

**GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS**

**LOK SABHA
STARRED QUESTION NO. *287**

TO BE ANSWERED ON THE 21ST MARCH, 2023/ PHALGUNA 30, 1944 (SAKA)

SPECIAL CATEGORY STATUS TO ANDHRA PRADESH

***287. SHRI LAVU SRI KRISHNA DEVARAYALU:
SHRI BALASHOWRY VALLABHANENI:**

Will the Minister of HOME AFFAIRS be pleased to state:

(a) the criteria adopted for granting Special Category Status (SCS) to States and the reasons for not granting SCS to the State of Andhra Pradesh;

(b) whether the Government has promised to grant SCS to Andhra Pradesh in light of the financial burden faced by the State after bifurcation in 2014;

(c) if so, the details thereof along with the Union Government assurances completed and those which are pending as per the Andhra Pradesh Reorganization Act, 2014 along with the reasons for delay;

(d) whether it is true that the Government has agreed to fund all externally aided projects in Andhra Pradesh in the 90:10 ratio;

(e) if so, the details thereof and the steps taken by the Government in this regard;

(f) whether the Union Government has received any communication from the State Government of Andhra Pradesh requesting SCS for Andhra Pradesh during the last six months; and

(g) if so, the details thereof and the time by which SCS is likely to be granted to Andhra Pradesh?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS
(SHRI NITYANAND RAI)**

(a) to (g): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 287* FOR ANSWER ON 21.03.2023

(a) to (g): The Government has received requests for according Special Category Status from certain States including Andhra Pradesh. Special Category Status for plan assistance was granted in the past by the National Development Council to the States, that are characterized by a number of features necessitating special consideration. These features included: (i) hilly and difficult terrain (ii) low population density and/or sizeable share of tribal population (iii) strategic location along borders with neighbouring countries (iv) economic and infrastructural backwardness and (v) non-viable nature of State finances. Special Category Status was granted based on an integrated consideration of these criteria.

The Fourteenth Finance Commission (FFC) had not made any distinction between General Category States and Special Category States in the horizontal distribution of shareable taxes amongst the States. As per the recommendations of the FFC, the Union Government had decided to increase the share of net shareable taxes to the States from 32% earlier to 42% for the period 2015-20. The same has also been retained by the Fifteenth Finance Commission at 41% (1% adjusted on account of creation of UT of J&K) for the period 2020-21 & 2021-26. The objective has been to

fill the resource gap of each State to the extent possible through tax devolution. Also, Post-Devolution Revenue Deficit Grants have been provided to States where devolution alone could not cover the assessed gap.

However, the Central Government has agreed to give special assistance to the State of Andhra Pradesh to make up for the additional Central share the State might have received during 2015-16 to 2019-20, if the funding of Centrally Sponsored Schemes would have been shared at the ratio of 90:10 between the Centre and the State. The special assistance is to be provided by way of repayment of loan and interest for the Externally Aided Projects (EAPs) signed and disbursed during 2015-16 to 2019-20 by the State. Accordingly, based on the request received from the State Government of Andhra Pradesh, the Central Government has released an amount of Rs. 15.81 crore in 2018-19 towards repayments of interest liabilities of EAPs signed and disbursed by the State during 2015-16 to 2017-18.

A number of provisions of Andhra Pradesh Reorganisation (APR) Act, 2014 have been implemented and the remaining provisions of the APR Act, 2014 are at various stages of implementation. Some of the provisions relating to infrastructure projects and educational institutions have long gestation period for which a time period of ten years has been prescribed in the Act.
