

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

**RAJYA SABHA
UNSTARRED QUESTION NO.869
TO BE ANSWERED ON TUESDAY, 30 JULY, 2024
8 SRAVANA, 1946 (SAKA)**

Special financial packages to States

DR. JOHN BRITTAS:

Will the Minister of Finance be pleased to state:

- (a) whether Kerala has recently sought a special financial package of ₹ 24,000 crore from the centre to tackle its severe financial crisis;
- (b) if so, the details thereof and response thereto;
- (c) whether it is a fact that Kerala also demanded ₹ 5000 crore package for Vizhinjam Port development;
- (d) if so, the details thereof and response thereto;
- (e) whether it is also a fact that the States of Andhra Pradesh and Bihar have now demanded special financial assistance / package from the Union Government;
- (f) if so, the quantum of amounts sought by these States and the details thereof; and
- (g) the response of Government thereto?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (g) Yes Sir, a letter dated 27th June 2024 was received from the Finance Minister of Kerala in which the State Government of Kerala has inter-alia requested for a special financial package of Rs. 24,000 crores for the State. In addition, a request for a special capital investment support of Rs. 5000 crore was also made in the letter for developing the Vizhinjam Port region.

Request has also been received from the State Government of Andhra Pradesh for financial support for various sectors including Polavaram irrigation projects (Rs. 17,144.06 crore) assistance for development of capital city of Amravati (Rs. 15,000 crore) incentives for industrial development, infrastructure investment etc. The State Government of Bihar has also requested for Special Financial assistance for infrastructure projects, enhancement of borrowing ceiling, funds for social welfare (Rs. 375.35 crore), airports, health infrastructure, education, sports (Rs. 410.35 crore), water resource development and rural development etc.

The Government of India provides substantial resources to State Governments including the Government of Kerala in the form of Finance Commission Recommended Grants, Central Sector Schemes, Centrally Sponsored Schemes, Special Assistance (Grant) Schemes for Special Assistance to States for Capital Investment, additional borrowing permission etc. In addition, the Department of Economic Affairs (DEA), Ministry of Finance has approved Viability Gap Funding (VGF) Grant of Rs. 817.80 Crore for the development of Vizhinjam International Multipurpose Seaport Terminal Project under the VGF Scheme of DEA.
