

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE

**RAJYASABHA**  
**UNSTARRED QUESTION No. 1664**

TO BE ANSWERED ON TUESDAY, AUGUST 6, 2024/15 SHRAVANA, 1946 (SAKA)

**SPECIAL FINANCIAL PACKAGE TO THE STATES**

1664. SMT. JEBI MATHER HISHAM

Will the Minister of FINANCE be pleased to state:

- (a) whether Government will grant special financial package to the States including Kerala which are facing heavy debt crisis;
- (b) the States that have demanded special financial package; and
- (c) whether Central Government will issue guidelines/directions to the States for adopting measures to keep public debt on a sustainable path?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) and (b): As per information available with Department of Expenditure, Ministry of Finance, the State of Andhra Pradesh has sought financial support in various sectors including restructuring of state finances, Polavaram irrigation project, assistance for development of capital city of Amaravati, incentives for industrial development, infrastructure investment etc. The State of Bihar has sought special financial assistance for infrastructure projects viz. airports, health, education, sports, water resources, rural development and social welfare. The State of Karnataka has sought financial assistance and support for developmental projects in Bengaluru. The State of Kerala has sought special financial package of Rs. 24,000 crore for the State and special capital investment support of Rs. 5,000 crore for the development of Vizhinjam Port region. The State of Madhya Pradesh has sought financial assistance of Rs. 20,000 crore for Simhastha Mela, 2028 at Ujjain and the State of Uttar Pradesh has sought special central assistance for Maha Kumbh-2025, in the financial year 2024-25. The Union Government has sanctioned interest-free loans to various States for capital investment including untied component in which projects are chosen by States. A sum of Rs. 1.5 lakh crore is provided in 2024-25 (BE).

(c): States have enacted their Fiscal Responsibility and Budget Management (FRBM) Act, compliance to which is monitored by the respective State Legislatures. Further, the 15<sup>th</sup> Finance Commission has also recommended fiscal consolidation path to States for its award period 2021-26. Department of Expenditure, Ministry of Finance generally follows the fiscal limits mandated by the accepted recommendations of the Finance Commission while exercising the powers to issue consent under Article 293(3) of the Constitution of India.

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