

Title: Re: State Net Borrowing ceiling fixed for Andhra Pradesh.

SHRI KURUVA GORANTLA MADHAV (HINDUPUR): As the original amount fixed in the State Net Borrowing Ceiling (NBC) for Andhra Pradesh was fixed at Rs. 42,472 crore, the Andhra Pradesh Government urged the Centre to reconsider ceiling since the same would be extremely harsh on our people. Despite this, the Ministry of Finance has reduced the NBC of Andhra Pradesh over a three-year period from 2021-22 to 2023-24. The Ministry of Finance had decided against adjusting the off-Budget borrowings availed by the States during the periods of the previous Finance Commissions while determining the NBC of the years during the 15th Finance Commission period. A letter addressed to the States by the Ministry of Finance indicated that the rule would apply from the 15th Finance Commission period onwards and subsequently a further relaxation was also provided. Considering that the fiscal viability of Andhra Pradesh is at stake, I request that the Ministry of Finance follow its own rationale and ignore the overborrowing during the 14th Finance Commission period while determining the NBC during the 15th Finance Commission period.