

GOVERNMENT OF INDIA  
MINISTRY OF PANCHAYATI RAJ  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 253**  
ANSWERED ON 24.07.2024

**ALLOCATION OF FUNDS TO GRAM PANCHAYATS**

253 SHRI S. SELVAGANABATHY:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether Government has any criteria for allocation of funds to Gram Panchayats in the country;
- (b) if so, the details thereof, State-wise, particularly in Puducherry; and
- (c) if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE FOR PANCHAYATI RAJ

(PROF. S.P. SINGH BAGHEL)

(a) to (c) The Fifteenth Finance Commission has recommended the allocation of Rs. 60,750 crore for FY 2020-21 for Rural Local Bodies (RLBs). Further, for the period 2021-26, it has recommended an allocation of Rs.2,36,805 crore for duly constituted RLBs.

The criterion for allocation of funds adopted by the Central Finance Commission includes:

- (i) Inter-se distribution amongst the States is with a weight of 90 % on population and 10 % on the areas of the States. All three tiers in the Panchayats shall receive the grants. The inter-se distribution among all the tiers is 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 Panchayats	Block Panchayats	District Panchayats
Minimum	70%	10%	5%
Maximum	85%	25%	15%

In states that have a two-tier system with only village and district panchayats, the allocation shall be in the following bands;

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.

(ii) Once the State-level grants are earmarked for each tier, the intra-tier distribution among the relevant entities across the State should be based on population and area in the ratio of 90:10 or as per the accepted recommendation of the latest SFC.

(iii) In respect of the allotment of grants for excluded areas in a State exempted from the purview of Part IX and Part IX-A of the Constitution, the concerned State shall make allocations on the basis of population and area in the ratio of 90:10.

State-wise allocations of Fifteenth Finance Commission Grants to the Rural Local Bodies for the period 2020-21 and 2021-26 are furnished at **Annexure**. The Central Finance Commission funds for Gram Panchayats are not allocated to Union Territories including Puducherry.

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**Annexure**

**(Annexure referred to in reply to parts (a) to (c) of the Rajya Sabha Unstarred Question No. 253 answered on 24.07.2024)**

**State-wise, allocation of Fifteenth Finance Commission (XV FC) Grants for Rural Local Bodies for FY 2020-21 and FY 2021-26.**

**(Rs. in crore)**

<b>Sl No</b>	<b>State</b>	<b>2020-21</b>	<b>2021-26</b>
1	Andhra Pradesh	2625	10231
2	Arunachal Pradesh	231	900
3	Assam	1604	6253
4	Bihar	5018	19561
5	Chhattisgarh	1454	5669
6	Goa	75	293
7	Gujarat	3195	12455
8	Haryana	1264	4929
9	Himachal Pradesh	429	1673
10	Jharkhand	1689	6585
11	Karnataka	3217	12539
12	Kerala	1628	6344
13	Madhya Pradesh	3984	15527
14	Maharashtra	5827	22713
15	Manipur	177	690
16	Meghalaya	182	711
17	Mizoram	93	362
18	Nagaland	125	486
19	Odisha	2258	8800
20	Punjab	1388	5410
21	Rajasthan	3862	15053
22	Sikkim	42	165
23	Tamil Nadu	3607	14059
24	Telangana	1847	7201
25	Tripura	191	746
26	Uttar Pradesh	9752	38012
27	Uttarakhand	574	2239
28	West Bengal	4412	17199
	<b>Total</b>	<b>60750</b>	<b>236805</b>

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