

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE**

DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

**UNSTARRED QUESTION NO. 2246
TO BE ANSWERED ON FRIDAY 28th JULY, 2017
[6 Shravana, 1939 (SAKA)]**

'Funds Owing to States'

No. 2246, SHRI PINAKI MISRA,

Will the MINISTER OF FINANCE be pleased to state:

- (a) whether the CAG's report has stated that the Centre owes over Rs.80000 crores to the States;
- (b) if so, the details of share of each State and the Union Territories; and
- (c) the time by which the Government proposes to clear the dues that it owes to the States?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)**

Mention of "short devolution to States" to the tune of Rs. 81647.70 crore has been made in the Comptroller and Auditor General (C&AG) of India's Report on "Compliance of Fiscal Responsibility and Budget Management Act, 2003 (Report No 27 of 2016). Devolution to States is carried out according to the recommendations of the Finance Commission [made in accordance with the clause 3(a) of the Article 280 of the Constitution of India]. From 2010-11 onwards, pursuant to the recommendations of the 13th Finance Commission, devolution has been based on the Revised Estimates of tax proceeds due in a year and adjustment on account of short/excess devolution relating to the previous year on actual basis is carried out during the course of the year itself. During the award period of 14th Finance Commission, 42% of net proceeds of Union Taxes and Duties are being devolved to States on a regular basis.
