

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:834

ANSWERED ON:27.02.2015

FINANCIAL CRISIS IN ANDHRA PRADESH

Galla Shri Jayadev;Reddy Shri Mekapati Rajamohan;Subbareddy Shri Yerram Venkata

Will the Minister of FINANCE be pleased to state:

- (a) Whether the State Government of Andhra Pradesh has recently requested the Union Government immediate financial help as the State is under great financial stress;
- (b) If so, the details thereof and action taken by the Union Government thereon;
- (c) Whether the financial help provided to the Andhra Pradesh under the Andhra Pradesh Reorganisation Act that stipulates reimbursement of revenue deficit in its first financial year by the centre; and
- (d) If so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (Shri Jayant Sinha)

- (a) Yes, Sir.
- (b) Government of Andhra Pradesh has sought Special Developmental assistance for its backward areas for an amount of X 24,350 crore over a period of five years (2014-15 to 2018-19).
- (c) & An inter-ministerial Committee, constituted by Ministry of Home
- (d) Affairs, is taking stock of the likely resource gap to meet revenue deficit of the State Government during 2014-15. However, an initial grant of X 500 crore has been approved for Andhra Pradesh, pending recommendations of the Committee to bridge the likely resource gap. In addition, funds amounting to X 350 crore has also been provided for the development of seven backward districts of Andhra Pradesh during 2014-15.