

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
RAJYA SABHA
UNSTARRED QUESTION No. 554**

TO BE ANSWERED ON TUESDAY, FEBRUARY 7, 2023/MAGHA 18, 1944 (SAKA)

Assessment of financial condition of Andhra Pradesh

554. SHRI KANAKAMEDALA RAVINDRA KUMAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has made any overall assessment about the financial condition of the State of Andhra Pradesh after taking into consideration, the various borrowings/debts/loans made/availed by the State Government of Andhra Pradesh since May 2019;
- (b) if so, the details of the assessment made by Government in this regard;
- (c) whether Government had sent any communication to the State of Andhra Pradesh after making such assessment; and
- (d) if so, the details thereof and response of the State Government of Andhra Pradesh?

ANSWER

**MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (d): State of Andhra Pradesh has enacted the Fiscal Responsibility and Budget Management (FRBM) Act which 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.

Compliance to the Fiscal Responsibility and Budget Management (FRBM) Act is monitored by the State Legislature of State of Andhra Pradesh.

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 (NBC) of each State including state of Andhra Pradesh is fixed by the Union Government in the beginning of each financial year.

As per Reserve Bank of India's report titled 'State finances: A study of budgets of 2022-23', total outstanding liabilities of State of Andhra Pradesh since 2018-19 to 2022-23 are as follows;

Year (As at end-March)	Total Outstanding Liabilities of the State of Andhra Pradesh (Rs. in crore)
2019	2,64,451
2020	3,07,671
2021	3,53,021
2022(RE)	3,93,718
2023(BE)	4,42,442

Source: Reserve Bank of India's report titled 'State finances: A study of budgets of 2022-23'