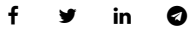


Data Focus(https://www.thehindubusinessline.com/data-stories/data-focus/) Industrially advanced States lead capex spending in Q1

NARAYANAN V(https://Www.Thehindubusinessline.Com/Profile/Author/NARAYANAN-V-10438/) | Updated On: Sep 19, 2022



✉ (mailto:?)

subject=Industrially%20advanced%20States%20lead%20capex%20spending%20in%20Q1%20C2%A0&body=Check%20out%20this%20link%20https%3A%2F%2Fwww.stories%2Fdata-focus%2Findustrially-advanced-states-lead-capex-spending-in-q1%2Farticle65909644.ece)

🗨 0



The Centre itself is at the forefront of driving the capex growth, which has the multiplier effect on economic growth and job creation. | Photo Credit: ipopba

Maharashtra, Tamil Nadu and Gujarat have spent more on capex during the quarter

Open in App(https://thehindubusinessline.page.link/XMRKwgGJxcNuP8Kp7)

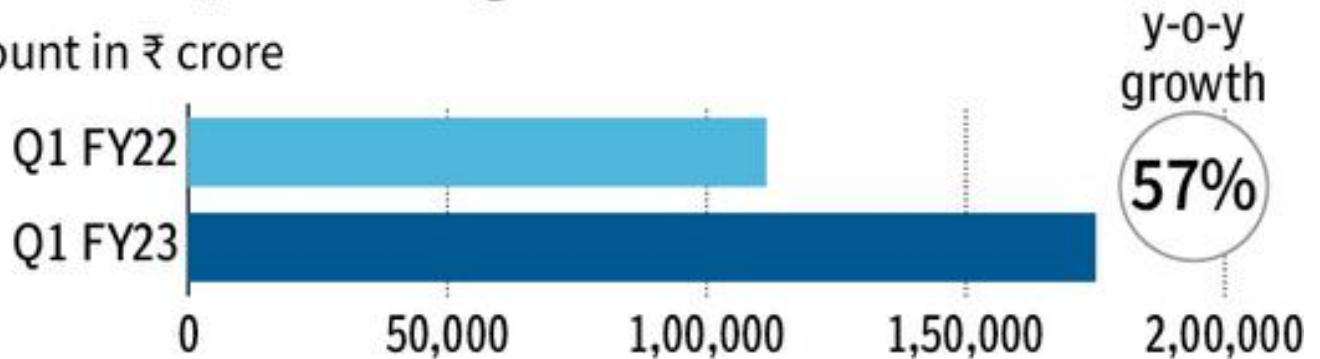
Capital expenditure of the 10 largest States has increased 9 per cent in the June quarter of this fiscal compared to last year. While the industrialised States lead in spending, uncertainties regarding revenue growth have led to a slow start to capex in the June 2022 quarter.

A *BusinessLine* analysis shows that the combined capital expenditure of these 10 large States grew to ₹45,002 crore at the end of the June 2022 quarter against ₹41,215 crore in the same quarter of the previous fiscal.

Capex spends in Q1

Centre steps on the gas

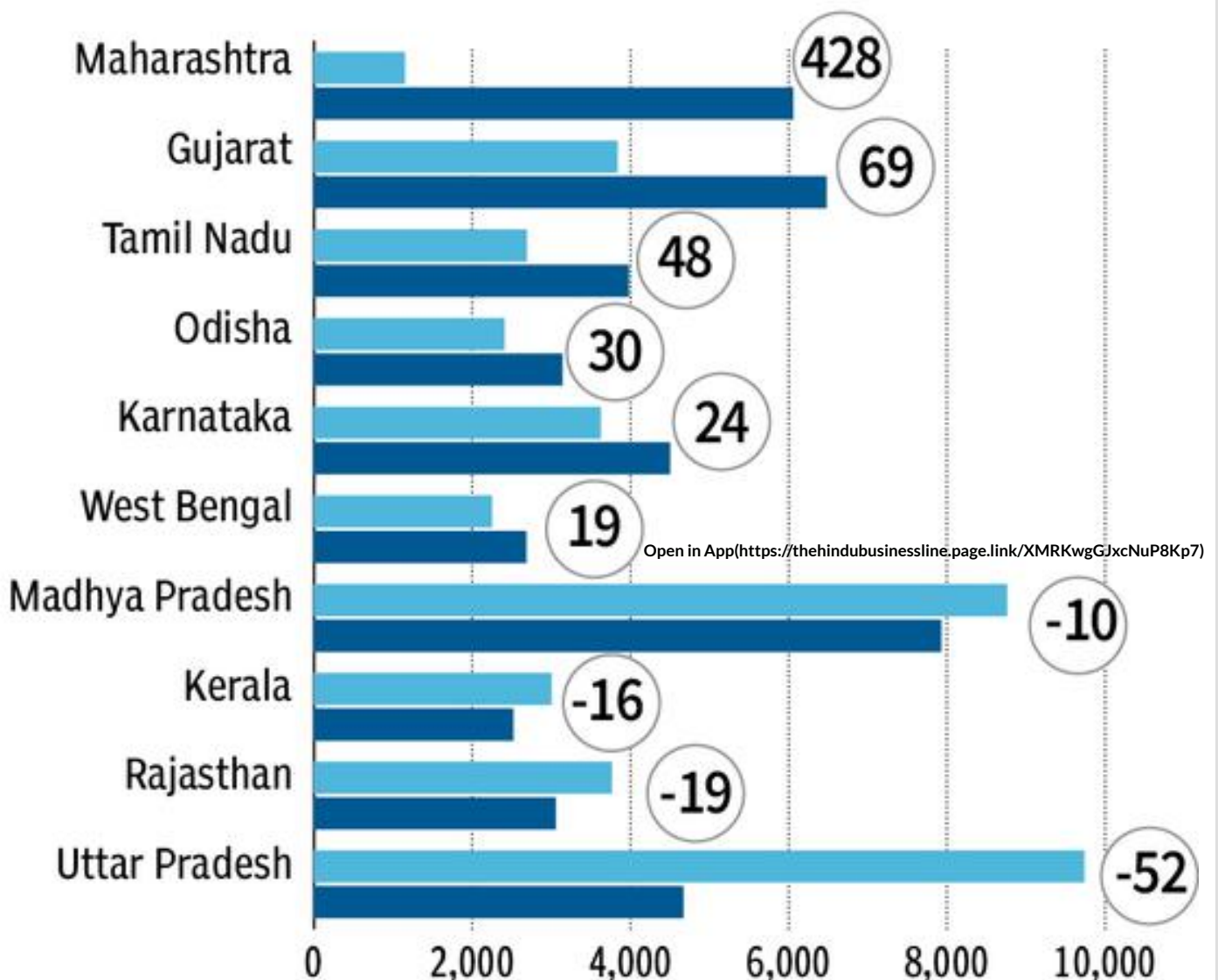
Amount in ₹ crore



Maharashtra leads

Amount in ₹ crore

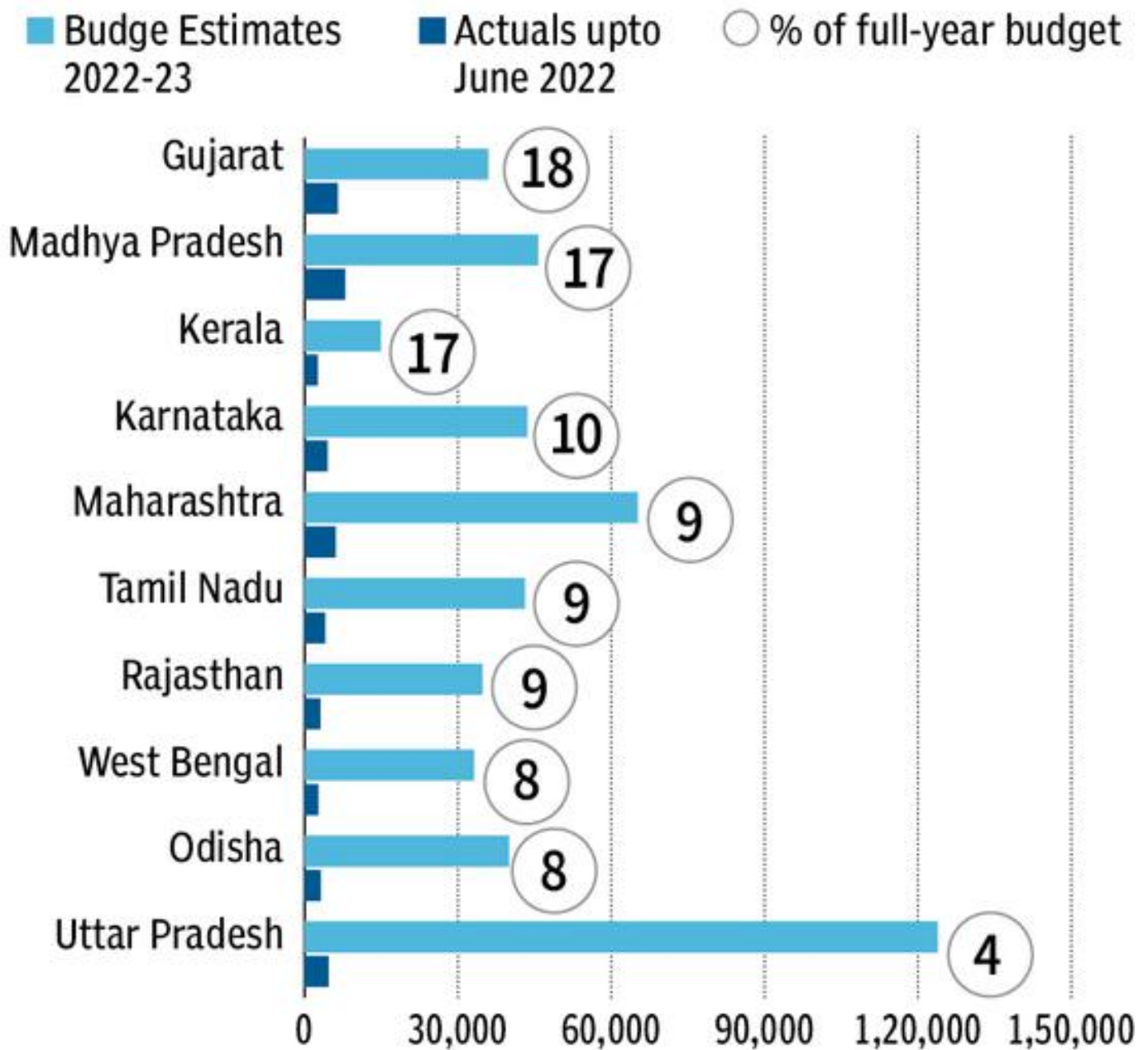
■ Q1 FY22 ■ Q1 FY23 ○ % change



Open in App(<https://thehindubusinessline.page.link/XMRKwgGJxcNuP8Kp7>)

Less than 20% of States' target met

Amount in ₹ crore



Open in App(<https://thehindubusinessline.page.link/XMRKwgGJxcNuP8Kp7>)

Soruce: CAG

States like Maharashtra, Tamil Nadu and Gujarat have spent more on capex during the quarter. Maharashtra's capital expenditure jumped 428 per cent year-on-year to ₹6,055 crore during Q1 FY23 against ₹1,148 crore during the same quarter last year. However, the figures of the two periods are strictly not comparable since the country was battling with the second wave of the Covid-19 pandemic in Q1 FY22 and Maharashtra was among the worst hit.

Gujarat recorded a 69 per cent growth in capex spending in the first quarter at ₹6,478 crore followed by Tamil Nadu at ₹3,976 crore (48 per cent growth). Among the laggards, Uttar Pradesh's capex spending more than halved to ₹4,670 crore compared to the same period of FY22. Rajasthan's capex fell 19 per cent while Kerala's capex declined 16 per cent to ₹2,518 crore.

The Centre itself is at the forefront of driving the capex growth, which has the multiplier effect on economic growth and job creation. Centre's capital spending jumped 57 per cent in the first quarter to ₹175,064 crore against ₹111,496 crore in the same quarter of the

A sluggish start

While the States had budgeted heavily towards capex for FY23, they have not spent too much of the budgeted amount in the first quarter. None of the States have spent even 25 per cent of the amount targeted for the full year, though Gujarat, Madhya Pradesh and Kerala lead with 17-18 per cent. Karnataka, Tamil Nadu and Maharashtra follow with 9-10 per cent of budgeted amount spent.

Care Edge said capital spending by the States had a slow start in FY23 owing to the concerns of cessation of GST compensation and lower market borrowings by the States due to delays in the Centre's approval.

"States usually follow the policy of wait and watch and accelerate their capex efforts only in the last quarter of the fiscal year in order to ensure that they adhere to the fiscal consolidation norms," it added.

Centre's push

It's probably for this reason that the Centre has been incentivising States to spend more on capex through various financial initiatives.

"To encourage early capital spending by States, the Centre has released two installments of tax devolution to States amounting to ₹1.17-lakh crore in August, against the regular monthly devolution of ₹58,333 crore," rating agency Care Edge's report noted.

In the Union Budget 2022-23, the Centre announced an interest-free loan of ₹1-lakh crore to the States to enable them to accelerate capital expenditure of which ₹34,000 crore has so far been allotted to 13 States.

The impact is already visible for some States. From 4 per cent of budgeted capital expenditure as of June, Uttar Pradesh's actual capex spending crossed 10 per cent at the end of July while Odisha's capex spending reached 12 per cent from 8 per cent during this period. Rajasthan's capex also jumped to 16 per cent as of July from 9 per cent at the end of June.

Published on September 19, 2022

economy (general)(<https://www.thehindubusinessline.com/topic/economy-general/>)



✉ (mailto:?)

subject=Industrially%20advanced%20States%20lead%20capex%20spending%20in%20Q1%20C2%A0&body=Check%20out%20this%20link%20https%3A%2F%2Fwww.stories%2Fdata-focus%2Findustrially-advanced-states-lead-capex-spending-in-q1%2Farticle65909644.ece)



You May Also Like



OPG Securities logged into NSE's secondary server 670 times in 5 years, CBI probe reveals

(<https://www.thehindubusinessline.com/markets/opg-securities-logged-into-nses-secondary-server-670-times-in-5-years-cbi-probe-reveals/article65909229.ece>)



No need to visit RTO to apply for Learner License or to transfer vehicle ownership: MoRTH

(<https://www.thehindubusinessline.com/economy/logistics/need-to-visit-rto-to-apply-for-learner-license-or-to-transfer-vehicle-ownership-morth/article65903317.ece>)



Today's Poll

(<https://www.thehindubusinessline.com/news/national/Today's-Poll/article30403775.ece>)

(https://selectsproperty.com/lp/in/?utm_source=taboola&utm_medium=referral&site=thehindu-

businessline&site_id=1174891&title=A+second+income+from+an+investment%3F+Is+it+possible%3F&platform=Desktop&campaign_item_id=campaign_item_id&campaign_name=India&thumbnail=https%3A%2F%2F1-t6.s3.eu-central-1.amazonaws.com%2FIND-3.jpg&cachebuster=541277552×tamp=2022-09-20+05%3A30%3A45&cpc={cpc}&click_id=GiA5Rmm7FsmWETwGbE2G3AkZ6IPCPFLzpEMdm-

5N_xRJLSCQqkox6ylveOpsoJD&tblci=GiA5Rmm7FsmWETwGbE2G3AkZ6IPCPFLzpEMdm-5N_xRJLSCQqkox6ylveOpsoJD#tblci=GiA5Rmm7FsmWETwGbE2G3AkZ6IPCPFLzpEMdm-5N_xRJLSCQqkox6ylveOpsoJD)

You have read 1 out of 3 free articles for the week. Checkout our Foundation Day Sale offers!

SUBSCRIBE NOW