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To,
Smt Nirmala Sitaraman ji,
Union Finance Minister,
Govt of India, New Delhi.

23-10-2023

Sub:- 1) Request for Special Forensic Audit and White paper on financial position of AP.
2) Investigation by the Serious Fraud Investigation office into state owned corporations like AP beverages corporation in Public interest.

Respected Madam,

I had earlier met you and submitted a representation dated 26/7/2023 on various financial irregularities perpetuated by the AP govt and estimated the total debt of AP at 10.77 lakh crores.

Subsequently in a written reply in parliament the Ministry gave a reply that the debt was only 4.42 lakh crores taken from RBI and did not mention anything about other debts including corporation debts which was also asked by the member of parliament in his question.

Several media owned by the state government which makes lakhs of its volunteers buy its own family owned paper published this aspect widely and greatly tarnished the state BJP efforts at protecting public interest of future generations safety on debts sustainability and repayment of loans.

I request you to kindly conduct a forensic audit on state finances and publish a white paper on the same with details of payables and corporation debts and mortgaged assets and Sovereign Guarantees issued.

In this connection I would like to mention that state has defaulted on several payments and has also submitted to high court its inability to pay money for power purchases from IPPs in spite of court orders to pay.

State has not made payments to suppliers and contractors for over 4 years and there is no provision to pay interest also in spite of them collecting 18% interest on delayed payments of municipal taxes, property taxes, electricity bills, and State GST dues.

Several members of Trade bodies have requested for help in getting their dues paid with interest. If they approach court, several cases are filed on them.

Request you to ensure a mechanism where all genuine suppliers are paid with interest in a specified time frame of 3 months, as their loans are becoming NPAs causing a chain reaction on defaults.

The current AP state own revenue is only 90,000 crores. The central govt share of taxes is 35,000 crores. Total revenue is only 135,000 crores.



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The state expenditure as per budget is 2,60,000 crores. Rest of it is from central grants or borrowings from RBI and corporation diversions.

From past 4 years they are working on accounting and budget management of the highest order. People are asking how a state can borrow every year additional funds of 50,000 crore on same revenue of 90,000 crores per annum.

The current debt position is close to 11 lakh crores.

The interest at 8% per annum on this alone is 88,000 crore.

Repayment would be a min of 36,000 crores per annum if repaid in 30 years.

State would need a minimum of 1.24 lakh crore per year for servicing debt and repayment if it pays all suppliers legally with minimal interest.

This explains that future governance will be nightmare in AP if Preventive steps are not taken.

In addition to this AP beverages corporation sells cheap liquor only in cash to one crore consumers a day destroying their health and finances. The estimated revenue per person is 200 rs per day.

The revenue diverted is in excess of 30,000 crores a year in cash. All manufacturing and distribution is in hands of ruling party leaders.

Request an investigation by SFIO into all distilleries in AP and APBCL to ascertain the truth.

Request you to ensure that all state payables and Sovereign Guarantees are included in FRBM limit.

Kindly ensure that above irregularities are investigated and financial discipline be ensured to help safeguard future generations from financial collapse and default.

Warm regards.

(Dr. D. Purandeswari)

BJP AP State President