

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
LOK SABHA
UNSTARRED QUESTION NO. 3212**

TO BE ANSWERED ON Friday, January 05, 2018/Pausha 15, 1939 (Saka)

Funds to States

3212: SHRI RAVINDRA KUMAR PANDEY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government provides funds to State Governments under various heads for their development and if so, the details thereof;
- (b) whether any mechanism is in place to monitor the expenditure from said funds and if so, the details thereof and the manner in which the said mechanism functions; and
- (c) if not, the reasons therefor?

ANSWER

**MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI P. RADHAKRISHNAN)**

(a) : The Central Government provides funds to the States under Finance Commission Transfers (including devolution from divisible pool of Central taxes and duties), Centrally Sponsored Schemes (CSS) and other grants-in-aid as per the allocation made through budgetary process.

(b) & (c): The release of funds to the States is governed by the extant scheme guidelines, General Financial Rule (GFR) and availability of funds within Gross Budgetary Support (GBS) with the Central Government. The concerned State Government(s) and Central Ministries review and monitor implementation of the schemes to ensure effective utilization of funds for the purpose for which it was released and further instalments of 'grants-in-aid' released accordingly. Besides, a suitable mechanism exists for an independent audit of all expenditure of public money for utilization towards the intended purpose.
