

Centre Disburses Over ₹2,461 Crores as XV Finance Commission Grants to Eight States

Rural Local Bodies in Chhattisgarh, Gujarat, Madhya Pradesh, Punjab, Sikkim, Himachal Pradesh, Odisha and Tripura Strengthened

Posted On: 31 MAR 2026 12:06PM by PIB Delhi

The Union Government has released XV Finance Commission (XV-FC) tied grants during the financial year 2025–26 to Rural Local Bodies in Chhattisgarh, Gujarat, Madhya Pradesh, Punjab and Sikkim. It has also released withheld portions of both tied and untied grants to Himachal Pradesh, Odisha, Sikkim and Tripura. The release covers allocations pertaining to different financial years and aims to further strengthen rural local governance.

Release Details of State-wise Tied & Withheld Portions of Tied and Untied XV Finance Commission Grants during FY 2025–26:

S. No.	Name of the State	Grant Component	Amount (Rs. in crore)	Installment/ Year	Eligible Panchayats of the State
1.	Punjab	Tied	332.46	2 nd Installment for FY 2025-26	13231 eligible GPs, all eligible 150 BPs and all 22 eligible DPs
2.	Madhya Pradesh	Tied	943.27	2 nd Installment for FY 2025-26	eligible 46 DPs, 300 BPs and 22933 GPs
			1.89	withheld portion of 1 st instalment for FY 2025-26	additionally eligible 4 BPs and 19 GPs.

3.	Chhattisgarh	Tied	347.89	2 nd installment for FY 2025-26	11648 eligible GPs, all eligible 146 BPs and all eligible 33 DPs
			12.04	withheld portion of 1 st instalment for FY 2025-26	additionally eligible 1 DP, 8 BPs and 350 GPs.
4.	Gujarat	Tied	763.83	2 nd installment for FY 2025-26	all eligible 33 DPs, eligible 247 BPs and eligible 14563 GPs
			0.07338 (7.338 lakh)	withheld portion of 1 st instalment of for FY 2025-26	additionally eligible 2 GPs
5.	Sikkim	Tied	9.90	2 nd installment of FY 2025-26	all 6 eligible DPs and all 199 eligible GPs
			0.2475 (24.75 lakh)	withheld portion of 1 st instalment for FY 2025-26	additionally eligible 1 DP
6.	Tripura	Tied	0.4111 (41.11 lakh)	withheld portion of 2 nd instalment for FY 2024-25	additionally 18 eligible GPs
		Untied	0.274 (27.40 lakh)	withheld portion of 2 nd instalment for FY 2024-25	additionally 18 eligible GPs
7.	Himachal Pradesh	Untied	13.80	withheld portion of the 1st instalment for FY 2023-24	additionally 12 eligible DPs, 23 eligible BPs and 79 eligible GPs
			0.0644 (6.44 lakh)	withheld portion of 2 nd instalment for FY 2023-24	additionally 5 eligible GPs

8.	Odisha	Untied	35.09	withheld portion of the 1st and 2 nd installment for FY 2025-26	additionally 10 eligible DPs, 17 eligible BPs and 40 eligible GPs for both 1 st as well as 2 nd installment and 15 eligible GPs for 2 nd installment.
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*GPs/ BPs/ DPs – Gram Panchayats/ Block Panchayats/ District Panchayats

Government of India through Ministry of Panchayati Raj and Ministry of Jal Shakti (Department of Drinking Water and Sanitation) recommends release of XV-FC grants to States for Rural Local Bodies which is then released by Ministry of Finance. The allocated grants are recommended and released in 2 installments in a financial year. The Untied grants will be utilized by Panchayati Raj Institutions/ Rural Local Bodies for location-specific felt needs, under the Twenty-Nine subjects enshrined in the Eleventh Schedule of the Constitution, except for salaries and other establishment costs. The tied grants can be used for the basic services of (a) sanitation and maintenance of ODF status, and this should include management and treatment of household waste, and human excreta and fecal sludge management in particular and (b) supply of drinking water, rainwater harvesting and water recycling.

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