

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3208
ANSWERED ON:19.08.2011
FUNDS TO STATES
Ju Dev Shri Dilip Singh

Will the Minister of FINANCE be pleased to state:

- (a) the amount of fund recommended, released and still pending to be released as per recommendations of the Twelfth Finance Commission alongwith the reasons for pendency till date. State-wise;
- (b) the recommendation of the Thirteenth Finance Commission in this regard alongwith amounts released so far project/head wise. State-wise including the States of Chhattisgarh and Madhya Pradesh;
- (c) whether the Union Government monitor the utilization of funds and if so. the head-wise amount of funds utilized so far. State-wise including Chhattisgarh and Madhya Pradesh?

Answer

Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

- (a) A statement showing allocations and releases of the grants recommended by the 12 Finance Commission (TFC), during its award period 2005-10, is at Annex-A. Grants were released in accordance with the guidelines for these grants. Reasons for short releases lie in non-fulfillment of requirements such as receipt of duly approved action plans, required budget provisions and actual expenditure under the relevant Major Heads being lower than levels prescribed by TFC, receipt of utilization/ completion certificates etc.
- (b) The Thirteenth Finance Commission (FC-XIII) has not made any recommendations for release of balance TFC grants. The award period of FC-XIII commenced from 01.04.2010. Statements showing grants allocated and released during 2010-11 and 2011-12 are at Annexes B and C.
- (c) Grants recommended by a Finance Commission must be used for the specific purposes for which these have been recommended. In some cases, a Finance Commission recommends no end-use conditionality, such as the Non-plan Revenue Deficit grant, the grant for local bodies and the performance incentive grant recommended by FC-XIII. The guidelines/instructions issued, in respect of the grants recommended by FC-XIII, require monitoring at State level through a committee chaired by the Chief Secretary to ensure use of the grants for their objectives and adherence to specific conditions associated with the grants. These guidelines/instructions also require, where feasible, review of utilization of the grants through existing or specific committees in line departments/Ministries at the Union level. Grants released are subject to audit.