

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

**LOK SABHA
STARRED QUESTION NO. 115**

Answered on Monday the 25th July, 2022/ Sravana 3, 1944 (SAKA)

Funds for Rural Local Bodies

115. SHRI M.V.V. SATYANARAYANA :

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that as per the report of the 14th Finance Commission, Andhra Pradesh was allocated a total amount of Rs. 8654.09 crores for Rural Local Bodies in the State and if so, the details thereof;
- (b) whether it is true that only Rs. 8124.13 crores have actually been released for the purpose and if so, the details thereof;
- (c) whether it is a fact that the relevant funds have not been released to the Ministries of Rural Development and Panchayati Raj by the Finance Ministry so that this overdue amount can be paid; and
- (d) if so, the time by which the pending dues are likely to be cleared?

ANSWER

MINISTER OF FINANCE

(SMT. NIRMALA SITHARAMAN)

(a) to (b) Yes Sir. The 14th Finance Commission had inter-alia recommended Rural Local Bodies (RLBs) grants for the Gram Panchayats in all the States. For Andhra Pradesh, FC-XIV had recommended a total RLB grant of Rs. 8,653.69 crores for the award period from 2015-16 to 2019-20. Out of this, an amount of Rs. 8,124.40 crore was released to the State Government of Andhra Pradesh.

(c) No Sir. The Ministry of Finance releases Finance Commission recommended grants directly to the State Governments and not to the Ministry of Rural Development and Panchayati Raj.

(d) FC-XIV had recommended RLBs grant in two parts (a) Basic Grant and (b) Performance Grant. Eligibility conditions for release of these grants to the State Governments were also prescribed by the FC-XIV. Fulfillment of these conditions was monitored by the Nodal Ministry i.e. the Ministry of Panchayati Raj for RLBs.

Based on the recommendations received from the Nodal Ministry and compliance of the stipulated conditions within the award period, Basic Grants for all the five years of the award period from 2015-16 to 2019-20 were released to the Government of Andhra Pradesh. Performance grants (PG) for the years 2016-17 and 2017-18 were also released to the State Government for eligible Gram Panchayats. However, Performance Grants for the years 2018-19 and 2019-20 could not be released to the State due to non-fulfillment of the stipulated conditions within the respective award years. No performance grant was recommended by FC-XIV for any State for 2015-16.

The award period of the FC-XIV has ended on 31-3-2020. No balance grant is payable to Andhra Pradesh now. From 1st April, 2020, funds recommended by the 15th Finance Commission for the Local Bodies are being released to all States including Andhra Pradesh.
