

GOVERNMENT OF INDIA  
MINISTRY OF PANCHAYATI RAJ  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 4478**  
ANSWERED ON 23.03.2021

**15TH FINANCE COMMISSION REPORT**

4478. SHRI UTTAM KUMAR REDDY NALAMADA:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the details of funds allocated by the Central Government to Panchayati Raj institutions as per the 15th Finance Commission Report; and
- (b) whether the Government has received any reports that the State Government of Telangana is directing Gram Panchayats to spend this money for the implementation of State Government schemes or to pay electricity bills and if so, the details thereof?

**ANSWER**

THE MINISTER OF PANCHAYATI RAJ  
(SHRI NARENDRA SINGH TOMAR)

(a) Under Fifteenth Finance Commission (XVFC) period 2020-21, grants to the tune of Rs. 60,750 crores have been recommended by the Commission for all tiers of the Rural Local Bodies (RLBs) in 28 States. 50% of the allocation is Basic (Untied) Grants to be used by the local bodies for location-specific felt needs, except for salary or other establishment expenditure. Rest 50% allocation is Tied Grants to be used for the basic services of (a) sanitation and maintenance of open-defection free (ODF) status and (b) supply of drinking water, rain water harvesting and water recycling.

Further, XVFC has recommended grants amounting to the tune of Rs. 2,36,805 crore in 28 States for RLBs for the five year period 2021-22 to 2025-26. 40% of the recommended grant will be Basic (Untied) Grants to be used by RLBs for felt needs under the twenty nine subjects enshrined in the Eleventh Schedule of the Constitution. Remaining 60% as Tied Grants is to be used for the basic services of (a) sanitation and maintenance of ODF status, and this should include management and treatment of household waste, human excreta and faecal sludge management in particular and (b) supply of drinking water, rainwater harvesting and water recycling.

(b) No such report has been received in this Ministry. However, the State Government has informed that under Section 52(2) (J) of the Telangana State Panchayati Raj Act, 2018 regular payment of electricity consumption charges are mandatory for the panchayats.

Further, in accordance with clarification issued by Ministry of Panchayati Raj in August, 2020 to all the States, payment of electricity bills by panchayats is one of the permissible activities under the XV Finance Commission Basic (Untied) Grants.

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