

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
RAJYA SABHA
UNSTARRED QUESTION NO. 570
ANSWERED ON 04.02.2026

Devolution of funds to Local Self Governments (LSGs)

570 DR. V. SIVADASAN:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the State-wise/UT-wise details of revenue devolved to Local Self Governments (LSGs), including panchayats and urban local bodies, during the last five years, specifying the amount transferred as well as the percentage of each State/UT total own revenue represented by such devolution annually;
- (b) the criteria adopted by each State/UT Government for revenue sharing with LSGs, including whether these are based on recommendations of the State Finance Commission or any other statutory mechanism; and
- (c) whether Government has assessed inter-State/UT variations in the proportion of revenue devolved to LSGs and if so, the findings and steps taken to address the issue?

ANSWER

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a): The Constitution of India, under Articles 280(3)(bb) and 280(3)(c), mandates the Finance Commission to recommend grants from the Consolidated Fund of India to the States to supplement the resources of Panchayats (all three tiers) and Municipalities. The Central Finance Commission grants are not recommended for the UTs and grants are devolved to them as per recommendation of the Finance Commission duly constituted from time to time only for the UTs.

In accordance with its constitutional mandate, the 15th Finance Commission, has recommended a total grant of Rs.60,750 crores and Rs. 29,250croresfor the interim period for FY 2020-21 and Rs. 2,36,805 crores and Rs. 1,21,055 crores for the period 2021-26 for duly constituted Rural Local Bodies and for Urban Local Bodies respectively. The 15thFinance Commissionhas also recommended a total grant of Rs. 70,051 crores to Local Self Governments to strengthen and plug the critical gaps in the health care system at the primary health care level. As per information available with this Ministry, the State-wise details of allocations and releases of grants under the Fifteenth Finance Commission (XV FC) to Rural Local Bodies/Panchayati Raj Institutions, during the last five years, are given at Annexure.

(b) & (c): In respect of Rural Local Bodies/Panchayati Raj Institutions, the criteria for fund allocation determined by the 15th Finance Commission involve inter-se distribution among the States, with a weightage of 90 percent assigned to population and 10 percent to the area 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 fixed by the 15th Finance Commission:

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.

In respect of Municipalities/Urban Local Bodies also, 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 population and 10 percent to the areas of the States.

Annexure

(Annexure referred to in reply to parts (a) of the Rajya Sabha Unstarred Question No. 570 answered on 04.02.2026)

The details of allocations and releases of grants under the Fifteenth Finance Commission (XV FC) to Rural Local Bodies/Panchayati Raj Institutions during the last five years, State-wise.

(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	35.40	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	1315.00
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	21.55	62.00	0.00
7	Gujarat	3195.00	3195.00	2362.00	2362.00	2446.00	2446.00	2473.00	2473.00	2619.00	2614.19
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	352.00
10	Jharkhand	1689.00	1689.00	1249.00	1249.00	1293.00	1293.00	1307.00	1307.00	1385.00	275.13

11	Karnataka	3217.00	3217.00	2377.00	2375.50	2463.00	2093.55	2490.00	2086.59	2637.00	2133.25
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	1629.45
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	72.00	76.00	53.20
18	Nagaland	125.00	125.00	92.00	92.00	96.00	48.00	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	788.90
21	Rajasthan	3862.00	3862.00	2854.00	2854.00	2957.00	2955.34	2989.00	2847.96	3166.00	3166.00
22	Sikkim	42.00	42.00	31.00	31.00	33.00	33.00	33.00	33.00	35.00	32.52
23	Tamil Nadu	3607.00	3607.00	2666.00	2666.00	2761.00	2761.00	2791.00	2791.00	2957.00	2957.00
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	470.30
28	West Bengal	4412.00	4412.00	3261.00	3261.00	3378.00	3378.00	3415.00	3415.00	3617.00	3472.22