



Uttarakhand releases Rs 594.75 Crore Revenue Deficit Grant

Why In News?

- On September 6, 2022, the Department of Expenditure, Union Ministry of Finance released the sixth monthly instalment of post-transfer revenue deficit (PDRD) grant of Rs 594.75 crore to Uttarakhand as per the recommendations of the Fifteenth Finance Commission.

Key Points

- Significantly, the Fifteenth Finance Commission has recommended revenue deficit grant for the financial year 2022-23 to 14 states after a total transfer of Rs 86,201 crore.
- Andhra Pradesh, Assam, Himachal Pradesh, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tripura, States that have been recommended by the Fifteenth Finance Commission for post-transfer revenue deficit grants during 2022-23. Uttarakhand and West Bengal.
- The recommended grant amount will be released in 12 equated monthly installments to the states recommended by the Department of Expenditure.
- With the release of this sixth installment, the total amount of revenue deficit grant released to the states in the year 2022-23 has increased to Rs 43,100.50 crore.
- The sixth instalment released to Uttarakhand for September 2022 is Rs 594.75 crore and the total post-transfer revenue deficit grant (PDRDG) released to the state during 2022-23 is Rs 3568.50 crore.
- It is noteworthy that under Article 275 of the Constitution, revenue deficit grant is provided to the states after transfer. This grant amount is released to the states as per the successive recommendations of the Finance Commissions to meet the gap in the revenue accounts of the states after transfer.
- The eligibility of the states to receive this grant and the quantum of grant for the period 2020-21 to 2025-26 was determined by the Fifteenth Commission keeping in mind the gap between the assessment of the revenue and expenditure of the state.