

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA
UNSTARRED QUESTION No. 172

TO BE ANSWERED ON MONDAY, JULY 22, 2024/ASHADHA 31, 1946 (SAKA)

50 YEAR INTEREST FREE LOAN SCHEME

172. SHRI SELVAGANAPATHI T.M.

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that many States have sought some improvements in the 50-year interest-free loan scheme for pursuing capital investments;
- (b) whether it is also true that States have made some suggestions in this regard;
- (c) whether it is also true that the Government has proposed to give them Rs. 1.3 lakh crore during the year 2024-25, the same amount as in 2023-24; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): The Scheme for Special Assistance to States for Capital Expenditure was launched in the financial year 2020-21. Based on the continued positive response to the Schemes for Special Assistance to States for Capital Expenditure/Investment by the State Governments including in the pre-budget meetings of Union Finance Minister with Finance Minister of the State, the Union Government have decided to continue the redesigned and expanded versions of the Scheme for Special Assistance to States for Capital Expenditure/Investment. The Union Finance Minister in her Interim Budget 2024-25 speech has announced the Scheme for Special Assistance to States for Capital Investment 2024-25 with an allocation of Rs. 1.3 lakh crore. under the Scheme for 2024-25, an amount of Rs. 75,000 crore is to be provided on completion of milestone-linked reforms by the State Governments in the citizen-centric and sector-specific areas. The remaining amount of Rs. 55,000 crore, for Part-I (Untied), has been allocated amongst the States in proportion to their share of central taxes and duties as per the award of the 15th Finance Commission.
