

Regarding issuance of Non-Convertible Debentures by APDMC- Laid

SHRI MADDILA GURUMOORTHY (TIRUPATI): I wish to bring to the House's attention a matter of grave constitutional and fiscal concern. APMDC, a State PSU, has issued Non-Convertible Debentures worth ₹9,000 crore, with an RBI direct debit mandate empowering a private Debenture Trustee to withdraw funds directly from the Consolidated Fund of Andhra Pradesh. This raises a fundamental question: Does the government admit that such a mandate bypasses Articles 203 and 204 of the Constitution, which require legislative approval for any withdrawal from the Consolidated Fund? Further, the debenture proceeds are routed back to the state government as consideration for mining leases, effectively amounting to state borrowing. Does this not violate Article 293(3), which requires prior consent of the central government for borrowing? I urge the Government to intervene and ensure that the sanctity of Articles 203, 204, and 293(3) of the Constitution is preserved.