

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA
UNSTARRED QUESTION No. 1703

TO BE ANSWERED ON MONDAY, MARCH 10, 2025/PHALGUNA 19, 1946 (SAKA)

ALLOCATION OF FUNDS FOR NEW CAPITAL OF ANDHRA PRADESH

1703. Shri Maddila Gurumoorthy:

Will the Minister of FINANCE be pleased to state:

- a) the total amount of funds contributed by the Government for the construction of the Assembly, Secretariat, and Raj Bhavan in Andhra Pradesh as part of its support for the development of the new capital;
- b) the time by which the funds were allocated and disbursed for these projects, and whether any additional allocations are planned for the future;
- c) Whether the Government has fulfilled its promise of providing Rs. 15,000 crore towards the development of the capital region of Andhra Pradesh;
- d) if so, whether this financial support falls within the Fiscal Responsibility and Budget Management (FRBM) limits of the State; and
- e) the steps being taken by the Government to ensure the these funds are utilized effectively and that the development of the capital region proceeds as per the planned timeline?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): The Government of India has provided Rs. 2500 crore as Special Assistance (Grants) to Andhra Pradesh for development of essential infrastructure in the Capital City. Further, the Government of India has facilitated the approval and signing of multilateral loan assistance amounting to Japanese Yen (JPY) 121,972,000,000 (approx. USD 800 million / INR 6700 cr) each from the World Bank (WB) and the Asian Development Bank (ADB) for the Amaravati Integrated Urban Development Program and Amaravati Inclusive and Sustainable Capital City Development Program, respectively. The loan assistance will, among other things, facilitate the development of key public infrastructure within the Amaravati Government Complex (AGC),

envisioned by the Government of Andhra Pradesh. The WB loan became effective on January 22, 2025, while the ADB loan took effect on February 10, 2025. However, no disbursements have been released under these loans so far. The Government of India has also decided to provide counterpart funding of not more than 10% of the total current project cost (i.e. maximum of Rs. 1500 crore) as Special Assistance (Grant) to Andhra Pradesh. It has also been decided that the loan provided for the project will not be counted in borrowing ceiling of Andhra Pradesh.

(e): Utilization of funds provided will be governed by the prescribed guidelines/conditions of the loan and monitoring mechanism laid down in the loan approved.
