

# Ministry of Planning, Niti Aayog get House panel rap for 'poor planning' of finances

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The Parliamentary Standing Committee on Finance pulled up the Ministry of Planning for not “planning” its finances better. The committee found that despite spending less than half of the budget allocated to it, the Ministry was allocated ever higher amounts over the past three financial years.

In its latest report tabled in the Lok Sabha on Tuesday, the committee called for “more realistic” planning and financial management by the Ministry. The government’s nodal think-tank, the Niti Aayog, operates through the Ministry.

The committee also noted “flaws in planning” by Niti Aayog when it comes to its finances.

## Under-utilisation

“After overall scrutiny of estimates, allocations and utilisation of the budget grants during financial years under reference, the Committee are of the view that there has been continuous underutilisation of the earmarked funds by the Ministry of Planning,” the Standing Committee’s report said.

The committee noted that the Ministry sought ₹1,203.38 crore of funds for the upcoming financial year 202627, which is about 22% higher than the ₹1,006.06 crore as per the Budget Estimates (BE) for 202526.

“However, the Actuals for the FY 202324 were at ₹290.81 crore against a BE of ₹824.39 crore, which is around 35% of the BE,” the committee noted. “Likewise, the Actuals for the FY 2024-25 were only ₹282.61 crore, against a BE of ₹837.26 crore i.e. just about 34% in percentage terms.”

The committee noted that this situation seems to have improved in 202526 but also said that the actual utilisation amount is only slightly more than half the amount budgeted.

“With only a narrow window of two months remaining in the FY under reference, the Committee are not very optimistic,” it added.

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The committee called for a “more realistic” financial management by the Ministry despite this continuous underutilisation, the BE of the Ministry grew 20% and 22%, respectively, in the preceding years.

“The Committee in their previous reports have time and again emphasised the need for more realistic planning and financial management for optimal use of available financial resources,” the report said.

“The Committee therefore strongly recommend Ministry of Planning to ensure that 202627 budget is utilised effectively and to avoid any idling and blocking of funds in the nonresponsive Heads.”

“The Committee hope that the Ministry of Planning would be more fiscally prudent in assessment of their projected expenditure and targets in the future,” it added.

Dismal implementation The committee said that its analysis of Niti Aayog’s Quarterly Expenditure Plan (QEP) reveals a “persistent and significant” underutilisation. The data in

the report shows that, in 202324 and 202425, actual spending was approximately 35% and 33% of the total BE, respectively.

“This indicates flaws in planning as there is dismal implementation of the plans on the ground,” the Committee said. “While FY 202526 shows a positive trend with improved utilisation (56.46%), the surge in Q4 expenditure remains a concern.”

It said that a projected spending of ₹139.17 crore in Q4 of 202526 “appears to be a disproportionate rush to exhaust funds”, and also risks violating the Central government’s 15% monthly spending cap.

“The Committee are of the firm view that there is need to adhere to strict Quarterly Expenditure Percentage norms and NITI Aayog should conduct internal reviews to synchronise administrative sanctions with the QEP,” the report said.