

Seventeenth Loksabha

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Title: Regarding Net Borrowing Ceiling of State Government -laid.

**DR. BEESETTI VENKATA SATYAVATHI (ANAKAPALLE):** For the financial year 2021-22, the NBC (net borrowing ceiling) was originally fixed at Rs. 42,472 crores as per the FRBM norms fixed by the Central Government and applicable to every State. The Department of Expenditure, Ministry of Finance, Government of India has subsequently informed that an amount of Rs. 17,923.24 crores had to be adjusted against the Net Borrowing Ceiling fixed for this year on account of the so called overborrowing of the State during earlier years of the previous Government in the State. Despite the persuasion by the State Government that the reduction of limit would be extremely harsh on the State for no fault of ours, the Ministry of Finance did not accede to the request of the State Government and has spread the deduction over a three-year period. This unprecedented move of reducing the borrowing limit to accommodate for the so called overborrowing pertaining to a 5-year period of the previous Government, particularly during these extraordinary times of pain and suffering caused by the outbreak of the pandemic, as well as natural calamities of floods would cripple the fiscal health of the State. I seek the urgent intervention of the Hon'ble Finance Minister in this regard, to rectify this anomaly at the earliest and support the State Government.