

MINISTRY OF FINANCE**DEMAND NO. 40****Transfers to States***(In ₹ crores)*

	Actual 2015-2016			Budget 2016-2017			Revised 2016-2017			Budget 2017-2018		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Gross	116707.57	12498.20	129205.77	125896.36	12600.00	138496.36	128515.56	17900.00	146415.56	138601.38	18600.00	157201.38
Recoveries	-8713.78	...	-8713.78	-6450.00	...	-6450.00	-6450.00	...	-6450.00	-10000.00	...	-10000.00
Receipts	-5690.00	...	-5690.00	-6450.00	-100.00	-6550.00	-6450.00	-100.00	-6550.00	-10000.00	-100.00	-10100.00
Net	102303.79	12498.20	114801.99	112996.36	12500.00	125496.36	115615.56	17800.00	133415.56	118601.38	18500.00	137101.38

A. The Budget allocations, net of recoveries and receipts, are given below:

TRANSFERS TO STATES/UTs**Finance Commission Grants****Grants under proviso to Article 275(1) of the Constitution**

1. Post Devolution Revenue Deficit Grants	48905.00	...	48905.00	41308.00	...	41308.00	41308.00	...	41308.00	35820.00	...	35820.00
2. Grants-in-Aid for State Disaster Response Fund	8756.01	...	8756.01	10470.00	...	10470.00	8938.20	...	8938.20	10993.00	...	10993.00
3. <i>Grants for Local Bodies</i>												
3.01 Rural Bodies	19993.43	...	19993.43	33870.52	...	33870.52	33870.52	...	33870.52	39040.96	...	39040.96
3.02 Urban Bodies	6924.35	...	6924.35	14997.84	...	14997.84	14997.84	...	14997.84	17247.42	...	17247.42
<i>Total- Grants for Local Bodies</i>	<i>26917.78</i>	<i>...</i>	<i>26917.78</i>	<i>48868.36</i>	<i>...</i>	<i>48868.36</i>	<i>48868.36</i>	<i>...</i>	<i>48868.36</i>	<i>56288.38</i>	<i>...</i>	<i>56288.38</i>
Total-Grants under proviso to Article 275(1) of the Constitution	84578.79	...	84578.79	100646.36	...	100646.36	99114.56	...	99114.56	103101.38	...	103101.38
Total-Finance Commission Grants	84578.79	...	84578.79	100646.36	...	100646.36	99114.56	...	99114.56	103101.38	...	103101.38

Other Grants/Loans/Transfers

4. Special Assistance	10890.00	...	10890.00	9000.00	...	9000.00	11000.00	...	11000.00	11000.00	...	11000.00
5. Grants to Autonomous Councils, areas covered under the Sixth Schedule of the Constitution	...	...	...	1000.00	...	1000.00	1.00	...	1.00	500.00	...	500.00
6. Additional Central Assistance for Externally Aided Projects (Grants)	2771.82	...	2771.82	2350.00	...	2350.00	3500.00	...	3500.00	4000.00	...	4000.00
7. Additional Central Assistance for Externally Aided Projects (Block Loans)	...	12498.20	12498.20	...	12500.00	12500.00	...	17800.00	17800.00	...	18500.00	18500.00
8. <i>Transfer to National Disaster Response Fund</i>												
8.01 Transfer to National Disaster Response Fund (NDRF)	5690.00	...	5690.00	6450.00	...	6450.00	6450.00	...	6450.00	10000.00	...	10000.00
8.02 Less National Calamity Contingent Duty (Customs)	-1640.00	...	-1640.00	-1550.00	...	-1550.00	-1550.00	...	-1550.00	-2500.00	...	-2500.00
8.03 Less National Calamity Contingent Duty (Union Excise)	-4050.00	...	-4050.00	-4900.00	...	-4900.00	-4900.00	...	-4900.00	-7500.00	...	-7500.00
<i>Net</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>	<i>...</i>

(In ₹ crores)

	Actual 2015-2016			Budget 2016-2017			Revised 2016-2017			Budget 2017-2018		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
9. Assistance to States from National Disaster Response Fund (NDRF)												
9.01 Assistance to States from National Disaster Response Fund (NDRF)	12451.96	...	12451.96	6450.00	...	6450.00	8450.00	...	8450.00	10000.00	...	10000.00
9.02 Less Amount met from transfer from NDRF	-8713.78	...	-8713.78	-6450.00	...	-6450.00	-6450.00	...	-6450.00	-10000.00	...	-10000.00
<i>Net</i>	3738.18	...	3738.18	...	...	...	2000.00	...	2000.00	...	...	...
10. Ways and Means Advances	...	...	...	...	100.00	100.00	...	100.00	100.00	...	100.00	100.00
<i>Net</i>	...	...	...	...	-100.00	-100.00	...	-100.00	-100.00	...	-100.00	-100.00
11. Grant in lieu of share in Central Taxes and Duties to NCT of Delhi	325.00	...	325.00	...	...	...	...	...	...	...	...	...
Total-Other Grants/Loans/Transfers	17725.00	12498.20	30223.20	12350.00	12500.00	24850.00	16501.00	17800.00	34301.00	15500.00	18500.00	34000.00
Grand Total	102303.79	12498.20	114801.99	112996.36	12500.00	125496.36	115615.56	17800.00	133415.56	118601.38	18500.00	137101.38
B. Developmental Heads												
Social Services												
1. Relief on account of Natural Calamities	3738.18	...	3738.18	...	...	...	2000.00	...	2000.00	...	...	...
Total-Social Services	3738.18	...	3738.18	...	...	...	2000.00	...	2000.00	...	...	...
Others												
2. Grants-in-aid to State Governments	98240.61	...	98240.61	112996.36	...	112996.36	113615.56	...	113615.56	118601.38	...	118601.38
3. Grants-in-aid to Union Territory Governments	325.00	...	325.00	...	...	...	...	...	...	...	...	...
4. Loans and Advances to State Governments	...	12498.20	12498.20	...	12500.00	12500.00	...	17800.00	17800.00	...	18500.00	18500.00
Total-Others	98565.61	12498.20	111063.81	112996.36	12500.00	125496.36	113615.56	17800.00	131415.56	118601.38	18500.00	137101.38
Grand Total	102303.79	12498.20	114801.99	112996.36	12500.00	125496.36	115615.56	17800.00	133415.56	118601.38	18500.00	137101.38

1. **Post Devolution Revenue Deficit Grants:** FFC has laid down the share of each state in central taxes and projected the share of each state based on the estimated tax revenue of the Union Government. Based on the estimated pre-devolution revenue deficit and share of each state in central taxes, FFC projected the post-devolution revenue deficit for 11 states and recommended Grants for revenue deficit to those 11 states for its award period 2015-20.

2. **Grants-in-Aid for State Disaster Response Fund:** Fourteenth Finance Commission (FFC) has recommended grants for augmentation of corpus of State Disaster Response Fund (SDRF) for all States for award period 2015-20. The first charge of relief expenditure is on the SDRF. SDRF is the primary fund available with States for financing of disaster relief and response.

3. **Grants for Local Bodies:** FFC has recommended basic and performance grants for local bodies (Rural and Urban) for its award period 2015-20.

3.02. **Urban Bodies:** FFC has recommended basic and performance grants for local bodies (Rural and Urban) for its award period 2015-20.

4. **Special Assistance:** This provision has been earmarked for (a) Spill over committed liabilities for which budget provision is not made after the implementation of Fourteenth Finance Commission recommendations (b) need-based assistance to the States.

5. **Grants to Autonomous Councils, areas covered under the Sixth Schedule of the Constitution:** This will be the support to areas excluded by FFC and where part IX and part IXA of the Constitution do not apply.

6. **Additional Central Assistance for Externally Aided Projects (Grants):** ACA for EAPs is routed through this Demand. From April, 2005, a new system of back-to-back (B2B) transfer of external assistance was introduced on the recommendation of the Twelfth Finance Commission, under which the external assistance is passed on to the states, other than NE and Himalayan States, on the same terms and

conditions on which these are received by the Central Government from donor agencies. Provision of funds for the grant component for EAPs to states has been made under the Revenue Section.

7. **Additional Central Assistance for Externally Aided Projects (Block Loans):** Provision of funds for the Loan component for Externally Aided projects to States has been made under the Capital Section.

8.01. **Transfer to NDRF:** The expenditure on relief as a result of natural calamities under NDRF.

9.01. **Assistance to States from National Disaster Response Fund (NDRF):** Under NDRF, assistance is provided to States to supplement funds from the State Disaster Response Fund (SDRF) when severe disaster occurs. Assistance from NDRF is provided as immediate support to States in times of rare severity and natural calamities.

10. **Ways and Means Advances:** This is a provision for temporary advance to facilitate the State Governments to tide over short term liquidity mismatches.