

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

RAJYA SABHA

STARRED QUESTION NO. 219

TO BE ANSWERED ON TUESDAY 21ST MARCH, 2023

[30 Phalguna, 1944 (SAKA)]

Loans raised by Government of Andhra Pradesh

219. SHRI KANAKAMEDALA RAVINDRA KUMAR :

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the Union Government gave its nod to the State Government of Andhra Pradesh to raise loans to the tune of two thousand crores recently;
- (b) if so, the details thereof;
- (c) whether it is also a fact that Government has given such permission to Government of Andhra Pradesh to raise loans which contravenes the provisions of FRBM Act; and
- (d) if so, the details thereof and the reasons for giving such permission?

ANSWER

FINANCE MINISTER

(SHRIMATI NIRMALA SITHARAMAN)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to Rajya Sabha Starred Question No. 219 for answer on March, 21, 2023 raised by Shri Kanakamedala Ravindra Kumar regarding 'Loans raised by Government of Andhra Pradesh':

(a) & (b) During the last quarter of financial year 2022-23 (upto 15.03.2023), consent of Government of India under Article 293 (3) of the Constitution of India for raising Open Market Borrowing (OMB) of Rs. 12,175 crore was issued to the State Government of Andhra Pradesh. Out of this, an amount of Rs. 5,858 crore has been allowed to the State Government of Andhra Pradesh for performance in Power Sector in financial year 2022-23 based on the recommendation of the Ministry of Power. Remaining consent of Rs. 6,317 crore was issued against the normal Net Borrowing Ceiling (NBC) of the State for the financial year 2022-23.

(c) & (d) 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.

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. The normal Net Borrowing Ceiling of each State is fixed by the Union Government in the beginning of each financial year. Adjustments for the over-borrowing by States during previous years, if any, are made in the borrowing limits of subsequent year.
