

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE  
LOK SABHA  
UNSTARRED QUESTION NO. 3271  
Monday, August 09, 2021/Sravana 18, 1943 (Saka)**

**Release of Funds under CSS**

**3271. SHRIMATI MANJULATA MANDAL:**

Will the Minister of FINANCE be pleased to state:

- a) whether the Government will consider implementation of revised procedure for release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilisation of funds released from the next financial year instead of need of the current financial year
- b) if so, the details thereof;
- c) whether the Government will appreciate the genuine concerns of the State Government and consider restoring the earlier sharing pattern of the CSS, so that more resources of the State would be available for the State schemes; and
- d) if so, the details thereof?

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

(a)&(b): At present, no such proposal is under consideration. However, to have more effective cash management and to bring more efficiency in the Public Expenditure Management, the Government has issued the revised procedure on 23<sup>rd</sup> March, 2021 for release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilization of funds released. The revised procedure has come into effect from 1<sup>st</sup> July, 2021. However, the Government has granted relaxation of 3 months i.e. upto 30<sup>th</sup> September, 2021 for (i) opening of separate heads for Central and the State share for each CSS in the Detailed Demand for Grants and (ii) Provision regarding refund of unspent funds currently available in the bank account of Implementing Agencies (IAs) into Single Nodal Agency concerned.

(c)&(d): The sharing pattern of funds under CSS is guided by OM No. File No. O-11013/02/2015-CSS & CMC dated 17.08.2016 of NITI Aayog conveying the decision of the Cabinet as under:

- i. The existing funding pattern will continue for Core of the Core Schemes

- ii. For Core Schemes, the funding pattern for the 8 North eastern States and Himalayan States of Uttarakhand, Himachal Pradesh and Jammu & Kashmir shall be Centre :90% and State :10% whereas for the rest of the States this ration shall be Centre: 60% and State:40%.
- iii. For Optional schemes, the funding pattern for the 8 North eastern States and Himalayan States of Uttarakhand, Himachal Pradesh and Jammu & Kashmir shall be Centre :80% and State :20% whereas for the rest of the States this ration shall be Centre: 50% and State:50%.
- iv. Ordinarily, no CSS will be sanctioned where the central share is less than 50%.
- v. However, all the sharing patterns indicated above shall be subject to the proviso that if the central share is already below that indicated in the sharing pattern, then the Centre's share would remain capped at their present level.

Further, in order to ensure that local needs are catered for "flexi funds" under CSS was enhanced from 10% to 25% for States.

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