



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:**
 - [Panchayati Raj Institutions \(PRIs\)](#) can utilize these funds for location-specific felt needs under the 29 Subjects listed in [the Eleventh Schedule of the Constitution](#).
 - The funds **cannot be used for salaries or establishment costs**.
 - **Tied Grants:**
 - These grants support basic services, including:
 - **Sanitation and maintenance of ODF status**, covering household waste management, human excreta treatment, and fecal sludge management.
 - Drinking water supply, [rainwater harvesting](#), 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**, [the President of India](#) 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**.

