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Title: Need to permit Andhra Pradesh to borrow beyond 3 % of GDP as permitted under FRBM Act.

SHRI JAYADEV GALLA (GUNTUR): Madam, there is no doubt that the Fiscal Responsibility and Budget Management norms are sacrosanct. But, at the same time, the Government's expenditure is a very useful tool for reviving the economy.

Now, after bifurcating the residuary State of Andhra Pradesh, we are at the most disadvantageous position financially. The residuary State started its journey with nearly Rs.10,000 crore deficit in 2014-15. Now, it requires money for infrastructure, building a Capital, to push manufacturing base, encourage the service sector, apart from other things. The people of Andhra Pradesh anticipated that the 14<sup>th</sup> Finance Commission would do justice. But it did not. The people of Andhra Pradesh thought that the General Budget would do justice; it has also disappointed us. So, how Andhra Pradesh is supposed to survive now?

HON. SPEAKER: Within one minute, you have to conclude. You are not supposed to read the entire thing.

SHRI JAYADEV GALLA : The Fiscal deficit of undivided Andhra Pradesh was 2.32 per cent of the GDP in 2012-13 which has gone up to 2.86 per cent in 2013-14. Now, Andhra Pradesh cannot go beyond 3 per cent as it is the limit fixed by the FRMB Act. Now that it has not got any help either from the 14<sup>th</sup> Finance Commission or the Budget of 2015-16, and, more over, Andhra Pradesh would be the only State in 2019-20 with a revenue deficit, there is no other go for the Andhra Pradesh Government but to request the Union Government to permit it to cross the 3 per cent limit and give it elbow-room to borrow up to 7 per cent of GDP so that it can, at least, address some of the important areas of the economy.

HON. SPEAKER: Now, you made your demand. That is all. Please take your seat.

SHRI JAYADEV GALLA : I will conclude now. It is not only Andhra Pradesh but also there are other States, including Telangana, demanding for increase in the FRBM limit from 3 per cent which will give them some cushion to take up various social welfare and infrastructure projects.

In view of the above, I request, through you, Madam, the Minister of Finance to sympathetically consider the request of the Government of Andhra Pradesh and increase the FRBM limit from the present 3 per cent to 7 per cent looking at the dismal financial condition of the State. Thank you.