

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2816
ANSWERED ON:29.08.2012
RELEASE OF DEBT WAIVER
Ponnam Shri Prabhakar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Andhra Pradesh has requested to release debt waiver of Rs. 703.08 crore for the year 2008-09 and Rs. 219.85 crore for the year 2005-06 by revisiting the issue based on the recommendations to arrive the fiscal deficit based on the actual Gross State Domestic Product;

(b) if so, the details thereof; and

(c) the action taken/being taken by the Government in this regard?

Answer

Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) to (c) : Government of Andhra Pradesh had requested that latest Central Statistical Organisation Gross State Domestic Product (GSDP) estimates (1999-2000 series) be adopted to determine the State's eligibility for debt waiver of Rs.703.08 crore for 2008-09. The State Government had also requested for allowing the balance debt waiver of Rs.219.85 crore for 2005-06, on the grounds that it had achieved the targets as laid down in the Debt Consolidation and Relief Facility (DCRF) guidelines and that it had performed well in subsequent years.

During the Twelfth Finance Commission award period 2005-10, GSDP estimates (1999-2000 series) had been used uniformly for all States for the purposes of DCRF and to calculate annual borrowing ceilings. The request of the State for revising the GSDP estimates retrospectively and for allowing debt waiver for 2005-06 was not found to be tenable under DCRF.