

The Centre on Sunday stood by the controversial terms of reference (ToR) of the 15th Finance Commission, with Prime Minister [Narendra Modi](#) endorsing its suggestion that the Census 2011 should be one of the parameters for devolving funds to states.

He, however, urged states to identify parameters or indices through which performance in other fields could be rewarded so that no one feels left out.

Modi's assertion came at the day-long fourth meeting of the [NITI Aayog](#) Governing Council, attended by the chief ministers of 23 states and a Union Territory.

After the economy grew at a seven-quarter high rate of 7.7 per cent during January-March 2017-18, Modi is now aiming at pushing growth to double digits even as he said it would be a challenging thing to do. However, the draft development agenda of the Aayog was not placed for approval because it would be finalised in the next one month.

The chief ministers of Delhi, Odisha, Jammu & Kashmir, Manipur, Mizoram, Sikkim, and Tripura did not attend the meeting.

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Four North-Eastern states (Manipur, Mizoram, Sikkim, and Tripura) were not represented because their chief ministers were occupied with flood relief, on which the Prime Minister assured all help.

On the controversial ToRs of the finance commission, Aayog Vice-Chairman Rajiv Kumar said Madhya Pradesh Chief Minister Shivraj Singh Chouhan was of the view that children born should not be denied their rights, and the Prime Minister endorsed the opinion.

“The overwhelming sentiment was that those who are already now with us, those who are already born, they have to be taken care of, so current population parameter must be used for allocating funds by the Finance Commission,” Kumar said.

Some states such as Tamil Nadu and Andhra Pradesh raised the issue of the controversial ToRs of the 15th Finance Commission. The ToRs say that the base year will be 2011, but states, particularly those of south India, want it to be 1971, as has been the practice for years.

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Tamil Nadu sought revision in this ToR. Chief Minister Edappadi K Palaniswami alleged successive Finance Commissions treated Tamil Nadu unfairly and while the 14th Finance Commission increased the overall devolution of taxes to the states from 32 per cent to 42 per cent, it reduced inter-se shares of the state in the divisible pool from 4.969 per cent to 4.023 per cent. As a result, Tamil Nadu suffered an annual resource loss of Rs 60 billion.

Modi, however, said in the current financial year, states were receiving from the Centre more than Rs 11 trillion, which is an increase of about Rs 6 trillion over what they got in the last year of the previous government.

Andhra Pradesh Chief Minister Chandrababu Naidu also raised the issue of the ToR.

Modi urged the chief ministers to “give fresh ideas” to the 15th Finance Commission for incentivising outcome-based allocations and expenditure corrections, amid demands by some states to revisit the panel's terms of reference.

He assured the gathering that suggestions made during the meeting would be “seriously considered”.

Modi said the Indian economy had grown at a healthy rate of 7.7 per cent in the fourth quarter of 2017-18.

“The challenge now is to take this growth rate to double digits, for which more steps have to be taken,” he said.

Modi stressed the world expected India to become a \$5 trillion economy soon.

The Prime Minister urged chief ministers to find ways through which the Centre’s main flagship programme for rural India, the Mahatma Gandhi National Rural Employment Guarantee Scheme, could be properly linked with both pre-harvesting activities such as building or repairing dams, bunds and other irrigation structures and also post-harvest activities such as transportation and storage of crops, and processing.

For this, a high-powered committee of chief ministers under Chouhan has been constituted.

“The ToRs of this panel will be released in the next few weeks,” Kumar said.

The chief ministers of Bihar, Gujarat, West Bengal, and Andhra Pradesh are part of the panel.

More steps needed for double-digit growth: PM

Observing that the economy has grown at a healthy rate of 7.7 per cent in the fourth quarter of 2017-18, Prime Minister [Narendra Modi](#) said that the “challenge now is to take this growth rate to double digits, for which many more steps have to be taken”. He stressed that the world expected India to become a \$5-trillion economy soon, according to a statement by the PMO.