

## **Finance Commission Grants for Maharashtra**

## Why in News?

The Union Government has released the Fifteenth Finance Commission (XV FC) Grants for Rural Local Bodies in Maharashtra during the Financial Year 2024–25.

## **Key Points**

- Grant Allocation:
  - Second installment of Untied Grants amounting to Rs 611.6913 crores.
  - Withheld portion of the first installment of Untied Grants amounting to Rs 8.4282 crores.
  - These funds have been allocated to various District, Block, and Gram Panchayats in the state.
- Utilization of Untied and Tied Grants:
  - Untied Grants:
    - <u>Panchayati Raj Institutions (PRIs)</u> can utilize these funds for location-specific felt needs under the 29 Subjects listed in <u>the Eleventh Schedule of the</u> <u>Constitution.</u>
    - The funds cannot be used for salaries or establishment costs.
  - Tied Grants:
    - These grants support basic services, including:
      - Sanitation and maintenance of <u>ODF status</u>, covering household waste management, human excreta treatment, and fecal sludge management.
      - Drinking water supply, <u>rainwater harvesting</u>, and water recycling to ensure water security in rural areas.
- Grant Disbursement Process:
  - The Government of India, through the Ministry of Panchayati Raj and the Ministry of Jal Shakti (Department of Drinking Water and Sanitation), recommends the release of XV FC Grants.
  - **The Ministry of Finance then disburses these grants** to states in two installments per Financial Year.

## **15th Finance Commission**

- The Finance Commission (FC) is a constitutional body that determines the method and formula for distributing the tax proceeds between the Centre and states, and among the states as per the constitutional arrangement and present requirements.
- Under Article 280 of the Constitution, <u>the President of India</u> is required to constitute a Finance Commission at an interval of five years or earlier.
- The 15th Finance Commission was constituted by the President of India in November 2017, under the chairmanship of NK Singh. Its recommendations will cover a period of five years from the year 2021-22 to 2025-26.

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