

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

**RAJYA SABHA
UNSTARRED QUESTIN NO.1979
TO BE ANSWERED ON TUESDAY, MARCH 10, 2026/ 19 PHALGUNA, 1947
(SAKA)**

Non-submission of Utilisation Certificate by Ministries/Departments

1979. Smt. Jebi Mather Hisham:

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

- (a) the list of Ministries and Departments that failed to submit fund utilisation certificates within the stipulated period over the last five years;
- (b) whether any governance-related challenges have been noted in ensuring proper utilisation of funds by Ministries and Departments, the details thereof;
- (c) whether there are any penalties or corrective measures proposed for Ministries and Departments that fail to utilise allocated budgets effectively, the details thereof; and
- (d) the steps and strategies implemented to ensure timely utilisation of funds and better alignment between budgetary allocations and ground-level inclusivity goals, the details thereof?

ANSWER

**THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (c) : Ministries/Departments of the Government of India release funds to the States & Union Territories or other implementing agencies under Centrally Sponsored Scheme or Central Sector Scheme as per their scheme guidelines for implementation of the schemes.

As per the extant practice, release of funds to the States under various programmes including Schemes/Programmes mandated by the Finance Commission are governed by prescribed guidelines of the respective Schemes/Programmes. Expenditure of funds are monitored through monthly/quarterly expenditure report. In case, sufficient funds are not utilized, as per norms, allocation of funds is revised at RE stage in the financial year.

Submission of Utilization Certificates is required for funds released as per General Financial Rules 2017. Funds that remain unutilized are adjusted towards the Grants-in-Aid payable during the next years. The Ministries/Departments of the Union Government conduct regular evaluation of the Schemes implemented by them. NITI Aayog also conducts concurrent evaluation of the selected Programmes/Schemes.

(d) : Utilization Certificate provides an assurance for the stakeholders that funds were utilized for the purpose sanctioned. Fund release process for Centrally Sponsored schemes had been earlier digitalized through Public Financial Management System (PFMS). Presently, submission of Utilization Certificates has also been digitalized. Submission of e-UC (Electronic Utilization Certificate) as per Form 12-C of General Financial Rules 2017 for CSS Schemes has been developed by PFMS, Office of Controller General of Accounts and successfully implemented in all States. Complete capturing of the fund release process and its utilization improves transparency and accountability while maintaining an end-to-end digital trail of the transaction.
