

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5076  
ANSWERED ON:27.08.2010  
UNDER UTILIZATION OF FUNDS ALLOCATED FOR N E REGION  
Dhruvanarayana Shri R.

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

- (a) whether the Government has examined the reports of the Comptroller and Auditor General of India (CAG) on the utilisation pattern of the Centrally allocated funds for States;
- (b) whether there have been reports of gross under-utilisation of funds allocated by the Centre for the development of north-eastern region;
- (c) whether there are also instances of gross misuse and diversion of allocated funds by the States; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General (C&AG) of India relating to accounts of a State are to be submitted to the Governor of the State who is to cause them to be laid before the State Legislature. This enables the concerned State Government to take appropriate action on the findings of C&AG of India.

(b) to (d): There was under-utilisation of funds during 2009-10 against under the Non Lapsable Central Pool of Resources (NLCPR) Scheme and during 2008-09 and 2009-10 under scheme `Special Package for Bodoland Territorial Council (BTC) Area` funded by the Ministry of Development of North-Eastern Region. A statement indicating budget allocation and expenditure under these schemes during the last three years is at Annex.

The C&AG of India carries out a performance review of Centrally Sponsored Schemes/Central Plan Schemes being implemented by the State Governments. The findings are included in the Report of the C&AG of India pertaining to respective States of the North-Eastern Region, as well as Performance Audit Reports of the schemes. The reports inter alia highlight instances of under-utilization, misuse and diversion of funds allocated by the Union Government to State Governments in the North-Eastern Region for implementation of schemes. Details of recent reports are as under:

(i) A Performance Audit of Non-Lapsable Central pool of Resources Scheme was conducted by the C&AG and the Union Government (Civil), Report No.5 of 2010-11 (Performance Audit) was presented in both the Houses of Parliament on 71 May 2010.

(ii) A Performance Audit of `Payment of Claims under Transport Subsidy Scheme` was also conducted by the C&AG and the findings relating to the Scheme are contained in Chapter-III of the Union Government (Civil) Performance Audit Report No.3 of 2010-11 presented in both the Houses of Parliament on 3rd August, 2010.

These reports are in the public domain and are available at [www.cag.gov.in](http://www.cag.gov.in).