

F. No. 44 (1)/PF-S/2022-23 (CAPEX)

Government of India
Ministry of Finance
Department of Expenditure
(Public Finance - States Division)

North Block, New Delhi.
Dated : the 6th April, 2022.

To,

The Chief Secretary,
All State Governments,
(As per list attached)

Subject: Guidelines on the Scheme for Special Assistance to States for Capital Investment for 2022-23.

Sir/ Madam,

Capital expenditure has a high multiplier effect, enhances the future productive capacity of the economy, and results in a higher rate of economic growth. Therefore, despite the adverse financial position of the Central Government, it was decided to launch a "Scheme for Special Assistance to States for Capital Expenditure" in the financial year 2020-21. Under the scheme, financial assistance was provided to the State Governments in the form of 50-year interest free loan. An amount not exceeding Rs.12,000 crore was earmarked for the Scheme for the financial year 2020-21, and a sum of Rs.11,830.29 crore was released to the States. The Scheme was continued in the year 2021-22 with an allocation of Rs.15,000 crore.

2. In view of the positive response to the Scheme and considering the requests of the State Governments, the Government of India has decided to launch a redesigned and expanded Scheme for the year 2022-23. The Scheme has been named as "**Special Assistance to States for Capital Investment 2022-23**". An amount of Rs.1 lakh crore has been allocated for the Scheme. Under the Scheme, financial assistance will be provided to the State Governments in the form of 50-year interest free loan for capital investment projects. The loan provided under the Scheme will be over and above the normal borrowing ceiling allowed to the States for the financial year 2022-23. The loan amount is to be spent in financial year 2022-23.

3. The Scheme for Special Assistance to States for Capital Investment 2022-23 has Seven Parts:

- (i) **Part-I:** An amount of Rs.80,000 crore is earmarked for this Part of the Scheme. This amount has been allocated amongst States in proportion to their share of central taxes & duties as per the award of the 15th Finance Commission. State-wise allocation is given in **Annexure-1**. Under this Part of the Scheme, States are required to submit capital works proposed to be taken up by them in 2022-23 in the format given in **Annexure-2** to the Department of Expenditure

(DoE) for approval and release of funds. Projects which are in the PM Gati Shakti Master Plan shall receive priority, wherever appropriate.

- (ii) **Part-II (PM Gati Shakti related Expenditure):** Part-II of the Scheme is aimed at facilitating PM Gati Shakti related investment in the States. An amount of Rs.5,000 crore is earmarked for Part-II of the Scheme. Additional amount from savings under other Parts of the Scheme may also be reallocated to this Part of the Scheme based on response of the States and utilization of funds. Guidelines for this Part of the Scheme including institutional arrangements to be put in place, guiding principles for selection of projects and suggestive list of eligible categories of projects are given in **Annexure-3**. States will submit projects proposed to be taken up under this Part of the Scheme to the Department for Promotion of Industry & Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India. DPIIT will scrutinize the proposals received from the State Governments and will recommend State-wise list of projects to the DoE for approval and release of funds under this Part of the Scheme.
- (iii) **Part-III (PMGSY):** An amount of Rs.4,000 crore is earmarked for this Part of the Scheme. This amount is meant for supplemental funding for priority segments of PM Gram Sadak Yojana (PMGSY) including support for the States' share. Ministry of Rural Development (MoRD) will identify the priority segments in not more than one fifth of the total number of blocks in the country for providing funds under this Part of the Scheme. The funds may also be given to States under this Part for providing State's share of PMGSY projects in priority blocks. Details of priority segments and guidelines for formulation and submission of project proposals under this Part of the scheme will be issued by the MoRD. States will submit proposals to MoRD which will examine the proposals received from the States and after scrutiny of the same, will recommend the State-wise details of projects identified for funding under the Scheme to DoE. MoRD will also recommend to DoE the release of funds to States for providing State's share for PMGSY projects in the priority blocks.
- (iv) **Part-IV (Incentives for Digitization):** An amount of Rs.2,000 crore is earmarked for this Part of the Scheme. Under this Part, States will be provided incentive, if they meet the following conditions/reforms:
- Mandatory adoption of Digilocker for all citizen centric services for delivery of certificates and documents.
 - Publishing APIs of all online service on API Setu.
 - Publish all non personal data on **data.gov.in** as per the provisions of National Data Sharing and Accessibility Policy, 2012.
 - Promotion of Digital Payments and Direct Benefit Transfer (DBT) for all welfare schemes.
 - Integrating all online service with UMANG platform.
 - Use of Aadhaar for subsidy related schemes.

Eligibility of States to receive incentive will be determined by the Ministry of Electronics and Information Technology (MeitY) and communicated to DoE.

Maximum amount available to a State under this Part of the Scheme will be Rs 200 Crore on "First Come First Served Basis". States will be free to decide the projects of capital investment to be taken up from the incentive amount admissible to them under this Part. The list of projects proposed to be undertaken from incentive fund under this Part of the Scheme, in prescribed format (**Annexure-2**) may be sent by the State along with their proposal under Part-I of the Scheme. Simultaneously, States will approach MeitY with supporting documents for determination of their eligibility for incentives. On receipt of recommendation from MeitY, DoE will process the projects under this Part for granting approval and release of funds.

- (v) **Part-V (Optical Fibre Cable):** An amount of Rs.3,000 crore is earmarked for this Part of the Scheme. This amount will be available to States for capital projects on Optical Fibre Cable (OFC) network. Maximum amount of incentive available to a State under this Part of the Scheme is Rs.300 crore on "First Come First Served Basis". Funds will be provided to States under this Part of the Scheme subject to fulfillment of the following conditions:

- a. Right of Way (RoW) policy/Rules of the State are aligned with the Central Government RoW Policy/Rules
- b. On boarding of the State on the National RoW portal
- c. State has no RoW applications pending from TSPs and ISPs beyond 60 days on the date of submission of request for providing funds under this Part of the Scheme.

Eligibility for capital projects on OFC network under this Part the Scheme is as under:

- a. Concerned State Special Purpose Vehicle (SPV) (which should be a State Public Sector Unit) should have an appropriate Telecom License/Registration (ISP or IP-1) from the Central Government or the State SPV has a valid Memorandum of Understanding (MoU) with Universal Service Obligation Fund (USOF) under the Bharatnet State- led Model.
- b. There is no duplication of the existing Bharatnet project in setting up OFC network. Existing OFC network of Telecom Licensees/Infrastructure Providers/BBNL should be utilized by the State/UT Government, wherever available/feasible.
- c. Funds can be used to extend Bharatnet to Villages from the GPs covered as at present for Last Mile Connectivity (LMC) on the OFC to Government Institutions (like School, Health Centre, Anganwadi, Police Station, Krishi Vikash Kendra, Post Office, ration Shop etc.) from Bharat Net network.

States will submit projects proposed to be taken up under this Part of the Scheme to the Department of Telecommunications (DoT), Ministry of Communications, Government of India. DoT will examine the eligibility of the State and scrutinize the proposals received from the State Governments and will recommend State-wise list of projects to DoE for approval and release of funds under this Part of the Scheme.

- (vi) **Part-VI (Urban Reforms):** An amount of Rs.6,000 crore is earmarked for this Part of the Scheme. This amount will be available to States as incentive for undertaking reforms related to Building Byelaws, Town Planning Schemes, Transit Oriented Development, and Transferable Development Rights. Guidelines for this Part of the Scheme are given in **Annexure-4**.

Eligibility of States to receive incentive under this Part of the Scheme will be determined by the Ministry of Housing and Urban Affairs (MoHUA) and communicated to DoE. Incentive will be provided on "First Come First Served Basis". States will be free to decide the projects of capital investment to be taken up from the incentive amount admissible to them under this Part. The list of projects proposed to be undertaken from incentive fund under this Part of the Scheme, in prescribed format (**Annexure-2**) may be sent by the State along with their proposal under Part-I of the Scheme. Simultaneously, States will approach MoHUA with supporting documents for determination of their eligibility for incentive amount. On receipt of recommendation from MoHUA, DoE will process the projects under this Part for granting approval and release of funds.

- (vii) **Part-VII (Disinvestment and Monetization):** This Part of the Scheme aims at 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 as 50-year interest free loan over and above their allocation/incentives under other Parts of the Scheme. An amount of Rs.5,000 crore is allocated for this Part of the Scheme. Guidelines for this Part of the Scheme are in **Annexure-5**.

4. **Mandatory conditions:** In order to avail benefits of any Part of the Scheme, in addition to the conditions prescribed under various Parts of the Scheme, a State is required to meet the following mandatory conditions:

- (i) Full compliance with the official name of all Centrally Sponsored Schemes (CSSs) [correct translation to local language is permissible] and any guidelines/instructions issued by the Government of India regarding branding of CSSs, in all Schemes of all Ministries.
- (ii) Full compliance of DoE's instructions F.No.1 (13) PFMS/FCD/2020 dated 23.03.2021 regarding the new procedure for release of funds under CSSs.

5. Funds provided to the States under the Scheme by the Government of India shall be used for new and ongoing capital projects, for long term benefit to the State. The funds may also be used for settling pending bills in ongoing capital projects.

6. Project with capital outlay of less than Rs.5 crore (Rs.2 crore for North Eastern States) and repair and maintenance projects irrespective of capital outlay will not be considered under the Scheme.

7. It is not mandatory for the States to submit proposals under all seven Parts of the Scheme together. States may submit proposals separately for each Part of the Scheme.

8. States (if they wish) may submit projects of a higher value than the funds allocated, indicating their preference/priority.
9. States may also use not more than 5% of the funds allocated under Part-I of the Scheme for contributing State's share for Jal Jeevan Mission (JJM) projects. Such proposals may be included in the State's request under Part-I of the Scheme.
10. The Government of India reserves the right to reject any project which, in its opinion, does not have sufficient economic merit in terms of short-term stimulus combined with long-term benefits to the economy.
11. Funds not used by a State within a reasonable time may be reallocated to other States by the Government of India. In case of unavoidable changes in specific projects for which expenditure is sanctioned, State Government shall seek the approval of the Government of India for the change. Funds will not be released against un-approved changes and may be deducted from subsequent instalments / tax devolution, if already released.
12. Expenditure by the States of the funds provided under the Scheme for purposes other than for which the funds were sanctioned, will result in the deduction of the amounts by the Government of India from the devolution of taxes/duties due to the State in subsequent periods. Application of the State for funds under the Scheme will constitute its consent for such deduction in respect of ineligible expenditure.
13. The projects posed by the State Governments may either be executed by Departments of the State or by PSUs or other agencies of the State Governments which are fully under the administrative control of the State Government.
14. The amount released by the Government of India shall be released by the State Government to the Implementing Agencies/Single Nodal Agencies of the State within 10 working days. Delay beyond this period will make the State liable to pay interest to the Government of India on the amount released as per the weighted rate of interest on Open Market Borrowings (i.e. 10 year G-Sec.) for the previous year. State will submit a fund transfer certificate in the proforma given in **Annexure-6** showing dates of receipt and transfer of funds.
15. The State Government shall ensure that there is no duplication in funding of the projects approved under the Scheme either with the funds provided by the Government of India or the State Government.
16. Under Part-I of the Scheme, funds for approved projects will be released by the Department of Expenditure in two installments. The 1st installment of 50% of the amount approved will be released on approval of the list of projects submitted by the State. Remaining 50% will be released as the 2nd installment on submission of Utilization Certificate in Form 12-B of the GFR, 2017, duly signed by the State Finance Secretary, of at least 75% of the amount released in the 1st installment. In case of remaining Parts, funds will be released in one instalment.

17. The Utilization Certificate for the amount utilized upto 31.03.2022, in the Form 12-B of the GFRs, 2017 for the amount initially released as the 1st installment in 2021-22, and the 2nd installment in 2021-22 under Part-I to Part-III and Additional Allocations under the Scheme, as the case may be, duly signed by the Finance Secretary of State Government will be provided by the State Government failing which equivalent amount will be deducted from the 1st installment of funds released to the State under the Scheme for "Special Assistance to States for Capital Investment, 2022-23".

18. It is a condition of the Scheme that all amounts allocated under Part-I to Part-VII of the Scheme shall be spent on eligible expenditure before 31.03.2023. For this purpose, release of funds to intermediate agencies without actual payments to the final recipient (parking of funds) will not be treated as expenditure.

19. Decision of the DoE regarding eligibility for any component shall be final.

20. States shall extend necessary support to the NITI Aayog or any other agency entrusted by the Government of India with monitoring and evaluation of projects funded under the Scheme as needed.

This issues with the approval of Finance Minister.

Encl : As above.

Yours faithfully


06/04/2022

(Deependra Kumar)
Director (PF-S)
Tel: 011-23094904

State wise allocation under Part-I of the Scheme for Special Assistance to States
for Capital Investment, 2022-23

S. No.	State	Devolution (%)	Amount Allocated (Rs. in crore)
1	Andhra Pradesh	4.047	3,238
2	Arunachal Pradesh	1.757	1,406
3	Assam	3.128	2,502
4	Bihar	10.058	8,046
5	Chhattisgarh	3.407	2,726
6	Goa	0.386	309
7	Gujarat	3.478	2,782
8	Haryana	1.093	874
9	Himachal Pradesh	0.83	664
10	Jharkhand	3.307	2,646
11	Karnataka	3.647	2,918
12	Kerala	1.925	1,540
13	Madhya Pradesh	7.85	6,280
14	Maharashtra	6.317	5,054
15	Manipur	0.716	573
16	Meghalaya	0.767	614
17	Mizoram	0.5	400
18	Nagaland	0.569	455
19	Odisha	4.528	3,622
20	Punjab	1.807	1,446
21	Rajasthan	6.026	4,821
22	Sikkim	0.388	310
23	Tamil Nadu	4.079	3,263
24	Telangana	2.102	1,682
25	Tripura	0.708	566
26	Uttar Pradesh	17.939	14,351
27	Uttarakhand	1.118	894
28	West Bengal	7.523	6,018
Total		100.00	80,000

Application format for providing requisite details of the Projects (Summarized)

Letter No:.....

Date:...../...../.....

To,
The Secretary, Expenditure,
Ministry of Finance,
Government of India.

Subject: Approval of projects under the Scheme for Special Assistance to States for Capital Investment, 2022-23.

Sir,
With reference to your letter F. No. 44(1)/PF-S/2022-23 (CAPEX) dated, we would like to submit the following projects under the aforesaid scheme.

Sl. No.	Name of the Project	Type of Project	Sector	Location	Whether New or Ongoing	In case of ongoing		Capital Outlay (Rs. in Crore)	Completion Period	Implementing Agency	Economic Justification (in brief)	Other Details (if any)
						Percentage completion	Unpaid bill (if any)					
1.												
2.												
3.												
Total												

Note: Detailed Project Report (DPR) in respect of each project should be obtained by the State Government and kept in its record.

Yours sincerely

Additional Chief Secretary/Principal Secretary/Secretary
Finance Department,
Government of _____

Guidelines on Part-II of the Scheme for Special Assistance to States for Capital Investment, 2022-23
(PM Gati Shakti related investment):

1. Institutional Arrangement/Policy Formulation:

For alignment with PM Gati Shakti framework, States are advised to ensure following institutional arrangement/policy environment

- i. Updation of required data layers on PM Gati Shakti National Master Plan (NMP) including land revenue maps
- ii. Formulation of State Logistics Policy
- iii. Creation of administrative structures i.e. Empowered Group of Secretaries (EGoS), Network Planning Group and Technical Support Unit.

2. Guiding Principles for Selection of Projects:

States are advised to adopt the following guiding principles for selection of projects:

- i. Impact on logistics efficiency, resilience, sustainability and reliability
- ii. Integrated approach to planning
- iii. Unity for economic clusters
- iv. Critical connectivity projects useful for faster movement of goods

3. Eligible Categories of Projects

Suggestive list of eligible categories of capital investment projects which can be funded from this Part of the scheme is as under:

- i. Development of nodes like ICDs, CFS, warehousing, multimodal or uni modal logistics parks, modern aggregation centres, etc.
- ii. Critical connectivity infrastructure for providing last and first mile connectivity to industrial parks, economic zones.
- iii. Inter-connected infrastructure for attaining multimodal connectivity.
- iv. Development of city logistics plan.
- v. Digital support including data monitoring centres at State level for monitoring freight flows.

- vi. Setting up of PM Gati Shakti data centres.
- vii. Development of new industrial parks including land acquisition.
- viii. Connectivity projects for cargo terminals being developed by M/o Railways.
- ix. Connectivity projects to ensure 24x7 freight flow in the State.

4. Procedure:

States are required to prepare annual action plan which will be appraised by the State Empowered Group of Secretaries (EGoS). State EGoS will have a nominee from Logistic Division of the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India to ensure that projects in annual action plan are in line with the spirit of PM Gati Shakti NMP.

Guidelines on Part-VI of the Scheme for Special Assistance to States for Capital Investment, 2022-23
(Urban Reforms)

Six reforms have been identified for implementation by the States/UTs in the urban areas. While these reforms are individually effective, implementing them in combination creates a synergy. For example, building byelaws can be amended to promote affordable housing in the TOD zones, by using the extra FSI available through the TDR mechanism. Therefore, the States/UTs are highly encouraged to fully implement all the reforms to derive maximum benefit out of it. These reforms are:

- i. Modernizing of Building Bye-Laws
- ii. Adoption of Transferrable Development Rights (TDR)
- iii. Implementation of Town Planning Scheme (TPS) and Local Area Plans (LAP)
- iv. Implementation of Transit Oriented Development
- v. Creation of Sponge Cities
- vi. Removing Taxation for running the buses for public transport

2. The maximum amount of incentive available under the Scheme to different group of States will be as under:-

Group-I (Rs.1000 crore)	Group-II (Rs.700 crore)	Group-III (Rs.500 crore)	Group-IV (Rs.100 crore)
i) Maharashtra ii) Uttar Pradesh iii) Tamil Nadu iv) Gujarat v) Karnataka vi) West Bengal	i) Madhya Pradesh ii) Rajasthan iii) Andhra Pradesh iv) Bihar v) Telangana vi) Punjab	i) Haryana ii) Odisha iii) Chhattisgarh iv) Kerala v) Jharkhand vi) Assam vii) Uttarakhand	i) Tripura ii) Himachal Pradesh iii) Manipur iv) Mizoram v) Nagaland vi) Goa vii) Meghalaya viii) Arunachal Pradesh ix) Sikkim

3. Of the reforms identified above, successful implementation of the first reform, 'Modernising of Building Bye-Laws shall make a State/UT eligible for availing 20% of the maximum amount of incentive. Achievement of each of the remaining five reforms will make State/ UT eligible for availing 15% of the maximum amount of incentive. Implementation of any three out of the five remaining reforms shall make the State eligible to avail 80% of the maximum amount of incentive. Since grants will be released

during 2022-23, reforms have to be implemented by 15th October, 2022 so that the Ministry of Housing and Urban Affairs can examine the claims and send its recommendations to the Department of Expenditure by 30.11.2022 for approval of the capital projects to be taken up by the State from the incentive amount.

4. Details of the reforms to be undertaken by State to become eligible for incentive are as under:-

i) Modernisation of Building Bye-Laws:

The States / UTs to review and amend their respective Bye-laws to eliminate provisions that restrict development or that are internally inconsistent. The provisions related to FSI, setback, permissible height, ground coverage etc. need to be scrutinized and provisions that irrationally restrict the development of land shall be ironed out. As a result of this, it is expected that the land parcels in the cities shall be more developable and at the city level the overall land use efficiency will improve.

The process of building plan approval shall also be reformed by doing away with unnecessary clearances and NOCs while availing construction permit. The process of building plan approval shall be converted online and all the NOC agencies shall be seamlessly integrated. This will result in a transparent and efficient process of building plan approval.

Provisions related to construction of affordable housing shall also be amended as a Part of the reform. Under this, additional FSI shall be permitted for promotion of affordable housing upto the built-up area of 60 sq m (EWS + LIG). The additional FSI available for construction of affordable housing may be provided with minimum premium/ no premium as against other uses. Byelaws may be amended to particularly densify the transit corridor by granting of additional FSI for construction of affordable housing for example 350 houses per hectare.

Amending the Building Bye- Laws to create additional built-up areas which shall facilitate resource generation to ULBs and UDAs.

Steps to be taken

States/UTs need to amend their Building Bye Laws through notifications to ensure:

- *Removing contradictions with respect to margin and ground coverage*
- *Differential building bye laws for promotion of affordable housing, especially upto 60 sq mts.*
- *Revenue generation through enhanced FSI*
- *Implement OBPS by eliminating physical submissions of building plans.*
- *Reducing NOCs and procedures through BPR defining service level benchmarks – Clear amendments*
- *Innovative Provisions – for e.g. for in-situ slum redevelopment, heritage conservation, public space making – mandatory for 0.1 million cities.*
- *Any other step deemed progressive by MoHUA.*

ii). Adoption of Transferrable Development Rights (TDR):

The State /UT to adopt a well formulated TDR policy at the State Level in order to provide incentives to areas where development for a particular reason or to provide compensation for contribution of land for public realm of the city. The TDR policy of identifying sending zones and receiving zones, with a clear mechanism at the receiving zone about how to take the additional volume of built up space.

The TDR policy can be applied for Heritage Conservation zones, contribution of private land for public realm, water body conservation and rejuvenation, In-situ slum redevelopment projects, plan for Affordable Housing (RAH) zones or any other innovative outcome. The TDR trading shall be facilitated through an online platform for assigning and trade of TDR.

The State/UT shall mainstream the use of the TDR policy in Urban Planning, and Undertake Capacity Building programmes to use this policy in planning, with assistance. This will lead to conservation of areas with heritage, ecological value etc. and help in redevelopment of slum areas by partnering with private sector. All the million plus cities shall be eligible for framing of TDR policy and receiving of the concomitant share of funds.

Steps to be taken

- *State/City to notify the TDR policy*
- *Metro system cities and cities with population above 5,00,000 to designate transit corridors – for e.g. 200 mts on either side of transit or area around stations/bus stops.*
- *Enabling byelaws to be adopted for densification of transit corridors*
- *Enhanced FAR to be leveraged for resource generation to ULBs which can be ploughed back for infrastructure augmentation as urban infra fund.*

iii) Implementation of Town Planning Scheme (TPS) and Local Area Plans (LAP):

The State/UTs shall take up development in greenfield areas for planned urban expansion through TPS and promote urban improvement in brownfield areas by increase in public realm and improvement in infrastructure through the mechanism of Local Area Plan. Both these mechanisms of micro planning require legal amendments in the respective State Town and Country Planning Act and training and capacity building of the officials in planning and implementation of LAP and TPS. Under the reform, not less than 5% land shall be reserved for EWS and social housing.

TPS promotes orderly urban expansion, creates supply of serviced land, improves land markets and generates finance for ULB/DA by creation of land banks. LAP facilitates rejuvenation of the city centres, making areas more liveable, boost economic opportunities and makes urban areas disaster resilient. Preparation of LAP can also be combined with TDR.

- *States/UTs to amend their Town and Country Planning Acts to enable the preparation of Town Planning Scheme (TPS) and Local Area Plans (LAP)*

- *States /UTs to demonstrate the LAP-TPS readiness within 8-9 months, start implementation of one Scheme of TPS/LAP in 25 percent of cities with population above 1 lakh by 15th October, 2022.*

iv) Implementation of Transit Oriented Development (ToD):

Under this reform States/UTs shall come up with their respective ToD Policy on the lines of National ToD Policy. The reform will encourage the cities to incorporate provision of ToD in the Master/Development Plans so as to make it legally implementable. Actions under ToD shall include prescribing of enhanced FSI, promotion of mixed land use, rationalising private parking requirements, planning of parks and gardens, integrated planning of NMT infrastructure especially the bicycle track. ToD integrates land use and transport planning to develop compact growth centres within the influence corridor/zone. The planning shall ensure mixed land use along the transit corridor with provision for affordable housing and integrate livelihood with transit through vending zones.

ToD will lead to increased land use efficiency, densification, reduced carbon footprint, promote mixed land use and creation of additional built up space without the need for urban expansion. All the million plus cities shall be eligible for framing of ToD policy.

Steps to be taken

- *State/City need to delineate the Transit Corridor/zone.*
- *State/City to specify the width of the transit corridor*
- *Transit corridor to be notified and enabling Building Regulations .*
- *ToD to facilitate densification and affordable housing with improved accessibility and connectivity*

v) Creation of Sponge Cities:

There has been increased frequency of extreme flooding events in many areas and a shortage of clean, drinkable water, often in those same places. A Sponge City is one that has the capacity to mainstream urban water management into urban planning policies and designs. The general objectives of the concept entail restoring the city's capacity to absorb, infiltrate, store, purify, drain, and manage rainwater and regulate the water cycle as much as possible to mimic the natural hydrological cycle.

Under this reform, the State/UT is expected to employ appropriate planning, legal, technological frameworks and tools to implement, maintain, and adapt the infrastructure systems to collect, store, and treat and save rainwater. Broadly, the objective of the sub-Scheme is to enable the State Governments to formulate the City Master Plan, Integrated Water Management Plan, along with all other relevant sectoral plans including innovative methods/systems, towards achieving the Sponge City goal of retaining and reusing storm water.

The concept of Sponge City is based on water retention and conservation by using water retention methods such as Green Streets, Bio-swale, Water channelizing to

Wetlands and groundwater recharge. The Master Plan for Sponge City is expected to be complemented with a Water Sensitive Urban Design (WSUD) document.

Steps to be taken

- *All cities of the State with population above 1,00,000 prepare a holistic water bodies rejuvenation plan.*
- *Cities to prepare DPR and tender and start work in atleast 20 % of total of water bodies by 15th October, 2022.*
- *City to prepare, Integrated Water Management Plan to ascertain the status of ground water recharge vis-à-vis ground water extraction.*
- *Cities to ensure water policy enabling judicious use of ground water and surface water.*

vi) Removing Taxation for Running Bus for Public Transport:

The States/UTs are expected to undertake amendments in the respective State acts to exempt the city buses of cities from the payment of Road Tax. These taxes are paid to the State Transport Department and collected by the Road Transport Office (RTO) of the respective district. The exemption of these taxes shall reduce the per annum running cost of these buses and hence make the system more financially viable. The benefits of lower operational cost may also result in lower fares.

Steps to be taken

- *Framing of fiscal policies to reduce tax burden on public transport.*
- *Abolishing/substantial reduction in Stage Carriage Tax for State Public Transport Undertaking.*
- *Reducing the difference in Motor Vehicle Tax rates across States.*

**Guidelines on Part-VII of the Scheme for Special Assistance to States for Capital Investment, 2022-23
(Disinvestment of SPSEs and Monetization of Assets)**

1. Incentives to States will be provided under this Part of the Scheme for disinvestment of State Public Sector Enterprises (SPSEs) as well as for monetization/recycling of assets of States and of SPSEs
2. For this purpose, SPSE means an organisation where majority ownership and management control are exercised by the State Government or State and Central Governments together and the organisation is subject to audit jurisdiction of the Comptroller and Auditor General.
3. Asset monetization/recycling is the sale of an asset, or transfer of an asset with operation and maintenance responsibility for a long term duration, against an upfront payment, to return the capital to invest in new assets or revitalize existing assets.
4. Disinvestment of State PSEs: Incentives to States under the Scheme will be available both for disinvestment of minority stakes in SPSEs as well as privatization (strategic sale) of SPSEs.
 - (a) **Disinvestment through minority stake sale in SPSEs:**

In case of disinvestment of SPSEs through sale of minority stake, the States will be given additional allocation equivalent to 50% of the amount realized from such sale after 31.03.2022 and by 31.03.2023 and deposited in the Consolidated Fund of the State.
 - (b) **Listing of SPSEs and disinvestment of minority stake through stock exchanges:**

In case the State lists the SPSEs after 31.03.2022 and by 31.03.2023 in any of the stock exchanges by offering its shares for sale as per the Regulations issued by Securities and Exchange Board of India in this regard or offers for sale the shares of SPSEs already listed in any of the stock exchanges, the State will be given additional allocation under the Scheme equivalent to 66% of the amount realized from such sale and deposited in the Consolidated Fund of the State.
 - (c) **Privatization (strategic disinvestment) of State PSEs:**

Privatization (strategic disinvestment) means sale of more than 50% of the equity in SPSEs along with transfer of management control after 31.03.2022 and by 31.03.2023. The incentive for strategic disinvestment will be higher. In such cases, the State will be given additional allocation under the Scheme equivalent to 100% of the amount realized from privatization and deposited in the Consolidated Fund of the State.
 - (d) **Asset monetization/ recycling:**

Monetization of assets unlocks their value, eliminates their holding cost and enables scarce public funds to be deployed to new projects. As an incentive for

State Governments to monetize assets, additional allocation equivalent to 50% of the realized value of assets deposited after 31.03.2022 and by 31.03.2023 either in the State Consolidated Fund or in the account of State Public Sector Enterprise(SPSE) owning the assets, will be provided under the scheme. Illustrative list of assets that may be monetized is as under:

- Roads,
- Ports,
- Airports,
- Bus terminals,
- Metro rail assets,
- Desalination plants,
- Other infrastructure assets etc. subject to approval by the Department of Expenditure, Ministry of Finance.

The amount realized by the State/SPSEs from monetization/recycling of assets under Part 4 (d) should be used by the State/SPSE concerned on capital expenditure only. The expenditure plan and list of projects should also be submitted to the Department of Expenditure along with list of projects to be taken up from incentive fund.

5. Other conditions for approval of projects and releases of funds under Part-VII of the Scheme as under:
 - (i) The funds will be provided on "First-come First-served" basis subject to availability of funds.
 - (ii) Incentive to a State will ordinarily be limited to Rs.1,000 crore.

Format for Details of Funds Transfer to the Implementing Agencies of the State

1. Name of the State:
2. Sanction Order No. and Date:
3. Date of Receipt of the Funds:
4. Transfer of Funds to the Implementing Agencies of the State:

Sl. No.	Name of Implementing Agency	Amount Approved	Amount Released	Date of Release
1.				
2.				
3.				

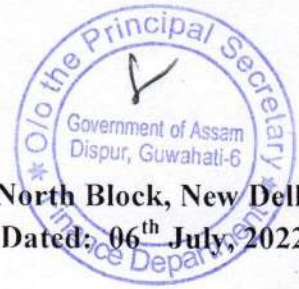
5. Nature of Documentary Proof in respect of Transfer of Funds to the Implementing Agencies of the State:

- (i)
- (ii)
- (iii)

Signature:
Designation:
Seal:
(For Principal Secretary, Finance),
State Government of.....

F. No. 44(1)/PF-S/2022-23 (CAPEX)

Ministry of Finance
Department of Expenditure
Public Finance-States Division



To
The Additional Chief Secretary/Principal Secretary/Secretary,
Finance Department,
All State Governments,
(As per list attached)

DiH (CA)

Subject: Scheme for Special Assistance to States for Capital Investment for 2022-23.

Madam/ Sir,

Reference is invited to the guidelines on Scheme for Special Assistance to States for Capital Investment for 2022-23 issued vide letter of even No. dated 06.04.2022. The State Governments and Department of Telecommunications, Ministry of Communications, Government of India have suggested certain amendments in the Scheme guidelines dated 06.04.2022.

2. After considering the requests received, including the requests made in the meeting through Video Conferencing held on 09.05.2022 by the State Governments and suggestions of stakeholders, the undersigned is directed to say that the following modifications to the aforementioned Scheme guidelines issued vide letter of even No. dated 06.04.2022 have been approved by the Competent Authority;

(i) **Clause 3 (v) (a) and (c) of the letter ibid, regarding eligibility for capital projects on Optical Fibre Cable (OFC) network under Part-V of the Scheme, may be read as;**

"Eligibility for capital projects on OFC network under this Part of the Scheme is as under.

a. Concerned State Special Purpose Vehicle (SPV) (which should be a State Public Sector Unit) should have an appropriate Telecom License/Registration (ISP or IP-1) from the Central Government or the State SPV has a valid Memorandum of Understanding (MoU) with Universal Service Obligation Fund (USOF) under the Bharatnet State- led Model. Alternatively, the State Government can get such Capital projects on OFC network executed through Implementing Agencies having appropriate Telecom License from Central Government. However, if services are to be provided by SPV or implementing agency, they have to take appropriate telecom license (Access Services/NLD, etc.) also. Further, any Infrastructure Provider-1 (IP-1) registration holders can grant/rent/lease/sale/use their resources (Dark Fibres, Tower etc.) to only such service providers as per License framework of DoT".

AO (MB)
18/7/22

SPD (CA)
18/7/22

Office of the Principal Secretary to the Government of Assam,
Finance Department,
ECR/Dy. No. 632349
Date 15/7

Forwarded as directed
by Commissioner & Secretary
Finance Department (MT)

Signature

Office of the Commissioner & Secretary
Finance Department

ECR/Dy. No. 03
Dated 18/7/22

c. Funds can be used to extend Bharatnet to Villages from the GPs covered as at present for Last Mile Connectivity (LMC) on the OFC to Government Institutions (like School, Health Centre, Anganwadi, Police Station, Krishi Vikas Kendra, Post Office, ration Shop etc.), Private Institutions and Households from Bharat Net network."

(capital works)

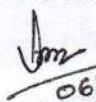
(ii) Clause 9 of the letter *ibid*, regarding limiting contribution towards State's share for Jal Jeevan Mission (JJM) under Part-I of the Scheme, may be read as;

9. "States may also use not more than 15% of the funds allocated under Part-I of the Scheme for contributing State's share for Jal Jeevan Mission (JJM) projects or allocated amount of State's share for Jal Jeevan Mission (JJM) projects for 2022-23, whichever is less. Such proposals may be included in the State's request under Part-I of the Scheme."

3. Further, the undersigned is also directed to say that in Para 4 (ii) and Para 4 (iv) of Annexure 4, "million plus cities" may be read as "million plus cities and state capital cities". Moreover, the word "Union Territories" or "UTs" wherever appearing in Annexure-4 of the guidelines stands deleted.

This issues with the approval of Finance Secretary & Secretary (Expenditure).

Yours faithfully,


(Deependra Kumar),
Director (PF-S)
Tel: 011-23094904

Copy for information and necessary action:

1. Shri K. Rajaraman, Secretary, Department of Telecommunications, Sanchar Bhawan, 20, Ashoka Road, New Delhi- 110001.
2. Shri Anurag Jain, Secretary, Department of Promotion of Industry and Internal Trade, Room No. 157, Udyog Bhawan, New Delhi- 110001.
3. Shri Ajay Prakash Sawhney, Secretary, Ministry of Electronics and Information Technology, Electronics Niketan, 6, CGO Complex, Lodhi Road, New Delhi- 110003.
4. Shri Manoj Joshi, Secretary, Ministry of Housing & Urban Affairs, C Wing, Nirman Bhawan, New Delhi- 110011.
5. Shri Nagendra Nath Sinha, Secretary, Ministry of Rural Development, Room No. 119H, Krishi Bhawan, New Delhi- 110001.

1793388/2023/O/o US(Transport)

Office of the Chief Secretary
Government of Assam
Dispur, Guwahati-6

1044600

F.No. 44(1)/PF-S/2022-23 (CAPEX)

Government of India
Ministry of Finance
Department of Expenditure
(Public Finance – States Division)



North Block, New Delhi

Dated 16th December, 2022

(4/IN)

To,

The Chief Secretary,
All State Governments,
(As per list attached)

AS DIRECTED
PLEASE TAKE NECESSARY ACTION
Secretary, Coordination to C.S.



Subject: Amendment to the guidelines on the Scheme for Special Assistance to States for Capital Investment for 2022-23.

Madam/Sir,

Reference is invited to the guidelines on the Scheme for Special Assistance to States for Capital Investment for 2022-23 issued vide letters of even no. dated 06.04.2022 and 06.07.2022.

2. The Ministry of Road Transport & Highways (MoRTH) has launched the Voluntary Vehicle Fleet Modernization Programme, also known as the Scrapping Policy. The policy aims at reducing vehicular pollution by phasing out old, unfit and polluting vehicles.

3. It has been decided to provide financial incentives to State Governments for achieving certain milestones for scrapping of old vehicles under the Scheme for Special Assistance to States for Capital Investment for 2022-23.

4 Accordingly, the following new Para 3 (viii) is added to the guidelines on the Scheme for Special Assistance to States for Capital Investment for 2022-23 issued vide letters of even no. dated 06.04.2022 and 06.07.2022;

3 (viii) Part-VIII – Incentives for Scrapping of Old Vehicles: An amount of Rs.2,000 crores is earmarked for this Part. This Part aims at providing incentives to States for scrapping of State Governments vehicles which are older than 15 years, waiver of liabilities on old vehicles and providing tax concessions to individuals for scrapping of old vehicles.

Qm

420/23/11/22

(i) This amount would be available to the States on "First-come First Served" basis till 31st March, 2023. As per the Scheme guidelines, the States will be required to spend this amount within the financial year 2022-23.

(ii) MoRTH may issue detailed procedural / operational guidelines, if needed, to the State governments in the matter.

(iii) States have to achieve following milestones to become eligible for grant of incentives under this part of the scheme:-

A. **Milestone 1:** Completion of following activities by 31st January, 2023:-

- i. Issue of Government order to scrap all government owned vehicles which are older than 15 years at Registered Vehicle Scrapping Facility (RVSF). The above mentioned order should be issued by the competent department of the State Government clearly indicating the expected number of vehicles across all departments/local bodies/ undertakings etc. which would be scrapped and timeline by when they would be disposed through RVSFs.
- ii. Grant of Motor Vehicle (MV) Tax concession on new vehicles registered against Certificate of Deposit (CoD).
- iii. Grant of one-time waiver of pending liability on old vehicles which are scrapped at RVSF for at-least one year.

B. **Milestone 2:** Scrapping of all government vehicles which are older than 15 years as per following criteria:

- i. Total number of vehicles scrapped should be at least equal to the number of vehicles specified in the Government order issued by the State Government.
- ii. All vehicles should be scrapped at RVSF only.
- iii. Scrapping of these vehicles should be completed by the timeline mentioned in Government order and proof of scrapping in the form of CoD should be shared with MoRTH.

(iv) The States after achieving each of the above milestones will submit a report to MoRTH. MoRTH will examine the same and make recommendations to the Department of Expenditure for release of incentive amount if the State has met the criteria prescribed by MoRTH.

(v) The States will be free to propose any capital investment project from the incentive amount. The proposal should be submitted as per the guidelines of the scheme for Special Assistance to States for Capital Investment 2022-23 and in the format prescribed at **Annexure-2** of the guidelines.

Qem

(vi) The maximum amount of incentive admissible to a State will be as under:-

Category 1	Category 2	Category 3	Category 4
1. Uttar Pradesh 2. Tamil Nadu 3. Karnataka (Rs.300 Cr.)	1.Kerala 2.Maharashtra 3.Punjab 4.West Bengal 5.Gujarat 6.Telegana 7.Odisha 8.Andhra Pradesh 9. Madhya Pradesh 10.Haryana 11.Rajasthan (Rs.150 Cr.)	1.Bihar 2.Jharkhand 3.Chhattisgarh 4.Uttarakhand 5.Assam 6.Himachal Pradesh (Rs.50 Cr.)	1.Goa 2.Meghalaya 3.Tripura 4.Nagaland 5.Manipur 6.Mizoram 7.Arunachal Pradesh 8.Sikkim (Rs.7 Cr.)

(vii) The 1st instalment of 50% of the admissible amount will be released on certification by MoRTH regarding achievement of **Milestone 1** and submission of list of projects to be taken up from the incentive amount in the prescribed format.

(viii) The 2nd instalment of 50% of the admissible amount will be released on certification by MoRTH regarding achievement of **Milestone 2** and submission of list of projects to be taken up from the incentive amount in the prescribed format.

Yours faithfully,

(G. S. Anand)

Director (PF-S)

Tel: 011-23092542

Copy to :

1. CEO, NITI Aayog, NITI Bhawan, Sansad Marg, New Delhi-110001.
2. Secretary, Ministry of Road Transport & Highways, Transport Bhawan, No.1, Parliament Street, New Delhi-110001.

No. 05/0003/2019-FTS-10937
Government of India
Ministry of Finance
Department of Public Enterprises

Public Enterprises Bhawan,
Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110003.

Dated: 14th December, 2022

OFFICE MEMORANDUM

Subject: Settlement of commercial disputes between Central Public Sector Enterprises (CPSEs) *inter se* and CPSE(s) and Government Department(s)/Organization(s) - Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

Whereas guidelines for resolution of commercial disputes between Central Public Sector Enterprises (CPSEs) *inter se* and also between CPSEs and Government Departments/Organizations were issued vide DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22nd May, 2018 followed by clarification dated 4th July, 2018 and 11th July, 2018. These guidelines were further amended vide DPE OM No. DPE-GM-05/0003/2019-FTS-10937 dated 20.02.2020.

2. And whereas a need has been felt to streamline the existing guidelines with a view to consolidate them and institutionalise a better monitoring mechanism for faster resolution of disputes.

Now therefore the Revised Guidelines (in supersession of the aforesaid notifications/Office Memoranda) shall be as follows: -

3. Replacement of PMA and Applicability: -

3.1 Permanent Machinery of Arbitration (PMA) stands wound up from the date of issue of DPE OM dated 22-05-2018. All pending cases with Sole Arbitrator, PMA and Appellate Authority stand transferred to concerned administrative Ministries/Departments.

3.2 A decentralised 'Administrative Mechanism for Resolution of CPSEs Disputes' (AMRCD) having two level (tier) structures shall replace the erstwhile Permanent Machinery of Arbitration (PMA) mechanism of DPE.

3.3 Any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/ Port Trusts *inter se* and also between CPSEs and Government Departments/Organizations (excluding disputes relating to Railways, Income Tax, Customs & Excise Departments), shall be taken up by either party for its resolution through AMRCD only.

3.4 No appeals are to be made to Cabinet Secretary in such matters, including those in which Sole Arbitrator has passed order before the date of notification of AMRCD, unless the resolution of the disputes has been considered at the level of Administrative Ministry / Department as per procedure prescribed below.

4. Procedure and Structure of Committees: -

- 4.1 At the First level (tier), the disputes shall be arbitrated upon by a Committee comprising of Secretaries of the Administrative Ministries/Departments to which the disputing CPSEs/Parties belong and Secretary, Department of Legal Affairs. In case the two disputing parties belong to the same Ministry/Department, the above said Committee will comprise Secretary of the Administrative Ministry/Department concerned, Secretary, Department of Legal Affairs and Secretary, Department of Public Enterprises. In case of a dispute between CPSE and State Government Department/Organization, the matter shall be arbitrated through a committee comprising Secretary of the Ministry/Department of the Union to which the CPSE belongs, Secretary- Department of Legal Affairs and a Senior Officer (not below the rank of Secretary in the State Government) nominated by the Chief Secretary of the State concerned.
- 4.2 In case the dispute remains unresolved even after consideration by the above Committee, the same will be referred through DPE at the Second level (tier) to the Cabinet Secretary whose decision will be final and binding on all concerned.
- 4.3 At the First level (tier), the claiming party (Claimant) will approach the FA of its administrative Ministry/Department for referring the dispute to the DPE through DPE web-portal. The FA of the administrative Ministry/Department of the claimant after initial scrutiny would intimate DPE through DPE web-portal for notification of the constitution of CoS. This may be done within 30 days of the receipt

of the dispute claim. DPE will notify the constitution of the CoS to all members of CoS and FAs of the concerned administrative Ministry/Department within 15 days of receipt of FA's reference. The meetings of CoS will be organized by FA of claimant party and would be held in the Administrative Ministry / Department of the claiming party to examine the facts and resolve the dispute on merit. The FAs of the concerned Administrative Ministries / Departments will represent the issues related to the dispute in question before the above Committee. After arriving at a decision by the Committee, the Secretary of the administrative Ministry / Department of the claiming party will write down the decision and it will be signed jointly by the two Secretaries and Secretary, Department of Legal Affairs. A copy of the decision will be communicated by the Secretary of the administrative Ministry / Department of the claiming party to each party to the dispute for implementation and also uploaded on DPE web-portal (<http://pesurvey.nic.in>).

- 4.4 In case where one party (1st party) to the dispute is a Department /Organization of a State Government, the procedure for admitting the dispute will be the same as above. However, in such cases, all meetings in connection with resolution of the dispute will be held in the Administrative Ministry/Department (Union) of other party (2nd Party) irrespective of the position of the 1st Party whether as a Claimant or Respondent. The presentation of the issues before the above Committee in this case will be done by the FA of the concerned Administrative Ministry/Department and the nominated officer of the State Government Department/Organization.
- 4.5 The CoS at the first level (tier) shall finalise its decision within three months of the constitution of the Committee by DPE.

5. Appeal

- 5.1 Any party aggrieved with the decision of the Committee at the First level (tier) may prefer an appeal before the Cabinet Secretary at the Second level (tier) within 30 days from the date of receipt of decision of the Committee at First level, through its administrative Ministry/Department on DPE web-portal. The appeal should be in the form of a concise self-contained Note which should invariably include the comments / views of the Opposite Party (Respondent) through its administrative Ministry / Department.

5.2 Appeal in reference to resolution of the dispute as per para 5.1 above is to be made to Cabinet Secretary only after exhausting the channel of dispute resolution at the first level (1st tier) of the Committee of Secretaries as per procedure prescribed *ibid*.

5.3 The decision of Cabinet Secretary will be final and binding on all concerned.

6. Arbitration Clause

6.1 All CPSEs will ensure inclusion of a clause in all the existing and future commercial contracts between CPSEs, *inter-se* and CPSEs and Government Departments/Organizations as under: -

"In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs) / Port Trusts inter se and also between CPSEs and Government Departments/Organizations (excluding disputes relating to Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for its resolution through AMRCD as mentioned in DPE OM No. 05/0003/2019-FTS-10937 dated 14th December, 2022 and the decision of AMRCD on the said dispute will be binding on both the parties."

6.2 The on-going contracts shall also be suitably amended accordingly.

7. Review of Progress:-

7.1 DPE shall be the single point for capturing all details related to AMRCD cases through its web-portal (<http://pesurvey.nic.in/>). DPE shall also provide secretarial assistance to the Cabinet Secretariat in all matters relate to AMRCD including appeal cases.

7.2 The decision taken by the CoS / Appellate Authority will be implemented by the concerned CPSEs within one month from the date of the decision and action taken would be updated on web portal of DPE.

7.3 A monthly status report of pending cases will be sent to Cabinet Secretariat through DPE web-portal. The FA of the concerned Administrative Ministry / Department of the claimant CPSE will get the position updated by 10th of the following month so that a consolidated report could be sent by 15th of every month to Cabinet Secretariat.

7.4 The administrative Ministry of the claimant CPSEs will also report the delay in disposal of the cases beyond the stipulated three months' time in their monthly DO to Cabinet Secretariat with reasons of delay and the likely extended date for final disposal.

8. All the administrative Ministries / Departments concerned with Central Public Sector Enterprises/ Govt. Organisations / Port Trusts etc. are requested to bring these consolidated guidelines to the notice of all CPSEs/organisations under their administrative control for strict compliance of the above guidelines including adhering to the timelines stipulated therein.

9. This issues with the approval of the Competent Authority.

पवनेश कुमार शर्मा/(Pavanesh Kumar Sharma)

निदेशक/ Director

Tel.:011- 24363066

- (i) Secretary of all Ministries / Departments of the Government of India.
- (ii) Chief Secretary of all the States and Union Territories.

Copy to:

Chief Executive of all CPSEs for information and necessary compliance.

Copy forwarded for kind information to:

- (i) The Prime Minister's Office, South Block, New Delhi.
- (ii) The Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
- (iii) PS to the Minister (Finance), Udyog Bhawan, New Delhi.
- (iv) Secretary (DPE), CGO Complex, New Delhi
- (v) Secretary (Law), Department of Legal Affairs, Shastri Bhawan, New Delhi.

पवनेश कुमार शर्मा/(Pavanesh Kumar Sharma)

निदेशक/ Director

Tel.:011- 24363066

Amendment to the guidelines on the scheme for special assistance to states for capital Investment for 2022-23

From : Ritu SO T <sot-rth@nic.in>

Mon, Jan 09, 2023 05:38 PM

Subject : Amendment to the guidelines on the scheme for special assistance to states for capital Investment for 2022-23

2 attachments

To : Dr K. S. Jawahar Reddy, IAS <cs@ap.gov.in>, Dharmendra <cs-arunachal@nic.in>, PABAN KUMAR BORTHAKUR, IAS <cs-assam@nic.in>, Chief Secretary Bihar <cs-bihar@nic.in>, Chief Secretary Office <csoffice.cg@gov.in>, Shri Naresh Kumar <csdelhi@nic.in>, Puneet Kumar Goel IAS Chief Secretary <cs-goa@nic.in>, chiefsecretary@gujarat.gov.in, Sanjeev Kaushal, IAS <cs@hry.nic.in>, Mr Prabodh Saxena <cs-hp@nic.in>, cs-jandk <cs-jandk@nic.in>, Shri Sukhdev Singh <cs-jharkhand@nic.in>, cs@karnataka.gov.in, Dr.V.P.Joy IAS <chiefsecy@kerala.gov.in>, Iqbal Singh Bains <cs@mp.nic.in>, cs@maharashtra.gov.in, cs-manipur <cs-manipur@nic.in>, cso-meg <cso-meg@nic.in>, cs-mizoram <cs-mizoram@nic.in>, Jan e Alam, Chief Secretary Nagaland <csnagl@nic.in>, Suresh Chandra Mahapatra <csori@nic.in>, Mr Rajeev Verma IAS <cs.pon@nic.in>, Chief Secretary Punjab <cs@punjab.gov.in>, csraj@rajasthan.gov.in, Vijay Bhushan Pathak <cs-skm@nic.in>, Vijay Bhushan Pathak <cs-skm@hub.nic.in>, cs@tn.gov.in, CS Telangana <cs@telangana.gov.in>, cs-tripura <cs-tripura@nic.in>, cstripura@gmail.com, CHIEF SECRETARY OFFICE GOVT OF UP <csup@nic.in>, chief secretary <cs-uttarakhand@nic.in>, chiefsecyuk@gmail.com, Shri H K Dwivedi <cs-westbengal@nic.in>, Chief Secretary Andamans <cs-andaman@nic.in>, advisor-chd@nic.in, Advisor to LG <advisor-lg-ladakh@gov.in>, Praful Patel <lk-admin@nic.in>

Cc : Piyush Jain <director-morth@gov.in>, Paresh Kumar Goel <paresh.goel89@gov.in>, Shashi Bhushan <shashibhushan.mol@nic.in>, Harish Sharma <harish.sharma22@gov.in>

Sir/Madam,

Department of Expenditure, Ministry of Finance launched the scheme for 'Special Assistance to States for Capital Investment 2022-23' vide letters of even no dated 06.04.2022 and 06.07.2022. As per the scheme, an amount of Rs. 1 lakh crore has been earmarked for providing financial assistance to the State Governments for capital expenditure, to be spent in the financial year 2022-23. Para-3 (viii) of the scheme notified vide F. No. 44(1)/PF-S/2022-23 (CAPEX) dated 16th December 2022 (copy enclosed) provides for incentives to State Governments to expedite implementation of Vehicle Scrapping Policy. Incentives worth INR 2,000 Cr. have been extended to State Governments on 'First-come First Served' basis till 31st March 2023.

2. Para-3 (viii) of the scheme aims to incentivize states to expedite implementation of vehicle scrapping policy by taking prompt action to set up necessary ecosystem for fitness testing of vehicles through ATS and scrapping of end-of-life vehicles through RVSF in an environmentally friendly manner. To become eligible for financial benefits under the scheme, the following actions are required from State Government:

- i. Scrapping of Government vehicles which are older than 15 years at RVSF
 - ii. Grant Motor Vehicle Tax concession on vehicles purchased against certificate of deposit
 - iii. Grant one-time waiver of pending liabilities on vehicles scrapped at RVSFs
3. In this regard, MoRTH has prepared guidelines for States Governments (copy enclosed) containing details of the scheme and the format in which States have to share information with MoRTH for incentive disbursement. It is requested that above mentioned actions may be ensured on priority by States to avail benefits of the scheme.
4. This issues with the approval of Secretary, MoRTH.

Regards,

Section Officer (Transport)
Ministry of Road Transport & Highways (MoRTH)
Tele: 011-23715211.



— **MoRTH Guidelines on scheme for special assistance.pdf**
179 KB

— **Amendement to the guidelines on the scheme for special assistance to states for capital Investment for 2022-23.pdf**
1 MB
