

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UN-STARRED QUESTION NO. 1825
TO BE ANSWERED ON TUESDAY, THE 16th DECEMBER, 2025
25 AGRAHAYANA, 1947 (SAKA)

Timely devolution of funds to States

1825 Shri Saket Gokhale:

Will the Minister of Finance be pleased to state:

- (a) whether there have been any instances of delay or arbitrary withholding of timely devolution of the States' share in Central Taxes and Duties (as recommended by Finance Commission) over the last five financial years;
- (b) the total amount of funds, State-wise, that were due to be devolved but were retained by the Central Government in a non-divisible pool through the use of Cesses and Surcharges over the last five financial years; and
- (c) the steps taken to enhance the spirit of cooperative fiscal federalism and ensure full and timely payment of all legitimate transfers to States without conditionality?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) GoI has followed the practice of regular monthly release in respect of devolution of States' share in Central Taxes and Duties over the last five financial years. States' share devolved are initially determined based on Budget Estimates and Revised Estimates of the collections. These releases are further ascertained and certified by the Comptroller & Auditor General as empowered under Article 279(1) of the Constitution. Any change in initial amounts devolved to States are determined based on the C&AG certificate.
- (b) Funds due to be devolved to States are worked out based on, inter alia, the stipulations contained in Article 270(1) of the Constitution. This Article exempts cesses and surcharges from distribution between the Union and the States. In view of this Constitutional position there are no State-wise dues to be devolved on account of cesses and surcharges.
- (c) To enhance the spirit of cooperative fiscal federalism, the Government has taken steps such as, advancement of release date of devolution from 20th to 10th beginning April 2022, advance release of States' share during this financial year (11 instalments have been released during 9 months of this FY), etc.
