



RECOMMENDATION OF 15TH FINANCE COMMISSION

Posted On: 17 MAR 2026 3:05PM by PIB Delhi

The Fifteenth Finance Commission has recommended the allocation of Rs. 60,750 crores for FY 2020-21 [Interim period] and Rs.2,36,805 crore for the FY 2021-2026 to the Rural Local Bodies (RLBs).

The criteria for fund allocation determined by the 15th Central Finance Commission involve inter-se distribution among the States, with a weightage of 90 percent assigned to the population and 10 percent to the areas of the States. The inter-se distribution among all the tiers is 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 Panchayats	Block Panchayats	District Panchayats
Minimum	70%	10%	5%
Maximum	85%	25%	15%

States which have a two-tier system with only village and district panchayats, the allocation is as below:

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

In the event of SFC recommendations not being available, the inter-se distribution within the tiers should be decided by the State Government within the bands indicated above. The intra-tier distribution among the relevant entities across the State should be on the basis of population and area in the ratio of 90:10 or as per the accepted recommendation of the latest SFC.

The mandatory eligibility conditions as per the guidelines of the Ministry of Finance for the release of grants under the Fifteenth Finance Commission are enumerated as under:

- i. RLBs shall be deemed to be eligible for the grants if they are duly constituted i.e. if duly elected bodies are in place except for States/ Areas where Part IX of the Constitution does not apply. In case, all the bodies are not duly constituted grants shall be released to the State on an actual allocation / pro-rata basis for duly constituted only.
- ii. Uploading of Plans by the RLBs for FY under consideration, as the case may be in eGramSwaraj failing which the grant is released on a pro-rata basis only to those RLBs which have uploaded the plans on e-Gramswaraj application.
- iii. RLBs have to mandatorily onboard on eGramSwaraj – PFMS for XV FC Grants' Transactions.
- iv. All RLBs must complete audit of annual accounts for the year before the previous year on AuditOnline failing which the grant is released on a pro-rata basis only to those RLBs which have completed the audit on the AuditOnline application.
- v. All RLBs must ensure that provisional accounts for the previous year are available on eGramSwaraj portal, failing which the grant is released on a pro-rata basis only to those RLBs whose annual accounts are available on e-Gramswaraj application.
- vi. All states which have not done so, must constitute the State Finance Commission (SFC), act upon their recommendations and lay the explanatory memorandum as to the action taken thereon before the State legislature on or before March 2024. After March 2024, no grants shall be released to State that has not complied with the Constitutional provisions in respect of the SFC and these conditions.
- vii. Timely fund Disbursal: On receipt of the XV-FC recommended grants from the Union Government the State Governments are required to transfer the same to the panchayats/ traditional bodies concerned within 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 State-wise details of grants recommended and released in fulfillment of prescribed eligibility conditions under the Fifteenth Finance Commission to Rural Local Bodies (RLBs) during the award period from FY 2020-21 to FY 2025-26 are given at **Annexure**.

The Ministry of Panchayati Raj has implemented several measures to monitor the state-wise distribution and utilization of 15th Finance Commission Grants. The Ministry of Panchayati Raj launched the eGramSwaraj application in April, 2020 for monitoring of various aspects of Panchayat functioning, such as planning, budgeting, accounting and audit. Further, an application 'AuditOnline' has been developed for online audits of Panchayat accounts and their financial management also in April 2020.

During the current FY 2025–26, out of a total of 2,64,211 Gram Panchayats and equivalent bodies across the country, 2,54,604 Gram Panchayats and equivalent (96.36%), have uploaded their Gram Panchayat Development Plans (GPDs) on eGramSwaraj and 2,42,871 Gram Panchayats and equivalent (91.92%) have transferred ₹38,491 crore to vendors through the eGramSwaraj–PFMS interface. For FY 2024-25, over 2.58 lakh PRIs have closed their year books and 1.63 lakh PRIs have generated their Audit reports.

The Ministry of Panchayati Raj (MoPR) and the Department of Drinking Water and Sanitation (DDWS) are the nodal Ministries for recommending the release of Untied (Basic) Grants and Tied Grants, respectively, to the Rural Local Bodies (RLBs) under the Fifteenth Finance Commission (15th FC).

As per the recommendations of the 15th FC, grants to RLBs are released to the States in two instalments every year. Upon receipt of the Grant Transfer Certificate (GTC) from a State for the last released instalment and fulfilment of the eligibility conditions prescribed in the guidelines, MoPR recommends the release of the next instalment of Untied Grants to the Ministry of Finance (MoF). Similarly, DDWS recommends the release of the respective instalment of Tied Grants to MoF.

Accordingly, the timing of release may vary depending upon the receipt of the GTC for the last instalment released and the fulfilment of the prescribed eligibility conditions by the respective State. MoPR has released Untied Grants timely upon fulfilment of these conditions.

Annexure

State-wise details of grants recommended and released under the 15th Finance Commission to Rural Local Bodies (RLBs) during the award period from FY 2020-21 to FY 2025-26

(Rs. in crores)

Sl. No.	States	2020-21		2021-22		2022-23		Alloca
		Allocation	Release	Allocation	Release	Allocation	Release	
1	Andhra Pradesh	2625.00	2625.00	1939.00	1917.85	2010.00	1976.75	203
2	Arunachal Pradesh	231.00	231.00	170.00	170.00	177.00	35.40	17
3	Assam	1604.00	1604.00	1186.00	1186.00	1228.00	1228.00	124
4	Bihar	5018.00	5018.00	3709.00	3709.00	3842.00	3842.00	388
5	Chhattisgarh	1454.00	1454.00	1075.00	1075.00	1114.00	1114.00	112
6	Goa	75.00	75.00	55.00	55.00	57.00	48.46	5
7	Gujarat	3195.00	3195.00	2362.00	2362.00	2446.00	2446.00	247
8	Haryana	1264.00	1264.00	935.00	935.00	968.00	967.30	97
9	Himachal Pradesh	429.00	429.00	317.00	317.00	329.00	329.00	33
10	Jharkhand	1689.00	1689.00	1249.00	1249.00	1293.00	1293.00	130

11	Karnataka	3217.00	3217.00	2377.00	2375.50	2463.00	2093.55	2490
12	Kerala	1628.00	1628.00	1203.00	1203.00	1246.00	1246.00	1260
13	Madhya Pradesh	3984.00	3984.00	2944.00	2944.00	3050.00	3050.00	3080
14	Maharashtra	5827.00	5827.00	4307.00	4267.16	4461.00	3696.71	4510
15	Manipur	177.00	177.00	131.00	65.50	135.00	0.00	130
16	Meghalaya	182.00	182.00	135.00	94.50	140.00	0.00	140
17	Mizoram	93.00	93.00	69.00	69.00	71.00	71.00	70
18	Nagaland	125.00	125.00	92.00	92.00	96.00	48.00	90
19	Odisha	2258.00	2258.00	1669.00	1669.00	1728.00	1728.00	1740
20	Punjab	1388.00	1388.00	1026.00	1026.00	1062.00	1062.00	1070
21	Rajasthan	3862.00	3862.00	2854.00	2854.00	2957.00	2955.34	2980
22	Sikkim	42.00	42.00	31.00	31.00	33.00	33.00	30
23	Tamil Nadu	3607.00	3607.00	2666.00	2666.00	2761.00	2761.00	2790
24	Telangana	1847.00	1847.00	1365.00	1365.00	1415.00	1415.00	1430
25	Tripura	191.00	191.00	141.00	141.00	147.00	147.00	140
26	Uttar Pradesh	9752.00	9752.00	7208.00	7208.00	7466.00	7466.00	7540
27	Uttarakhand	574.00	574.00	425.00	418.70	440.00	439.21	440
28	West Bengal	4412.00	4412.00	3261.00	3261.00	3378.00	3378.00	3410
	Total	60750.00	60750.00	44901.00	44726.22	46513.00	44869.71	47010

This information was given by Union Minister Shri Rajiv Ranjan Singh alias Lalan Singh in a written reply in Lok Sabha on 17th March 2026.

AA

(Release ID: 2241136) Visitor Counter : 178

Read this release in: Urdu , हिन्दी , Telugu