

Fifteenth Finance Commission Grant

The Fifteenth Finance Commission period is for 5 years (2021-22 to 2025-26) with an allocation of 7201.00 Crores to the Telangana State (60% - Tied grant & 40% - Untied grant) and recommended Basic (Untied) Grants and Tied Grant for PRIs. The details are as follows:

Grant	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Basic (Untied) Grant (40%)	546	566	572	605.6	590.8	2880.4
Tied Grant (60%)	819	849	858	908.4	886.2	4320.6
Total	1365	1415	1430	1514	1477	7201.0
Release	1365	1415	715			

The Fifteenth Finance Commission has recommended distribution of Rural Local Body grants to all the tiers of Panchayats i.e. Gram Panchayats, Mandal Praja Parishads and Zilla Praja Parishads.

Grants are being allocated in the ratio of 85%:10%:5% to Gram Panchayats, Mandal Praja Parishads & Zilla Praja Parishads respectively. 15th Finance Commission grants are released in two installments i.e. June & October every year.

Utilisation of Grants:

- (i) **Basic (Untied) Grants:** - The basic grants are untied and can be utilized by the Rural Local bodies under the twenty-nine subjects enshrined in the Eleventh Schedule to the Constitution, except for salaries & other establishment costs.
- (ii) **Tied Grants:** - 50% of the tied grants can be utilized for the basic services of **(a)** Sanitation and maintenance of ODF status, remaining 50% on **(b)** supply of drinking water, rain water harvesting and water recycling.

From the year 2021-22, all Rural Local Bodies shall maintain their accounts online in e-Gram Swaraj portal and also make payments to vendors/service providers through e-Gram Swaraj-PFMS interface.