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**Finance Commission (FC) Grants-in-aid to the States: Need for increasing the base and size of FC grants in India**

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**Finance Commission (FC) Grants-in-aid to the  
States: Need for increasing the base and size of  
FC grants in India**

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## Abstract

The Finance Commission (FC) grant plays a significant role in reducing vertical imbalances for two reasons. First, it is a non-discretionary transfer, unlike conditional transfers such as grants for centrally sponsored schemes. Second, it is recommended by the Consolidated Fund of India (CFI), which has been growing, and that leaves more room for its flexibility as compared to the divisible pool, which could be changed only through constitutional amendments. A mere increase in the share of FC grants does not resolve the current fiscal problems faced by the states without an increase in the base and size of the FC grants. There is a strong case for increasing the grants-in-aid from the Finance Commission from 7.6% to at least 12% of the divisible pool, given the existing low base (less than 20% of total grants). If the FC grants rise to 12% of the divisible pool, Kerala would gain an additional Rs. 50719 crore during the 16th FC period. The gap between the grants-in-aid share of Kerala in the 16th FC period is estimated from the divisible pool and gross revenue, based on a 50% increase from the existing share, and would be Rs. 57485 crore. Based on this estimate, grants-in-aid should also be allocated from the union government's gross revenue, as they are drawn from the Consolidated Fund of India. This will enhance the overall kitty available for the 16th FC and increase the grants-in-aid allocation to the states.

**Keywords:** Finance Commission Grants, Consolidated Fund of India, Gross Revenue, Sixteenth Finance Commission

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## Context

Resource sharing has been the core of fiscal federalism and Centre-State financial relations in India. State governments receive revenue from the union government in the form of tax share and grants-in-aid through the Finance Commissions' (FCs) devolution. Apart from the tax share and the FC grants, the state and central plan schemes (till the abolition of the Central Planning Commission), centrally sponsored schemes, and other schemes/grants and loans through different Ministries are also distributed to the states (Abiad et al., 2020; Rao, 2015; Gupta et al., 2025; Rao, 2017). The provision of grants-in-aid has undergone drastic changes under various FCs. Since vertical imbalances exist in the tax share between the union and the states (Rao & Singh, 2004; Kelkar, 2019; Ramakumar, 2024; Mohan & Ramakumar, 2024; Chakraborty & Chakraborty, 2018; Chakraborty, 1998; Rangarajan & Srivastava, 2008), the states are more dependent on grants-in-aid to meet their growing expenditure requirements. States have been demanding state-specific grants, tailored to their specific needs, to meet their development needs through their memorandums to various FCs. However, many of the requirements of the states addressed in their memorandums have not been addressed by various FCs (Gupta et al., 2025).

In the present federal fiscal setup, presenting the grants-in-aid requirements before the 16th FC is a great challenge for the states, particularly for Kerala. The state of Kerala, along with a few others, has been facing a drastic decline in the central share of taxes due to the adverse effects of devolution criteria and their weights used by the recent FCs. The 14th and 15th FCs provided revenue deficit grants to address the states' revenue deficits (14th and 15th Finance Commission reports). In the current context of a shrinking divisible pool (Ramakumar, 2024), there are

apprehensions among states about securing a larger revenue share through tax devolution, even though the devolution share increases slightly. This necessitates the need for a higher allocation of grants-in-aid to the states, considering their specific requirements from the Consolidated Fund of India. Against this backdrop, the issues surrounding grants-in-aid require greater attention and exploration. Since grants-in-aid must be allotted from the gross revenue/Consolidated Fund of India, there is further scope to increase the share of grants-in-aid to states. However, there has been a continuous decline in the share of grants-in-aid to the states from the union government under various FCs. During the 13th FC, the share of grants was 15.2 percent, which reduced to 11.98 percent during the 14th FC period. Despite a marginal increase during the 15th FC period, the overall allocation of grants remains low. This has definitely contracted the fiscal space of the states. This paper discusses the existing base and size of FC grants to states and examines the scope for further enhancing grants-in-aid to states.

This paper first provides an overview of the Finance Commission grants in India. Secondly, it focuses on the base and size of the FC grants. Thirdly, it highlights the states' share in the FC grants. The grants-in-aid demand made by the state of Kerala is detailed in the fourth section. Fifthly, it addresses the projection of FC grants for the 16th FC, and the final section presents the concluding remarks.

## **2. Overview of Finance Commission Grants**

The Article 275 determines the grants in aid from the union to the states. It further states that the Parliament may, by law, provide such sums that shall be charged on the Consolidated Fund of India in each year as grants-in-aid of the revenues of such states as Parliament may determine to be in need of assistance, and

different sums may be fixed for different states. The divisible pool is the portion of gross tax revenue distributed between the union and the states. The divisible pool consists of all taxes, excluding surcharges and cesses levied for a specific purpose, and the collection charges. The FC grants form an integral part of the transfers to the states from the Consolidated Fund of India (CFI). Its share has been increased from 10th FC to 12th FC, and it accounted for 19.4 per cent of FC transfers during the 15th FC (Table 1).

**Table 1:** Transfers recommended by Finance Commissions (in Rs Crore)

FCs	Tax share	FC Grants	Total FC transfers to states
10 <sup>th</sup> FC (1995-2000)	206343 (91.0 %)	20300 (9.0 %)	226643
11 <sup>th</sup> FC (2000-2005)	376318 (86.5 %)	58587 (13.5%)	434905
12 <sup>th</sup> FC (2005-2010)	613112 (81.1%)	142639 (18.9 %)	755751
13 <sup>th</sup> FC (2010-2015)	1448096 (84.8 %)	258581 (15.2 %)	1706677
14 <sup>th</sup> FC (2015-2020)	3948187 (88.0 %)	537354 (12.0 %)	4485541
15 <sup>th</sup> FC (2021-2026)	4224760 (80.6 %)	1016662 (19.4 %)	5241422

*Source: Calculated from Union Finance Commission Reports (10th FC to 15th FC)*

This has to be viewed in the context of the overall decline in the growth of FC transfers. The total FC transfers have grown at a rate of 91.89 percent from the 10th FC to the 11th FC. During

the 12th FC period, the growth of total transfers from FC was 73.77 percent, and it increased to 125.83 percent and 162.82 percent in 13th and 14th FCs, respectively, for the 5 years each. However, there is a sharp decline in transfer growth (16.85 %) observed during the 15th FC period (Table 2).

**Table 2:** Growth of total transfers in various FCs (in percentages)

FCs	Growth of Tax Share	Growth of Grants in Aid	Growth of Total transfers to states
11 <sup>th</sup> FC	82.37	188.6	91.89
12 <sup>th</sup> FC	62.92	143.47	73.77
13 <sup>th</sup> FC	136.19	81.28	125.83
14 <sup>th</sup> FC	172.65	107.81	162.82
15 <sup>th</sup> FC	7.01	89.2	16.85

*Source: Calculated from Union Finance Commission Reports (10th FC to 15th FC)*

The FC grants (statutory grants) constitute only 19.7 percent of the total grants from the union government; the discretionary (conditional) transfers of grants constitute 80.3 percent during 2022-23. There is a decline in the FC grants from 31.2 percent in 2009-10 to 19.7 percent in 2022-23, whereas the non-FC grants have increased from 68.8 percent to 80.3 percent during the same period (Table 3). As the non-FC grants are conditional and tied, the states do not have the flexibility to use these grants for different state-specific purposes. This, in fact, reduces the states' expenditure autonomy.

**Table 3:** Share of FC and non-FC Grants from the Union to the States (in crore & percentages)

Year	FC grants to total grants	Non-FC grants to total grants
2009-10	470 87 (31.2)	103886 (68.8)
2010-11	48909 (29.9)	114588 (70.1)
2011-12	52199 (28.0)	134217 (72.0)
2012-13	48395 (25.6)	140286 (74.4)
2013-14	67133 (32.6)	138819 (67.4)
2014-15	71447 (21.6)	259358 (78.4)
2015-16	84579 (26.0)	241317 (74.0)
2016-17	95550 (26.8)	260541 (73.2)
2017-18	92244 (22.7)	313713 (77.3)
2018-19	93704 (21.3)	346165 (78.7)
2019-20	123710 (23.1)	410858(76.9)
2020-21	184063 (28.6)	459778 (71.4)
2021-22	207435 (33.3)	415193 (66.7)
2022-23 (A)	172760 (19.7)	705011 (80.3)
2023-24(RE)	140429 (17.4)	665546 (82.6)

*Source: Calculated from RBI's e-STATE database*

It is also important to mention that the 9th FC included non-plan deficit and plan deficit grants to the states as part of grants in aid, along with relief expenditure. During the 10th FC period, the grants-in-aid included non-plan revenue deficit grants, grants for upgradation, special problems grants, and grants for local bodies, along with relief expenditure. This pattern was also continued in the 11th FC period. The 12th FC made drastic changes in the grants in aid categories and ten categories were given as grants in aid that include health sector, education sector, maintenance of

roads and bridges, maintenance of buildings and forest etc. The 13th FC has also followed the same pattern by adding four more categories, such as improving outcomes, issuing UIDs, performance incentives, and improving the statistical system at the state and district levels. The 14th and 15th FCs reduced the categories of grants-in-aid to the minimum number. The 14th FC recommended grants in aid to disaster management, post-devolution revenue deficit grants, and grants to local governments. The 15th FC followed the 14th FC in terms of grants-in-aid, adding sector- and state-specific grants (Appendix Table 1).

### **3. Base and size of the FC grants**

The grants in aid are recommended from the Consolidated Fund of India as per the constitutional provision. However, the 14th and 15th FCs have made grants-in-aid allocations from the divisible pool. Given the declining share of the divisible pool in the gross revenue of the union government, a portion of the gross revenue of the union government shall also be allocated as grants in aid apart from the divisible pool. This will enhance the overall share of grants in aid to the states. As per the 14th FC recommendation, the FC grants constitute only 5.72 % of the total devolution (out of 47.72 % of total FC transfers), and it has increased to 10 % in the 15th FC (Table 4). There is much scope for increasing the overall base and size of the grants in aid since it has to come from the gross revenue.

**Table 4:** Transfers recommended by the 14th and 15th FCs

Categories	14 <sup>th</sup> FC		15 <sup>th</sup> FC	
	Amount (crore)	As a % of the divisible pool	Amount (crore)	As a % of the divisible pool
Divisible pool	9400444		10304292	
Total transfers to states	4485541	47.72	5257822	51.03
Tax share	3948187	42	4224760	41.00
Grants from FC	537354	5.72	1033062	10.03
Fiscal Space for Union Govt	4914903	52.28	5046470	48.97
Provision of other transfers to states	1477943	15.72	1966199	19.08
Total grants from the Centre	2015297	21.44	2999261	29.11

*Source: Union Finance Commission Reports (14th FC & 15th FC)*

#### 4. States' share in FC Grants

The state wise FC grant in-aid as a share of total FC grants in aid to the states is given in Appendix Table 2. Like in the case of tax devolution, the grants in aid are also high for the states such as Bihar, Madhya Pradesh, Uttar Pradesh, and West Bengal. In the case of Kerala, the grants-in-aid share remains almost constant from the 10th FC to the 13th FC. But during the 14th and 15th FCs, there was an increase in grants-in-aid to Kerala, mainly due to receipt of the revenue deficit grant. The component-wise share of grants in aid to the states under the 15th FC is given in Appendix Table 3. One important peculiarity of the composition of 15th FC grants was the Revenue Deficit Grant (RDG) component.

The revenue deficit grant accounts for 68 per cent of the total grants-in-aid in Kerala. Kerala's rank in grants-in-aid was 6, including the RDG. If we exclude RDG from the total grants in aid, Kerala's rank becomes 16. The revenue deficit grant is a discretionary, temporary grant. Continuation of this grant in the 16th FC is matter of great concern. Based on the analysis, it is suggested that the composition of grants be reconsidered in the 16th FC; otherwise, states like Kerala will face a severe resource crunch. Hence, there is a strong case for enhancing FC grants to support the sustainability and specific development requirements of the states. A detailed analysis of transfers from 10th to 15th FCs has shown that Kerala's share in total FC transfers reduced from 2.92 per cent during the 10th FC to 2.17 per cent during the 14th FC, and thereafter improved slightly to 2.45 per cent during the 15th FC period (Table 5). Since Kerala's tax share has almost halved from 3.87 percent to 1.92 percent, there is a strong case for increasing the grant-in-aid to Kerala.

**Table 5:** Kerala's tax share, grants in aid and total FC transfers in all States' share (%)

FCs	Kerala's tax share to total tax share to all states	Kerala's grants-in-aid share to total grants in aid to all states	Kerala's total FC transfers to total FC transfers to all states
10th FC	3.87	0.70	2.92
11th FC	2.48	0.91	2.27
12th FC	3.01	1.60	2.74
13th FC	2.30	1.81	2.23
14th FC	2.03	3.22	2.17
15th FC	1.92	4.66	2.45

*Source: Calculation based on data from Budget in Brief, Government of Kerala, and Union Finance Commission Reports*

## 5. Grants in aid of Kerala

### Fourteenth FC

The state-specific requirements for grants-in-aid are placed before the respective FCs through their memoranda to FCs. Appendix Table 4 presents the grants-in-aid demand of the Government of Kerala to the 14th FC. It consisted of 38 categories, ranging from specific problems to infrastructural needs, including the grant requirement for Vizhinjam International Seaport. Though the state demanded 38 categories of grants in aid, the actual realization was only three items, namely disaster management, revenue deficit grant, and grants to local governments.

### Fifteenth FC

During the 15th FC period, the state of Kerala requested grants in five categories, as shown in Table 6. However, the 15th FC awarded grants-in-aid in five categories: revenue deficit grants, sector-specific grants, state-specific grants, grants to local bodies, and disaster risk management grants.

**Table 6:** Grants-in-Aid demands of Kerala through its Memorandum to the 15th FC

Sl. No.	Categories
1	Coastal Erosion and Coastal Protection
2	Forest conservation
3	Skill upgradation for improved employability abroad
4	Rehabilitation of return Kerala emigrants
5	Farm sector crisis: Relief for rubber growers

*Source: 15th FC Memorandum, Government of Kerala*

## 6. Projection of FC grants for 16th FC

An exercise is carried out to project the grants in aid to overall states and Kerala for the 16th FC period based on both the projected divisible pool and gross revenue of the union government. The gross tax revenue of the union government for the 16th FC period (2025-26 to 2030-31) is projected using the exponential trend method, and the divisible pool is calculated accordingly. The divisible pool is calculated by subtracting cesses, surcharges, and the cost of tax collection from the gross tax revenue of the union government, using the receipt budget data of the union government. There are variations in the divisible pool data provided by the FCs and calculated from the receipt budget data of the union government. According to the 15th FC reports, the total FC grants given to states were Rs. 1033062 crore, which is 10.03 % of the divisible pool calculated by the 15th FC, that is, Rs. 10304292 crore. Whereas, the divisible pool calculated using the receipt budget data of the union government during the 15th FC is Rs. 13511535 crore. However, the allotted total FC grants during the 15th FC are only 7.6 % of the divisible pool (Rs. 13511535 crore) calculated using the receipt budget data of the union government.

Kerala's share of FC grants to total FC grants given to the states during the 15th FC is 5.4 % which is Rs. 55618 crore. The projected divisible pool for the 16th FC period is Rs. 21542171 crore, and the total grants in aid for states are estimated to be Rs. 1645822 crore, which is 7.6 % of the projected divisible pool of the 16th FC. Kerala's estimated FC grants for the 16th FC period are Rs. 88,774 crore, based on the state's 15th FC share of grants-in-aid (5.4%). This share will not be enough to meet the growing development needs of the state. Hence, the 16th FC grants to Kerala are estimated by assuming 50% increase from 15th FC. This 50 percent increase assumption is based on a rough

calculation of the grant required for various items under grants-in-aid. Based on this calculation, Kerala's FC grants share comes to Rs. 133312 crore (Table 7). The grants-in-aid from gross revenue are also estimated based on the projected gross revenue for the 16th FC period. The estimated total grants-in-aid from gross revenue to states and Kerala are Rs. 2355522 crore and Rs. 127198 crore, respectively (based on Kerala's existing grants-in-aid share of 5.4%). Assuming a 50 percent increase in Kerala's share of grants-in-aid from the 16th FC, the estimated amount is Rs. 133312 crore, an increase of Rs. 44438 crore.

**Table 7:** Projection of Kerala's FC grants share for 16th FC based on divisible pool (in crore)

Finance Commissions	Divisible pool	Total FC Grants	Kerala FC grants	Kerala share (%)	Kerala's FC grants for 16th FC estimated with a 50% increase from 15th FC (2026-27 to 2030-31)
14th FC	7716254				
15th FC	13511535	1033062 (7.6 % of divisible pool)	55618	5.4	
16th FC	21542171	1645822 (7.6 % of divisible pool)	88874	5.4	133312

*Source: Calculated from 14th & 15th FC reports and Receipt Budget of Union Government, various years*

From the analysis, it is observed that the size of the FC grants is less than 20% of the total grants from the centre. This accounts for only 7.6% of the divisible pool during the 15th FC period. There is a strong case for increasing the grants-in-aid from 7.6% in 15th FC to at least 12% of the divisible pool, given the existing low base (less than 20% of total grants). If the FC grants rise to 12% of the divisible pool, Kerala would gain an additional amount of Rs 50719 crore during the 16th FC period (Table 8).

**Table 8:** Projection of Kerala's FC grants share for 16th FC based on divisible pool (in crore)

Finance Commissions	Divisible pool	Total FC Grants	Kerala's FC grants	Kerala's share (%)	Kerala's FC grants for 16 <sup>th</sup> FC estimated if total FC grants increase from 7.6% to 12% of Divisible pool FC (2026-27 to 2030-31)
15 <sup>th</sup> FC	13511535	1033062 (7.6% of divisible pool)	55618	5.4	
16 <sup>th</sup> FC	21542171	1645822 (7.6% of divisible pool)	88874	5.4	
16 <sup>th</sup> FC	21542171	2585061 (12% of divisible pool)		5.4	139593

*Source: Calculated from 14th & 15th FC reports and Receipt Budget of Union Government, various years*

As the release of grants in aid is from the consolidated fund of India, grants in aid should be allocated from the gross revenue of the union government. The gap between the grants-in-aid share of Kerala in the 16th FC period, calculated from the divisible pool and gross revenue based on 50 % increase from the existing share, is Rs. 57485 crore (Table 9). If the FC grants are 12% of the central government's gross revenue, the estimated share for Kerala is Rs. 199788 crore.

**Table 9:** Projection of Kerala's FC grants share for 16th FC based on gross revenue (in crore)

Finance Commissions	Gross Revenue	Total FC Grants	Kerala' FC grants	Kerala share (%)	Kerala's FC grants for 16 <sup>th</sup> FC estimated with a 50% increase from 15 <sup>th</sup> FC (2026-27 to 2030-31)
16 <sup>th</sup> FC	30831441	2355522 (7.6 % of gross revenue)	127198	5.4	190797
16 <sup>th</sup> FC	30831441	3699773 (12 % of gross revenue)	199788	5.4	

*Source: Calculated from 14<sup>th</sup> & 15<sup>th</sup> FC reports and Receipt Budget of Union Government, various years*

## 7. Conclusion

The existing vertical imbalances in resource sharing between the union and state governments can be adjusted with the support of FC grants. In the current context of shrinking divisible pool, there are apprehensions for states to get more revenue share in the form of tax devolution even though the devolution share increases a little as the size of the divisible pool is shrinking. This necessitates the need for higher grants in-aid to the states

considering their specific requirements from the Consolidated Fund of India. Though the conditional grants from the union government have increased enormously, due to the problem of 'one size fits for all', the states may not benefit uniformly from it. However, the FC grants would be the better option to reduce vertical imbalances in resource sharing, as they come from the Consolidated Fund of India. A mere increase in the share of FC grants will not solve the current fiscal problems faced by the states; instead, the base and size of the FC grants have to be increased, and this can be done without much difficulty, as the FC grants come from the consolidated fund of India. There is a decline in the FC grants from 31.2 percent in 2009-10 to 19.7 percent in 2022-23, whereas, the non-FC grants have increased from 68.8 percent to 80.3 percent during the same period. There is a strong case to increase the FC grants in aid to states (both FC and Non FC grants) from the existing 7.6% to at least 12% of divisible pool considering the existing low base (less than 20% of total grants). If the FC grants rise to 12% of the divisible pool, Kerala would gain an additional amount of Rs 50719 crore during the 16th FC period. The paper has also estimated the gap between the grants in aid share of Kerala in the 16th FC period from the divisible pool and also from gross revenue based on a 50 % increase from the existing share that comes to Rs.57485 crore. The revenue deficit grant has to be reconsidered for the needy states in the 16th FC. Moreover, the statutory grants (non-discretionary) have to be increased based on state-specific needs.

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## Appendix

**Appendix Table 1:** Category of Grants in aid based on Article 275 under 9th to 15th FCs

FCs	Category of Grants in aid				
9 <sup>th</sup> FC	Non-plan deficit	Plan deficit	Relief expenditure		
10 <sup>th</sup> FC	Non plan revenue deficit grants	Upgradation	Special problems	Local bodies	Relief expenditure
11 <sup>th</sup> FC	Non plan revenue deficit grants	Upgradation	Special problems	Local bodies	Relief expenditure
12 <sup>th</sup> FC	Post devolution Non plan Revenue Deficit	Health sector	Education sector	Maintenance of roads and bridges	Maintenance of buildings
	Maintenance of forests	Heritage conservation	State specific needs	Local bodies	Calamity relief
13 <sup>th</sup> FC	Local bodies	Disaster relief	Post devolution Non plan Revenue Deficit	Performance incentives	Elementary education
	Environment(Protection of forests, Renewable energy, Water sector management)	Improving outcomes (reduction in IMR, improvement in supply of justice)	Issuing UIDs	Disaster innovation fund	Improvement of statistical system at state and district level
	Employment and pension data base	Maintenance of roads and bridges	State specific	Implementation of model GST	
14 <sup>th</sup> FC	Disaster management	post devolution revenue deficit grants	Grants to local governments		
15 <sup>th</sup> FC	Revenue deficit grants	Sector-specific grants	State-specific grants	Grants to local bodies	Disaster risk management

*Source: Union Finance Commission Reports (9 to 15)*

**Appendix Table 2: State wise grants in aid as a share of total grants in aid to states**

States	Grants in aid of each state as percentage of total Grants in aid to states (%)					
	10 <sup>th</sup> FC	11 <sup>th</sup> FC	12 <sup>th</sup> FC	13 <sup>th</sup> FC	14 <sup>th</sup> FC	15 <sup>th</sup> FC
Andhra Pradesh	8.65	3.47	3.66	5.23	6.78	6.20
Arunachal Pradesh	2.01	2.38	1.23	1.68	0.25	0.52
Assam	6.23	1.57	3.14	2.02	2.26	3.70
Bihar	6.67	3.06	5.59	5.65	4.84	5.29
Chhattisgarh			1.39	2.39	1.50	1.69
Goa	0.48	0.08	0.09	0.20	0.07	0.15
Gujarat	4.24	2.36	2.60	3.74	3.48	3.66
Haryana	1.17	1.12	1.01	1.65	1.41	1.66
Himachal Pradesh	5.01	8.35	7.89	4.01	8.09	4.61
Jammu & Kashmir	6.98	19.75	9.42	7.83	12.12	
Jharkhand			2.13	2.80	1.83	1.96
Karnataka	2.39	1.94	2.84	4.49	3.07	3.78
Kerala	2.49	1.39	2.28	2.46	3.35	5.47
Madhya Pradesh	4.03	2.97	3.60	5.15	4.34	4.95
Maharashtra	4.18	3.34	3.88	6.30	6.56	6.92
Manipur	2.20	3.14	3.26	2.72	1.97	1.36
Meghalaya	1.75	2.86	1.47	1.52	0.36	0.65
Mizoram	1.99	3.06	2.24	1.90	2.28	0.89
Nagaland	2.93	6.18	4.09	3.55	3.43	2.34
Odisha	4.55	2.95	3.70	3.74	2.71	3.07
Punjab	2.11	1.90	3.44	2.14	1.60	4.33
Rajasthan	5.64	5.11	3.26	5.01	4.46	5.84
Sikkim	0.67	1.61	0.31	0.41	0.07	0.30
Tamil Nadu	3.64	2.28	2.90	4.40	3.82	3.97
Telangana					1.89	2.06
Tripura	2.70	4.32	4.06	2.21	1.07	2.35
Uttar Pradesh	12.97	6.84	10.70	10.34	9.16	9.55
Uttaranchal			4.51	1.57	0.71	4.19
West Bengal	4.31	7.99	5.31	4.89	6.52	8.51
All States	100	100	100	100	100	100.00

*Source: Calculated from 10th to 15th FC Reports*

*Note: For 14th FC, state wise share of grants in aid to total grants in aid is calculated by adding the components such as grants to local bodies, disaster management fund and revenue deficit grants.*

**Appendix Table 3: Grants in aid under 15th FC (crore)**

States	Total grants in aid	Revenue deficit grant	Total grants minus Revenue Deficit Grant (RDG)	Share of FC grants excluding RDG (%)	Rank (no.)	Share to total grants in aid (%)	Rank in FC grants(no.)
Andhra Pradesh	63037	30497	32540	4.51	10.00	6.20	4.0
Arunachal Pradesh	5265	0	5265	0.73	21.00	0.52	23.0
Assam	37611	14184	23427	3.24	12.00	3.70	14.0
Bihar	53825	0	53825	7.45	3.00	5.29	7.0
Chhattisgarh	17231	0	17231	2.39	17.00	1.69	19.0
Goa	1561	0	1561	0.22	27.00	0.15	25.0
Gujarat	37216	0	37216	5.15	8.00	3.66	14.0
Haryana	16921	132	16789	2.32	18.00	1.66	19.0
Himachal Pradesh	46913	37199	9714	1.35	20.00	4.61	9.0
Jharkhand	19919	0	19919	2.76	14.00	1.96	18.0
Karnataka	38437	1631	36806	5.10	9.00	3.78	13.0
Kerala	55618	37814	17804	2.47	16.00	5.47	6.0
Madhya Pradesh	50368	0	50368	6.97	4.00	4.95	8.0
Maharashtra	70375	0	70375	9.75	2.00	6.92	3.0
Manipur	13804	9796	4008	0.56	22.00	1.36	20.0

States	Total grants in aid	Revenue deficit grant	Total grants minus Revenue Deficit Grant (RDG)	Share of FC grants excluding RDG (%)	Rank (no.)	Share to total grants in aid (%)	Rank in FC grants(no.)
Meghalaya	6609	3137	3472	0.48	24.00	0.65	22.0
Mizoram	9040	6544	2496	0.35	25.00	0.89	21.0
Nagaland	23773	21249	2524	0.35	25.00	2.34	16.0
Odisha	31262	0	31262	4.33	11.00	3.07	15.0
Punjab	43996	25968	18028	2.50	15.00	4.33	10.0
Rajasthan	59374	14740	44634	6.18	6.00	5.84	5.0
Sikkim	3088	1267	1821	0.25	26.00	0.30	24.0
Tamil Nadu	40351	2204	38147	5.28	7.00	3.97	12.0
Telangana	20980	0	20980	2.91	13.00	2.06	17.0
Tripura	23875	19890	3985	0.55	23.00	2.35	16.0
Uttar Pradesh	97121	0	97121	13.45	1	10	1.0
Uttarakhand	42611	28147	14464	2.00	19.00	4.19	11.0
West Bengal	86481	40115	46366	6.42	6.00	8.51	2.0
Total	1016662	294514	722148	100.00		100.00	

*Source: Calculated from XV FC Report*

**Appendix Table 4: Grants in aid demand of Kerala through its Memorandum to 14th FC**

<b>Sl. No.</b>	<b>Categories of grants in aid demanded</b>
1	Special problems grants
2	Registration
3	Police
4	Prisons
5	Maintenance of roads and bridges
6	Maintenance of irrigation costs
7	Inland water ways
8	Protection of the coasts
9	Conservation of water
10	Construction of mini reservoirs and check dams to conserve water
11	Comprehensive plans for the upliftment of vulnerable Adivasis
12	The national food security act 2013
13	Fisheries
14	The health sector
15	State disability initiative
16	National university for disabilities and rehabilitation sciences
17	Elder care in the state
18	E governance and IT services
19	Networking Kerala
20	E citizens services of various departments
21	Taking care of the migrant workers
22	Tourism
23	Youth affairs and sports
24	Heritage conservations
25	Agriculture

<b>Sl. No.</b>	<b>Categories of grants in aid demanded</b>
26	Revenue
27	Nurturing innovation and fostering entrepreneurship in the youth of Kerala
28	Infrastructure creation at IT parks
29	Modernisation of manufacturing at public sector undertakings
30	Strengthening and sustaining traditional sector industries
31	Coir industries
32	Industrial infrastructure creation
33	Modernisation of fire and rescue services
34	Fire and rescue services academy
35	Renewable energy initiatives
36	Coastal shipping development
37	Vizhinjam international deep water multipurpose sea port
38	Mitigation of man animal conflict

*Source: 14th FC Memorandum, Government of Kerala*