

an>

Title: Regarding financial crisis in Andhra Pradesh -laid.

**SHRI RAGHU RAMA KRISHNA RAJU (NARSAPURAM):**  
Andhra Pradesh Government is reeling under acute financial crisis arising from lacking of income generating activities.

Government of India is aware that AP Government has already crossed its FRBM limit. Though interests on loans of the state should not cross 10% of total GDP revenue, but it crossed 20% above. Due to financial crunch, government is not in a position to pay salaries of the employees in time. Funds released by the Centre are being diverted to welfare schemes announced by the state. As there are no income-generating activities, state is gradually turning into a debt-ridden state. Recently, RBI had to adjust the revenue deficit grants against the overdrafts already taken by the state. So, the state is searching for fresh loans at high rates of interest from various financial institutions by way of Corporations.

Hence, I seek immediate intervention of Government of India for corrective action before the situation turns worse.