GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

RAJYA SABHA
UNSTARRED QUESTION No. 1178

TO BE ANSWERED ON TUESDAY, FEBRUARY 10, 2026/ 21 MAGHA, 1947 (SAKA)

Special Category State status for Odisha

1178 Dr. Sasmit Patra:

Will the Minister of **FINANCE** be pleased to state:

(a) whether Government is considering to grant Special Category State status to Odisha
(b) if so, the status of this consideration and by when it is expected to be recognized as such; and
(c) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): No sir. There is no proposal under consideration of the Union Government for granting Special Category Status to the State of Odisha.

(c): Special Category Status for plan assistance was granted in the past by the National Development Council (NDC) to some States that were characterised by a number of features necessitating special consideration. These features included (i) hilly and difficult terrain (ii) low population density and / or sizeable share of tribal population (iii) strategic location along borders with neighbouring countries (iv) economic and infrastructural backwardness and (v) non-viable nature of state finances. The decision was based on an integrated consideration of all the factors listed above and the peculiar situation of the state.

2. Further, the Fourteenth Finance Commission (FFC) did not make any distinction between General Category States and Special Category States in the horizontal distribution of shareable taxes amongst the States. FFC recommendations while considering the various criteria for devolution took into account the total requirements of the States under Plan and non-Plan. As per the recommendations of the FFC, the Union Government increased the share of net shareable taxes to the States from 32% earlier to 42% for the period 2015-20. The same has also been retained by the 15th Finance Commission at 41% (1% adjusted on account of creation of UT of J&K) for the period (2020-21 & 2021-26). The Sixteenth Finance Commission has recommended that the States' share in the divisible pool of central

taxes be retained at 41 per cent for the award period 2026-27 to 2030-31. The Government of India continues to support Odisha in addressing its socio-economic and disaster-related challenges through various Centrally Sponsored Schemes, disaster management assistance under the National Disaster Response Fund (NDRF) and State Disaster Response Fund (SDRF), special packages as approved from time to time and other developmental interventions aimed at strengthening infrastructure, improving livelihoods and enhancing resilience to natural calamities.

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