

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

**LOK SABHA
STARRED QUESTION NO. *147**

TO BE ANSWERED ON Friday, July 27, 2018/Shravana 5, 1940 (Saka)

Revenue Deficit of Andhra Pradesh

***147. SHRI KONAKALLA NARAYANA RAO:
SHRI MAGANTTI VENKATESWARA RAO (BABU):**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is committed to make up for the revenue deficit incurred by the State of Andhra Pradesh in 2014-15;
- (b) if so, the details of revenue deficit arrived and the basis on which that figure was reached; and
- (c) whether the Government has given a formula for calculating the first year revenue deficit and if so, the details thereof?

ANSWER

**MINISTER OF FINANCE
(SHRI PIYUSH GOYAL)**

(a) to (c): A statement is laid on the table of the House.

STATEMENT REFERRED IN PART (A) TO (C) OF THE REPLY TO THE LOK SABHA STARRED QUESTION NO. *147 BY SHRI KONAKALLA NARAYANA RAO & SHRI MAGANTTI VENKATESWARA RAO (BABU) "REVENUE DEFICIT OF ANDHRA PRADESH" DUE FOR ANSWER ON FRIDAY JULY 27, 2018

(a) : Yes.

(b) & (c): The successor State of Andhra Pradesh (GoAP) had reported Revenue Deficit as Rs. 16,079 crore for the year 2014-15 (2nd June, 2014 to 31st March, 2015). Audited figures as reflected in State Finance Accounts for 2014-15 published by AG (A&E), Andhra Pradesh and Telangana mentioned a Revenue Deficit of Rs.13775.76 crore for the reference period. This amount was arrived after taking into account Rs.2303 crore released by the Central Government (GoI) during 2014-15. Further, AG (A&E) informed that launching of new schemes by GoAP viz. Agriculture Debt Redemption Scheme, assistance to DISCOMS for taking over Financial Restructuring Plan Bonds, assistance to APTRANSCO, incentives for industrial promotion and enhanced expenditure on INDRAMMA old age and disabled pension schemes by way of broadening the base and monthly pension rate have contributed to revenue deficit of Rs.16078.76 crore.

In order to arrive at a realistic estimate of Resource Gap for the year 2014-15, Rs.11960.87 crore was disallowed which included expenditure on new schemes and impact of increase in monthly pension rate and broadened base of pensioners. However, arrears of Rs.91.27 crore pertaining to 2013-14 and paid in 2014-15 were included in the Resource Gap. Thus, the amount of the Resource Gap for the year 2014-15 (2nd June, 2014 to 31st March, 2015) was arrived at Rs.4117.89 crore. Of which Rs.3979.50 crore has already been released to the successor State of Andhra Pradesh. Calculation of entitlement of resource gap of 2014-15 for the successor State of Andhra Pradesh is as below.

(Rs. in crore)

Sl. No.	Particulars	Based on letter dated 23.11.2016 of GoAP.
A	Revenue Deficit reported by Andhra Pradesh	16078.76
B	Items disallowed for arriving at entitlement of the State on the basis of standardised expenditure of which	11960.87
B.1	RAITHU Sadhikara Samastha (Farmers Empowerment Corporation)	4001.32
B.2	Agriculture Debt Redemption Scheme	3068.35
B.3	Assistance to DISCOMs for taking over of FRP bonds	1500.00
B.4	Increase on account of Monthly pension rate and broadening of base of pensioners	3391.20
C	Entitlement of the State on account of revenue deficit of 2014-15 (A-B)	4117.89
D	Less reimbursement made till date to the State of Andhra Pradesh of which	3979.50
D.1	Special assistance released during FY 2014-15	2303.00
D.2	Special assistance released during FY 2015-16	500.00
D.3	Special assistance released during FY 2016-17	1176.50
E	Balance towards entitlement of the State on account of revenue deficit of 2014-15 (C-D)	138.39
