

GOVERNMENT OF INDIA  
MINISTRY OF PANCHAYATI RAJ  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2803**  
ANSWERED ON 12.08.2026

**RLB GRANTS RECOMMENDED BY SIXTEENTH FINANCE COMMISSION**

2803 SMT. REKHA SHARMA:  
SHRI SADANAND MHALU SHET TANAVADE:  
SHRI RYAGA KRISHNAIAH:  
SHRI KANAD PURKAYASTHA:  
SHRI BRIJ LAL:  
SMT. LAXMI VERMA:  
SHRI SHAMBHU SHARAN PATEL:  
SHRI BABUBHAI JESANGBHAI DESAI:

Will the MINISTER OF PANCHAYATI RAJ be pleased to state:

- (a) the total quantum of Rural Local Body (RLB) Grants recommended by the Sixteenth Finance Commission for Panchayati Raj Institutions during the award period 2026-31, including Chhattisgarh;
- (b) the operational guidelines issued for utilisation of these grants and the priority sectors identified for their deployment;
- (c) the strategies being adopted to enhance Panchayats' Own Source Revenue (OSR) mobilisation as discussed at the National Workshop held on 3rd July, 2026; and
- (d) the mechanism put in place to monitor effective and timely utilisation of Finance Commission grants by States and Panchayati Raj Institutions in Chhattisgarh?

**ANSWER**

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

- (a) The Sixteenth Finance Commission (FC-16), for the award period 2026-31, has recommended total grants amounting to Rs. 4,35,236 Crore for duly constituted Panchayati Raj Institutions/Rural Local Bodies (RLBs) in all 28 States including Chhattisgarh. Out of this amount, Rs. 11,664 Crore has been recommended for the State of Chhattisgarh.

(b) The Ministry of Finance, Department of Expenditure vide letter dated 21.05.2026, has issued the Operational Guidelines for implementation of the Rural Local Body Grants recommended by the Sixteenth Finance Commission (FC-16). The FC-16 grants comprise two components, namely, Basic Grant and Performance Grant, in the ratio of 80:20. The Basic Grant is further divided into Tied and Untied Grants. 50 per cent of the Basic Grant is earmarked as Tied Grant, while the remaining 50 per cent of the Basic Grant and the entire Performance Grant are Untied. The Tied Grants are directed towards 'Sanitation and Solid Waste Management' and/or 'Water Management'. The Untied Grants can be utilised by Rural Local Bodies for location-specific felt needs under the twenty-nine subjects enshrined in the Eleventh Schedule of the Constitution.

(c) The Ministry of Panchayati Raj has undertaken the following measures to enhance Panchayats' Own Source Revenue (OSR) mobilisation:-

(i) The Ministry of Panchayati Raj, in collaboration with IIM Ahmedabad, has developed a training module on Own Source Revenue (OSR) to strengthen the financial self-reliance of Gram Panchayats. The module helps elected representatives and Panchayat functionaries understand how OSR is generated through tax and non-tax sources. As on 10.07.2026, under the Rashtriya Gram Swaraj Abhiyan (RGSA), a total of 2,75,893 participants have been trained through the Specialised Module on Own Source Revenue (OSR).

(ii) In 2025, the Ministry of Panchayati Raj launched the Atma Nirbhar Panchayat Special Award (ANPSA) to promote Atmanirbharta through the augmentation of Own Source Revenue (OSR) by Panchayats.

(iii) The Ministry of Panchayati Raj (MoPR) has also developed the SAMARTH Panchayat portal, a dedicated digital platform that facilitates the generation of tax & non-tax demands and collection thereof, maintenance of tax registers, and online tracking of revenue.

(iv) With a view to support States and Union Territories in strengthening their legal and institutional framework for Own Source Revenue, the Ministry has formulated the Model Own Source Revenue Rules as a guiding framework for consideration by the States/Union Territories. These Model Rules are advisory in nature and are intended to serve as a reference for strengthening the Own Source Revenue framework of Panchayats. States and Union Territories may adopt, adapt or modify these Model Rules, either in full or in part, as considered appropriate, keeping in view their existing legal provisions, administrative arrangements and local requirements.

(v) The implementation of the SVAMITVA (Survey of Villages Abadi and Mapping with Improved Technology in Village Areas) Scheme, launched in April, 2020, lays a robust foundation for the growth of property taxes in rural areas, ultimately leading to enhanced OSR generation and improved financial self-sufficiency for RLBs.

(d) With the objective to improve oversight and monitoring and to ensure transparency and accountability in the disbursement and utilisation of Central Finance Commission grants by Panchayati Raj Institutions in the States, including Chhattisgarh, the Ministry has launched the

eGramSwaraj web portal (<https://egramswaraj.gov.in>) since April 2020, which integrates all financial functions of Panchayats-from planning to payment. The progress data obtained from this system is displayed on the portal, available in the public domain, for concurrent monitoring at the State, District, and Block levels.

The eGramSwaraj is integrated with the Public Financial Management System (PFMS) for the Panchayats (GPs), facilitating real-time digital payments to vendors and service providers. Additionally, the AuditOnline application was launched in April 2020 to enable online auditing of Panchayat accounts and their financial management. This tool facilitates the transparent utilisation of Central Finance Commission funds and enhances Panchayat-level financial oversight.

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