

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO. 2675
ANSWERED ON 05.08.2025

15TH FINANCE COMMISSION GRANTS TO PANCHAYATS IN TAMIL NADU

2675. SHRI S JAGATHRATCHAKAN

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

- (a) the total allocation made to Tamil Nadu under 15th Finance Commission grants for rural local bodies during 2024-25, segregated between basic and tied grants for water and sanitation to Tamil Nadu;
- (b) the quantum of funds released in Tamil Nadu panchayats under 15th Finance Commission recommendations during the current financial year and reasons for any delays in fund disbursement;
- (c) the total number of Gram Panchayats in Tamil Nadu that have received tied grants specifically for water supply and sanitation projects under the 15th Finance Commission mandate; and
- (d) the guidelines and conditionalities prescribed by the Union Government for utilization of 15th Finance Commission tied grants by panchayats in Tamil Nadu and the technical assistance provided by the Ministry for compliance with these conditions?

ANSWER

THE MINISTER OF STATE FOR PANCHAYATI RAJ

(PROF. S.P. SINGH BAGHEL)

- (a) The total allocation made to Tamil Nadu under the 15th Finance Commission grants for all tiers of rural local bodies for FY 2024-25 is Rs. 2957.00 crore. Out of which, Rs. 1182.80 crore is an untied grant, and Rs. 1774.20 crore is a tied grant for water and sanitation.
- (b) The total grants allocated to the tier of rural local bodies in the State of Tamil Nadu under the 15th Finance Commission for the current financial year, i.e. 2025-26, is Rs. 2824 crore. None of the grants have been recommended & released to panchayats in Tamil Nadu for the current financial year, i.e. FY 2025-26, so far, due to non-compliance of the mandatory conditions (such as submission Grant Transfer Certificate (GTC), duly constituted/elected bodies in place, availability of the audited account and closing of annual account etc.) prescribed in the operation guidelines dated 14.07.2021 issued by the Ministry of Finance.
- (c) As per the information provided by the State Government of Tamil Nadu, the tied grants Specifically for water supply and sanitation projects for the period 2020-21 to 2023-24, all allocated grants of Rs. 5387.44 Crore have been released for all 12525 Gram Panchayats in Tamil Nadu & for the FY 2024-25 Out of total tied grant of Rs.1419.36 crore for 12525 village panchayats, an amount of Rs.709.68 crore has been received tied grant for 12525 village panchayats in 37 districts as 1st instalment and further an amount of Rs. 160.68 crore has been

partly received tied grant for 2901 village panchayats in 9 districts and the balance tied grant amount is Rs.549.00 crore for 28 districts as 2nd instalment under the 15th Finance Commission.

(d) For utilization of 15th Finance Commission tied grants by panchayats in the States including Tamil Nadu, The Ministry of Finance has issued 'Operational guidelines for the implementation of the Fifteenth Finance Commission recommendations on Rural Local Bodies grants during the period 2021-22 to 2025-26' on 14.07.2021 and Department of Drinking Water and Sanitation, Ministry of Jal Shakti has issued a 'Manual for the utilization of 15th Finance Commission tied grants to Rural Local Bodies/ PRIs for water & sanitation (2021-22 to 2025-26)' in August, 2021.

The 'Operational guidelines for the implementation of the Fifteenth Finance Commission recommendations on Rural Local Bodies grants during the period 2021-22 to 2025-26' dated 14.07.2021 issued by Ministry of Finance is accesible on <https://cdnbbsr.s3waas.gov.in/s316026d60ff9b54410b3435b403afd226/uploads/2023/02/2023020674.pdf>.

The 'Manual for the utilization of 15th Finance Commission tied grants to Rural Local Bodies/ PRIs for water & sanitation (2021-22 to 2025-26)' in August, 2021 is accessible on <https://jaljeevanmission.gov.in/sites/default/files/guideline/manual-for-utilisation-of-15th-fc-tied-grants.pdf>.

For the technical assistance for compliance with these conditions, the Ministry of Panchayati Raj is implementing the Centrally Sponsored scheme of Revamped Rashtriya Gram Swaraj Abhiyan (RGSA) w.e.f. the financial year 2022-23 in States/ UTs with the primary objective of developing governance capabilities of Panchayati Raj Institutions. It plays a key role in supporting the utilisation of grants provided by the 15th Finance Commission (FFC) to local rural bodies by formulating holistic, inclusive sustainable Development Programms, and enabling Panchayats to function effectively and utilise the funds devolved to them efficiently with converging resources available at GP level, for economic development and social justice which includes rural infrastructure and services. This is achieved by providing training to Elected Representatives (ERs), functionaries, and stakeholders to enhance their governance, leadership skills, and capabilities related to e-Governance, ensuring effective Panchayat functioning.
