

GOVERNMENT OF INDIA  
MINISTRY OF PANCHAYATI RAJ  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 4138**  
ANSWERED ON 25.03.2025

**GRANTS UNDER 15TH FINANCE COMMISSION**

†4138. SHRI CHANDRA PRAKASH JOSHI

Will the Minister of *PANCHAYATI RAJ* be pleased to state:

- (a) the details of steps taken by the Government to monitor the effective implementation of funds allocated under the grants by the 15th Finance Commission;
- (b) the manner in which the Government justifies the distribution of funds, keeping in view the population and rural development need of different States;
- (c) whether there is any proposal for policy adjustments to enhance the efficiency and effectiveness of the use of funds in the future and if so, the details thereof; and
- (d) the details of status of the 15th Finance Commission grants for rural local bodies in Rajasthan State, district-wise?

**ANSWER**

THE MINISTER OF STATE FOR PANCHAYATI RAJ

(PROF. S.P. SINGH BAGHEL)

(a) Article 280 of the Constitution of India provides the basis for the Central Finance Commissions to assess the status of finances of the Union, States and their respective local bodies and recommend sharing of taxes as well as grants for various purposes to the States and Local Bodies. The Finance Commission grant can be used by Rural Local Bodies (RLBs) for location-specific felt needs under 29 subjects enshrined in the Eleventh Schedule of the Constitution, except for salary or other establishment expenditures.

Panchayat subject comes under the purview of the State Government, to facilitate States and Panchayati Raj Institutions efficiently managing and effectively monitoring & evaluating the utilization of Panchayat funds, including Central Finance Commission grants, the Ministry of Panchayati Raj has implemented several measures to monitor the state-wise distribution and utilization of 15th Finance Commission Grants. The Ministry of Panchayati Raj (MoPR) conducts regular meetings and communication with the states to provide handholding support to ensure Rural Local Bodies (RLBs), fulfil all eligibility conditions for the timely release of grants.

The Ministry of Panchayati Raj launched the eGramSwaraj application in 2020. This application enables monitoring of various aspects of Panchayat functioning, such as planning, budgeting, accounting and audit. States can leverage the eGramSwaraj application to systematically monitor the utilization of Central Finance Commission grants. The Planning module allows states to track how PRIs incorporate identified needs into their development

plans, ensuring alignment with budget allocations. Subsequently, the Progress Reporting module facilitates the monitoring of physical and financial progress related to activities funded by Grants, while the accounting module enables detailed tracking of financial transactions and expenditure patterns. By utilizing these functionalities, states can gain comprehensive insights into how Grants are being utilized to address specific local requirements, promoting more effective and transparent resource allocation.

Ministry has also integrated eGramSwaraj with the Public Financial Management System (PFMS) for Gram Panchayats (GPs) to make real-time payments to vendors/service providers. Further, an application ‘AuditOnline’ has been developed for online audits of Panchayat accounts and their financial management. AuditOnline, launched in April 2020, facilitates transparent auditing of Central Finance Commission funds utilization and strengthens the financial management of Panchayats.

(b) The Fifteenth Finance Commission has recommended the allocation of Rs. 60,750 crores for FY 2020-21 [Interim period] and Rs.2,36,805 crore for the FY 2021-2026 to the Rural Local Bodies (RLBs).

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 the population and 10 percent to the areas 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;

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.

(c) The Ministry of Panchayati Raj has been promoting technology as a tool to enhance transparency in the functioning of PRIs. The Ministry has been making efforts to promote greater transparency in procurement in Panchayats through the eGramSwaraj-GeM Interface. The interface has enabled all the Panchayats to utilize XV Finance Commission grants to procure their items/services through GeM and make plans/payments through eGramSwaraj in a seamless manner. Further strengthening the principle of accountability and transparency; the Ministry has developed a mechanism for a more structured culmination to the online audit process by incorporating the Action Taken Report (ATR) Module in the AuditOnline application.

Fifteenth Finance Commission grants are being recommended/released as per the operational guidelines issued by the Ministry of Finance for the implementation of the Fifteenth Finance Commission recommendations on Rural Local Bodies grants during the financial Year 2021-22 to 2025-26. The mandatory eligibility conditions as per the guidelines of the Ministry of Finance for the release of grants under the Fifteenth Finance Commission are enumerated as under:

1. RLBs shall be deemed to be eligible for the grants if they are duly constituted i.e. if duly elected bodies are in place except for States/ Areas where Part IX of the Constitution does not apply. In case, all the bodies are not duly constituted grants shall be released to the State on an actual allocation / pro-rata basis for duly constituted only.
2. Uploading of Plans by the RLBs for FY under consideration, as the case may be in eGramSwaraj failing which the grant is released on a pro-rata basis only to those RLBs which have uploaded the plans on e-Gramswaraj application.
3. RLBs have to mandatorily onboard on eGramSwaraj – PFMS for XV FC Grants’ transactions.
4. All RLBs must complete audit of annual accounts for the year before the previous year on AuditOnline failing which the grant is released on a pro-rata basis only to those RLBs which have completed the audit on the AuditOnline application..
5. All RLBs must ensure that provisional accounts for the previous year are available on eGramSwaraj portal, failing which the grant is released on a pro-rata basis only to those RLBs whose annual accounts are available on e-Gramswaraj application.
6. All states which have not done so, must constitute the State Finance Commission (SFC), act upon their recommendations and lay the explanatory memorandum as to the action taken thereon before the State legislature on or before March 2024. After March 2024, no grants shall be released to State that has not complied with the Constitutional provisions in respect of the SFC and these conditions.
7. Timely fund Disbursal: On receipt of the XV-FC recommended grants from the Union Government the State Governments are required to transfer the same to the panchayats/traditional bodies concerned within 10 working days. Any delay beyond 10 working days the State Government is required to release the grant with interest for the period of delay as per the average effective rate of interest on market borrowings/State Development Loans for the previous year.

(d) As reported by the State Government, the details of the release of the 15th Finance Commission grants for rural local bodies in Rajasthan State, district-wise are given at **the Annexure**.

\*\*\*

**Annexure**

Annexure referred to in reply to part (d) of the Lok Sabha Unstarred Question No. 4138 answered on 25.03.2025.

Details of release of the 15th Finance Commission grants for rural local bodies in Rajasthan State, district-wise

Sl. No.	Name of District	(Rs. in crore)				
		2020-21	2021-22	2022-23	2023-24	2024-25
1	Ajmer	106.71	78.87	82.06	77.59	59.39
2	Alwar	169.66	125.41	130.47	123.36	86.21
3	Banswara	139.19	102.88	107.03	101.20	65.22
4	Baran	84.81	62.69	65.22	61.66	39.43
5	Barmer	188.58	139.39	145.02	137.12	104.09
6	Bharatpur	118.22	87.38	90.91	85.95	53.88
7	Bhilwara	136.64	101.00	105.07	99.35	68.86
8	Bikaner	151.16	111.73	116.24	109.91	83.48
9	Bundi	83.54	61.75	64.24	60.74	44.93
10	Chittorgarh	97.25	71.88	74.78	70.71	48.92
11	Churu	108.33	80.07	83.30	78.77	60.05
12	Dausa	103.46	76.48	79.56	75.23	44.43
13	Dholpur	75.15	55.55	57.79	54.64	29.43
14	Dungarpur	110.96	82.01	85.32	80.68	50.35
15	Ganganagar	120.80	89.29	92.90	87.84	56.43
16	Hanumangarh	102.61	75.85	78.91	74.61	51.75
17	Jaipur	183.79	135.85	141.33	133.64	103.90
18	Jaisalmer	122.85	90.81	94.47	89.32	70.85
19	Jalore	117.13	86.58	90.08	85.17	58.89
20	Jhalawar	91.10	67.34	70.06	66.24	41.78
21	Jhunjhunu	99.14	73.28	76.24	72.08	45.80
22	Jodhpur	170.08	125.72	130.79	123.67	96.10
23	Karauli	101.34	74.91	77.93	73.68	43.15
24	Kota	66.93	49.47	51.47	48.66	31.40
25	Nagaur	172.25	127.32	132.46	125.24	89.15
26	Pali	123.20	91.06	94.74	89.58	63.92
27	Pratapgarh	80.91	59.81	62.22	58.83	33.65
28	Rajsamand	74.19	54.84	57.05	53.94	35.60
29	Sawai Madhopur	87.59	64.74	67.36	63.69	36.10
30	Sikar	117.60	86.92	90.43	85.51	58.74
31	Sirohi	78.17	57.78	60.11	56.84	35.50
32	Tonk	91.10	67.34	70.06	66.24	47.89
33	Udaipur	187.58	138.65	144.25	136.39	96.62
	<b>Total</b>	<b>3862.00</b>	<b>2854.68</b>	<b>2969.84</b>	<b>2808.05</b>	<b>1935.89</b>

\*\*\*\*\*