

MINISTRY OF FINANCE

DEMAND NO. 42

Transfers to States*(In ₹ crores)*

	Actual 2023-2024			Budget 2024-2025			Revised 2024-2025			Budget 2025-2026		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Gross	175544.45	140862.71	316407.16	184180.78	184000.00	368180.78	177530.31	159510.00	337040.31	178207.01	192830.00	371037.01
Recoveries	-1048.50	...	-1048.50	-14342.60	...	-14342.60	-9610.00	...	-9610.00	-10380.00	...	-10380.00
Receipts	-8774.32	-17990.81	-26765.13	-9460.00	-21591.12	-31051.12	-9610.00	-20134.00	-29744.00	-10380.00	-22234.53	-32614.53
Net	165721.63	122871.90	288593.53	160378.18	162408.88	322787.06	158310.31	139376.00	297686.31	157447.01	170595.47	328042.48
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 Grant	51673.00	...	51673.00	24483.00	...	24483.00	24483.00	...	24483.00	13705.00	...	13705.00
2. Grants-in-Aid for State Disaster Response Fund	19419.60	...	19419.60	20550.40	...	20550.40	20550.40	...	20550.40	21575.20	...	21575.20
3. Grants-in-Aid for State Disaster Mitigation Fund	4253.50	...	4253.50	5137.60	...	5137.60	5137.60	...	5137.60	5393.80	...	5393.80
4. Grants for Local Bodies												
4.01 Rural Bodies	47260.15	...	47260.15	49800.00	...	49800.00	45000.00	...	45000.00	48573.00	...	48573.00
4.02 Urban Bodies	21223.04	...	21223.04	25653.00	...	25653.00	21000.00	...	21000.00	26158.00	...	26158.00
Total- Grants for Local Bodies	68483.19	...	68483.19	75453.00	...	75453.00	66000.00	...	66000.00	74731.00	...	74731.00
5. Grants for Health Sector	4692.62	...	4692.62	6004.17	...	6004.17	10225.30	...	10225.30	15272.00	...	15272.00
6. Grants for Incubation of new Cities	...	...	...	500.00	...	500.00	500.00	...	500.00	2000.00	...	2000.00
7. Grants for shared Municipal Services	...	...	...	250.00	...	250.00	250.00	...	250.00	90.00	...	90.00
Total-Grants under proviso to Article 275(1) of the Constitution	148521.91	...	148521.91	132378.17	...	132378.17	127146.30	...	127146.30	132767.00	...	132767.00
Total-Finance Commission Grants	148521.91	...	148521.91	132378.17	...	132378.17	127146.30	...	127146.30	132767.00	...	132767.00
Other Grants/Loans/Transfers												
8. Special Assistance	11695.21	...	11695.21	20000.00	...	20000.00	18000.00	...	18000.00	10000.00	...	10000.00
9. Support for COVID-19 Vaccination	...	...	...	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
10. Special Assistance as Loan to States for Capital Expenditure	...	109554.30	109554.30	...	150000.00	150000.00	...	125000.00	125000.00	...	150000.00	150000.00
11. Additional Central Assistance for Externally Aided Projects (Grants)	5478.83	...	5478.83	8000.00	...	8000.00	9000.00	...	9000.00	10000.00	...	10000.00
12. Additional Central Assistance for Externally Aided Projects (Back to Back Loans including Block Loans)	...	31308.41	31308.41	...	33900.00	33900.00	...	34410.00	34410.00	...	42730.00	42730.00
	...	-17990.81	-17990.81	...	-21491.12	-21491.12	...	-20034.00	-20034.00	...	-22134.53	-22134.53

(In ₹ crores)

		Actual 2023-2024			Budget 2024-2025			Revised 2024-2025			Budget 2025-2026		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	Net	...	13317.60	13317.60	...	12408.88	12408.88	...	14376.00	14376.00	...	20595.47	20595.47
13.	Transfer to National Disaster Response Fund												
13.01	Transfer to National Disaster Response Fund (NDRF)	8800.00	...	8800.00	9460.00	...	9460.00	9610.00	...	9610.00	10380.00	...	10380.00
13.02	Less National Calamity Contingent Duty (Customs)	-962.07	...	-962.07	-940.00	...	-940.00	-1150.00	...	-1150.00	-1220.00	...	-1220.00
13.03	Less National Calamity Contingent Duty (Union Excise)	-7812.25	...	-7812.25	-8520.00	...	-8520.00	-8460.00	...	-8460.00	-9160.00	...	-9160.00
	Net	25.68	...	25.68	...	...	...	...	...	...	...	...	...
14.	Assistance to States from National Disaster Response Fund (NDRF)												
14.01	Assistance to States from National Disaster Response Fund (NDRF)	1048.32	...	1048.32	11474.00	...	11474.00	11474.00	...	11474.00	12048.00	...	12048.00
14.02	Assistance to States from National Disaster Mitigation Fund (NDMF)	...	...	...	2868.60	...	2868.60	2300.00	...	2300.00	3012.00	...	3012.00
14.03	Less Amount met from transfer from NDRF	-1048.32	...	-1048.32	-14342.60	...	-14342.60	-9610.00	...	-9610.00	-10380.00	...	-10380.00
	Net	...	...	...	...	...	...	4164.00	...	4164.00	4680.00	...	4680.00
15.	Loans as Advance Assistance for Relief (erstwhile Ways and Means Advance)	...	...	...	...	100.00	100.00	...	100.00	100.00	...	100.00	100.00
	Net	...	...	...	...	-100.00	-100.00	...	-100.00	-100.00	...	-100.00	-100.00
	Net	...	...	...	...	...	...	...	...	...	...	...	...
Total-Other Grants/Loans/Transfers		17199.72	122871.90	140071.62	28000.01	162408.88	190408.89	31164.01	139376.00	170540.01	24680.01	170595.47	195275.48
Grand Total		165721.63	122871.90	288593.53	160378.18	162408.88	322787.06	158310.31	139376.00	297686.31	157447.01	170595.47	328042.48
B. Developmental Heads													
Social Services													
1.	Medical and Public Health	...	...	...	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
2.	Relief on account of Natural Calamities	25.68	...	25.68	...	...	...	1864.00	...	1864.00	1668.00	...	1668.00
Total-Social Services		25.68	...	25.68	0.01	...	0.01	1864.01	...	1864.01	1668.01	...	1668.01
Others													
3.	Grants-in-aid to State Governments	165695.95	...	165695.95	160378.17	...	160378.17	156446.30	...	156446.30	155779.00	...	155779.00
4.	Loans and Advances to State Governments	...	122871.90	122871.90	...	162408.88	162408.88	...	139376.00	139376.00	...	170595.47	170595.47
Total-Others		165695.95	122871.90	288567.85	160378.17	162408.88	322787.05	156446.30	139376.00	295822.30	155779.00	170595.47	326374.47
Grand Total		165721.63	122871.90	288593.53	160378.18	162408.88	322787.06	158310.31	139376.00	297686.31	157447.01	170595.47	328042.48

1. **Post Devolution Revenue Deficit Grant:** Finance Commission lays down the share of each State in central taxes and projects, Revenue Deficit Grant of each State based on the estimated revenue receipts of the State. Based on the estimated pre-devolution revenue deficit and share of each State allocation is made.

2. **Grants-in-Aid for State Disaster Response Fund:** As per Finance Commission's recommendations allocation is made for financing of disaster relief to the States.

3. **Grants-in-Aid for State Disaster Mitigation Fund:** Grant in aid for State Disaster Mitigation Fund (SDMF)

4. **Grants for Local Bodies:** As per Finance Commission recommendations, allocation for grants for local bodies (Rural and Urban) is made.

5. **Grants for Health Sector:** As per Finance Commission recommendations, allocation for Health Sector has been made.
6. **Grants for Incubation of new Cities:** As per Finance Commission recommendations, allocation for Grants for incubation of new cities has been made.
7. **Grants for shared Municipal Services:** As per Finance Commission recommendations, allocation for Grants for Shared Municipal Services has been made.
8. **Special Assistance:** This provision has been earmarked for spill over committed liabilities for which budget provision is not made and other need-based assistance to the States.
9. **Support for COVID-19 Vaccination:** This provision has been earmarked for providing financial assistance to meet expenditure on COVID-19 vaccination.
10. **Special Assistance as Loan to States for Capital Expenditure:** This provision has been earmarked to extend loan for capital expenditure to States.
11. **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.
12. **Additional Central Assistance for Externally Aided Projects (Back to Back Loans including Block Loans):** Provision of funds for the Loan component for Externally Aided projects to States has been made under the Capital Section. The recovery of its loan component is made under Major Head 6002.
- 13.01. **Transfer to NDRF:** The expenditure on relief as a result of natural calamities under NDRF.
- 14.01. **Assistance to States from National Disaster Response Fund (NDRF):** Under NDRF, assistance for immediate relief in the wake of severe natural calamities is provided to States to supplement the funds from the State Disaster Response Fund (SDRF). Assistance from NDRF is provided as immediate support to States in times of rare severity and natural calamities.
- 14.02. **Assistance to States from National Disaster Mitigation Fund (NDMF):** Assistance to States from National Disaster Mitigation Fund (NDMF)
15. **Loans as Advance Assistance for Relief (erstwhile Ways and Means Advance):** This is a provision for temporary advance to facilitate the State Governments to tide over short term liquidity mismatches.