

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

**LOK SABHA
UNSTARRED QUESTION NO. 1886**

TO BE ANSWERED ON Friday, December 29, 2017/Pausha 08, 1939 (Saka)

1886. SHRI Y.V. SUBBA REDDY:

Will the Minister of FINANCE be pleased to state:

- (a) whether Union Government in Andhra Pradesh Reorganisation Act, 2014 had assured to overcome the deficit budget that Andhra Pradesh State has been reeling under and if so, the details thereof;
- (b) whether the State Government in spite of Union Government allocation of funds is facing acute financial crises and if so, the details thereof;
- (c) whether the State Government of Andhra Pradesh had made any request for granting deficit budget for last four years;
- (d) if so, the details thereof, year-wise and if not, the reasons therefor?

ANSWER

**MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI P. RADHAKRISHNAN)**

(a) to (d): The Central Government under purview of Andhra Pradesh Reorganisation Act, 2014 and having regard to the resources available with the successor State of Andhra Pradesh have provided an amount of Rs. 3980 crore against identified resource gap of Rs.4118 crore for the year 2014-15 as "special assistance" to the State to address the issue of the resources, deficit budget etc.. In addition, revenue deficit grant of Rs.14,862 crore has so far been provided to the State of Andhra Pradesh against the Post Devolution Revenue Deficit Grant (PDRDG) of Rs.22,212 crore as recommended by 14th Finance Commission for the award period (2015-20). This includes releases of Rs.6,609 crore (2015-16), Rs.4,930 crore (2016-17), Rs.3,323 crore (2017-18).

As can be seen from the fiscal indicators of the State - fiscal deficit as % of GSDP (3.94 in 2014-15 to 3.0 in 2017-18-RE) and Own Tax Revenue as % of GSDP (5.67 in 2014-15 to 7.0 in 2017-18-RE), the successor State of Andhra Pradesh is on the path of fiscal consolidation as also envisaged by 14th Finance Commission.
