

Change in sharing pattern of Centrally Sponsored Schemes

2632. SHRI PYARIMOHAN MOHAPATRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that with its decision to change the sharing pattern of Centrally Sponsored Schemes, to delink eight schemes from Central support and to abolish Gadgil-Mukherjee formula-based Normal Central Assistance for State Plan, total quantum of central assistance for Odisha's Annual Plan 2015-16 will be substantially reduced and that the enhanced devolution would not be able to bridge the gap;

(b) the names of States which are facing similar problem like Odisha; and

(c) if so, will Government clarify the steps taken or propose to be taken to continue central assistance for the Areas Specific Development Programmes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) No, Sir. Following the recommendations of Fourteenth Finance Commission, devolution of the Central Taxes and Duties to States has increased by 10% amounting to an increase of ₹ 1,86,150 crore in the 2015-16 as compared to 2014-15. Aggregate resources of Centre and States put together are sufficient to maintain the overall reach of the Centrally Sponsored Schemes. Details showing comparison of Tax Devolution and Grants for the years 2014-15 and 2015-16 as well as projection of Tax Devolution for the next five years in respect of Odisha are given in Statement (*See below*).

(b) and (c) Does not arise in view of above.

Statement

Odisha

Benefit from 14th Finance Commission

The Total Devolution of shareable taxes to ALL STATES together

2014-15 ₹ 3.38 lakh crores

2015-16 ₹ 5.24 lakh crores

An additional ₹ 1.86 lakh crores

For Odisha (year-on-year comparison)

(₹ in crores)

	2015-16	2014-15	Increase
Tax devolution	₹ 24411 cr.	₹ 16181 cr.	+ ₹ 8230 cr. (+50.9%)
Grants	₹ 1686 cr.	₹ 1699 cr.	
TOTAL	₹ 26097 cr.	₹ 17880 cr.	+ ₹ 8217 cr. (+46%)

Five year comparison

	14th FC (2015-20)	13th FC (2010-15)	Increase
Tax devolution	₹ 180796 cr.	₹ 68119 cr.	+ ₹ 112677 cr. (+165%)

Grants: 14th Finance Commission

Panchayat Grants	₹ 8850 cr.
Urban Body Grants	₹ 1772 cr.

Thus:

- The total taxes shared with Odisha in the next 5 years will increase by ₹ 112677 crores.
- An increase of over 165%.
- Even in this year, the total taxes going to Odisha will increase by ₹ 8230 crores.
- An increase of over 50.9%.
- In the next five years, over ₹ 10622 crore will also be provided to towns and panchayats for improving their finances.
- During 13th FC award period (2010-15) total releases under NDRF was ₹ 1988.82 crore whereas during 14th FC award (2015-20) recommended releases under SDRF (Central Share) is ₹ 3717.00 crore.
- During 13th FC award period (2010-15) releases against NSS collection was ₹ 4171.30 crore.
- Budget allocation for CST compensation for 2015-16 is ₹ 15028 crore. Out of this, Odisha is likely to get ₹ 574.82 crore in 2015-16.

Meeting of target set for weaker section of society by banks

2633. SHRI K. C. TYAGI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that banking sector has failed to meet the targets for weaker sections for the society;

(b) whether it is also a fact that economic reforms have reinforced financial exclusion of the landless belonging to the weaker section who would suffer from agrarian crisis and uprooting as a result of industrialization and urbanization;

(c) if so, whether Government is taking any action; and