

**GOVERNMENT OF INDIA
MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION**

**LOK SABHA
UNSTARRED QUESTION No.5388
TO BE ANSWERED ON 25.03.2026**

GST BURDEN ON MPLAD

5388. SHRI BHAUSAHEB RAJARAM WAKCHAURE:

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether limited Member of Parliament Local Area Development (MPLAD) funds and the GST burden are hindering the basic infrastructure development works in several Lok Sabha Constituencies and if so, the details thereof;

(b) whether the Government has conducted any internal review or prepared a report on the issue of MPs receiving only five crore rupees per year as MPLAD funds while in many States of the country an MLA receives the same amount for the development works and if so, the details thereof; and

(c) whether the Government is contemplating to increase the MPLAD funds and grant them tax-free status to enhance the effectiveness of the scheme and address the disparity and if so, the details thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CULTURE (RAO INDERJIT SINGH)

(a) & (b) Under Members of Parliament Local Area Development Scheme (MPLADS), each Hon'ble Member of Parliament is entitled for ₹ 5.00 crore annually. Whereas the annual entitlement of Members of Legislative Assembly Local Area Development Scheme (MLALADS) may vary across States and is under the domain of respective State/UT Government.

The main objective of the MPLAD Scheme is to enable each Member of Parliament to recommend developmental works based on the

locally felt needs of the people, with emphasis on the creation of durable public assets for the larger public good of society.

The works permitted under the MPLAD Scheme cover a wide range of sectors, including public and community buildings, public conveniences, safety and security, education, public health, and drinking water and sanitation. Line Ministries and Departments also implement specific schemes within these sectors. The objective of the MPLAD Scheme is not to replace or duplicate these initiatives, but to provide last-mile connectivity and bridge viability gaps based on locally identified needs.

The MPLADS Guidelines, 2023 also allow Hon'ble MPs to pool MPLADS funds with individual or stand-alone projects under other Central and State Government schemes, as well as with those of local bodies, to recommend permissible works for enhanced impact at the ground level.

(c) The Ministry regularly receives and examines suggestions from various stakeholders, including proposals for revision of fund entitlements, in accordance with the prescribed procedures.

GST rates and exemptions are prescribed based on the recommendations of the GST Council, which is a Constitutional body comprising of members from both the Union and State/UT Governments. A request to exempt GST for works carried out under MPLAD funds was placed before the 47th GST Council in its meeting held on 28th-29th June 2022. However, the council did not recommend any change.
