

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:1859
ANSWERED ON:08.03.2006
PLAN ASSISTANCE TO STATES
Kripalani Shri Srichand

Will the Minister of PLANNING be pleased to state:

- (a) whether any cut is made in the plan assistance to States in proportion to the expenditure not incurred by the States against the sanctioned plan of the previous year;
- (b) if so, the basis for such a cut;
- (c) whether plan assistance allocated to States is not related to the size of the plan;
- (d) if so, the reasons therefor;
- (e) whether plan limit of the States is decided by the Planning Commission on the basis of estimated resources; and
- (f) if so, the reasons for the cut being made against the approved plan size?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a) & (b): Yes Sir. In the event of any shortfall in expenditure vis-à-vis the Approved Plan Outlays / Revised Plan Outlays and also on account of shortfall in the earmarked outlays in the previous year, a proportionate cut in Central Assistance is imposed by the Centre while releasing the last instalment of Normal Central Assistance in the subsequent year. One per cent of the NCA is also withheld if audited figures of expenditure for the previous years are not provided. A statement indicating cuts / withheld amounts of Central Assistance during the previous year (2004-05) is at Annexure.

(c) to (e): The Annual Plan consists of State's Own Resources and Central Assistance. Central Assistance for State Plans is allocated broadly under three sub-heads: (i) Normal Central Assistance (NCA), (ii) Additional Central Assistance for Externally Aided Projects (ACA for EAPs) and (iii) Additional Central Assistance for Special and other programmes. Normal Central Assistance for State Plans is allocated to States on the basis of the Gadgil-Mukherjee formula approved by the National Development Council in 1991.

(f): The cut imposed on account of shortfall in actual expenditure against the earmarked outlays of the Approved Plan is to ensure that the priorities for the Plan are generally maintained in the course of implementation and that the overall Plan expenditure is achieved as envisaged.

Annexure Cut in Central Assistance during 2004-05 of States

(Rs. Crore)

Sl.No.	States	2004-05 NCA Allocated	Total	Cut/Withheld
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1. 2. 3 4.

1.	Andhra Pradesh	1239.04	33.60	
2.	Arunachal Pradesh	588.36	35.88	
3.	Assam	1449.59	44.50	
4.	Bihar	1734.81	412.34	
5.	Chhattisgarh	484.29	30.00	
6.	Goa	72.41	30.57	
7.	Gujarat	636.96	21.37	
8.	Haryana	290.11	17.90	
9.	Himachal Pradesh	716.74	42.54	
10.	Jammu & Kashmir	1420.06	24.20	

11. Jharkhand	547.52	30.00
12. Karnataka	708.23	100.16
13. Kerala	531.36	8.34
14. Madhya Pradesh	1100.92	30.22
15. Maharashtra	1108.02	325.04
16. Manipur	433.33	34.33
17. Meghalaya	360.02	58.50
18. Mizoram	414.81	34.15
19. Nagaland	438.59	34.39
20. Orissa	862.25	38.62
21. Punjab	348.90	33.49
22. Rajasthan	901.70	24.02
23. Sikkim	279.75	22.97
24. Tamilnadu	958.69	11.99
25. Tripura	610.93	36.11
26. Uttar Pradesh	3120.26	409.61
27. Uttaranchal	707.60	30.00
28. West Bengal	1397.43	28.97

Total 23462.68 1983.81

NCA : Normal Central Assistance