

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1582  
ANSWERED ON:01.12.2006  
UTILISATION OF SUBSIDIES & PLAN FUNDS  
Patle Shri Shishupal Natthu;Shiwankar Shri Maha Deo Rao

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

- (a) whether by the end of first half of current financial year all the State Governments have fully utilised subsidy and plan-funds;
- (b) if so, the States which did not utilise the funds allocated under Annual Plan during the last financial year;
- (c) whether unutilised funds of the previous financial year were surrendered;
- (d) if so, the details along with reasons therefor, State-wise; and
- (e) the steps taken /being taken by the Union Government to ensure full utilisation of allocated funds by the State Governments?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

- (a) The picture regarding utilization of funds during the current financial year emerges around the close of the current financial year. Further, utilisation of funds is not monitored on a half yearly basis.
- (b) to (e) In the event of a shortfall in the utilisation of the approved Plan outlay in a particular year by a State, a proportionate cut is levied by the Centre while releasing the last installment of tied assistance from Normal Central Assistance in the subsequent year to the extent of the shortfall incurred by the State in the previous year. For 2005- 06, except for Madhya Pradesh and Uttaranchal, all states were subjected to these cuts for under utilisation and non-submission of statements. There is no specific provision for surrender of State Plan funds to the Union Government.