscal Responsibility and Budget Management Act, 2005 makes the State Government responsible to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the government and conduct of fiscal policy in a medium term framework and matters connected therewith or incidental thereto.

Department of Expenditure, Ministry of Finance generally follows the fiscal limits mandated by the accepted recommendations of the Finance Commission while exercising the powers to approve borrowings by States under Article 293 (3) of the Constitution of India.

**Annexure referred to in part (b) and (c) of Rajya Sabha Unstarred question no. 1004 for
26.07.2022**

**Year-wise details of Public Debt borrowing* (Net)[@] of Andhra Pradesh during the period
from 2014-15 to 2021-22**

Year	Rs (In crore)
2014-15 (Actual) (02 June 2014 to 31 March 2015)	12,381.97
2015-16 (Actual)	15,237.30
2016-17 (Actual)	25,146.12
2017-18 (Actual)	18,982.48
2018-19 (Actual)	24,706.31
2019-20 (Actual)	33,062.06
2020-21 (Actual)	43,700.35
2021-22 (RE/Actual) ^	39,084.03

Source: Andhra Pradesh State Finance Accounts audited by CAG (2014-15 to 2020-21).

^ As per information received from State of Andhra Pradesh for the period 2021-22.

* Does not include Public Account liabilities.

@ 'Net' denotes gross receipts less repayments during the year.