

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 374

Answered on Tuesday, February 6, 2024/ 17 Magha, 1945 (Saka)

Loans from banks for projects of Andhra Pradesh

374. Dr. C.M. RAMESH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Government of Andhra Pradesh has taken loans from banks for different projects after coming to power in the State, if so, the details thereof, project-wise; and
- (b) whether the State Government has taken loans from the banks in this regard by pledging its future tax revenue, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a) and (b): As per the provisions of clause (b) of sub-section (1) of section 21A of the Reserve Bank of India Act, 1934, Reserve Bank of India (RBI) may by agreement with any State Government undertake issue of any new loans by that State Government, and in accordance with the same, RBI currently acts as banker to the Governments of all States in India except Sikkim. Thus, new loans to the State Governments are issued by RBI (and not Public Sector and Private Sector Banks) in its capacity as banker to the Government.
