

**CHIEF MINISTER'S OFFICE
GOVERNMENT OF TELANGANA**

PRESS RELEASE-01

DATE:25-08-2018

Honourable Chief Minister K Chandrashekhara Rao met Honourable Prime Minister Narendra Modi in New Delhi on Saturday afternoon and discussed various issues pending for clearances and approvals from centre pertaining to the state. Chief Minister also presented two of these issues in writing and requested for PMO intervention for early clearance from various ministries. Among others, the issues discussed with PM are: nod for Zonal system, release of Rs. 450 Crores for the development of Backward Districts, additional FRBM funds release, release of Central Share of interest on the loans to be given to Women Societies and farmers, bifurcation of High Court, funds for regional Ring Road, allotment of defence lands for building secretariat etc.

With reference to request for the release of fourth instalment of Special Assistance for the development of backward districts in Telangana under the AP Reorganisation Act, 2014, the CM in his letter mentioned that:

“The AP State Reorganisation Act provides for special assistance for the development of backward districts in the successor States of Telangana and Andhra Pradesh. The first, second and third instalments of assistance were released amounting to Rs.450 crore each @ Rs.50 crore for 9 districts of Telangana. The UCs for the amounts released were also submitted. The fourth instalment is yet to be released. Under the Backward Regions Grant Fund (BRGF), 9 out of the then 10 districts of Telangana were considered as backward. With the reorganisation districts, the number of districts in the State now stands at 31. With the formation of the new districts, the developmental and administrative expenditure has considerably increased putting immense pressure on State Finances. NITI Aayog, also had addressed to the Department of Expenditure, Ministry of Finance, GoI, recommending for the release of Rs.450 crore to the State. I would, therefore, request you to release the fourth instalment of special assistance for the backward districts at the earliest”.

With reference to the request for raising the annual borrowing limit for the State of Telangana by an additional 0.50%

of GSDP as recommended by the Fourteenth Finance Commission, the CM in his letter to PM mentioned that:

“Government of India had conveyed its consent under article 293(3) of the Constitution of India to the State Government to raise market borrowings, computed at 3 per cent of the GSDP provisionally for the first nine months of the financial year 2018-19. As per recommendations of Fourteenth Finance Commission, the States which are in revenue surplus are eligible for raising market borrowings up to 3.5% of GSDP. Accordingly Government of India had conveyed its consent to Telangana State to raise market borrowings up to 3.5% of GSDP during the year 2016-17 and 2017-18. In this connection, it is brought to your notice that, as per the accounts finalized by Principal Accountant General (A&E), Telangana, the State of Telangana for the financial year 2017-18 also ended with a revenue surplus of Rs.3459.37 crores. The State continues to be revenue surplus for the fourth consecutive year. As the State Government has fulfilled the conditions laid down for availing the additional fiscal space of 0.5 per cent of GSDP, I request you to consider the borrowing limit of the State be raised by 0.50 per cent of GSDP for the year 2018-19 at the earliest. There is a significant jump in the expenditure commitments of the State on account of flagship programmes like irrigation and provision of drinking water to every household. All of the works have reached an advance stage and are about to give benefit to a large number of people in the State”.

The CM hence, requested the PM to give directions to the concerned for giving consent for the enhanced borrowing limit for 2018-19 as per Fourteenth Finance Commission recommendation.

CPRO to Chief Minister