

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE**

DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**

**UNSTARRED QUESTION NO. 1312  
TO BE ANSWERED ON MONDAY 25<sup>th</sup> July, 2022  
[Sravana 3, 1944 (Saka)]**

**“Performance Grants to Telangana”**

**No. 1312.        SHRIMATI KAVITHA MALOTHU:  
                     DR. G. RANJITH REDDY:  
                     SHRI PASUNOORI DAYAKAR:  
                     SHRI VENKATESH NETHA BORLAKUNTA:**

Will the Minister of Finance be pleased to state:

- (a) whether it is true that the recommendations made by the Finance Commission are not persuasive in nature, but are binding on the Government since the Finance Commissions are constituted under Article 280 to the Constitution and if so, the details thereof;
- (b) whether it is also true that the 14<sup>th</sup> Finance Commission has recommended Performance Grants to Telangana for 2017-18 and 2018-19 to the tune of Rs. 254.74 crores and 15<sup>th</sup> Finance Commission has recommended Rs. 72.86 crores for 2020-21;
- (c) if so, the reasons as to why the Ministry has partly released grants and more than Rs. 208 crores are yet to be released; and
- (d) the steps taken to release the balance amount to Telangana?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)**

- (a) No, Madam/Sir.
- (b) The 14<sup>th</sup> Finance Commission has recommended Performance Grants to Telangana for Gram Panchayats for 2017-18 and 2018-19 to the tune of Rs. 254.74 crore. However, 15<sup>th</sup> Finance Commission has recommended Basic Grant and Tied Grant amounting to Rs. 1,847 crore (in the ratio of 50:50) for Rural Local bodies for the year 2020-21.
- (c) to (d) Based on the recommendations of the Nodal Ministry and considering the compliance to all the conditions stipulated by the 14<sup>th</sup> Finance Commission, Performance Grant amounting to Rs. 119.28 crore for the year 2017-18 has been released to the Government of Telangana for Gram Panchayats. However, due to non-fulfillment of all the conditions stipulated by the 14<sup>th</sup> Finance Commission within the award period, Performance Grant for Gram Panchayats for the remaining years of the award period (2018-19 and 2019-20) could not be released. The award period of the 14<sup>th</sup> Finance Commission ended on 31-3-2020. From 1<sup>st</sup> April, 2020, funds recommended by the 15<sup>th</sup> Finance Commission are being released to all States including Telangana. 15<sup>th</sup> Finance Commission recommended Rural Local bodies Grant for the year 2020-21 amounting to Rs. 1847 crore, which has been released to the Government of Telangana

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