

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:307
ANSWERED ON:14.03.2012
CENTRAL GRANTS TO STATES
Singh Shri Ganesh

Will the Minister of PLANNING be pleased to state:

- (a) the formula adopted for providing Central grants to the States;
- (b) the amount of revenue received as taxes from States by the Central Government during last two years;
- (c) whether the Government proposes to revise the formula under which the Central grants are provided to the States;
- (d) if so, the details thereof;
- (e) whether any consent of the State Governments has been obtained in accordance with the spirit of guidelines of federal structure before carrying out any revisions in the formula pertaining to distribution of Central grants; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a): Central Grants to the States are transferred in different forms as follows:

- (i) Finance Commission grants recommended by Finance Commission under Article 275 of the Constitution.
 - (ii) Plan grants in the form of Normal Central Assistance through Gadgil- Mukherjee formula approved in the National Development Council (NDC).
 - (iii) Additional Central Assistance to State Plan through various ACA Schemes.
 - (iv) Grants under Centrally Sponsored Schemes (CSS) having specific guidelines and
 - (v) Other non-plan grants based on specific non-plan schemes.
- (b): The Central Government does not receive any revenue as taxes from State Governments.

(c) to (f): The Finance Commission grants are recommended by the Finance Commission constituted under the Constitution every five years by the President of India. There is no proposal at present to revise Gadgil-Mukherjee formula for distribution of Normal Central Assistance. As regards the grants under Centrally Sponsored Schemes and ACA Schemes are concerned, these are based on scheme- based guidelines prepared by the concerned Central Ministries based on several inputs which include inputs from the State Governments