

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA
UNSTARRED QUESTION No. 221

TO BE ANSWERED ON MONDAY, FEBRUARY 03, 2025/MAGHA 14, 1946 (SAKA)

LONG-TERM INTEREST-FREE LOANS TO SUPPORT INFRASTRUCTURE INVESTMENT

221. Shri P V Midhun Reddy:

Will the Minister of FINANCE be pleased to state:

- (a) the criteria for the 1.5 lakh crore for long-term interest-free loans to support infrastructure investments by State Governments;
- (b) the process for States like Andhra Pradesh to utilize these funds; and
- (c) whether the Government monitors the utilization of these loans by the States to ensure timely completion of infrastructure projects?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c): The Scheme for Special Assistance to States for Capital Investment 2024-25 with an outlay of Rs. 1.5 lakh crore to provide long term interest free loans to States was announced in the Union Budget of 2024-25. Out of the total allocation, an amount of Rs. 55,000 crore under Part-I of the Scheme is untied. This amount has been allocated to the States in proportion to their share of central taxes and duties as per the award of the 15th Finance Commission. The remaining amount of Rs. 95,000 crore is earmarked for reforms in certain citizen centric areas and taking up sector specific projects like Development of Iconic Tourist Centers to Global Scale; Incentive for Scrapping of Old Vehicles; Stimulating Industrial Growth; Development of National Capital Region; Incentives for Land- Related Reforms by State Governments in Rural Areas; Incentives for Land- Related Reforms by State Governments in Urban Areas; State's Share of Centrally Sponsored Schemes Including in Urban and Rural Infrastructure Projects; Construction of Working Women Hostel; Incentives for Implementation of SNA SPARASH Model for Just-in

Time Released of Funds under Centrally Sponsored Schemes, Urban Planning Reforms and Incentives for Achieving Target Fixed for Capital Expenditure for 2024-25. The Special Assistance (loan) under the Scheme to States, including Andhra Pradesh is released by the Department of Expenditure on fulfilling of conditions prescribed for release of funds. In case of reform based Parts, release is based on recommendations of nodal ministry concerned. State governments have been requested to utilize the funds released for capital projects as per the scheme guidelines.
