

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2648

ANSWERED ON:11.03.2011

INCREASE IN PLAN EXPENDITURE FOR PANCHAYAT AND MUNICIPAL CORPORATIONS

Sampath Shri Anirudhan

Will the Minister of FINANCE be pleased to state:

(a) whether any request from any State Governments have received by the Union Government for increasing the plan expenditure of the Panchayats and Municipal Corporations; and

(b) if so, the details thereof and the action taken by the Finance Ministry during the last three years?

Answer

Minister of State in the Ministry of Finance (SHRINAMO NARAIN MEENA)

(a) & (b): No such reference has been received in Ministry of Rural Development, Ministry of Panchayati Raj, Department of Expenditure and Planning Commission in the recent past.

Successive Finance Commissions recommend grants for local bodies in States. The 13th Finance Commission (FC-XIII) has recommended the basic grant to local bodies as equivalent to a percentage of the previous year's divisible pool of taxes. FC-XIII has estimated Basic grant and Performance grant at Rs.87519 crore for 2010-15 representing an increase of 250% over the Rs.25000 crore recommended by the 12th Finance Commission for 2005-10.