

MoF okays capital expenditure projects of Rs 2,900 Cr in 8 States

By TIOL News Service

NEW DELHI, SEP 25, 2021: THE Department of Expenditure, Ministry of Finance, has approved capital projects of Rs. 2,903.80 crore in 8 States under the scheme entitled 'Special Assistance to States for Capital Expenditure for 2021-22'. The Ministry has also released an amount of Rs. 1,393.83 crore to these States namely Bihar, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Maharashtra, Punjab, Sikkim and Telangana.

State-wise amount approved and released is as under;

Â (Rs. in crore)

S. No.	State	Amount Approved	Amount Released
1	Bihar	831.00	415.50
2	Chhattisgarh	282.00	141.00
3	Himachal Pradesh	200.00	100.00
4	Madhya Pradesh	649.00	324.50
5	Maharashtra	522.00	249.73
6	P unjab	45.80	22.90
7	Sikkim	200.00	100.00

8 Telangana 174.00 40.20

Total 2903.8 0 1393.83

In view of a higher multiplier effect of capital expenditure and to provide the much needed resources to the State in the wake of 2 nd wave of the COVID-19 pandemic, the scheme 'Special Assistance to States for Capital Expenditure for 2021-22' was launched on 29 th April, 2021. Under the scheme, special assistance is being provided to the State Governments in the form of 50-year interest free loan up to an overall sum not exceeding Rs. 15,000 crore during the financial year 2021-22. The scheme has three Parts:

Part-I: This part of the scheme is for the 8 North East States i.e. Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Sikkim and Tripura, and for the hill States of Uttarakhand and Himachal Pradesh. Under this part, Rs. 200 crore has been allocated each of the 7 North-East States and Rs. 400 crore each has been allocated to the States of Assam, Himachal Pradesh and Uttarakhand.

Part-II: This part of the scheme is for all other States not included in Part-I. An amount of Rs 7,400 crore is allocated for this part. This amount has been allocated amongst these States in proportion to their share of central taxes as per the award of the 15 th Finance Commission for the year 2021-22.

Part-III: This part of the scheme is for providing incentives to State Governments for privatization/disinvestment of the State Public Sector Enterprises (SPSEs) and monetization/recycling of assets. Under this part, States will be provided additional funds under the scheme over and above their allocation under Part-I or Part-II. An amount of Rs.5,000 crore is allocated for this part of the scheme. For this part, there is no State specific allocation and funds will be provided on **"First-come First-served basis"**.

A similar scheme entitled 'Special Assistance to States for Capital Expenditure for 2020-21' was also launched by the Ministry of Finance in the last financial year. Under the scheme, capital expenditure proposals of Rs. 11,911.79 crore of 27 States were approved by the Department of Expenditure and an amount of Rs. 11,830.29 crore was released to the States in 2020-21.