

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
LOK SABHA
UNSTARRED QUESTION NO. 24**

TO BE ANSWERED Monday, February 3, 2020/Magha 14, 1941 (Saka)

Special Category Status

24. SHRI KESINENI SRINIVAS:

Will the Minister of FINANCE be pleased to state:-

- (a) the details of criterion used by the Ministry to assess whether a State is eligible to get special category status;
- (b) whether special category status was promised to the present State of Andhra Pradesh at the time of bifurcation in 2014 and if so, the details thereof;
- (c) the details of reasons as to why Andhra Pradesh has been denied special category status;
- (d) whether any proposal or demands have been received by the Ministry for granting special category status to Andhra Pradesh since 2014 and if so, the details thereof; and
- (e) whether the Ministry is considering to grant special category status and if so, the details thereof and if not, the reasons therefor?

ANSWER

**MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)**

(a): Special Category Status for plan assistance has been granted in the past by the National Development Council (NDC) to States that are characterized by a number of features necessitating special consideration. These features include: (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. The decision to accord Special Category Status to a particular State was taken by the NDC based on an integrated consideration of all factors listed above and the peculiar situation of the State.

(b) to (e): The then Prime Minister on 20th February, 2014 had announced that “Special Category Status would be extended to the State of Andhra Pradesh for a period of five years. This would be done to put the State’s finances on firmer footing”. However, following the recommendations of Fourteenth Finance Commission (FFC), the class of Special Category States ceases to exist. The Central Government being committed to support the development of the newly formed State of Andhra Pradesh and keeping in mind the obligations emanating from the Andhra Pradesh Reorganisation Act, 2014; the recommendations of the FFC; the report dated 01.12.2015 of Vice Chairman, NITI Aayog on “Developmental support to the successor State of Andhra Pradesh under Andhra Pradesh Re-organisation Act, 2014” and the requests of the successor State of Andhra Pradesh provided the Special Assistance Measure to the successor State of Andhra Pradesh, which would 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 (CSS) would have been shared at the ratio of 90:10 between the Centre and the State. The special assistance will 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.
