

GOVERNMENT OF INDIA  
MINISTRY OF PANCHAYATI RAJ  
**LOK SABHA**  
**STARRED QUESTION NO. \*429**  
ANSWERED ON 01.04.2025

**15TH FINANCE COMMISSION GRANTS**

\*429. SHRI RAJA A:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether 15th Finance Commission has recommended funds to Gram Panchayats in the country;
- (b) if so, the details thereof;
- (c) the total funds provided to the funds to the Local Self Governments (LSGs) by the Union Government and the State Governments, in the country, State-wise, particularly to Tamil Nadu;
- (d) whether there is any plan to provide additional funds or grants to LSGs due to loss of revenue to local bodies due to GST and other cess;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

**ANSWER**

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a) to (f): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO. 429 FOR AN ANSWER ON 01.04.2025 REGARDING '15TH FINANCE COMMISSION GRANTS'**

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(a) & (b) Yes, Sir. Fifteenth Finance Commission (XV FC) has recommended grants to the tune of Rs. 60,750 crores for the interim period FY 2020-21 and Rs.2,36,805 crore for the period FY 2021-26 to Panchayats in all the three tiers and Traditional Local Bodies and Sixth Schedule areas in 28 States.

The criteria for fund allocation determined by the Fifteenth Finance Commission involve inter-se distribution among the States, with a weightage of 90 percent assigned to population and 10 percent to the areas of the States.

Fifteenth Finance Commission recommended grants are released to the State Governments by Union Government for onwards transfer to the panchayats/traditional bodies within the 10 working days. Any delay beyond 10 working days the State Government is required to release the grant with interest for the period of delay as per the average effective rate of interest on market borrowings/State Development Loans for the previous year.

The inter-se distribution among all the tiers to be done by the State Governments on the basis of the accepted recommendations of the latest State Finance Commission (SFC) and in conformity with the following bands;

Range for Distribution	Gram Panchayat s	Block Panchayat s	District Panchayat s
Minimum	70%	10%	5%
Maximum	85%	25%	15%

States which have a two-tier system with only village and district panchayats, the allocation shall be in the followings bands:

Range for Distribution	Gram Panchayat s	District Panchayats
Minimum	70%	15%
Maximum	85%	30%

The State-wise and Year-wise allocation of Fifteenth Finance Commission (XV FC) Grants to Gram Panchayats/equivalent is given at **Annexure-I**.

(c) The Central Finance Commission grants to Rural Local Bodies are continuously increasing from 13th Finance Commission to 14th Finance Commission and further from 14th Finance Commission to 15<sup>th</sup> Finance Commission. The allocations under 13th Finance Commission (FY 2010-15) were Rs. 64,408 Crore and under 14<sup>th</sup> Finance Commission (FY 2015-2020) were Rs. 2,00,292.20 Crore. The allocation under 15th Finance Commission (FY 2021-26) is Rs. 2,36,805 Crore which is around 4 times of 13th Finance Commission allocation.

State-wise allocation and release of funds to the Rural Local Bodies under the Fifteenth Finance Commission (XV FC) grants are given at **Annexure II**.

The total fund of Rs. 13303.50 crore and Rs. 28021.21 crore have been provided to the Rural Local Self Governments (RLSGs) in Tamil Nadu by the Union Government under the Fifteenth Finance Commission & the State Government under the State Finance Commission, respectively. The details of the total funds provided to the Rural Local Self Governments (RLSGs) by the Union Government and the Tamil Nadu Government are given below:

S. No.	Year	15th Finance Commission (all tiers)		State Finance Commission (all tiers)	
		Allocation	Release	Allocation	Release
1.	2020-21	3607.00	3607.00	4728.00	4728.00
2.	2021-22	2666.00	2666.00	5080.86	5080.86
3.	2022-23	2761.00	2761.00	5092.17	5092.17
4.	2023-24	2791.00	2791.00	6217.58	6217.58
5.	2024-25	2957.00	1478.50	6902.60	6902.60
6.	2025-26	2884.00	-	7904.60	-
	Total	17666.00	13303.50	35925.81	28021.21

(d) to (f) The Ministry of Finance releases grants to the States for the Rural Local Self Government (RLSG) under the Finance Commission Awards. Article 280 of the Constitution of India provides the basis for the Central Finance Commissions to assess the status of finances of the Union, States and their respective local bodies and recommend sharing of taxes as well as grants for various purposes to the States and Local Bodies, the sharing of taxes includes GST & excludes Cess. The Quantum of grant to be allocated to Local Self Governments and the factors to be considered for it are the prerogative of the Finance Commission.

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**Annexure-I**

Annex referred to in reply to parts (a) & (b) of the Lok Sabha Unstarred Question No 429 for 01.04.2025 regarding 15th Finance Commission Grants

**Year-wise allocation of Fifteenth Finance Commission (XV FC) Grants to Gram Panchayats/equivalent**

<b>Sl. No.</b>	<b>States</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>Total</b>
1	Andhra Pradesh	1837.50	1357.30	1407.00	1421.70	1506.40	1469.30	8999.20
2	Arunachal Pradesh	161.70	119.00	123.90	125.30	132.30	129.50	791.70
3	Assam	1122.80	830.20	859.60	868.70	920.50	898.10	5499.90
4	Bihar	3512.60	2596.30	2689.40	2718.80	2879.80	2808.40	17205.30
5	Chhattisgarh	1090.50	806.25	835.50	843.75	894.00	872.25	5342.25
6	Goa	63.75	46.75	48.45	49.30	52.70	51.85	312.80
7	Gujarat	2236.50	1653.40	1712.20	1731.10	1833.30	1788.50	10955.00
8	Haryana	948.00	701.25	726.00	734.25	777.00	758.25	4644.75
9	Himachal Pradesh	300.30	221.90	230.30	232.40	246.40	240.10	1471.40
10	Jharkhand	1266.75	936.75	969.75	980.25	1038.75	1013.25	6205.50
11	Karnataka	2734.45	2020.45	2093.55	2116.50	2241.45	2186.20	13392.60
12	Kerala	1221.00	902.25	934.50	945.00	1000.50	975.75	5979.00
13	Madhya Pradesh	3386.40	2502.40	2592.50	2620.55	2775.25	2707.25	16584.35
14	Maharashtra	4661.60	3445.60	3568.80	3608.00	3820.80	3727.20	22832.00
15	Manipur	123.90	91.70	94.50	95.90	101.50	99.40	606.90
16	Meghalaya	182.00	135.00	140.00	141.00	149.00	146.00	893.00
17	Mizoram	93.00	69.00	71.00	72.00	76.00	74.00	455.00
18	Nagaland	125.00	92.00	96.00	97.00	102.00	99.00	611.00
19	Odisha	1580.60	1168.30	1209.60	1222.90	1295.70	1263.50	7740.60
20	Punjab	971.60	718.20	743.40	751.80	796.60	777.00	4758.60
21	Rajasthan	2896.50	2140.50	2217.75	2241.75	2374.50	2315.25	14186.25
22	Sikkim	35.70	26.35	28.05	28.05	29.75	28.05	175.95
23	Tamil Nadu	2885.60	2132.80	2208.80	2232.80	2365.60	2307.20	14132.80
24	Telangana	1569.95	1160.25	1202.75	1215.50	1286.90	1255.45	7690.80
25	Tripura	133.70	98.70	102.90	103.60	109.90	107.10	655.90
26	Uttar Pradesh	6826.40	5045.60	5226.20	5282.90	5595.80	5457.90	33434.80
27	Uttarakhand	430.50	318.75	330.00	333.75	353.25	343.50	2109.75
28	West Bengal	3088.40	2282.70	2364.60	2390.50	2531.90	2469.60	15127.70
<b>Total</b>		<b>45486.70</b>	<b>33619.65</b>	<b>34827.00</b>	<b>35205.05</b>	<b>37287.55</b>	<b>36368.85</b>	<b>222794.80</b>

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**Annexure-II**

Annex referred to in reply to part (c) of the Lok Sabha Unstarred Question No 429 for 01.04.2025 regarding 15th Finance Commission Grants

**Status of allocation and release of Fifteenth Finance Commission Grants to Rural Local Bodies (as on 27-03-2025)**

(Rs. in crore)

Sl. No.	States	2020-21		2021-22		2022-23		2023-24		2024-25	
		Allocation	Release								
1	Andhra Pradesh	2625.00	2625.00	1939.00	1917.85	2010.00	1976.75	2031.00	1997.45	2152.00	2109.97
2	Arunachal Pradesh	231.00	231.00	170.00	170.00	177.00	0.00	179.00	0.00	189.00	0.00
3	Assam	1604.00	1604.00	1186.00	1186.00	1228.00	1228.00	1241.00	1241.00	1315.00	0.00
4	Bihar	5018.00	5018.00	3709.00	3709.00	3842.00	3842.00	3884.00	3855.33	4114.00	4109.01
5	Chhattisgarh	1454.00	1454.00	1075.00	1075.00	1114.00	1114.00	1125.00	1125.00	1192.00	1185.25
6	Goa	75.00	75.00	55.00	55.00	57.00	48.46	58.00	8.62	62.00	0.00
7	Gujarat	3195.00	3195.00	2362.00	2362.00	2446.00	2446.00	2473.00	2473.00	2619.00	0.00
8	Haryana	1264.00	1264.00	935.00	935.00	968.00	967.30	979.00	953.59	1036.00	1012.51
9	Himachal Pradesh	429.00	429.00	317.00	317.00	329.00	329.00	332.00	318.04	352.00	229.19
10	Jharkhand	1689.00	1689.00	1249.00	1249.00	1293.00	1293.00	1307.00	1307.00	1385.00	0.00
11	Karnataka	3217.00	3217.00	2377.00	2375.50	2463.00	2093.55	2490.00	2086.59	2637.00	2133.24
12	Kerala	1628.00	1628.00	1203.00	1203.00	1246.00	1246.00	1260.00	1260.00	1334.00	1334.00
13	Madhya Pradesh	3984.00	3984.00	2944.00	2944.00	3050.00	3050.00	3083.00	2819.24	3265.00	651.78
14	Maharashtra	5827.00	5827.00	4307.00	4267.16	4461.00	3696.71	4510.00	3629.21	4776.00	3169.72
15	Manipur	177.00	177.00	131.00	65.50	135.00	0.00	137.00	0.00	145.00	0.00
16	Meghalaya	182.00	182.00	135.00	67.50	140.00	0.00	141.00	0.00	149.00	0.00
17	Mizoram	93.00	93.00	69.00	69.00	71.00	71.00	72.00	0.00	76.00	0.00
18	Nagaland	125.00	125.00	92.00	92.00	96.00	19.20	97.00	0.00	102.00	0.00
19	Odisha	2258.00	2258.00	1669.00	1669.00	1728.00	1728.00	1747.00	1746.91	1851.00	1851.00
20	Punjab	1388.00	1388.00	1026.00	1026.00	1062.00	1062.00	1074.00	1058.35	1138.00	562.93
21	Rajasthan	3862.00	3862.00	2854.00	2854.00	2957.00	2955.3	2989.00	2847.9	3166.00	2803.6

Sl. No.	States	2020-21		2021-22		2022-23		2023-24		2024-25	
		Allocat ion	Releas e 0	Allocat ion	Releas e 0	Allocat ion	Releas e 4	Allocat ion	Releas e 6	Allocat ion	Releas e 9
22	Sikkim	42.00	42.00	31.00	31.00	33.00	33.00	33.00	33.00	35.00	32.34
23	Tamil Nadu	3607.00	3607.00	2666.00	2666.00	2761.00	2761.00	2791.00	2791.00	2957.00	1478.50
24	Telangana	1847.00	1847.00	1365.00	1365.00	1415.00	1415.00	1430.00	1424.18	1514.00	0.00
25	Tripura	191.00	191.00	141.00	141.00	147.00	147.00	148.00	148.00	157.00	156.31
26	Uttar Pradesh	9752.00	9752.00	7208.00	7208.00	7466.00	7466.00	7547.00	7547.00	7994.00	7994.00
27	Uttarakhand	574.00	574.00	425.00	418.70	440.00	439.21	445.00	444.13	471.00	234.91
28	West Bengal	4412.00	4412.00	3261.00	3261.00	3378.00	3378.00	3415.00	3415.00	3617.00	3472.22
	<b>Total</b>	<b>60750.00</b>	<b>60750.00</b>	<b>44901.00</b>	<b>44699.22</b>	<b>46513.00</b>	<b>44805.52</b>	<b>47018.00</b>	<b>44529.58</b>	<b>49800.00</b>	<b>34520.57</b>

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