

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**CENTRAL GOVERNMENT HAS DECIDED TO PROVIDE FURTHER  
'SPECIAL ASSISTANCE' OF RS. 1000 CRORE TO STATE OF ANDHRA  
PRADESH DURING THE CURRENT FINANCIAL YEAR 2015-16  
INCLUDING RS.350 CRORE (@RS. 50 CRORE PER DISTRICT) FOR THE  
DEVELOPMENT OF 7 BACKWARD DISTRICTS COVERING  
RAYALASEEMA & NORTH COASTAL REGION, RS. 350 CRORE FOR  
NEW CAPITAL OF THE STATE AND RS. 300 CRORE FOR POLAVARAM  
IRRIGATION PROJECT; A TAX INCENTIVE HAS ALSO BEEN  
PROVIDED IN FINANCE ACT, 2015; EARLIER, RS. 4403 CRORE WAS  
RELEASED TO STATE OF ANDHRA PRADESH DURING 2014-2015**

**New Delhi, September 25, 2015**  
**Asvina 3, 1937**

The Central Government has decided to continue to support the programmes for the development of backward districts of Andhra Pradesh and provide assistance for creation of New Capital of Andhra Pradesh including the Raj Bhawan, High Court, Government Secretariat, Legislative Assembly, Legislative Council, and such other essential infrastructure. Accordingly, the Central Government has announced a further 'Special Assistance' of Rs. 1000 crore during the current Financial Year 2015-16. The Central Government will provide special assistance of Rs.350 crore (@Rs. 50 crore per district) for the development of 7 backward districts covering Rayalaseema & North Coastal region, Rs. 350 crore for new capital of the state and Rs. 300 crore for Polavaram Irrigation Project. A tax incentive has also been provided in Finance Act, 2015.

The Andhra Pradesh Reorganisation Act, 2014 bifurcated the State and the State of Telengana came into being with effective from 2<sup>nd</sup> June, 2014. Having regard to the resource availability, the Central Government is required to make appropriate grants and also provide adequate benefits and incentives in the form of special assistance to the backward areas of States.

Accordingly, an amount of Rs. 4403 crore was released to the successor State of Andhra Pradesh during 2014-2015 which included Rs. 350 crore @ Rs. 50 crore per district for the development of 7 backward districts covering Rayalaseema & North Coastal region, Rs. 2303 crore for bridging resource gap, Rs. 1500 crore for construction of Raj Bhavan & for creating infrastructure facilities in the new capital of the State and Rs. 250 crore for Polavaram irrigation project.

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