

GOVERNMENT OF INDIA  
MINISTRY OF URBAN DEVELOPMENT

LOK SABHA  
UNSTARRED QUESTION NO. 556  
TO BE ANSWERED ON JULY 20, 2016

DIVERSION OF GRANTS

No. 556     **SHRI SHRIRANG APPA BARNE:**  
              **SHRI ANANDRAO ADSUL:**  
              **SHRI DHARMENDRA YADAV:**

Will the Minister of URBAN DEVELOPMENT be pleased to state:-

(a) whether some of the States are diverting/misusing 14th Finance Commission grants meant for Urban Local Bodies (ULBs) for improving the delivery of basic urban services like sanitation, water supply, solid and liquid waste management, storm water drains, maintenance of community assets, roads and footpaths, street lighting and burial and cremation grounds;

(b) if so, the reaction of the Union Government thereto;

(c) whether the Government has sought utilisation reports for 2015-16 in order to monitor the funds disbursed to States and Union Territories and if so, the details thereof;

(d) whether the reports have been submitted by the State Governments /UT administrations and if so, the details thereof; and

(e) the guidelines issued by the Government to State Governments for utilisation of grants for public amenities?

ANSWER

THE MINISTER OF STATE IN  
THE MINISTRY OF URBAN DEVELOPMENT  
(RAO INDERJIT SINGH)

(a)& (b): No matter relating to diversion / misuse of 14th Finance Commission grants has come to the notice of the Ministry of Urban Development. The State Governments are competent to take appropriate action against Urban Local Bodies (ULB) if any irregularity in the utilisation of these funds are noticed or pointed out. Further, 14th Finance Commission grants are also subject to audit by the Comptroller & Auditor General of India.

(c)&(d): 14th Finance Commission grants are released to States by the Ministry of Finance upon fulfillment of conditions associated with each component of the grant which includes submission of utilization certificate to the effect that the grants have been transferred to urban local bodies concerned. Accordingly, second instalment of 14th Finance Commission grants for ULBs for the year 2015-16 has been released to eligible State Governments by the Ministry of Finance.

(e): Guidelines for release and utilisation of 14th Finance Commission grants for local bodies have been issued by the Ministry of Finance. The Ministry of Urban Development has issued advisory to all States regarding proper monitoring and utilisation of 14th Finance Commission grants. These are available on the Ministry's website at <http://moud.gov.in>.