

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

RAJYA SABHA
STARRED QUESTION No. *319

TO BE ANSWERED ON TUESDAY, APRIL 01, 2025/11 CHAITRA, 1947 (Saka)

Scheme for Special Assistance to States for Capital Expenditure

***319. SHRI M. SHANMUGAM**

Will the Minister of **Finance** be pleased to state:

- a) whether Government has launched Scheme for Special Assistance to States for Capital Expenditure in view of poor fiscal condition of States post-Covid and introduction of GST;
- b) if so, the details thereof and special assistance released to various States including Tamil Nadu in the last three years;
- c) whether representations are received from States for increasing the quantum of special assistance to meet urgent capital expenditure including infrastructure projects;
- d) if so, the details thereof; and
- e) whether there is any proposal to strengthen fiscal conditions of the States, through loan or external borrowings, if so, the details thereof?

ANSWER

MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

(a) to (e): A statement is laid on the table of the House.

STATEMENT REFERRED IN PART (A) TO (E) OF THE REPLY TO THE RAJYA SABHA STARRED QUESTION NO. *319 BY SHRI M. SHANMUGAM REGARDING 'SCHEME FOR SPECIAL ASSISTANCE TO STATES FOR CAPITAL EXPENDITURE' DUE FOR ANSWER ON TUESDAY APRIL 1st 2025.

- (a) & (b): Yes, Sir. The financial year 2020-21 saw a shortfall in tax revenue due to COVID-19 pandemic. Considering the tough fiscal environment faced by the State Governments, the Union Government came out with a 'Scheme for Special Assistance to States for Capital Expenditure' in October, 2020. Capital expenditure has a higher multiplier effect and enhances the productive capacity of the economy. Therefore, the Scheme has been included in the budget of every financial year thereafter. State-wise details of Special Assistance released under the Scheme to various States including Tamil Nadu in the last three years i.e. from 2021-22 to 2023-24 are provided in **ANNEXURE-I**.
- (c) & (d): Yes, Sir. State governments have requested for continuing the Scheme and enhancing the outlay for the Scheme from time to time. Such requests have been received in 2024-25, inter alia, from the States of Andhra Pradesh, Rajasthan, Manipur and Nagaland.
- (e): The Union Government has fixed the Net Borrowing Ceiling (NBC) of all States at 3 percent of the Gross State Domestic Product (GSDP) for the financial year 2024-25. In addition, State Governments may also avail additional borrowing of up to 0.50% of GSDP based on certain performance criteria in power sector. Further, States are allowed extra borrowing ceiling equivalent to the employer's and employee's share of contribution of its employees actually deposited with the designated authority i.e. 'National Securities Depository limited (NSDL)/ trustee bank as per the guidelines of National Pension System (NPS), over and above, the normal net borrowing ceiling of 3% of GSDP. The state wise consent for open market borrowing issued by the Government of India (GoI) and market borrowings availed by States during 2024-25 (as on February 28, 2025) is at **Annexure-II**.

**ANNEXURE- I REFERRED IN REPLY TO RAJYA SABHA STARRED QUESTION NO. *319
DUE FOR ANSWER ON 1st APRIL, 2025**

Special Assistance (loan) released under the Scheme for Special Assistance to States for Capital Expenditure/Investment during the last three years i.e. from 2021-22 to 2023-24:

(Rs. in crore)

Sl. No.	States	2021-22	2022-23	2023-24
1	Andhra Pradesh	501.79	6105.56	4090.81
2	Arunachal Pradesh	371.19	1564.10	2363.42
3	Assam	600.00	4300.14	5804.43
4	Bihar	1246.50	8455.85	8814.80
5	Chhattisgarh	423.00	2941.97	3365.25
6	Goa	111.04	572.75	695.20
7	Gujarat	432.00	4045.82	4254.32
8	Haryana	135.00	1267.00	1702.05
9	Himachal Pradesh	800.00	650.80	1515.97
10	Jharkhand	246.00	2964.32	4580.61
11	Karnataka	451.50	3399.35	3879.24
12	Kerala	238.50	1902.74	0.00
13	Madhya Pradesh	1512.36	7360.20	12636.21
14	Maharashtra	771.73	6744.16	5376.31
15	Manipur	212.85	467.22	542.70
16	Meghalaya	281.20	1049.02	1293.06
17	Mizoram	299.99	297.50	743.28
18	Nagaland	300.00	504.16	973.20
19	Odisha	517.12	75.00	3532.14
20	Punjab	223.50	798.22	0.00
21	Rajasthan	692.41	5595.64	8513.42
22	Sikkim	300.00	551.36	797.85
23	Tamil Nadu	505.50	4011.27	5326.42
24	Telangana	214.14	2500.98	1948.34
25	Tripura	118.54	349.79	662.92
26	Uttar Pradesh	1483.00	7940.50	19215.08
27	Uttarakhand	263.92	1124.01	1911.71
28	West Bengal	933.00	3655.92	5015.58
Total		14185.78	81195.35	109554.30

**ANNEXURE-II REFERRED IN REPLY TO RAJYA SABHA STARRED QUESTION
NO. *319 DUE FOR ANSWER ON 1st APRIL, 2025**

**Details of borrowing consent issued by Government of India and borrowings raised by
States in 2024-25 (Up to 25.02.2025)**

(Rs. in crore)

Sl. No.	Name of State	Consent issued by Government of India for Open Market Borrowings	Actual amount of Open Market Borrowings availed by States (as on February 28, 2025)
1	Andhra Pradesh	73,900	70,057
2	Arunachal Pradesh	1,010	795
3	Assam	22,055	15,700
4	Bihar	47,546	47,546
5	Chhattisgarh	18,898	10,500
6	Goa	4,500	1,050
7	Gujarat	41,500	30,200
8	Haryana	49,500	37,500
9	Himachal Pradesh	7,149	6,700
10	Jharkhand	14,999	0
11	Karnataka	78,392	72,025
12	Kerala	41,527	40,922
13	Madhya Pradesh	80,174	41,000
14	Maharashtra	1,25,238	99,000
15	Manipur	1,500	1,250
16	Meghalaya	1,882	1,882
17	Mizoram	1,086	1,049
18	Nagaland	1,750	550
19	Odisha	15,780	9,000
20	Punjab	38,852	38,830
21	Rajasthan	66,927	63,565
22	Sikkim	2,064	1,488
23	Tamil Nadu	1,24,074	1,01,025
24	Telangana	58,777	49,709
25	Tripura	1,511	0
26	Uttar Pradesh	62,000	35,000
27	Uttarakhand	7,500	6,400
28	West Bengal	99,747	51,500
	Total	10,89,838	8,34,243