

MINISTRY OF PANCHAYATI RAJ

PANCHAYATI RAJ

**COMMITTEE ON ESTIMATES
(2016-17)**

REPORT

SIXTEENTH LOK SABHA



LOK SABHA SECRETARIAT

NEW DELHI

EIGHTEENTH REPORT

COMMITTEE ON ESTIMATES (2016-17)

(SIXTEENTH LOK SABHA)

MINISTRY OF PANCHAYATI RAJ

(Presented to Lok Sabha on 11 August, 2016)



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NEW DELHI**

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CONTENTS

COMPOSITION OF SUB-COMMITTEE ON PANCHAYATI RAJ (2015-16)	(iii)
COMPOSITION OF THE COMMITTEE ON ESTIMATES (2016-17).....	(iv)
INTRODUCTION.....	(vi)

PART I

Chapter I	Introductory	1
Chapter II	Allocation - Panchayati Raj Scheme	8
Chapter III	Finances of Panchayati Raj	16
Chapter IV	Reservation of seats for disadvantaged sections in Panchayats	26
Chapter V	Capacity Building	30

PART II

	Recommendations/Observations	39
	APPENDICES	49
(i)	Details of constitution of First, Second, Third, Fourth and Fifth SFCs, submission of Report and submission of Action Taken Report	49
(ii)	Letter of the Ministry of Panchayati Raj to Chief Secretaries of All States/UTs	54
(iii)	Role of PRIs in some centrally sponsored schemes as given in the respective scheme guidelines of the concerned Ministries	56
(iv)	The latest available information on taxes levied by Panchayats	58
(v)	Functions/roles assigned to Gram Sabhas by some major States in their State Panchayati Raj Acts	64
	ANNEXURES	
(i)	Minutes of the First Sitting of Sub-Committee on Panchayati Raj of Committee on Estimates (2015-16) held on 09.09.2015	65
(ii)	Minutes of the Second Sitting of Sub-Committee on Panchayati Raj of Committee on Estimates (2015-16) held on 05.10.2015	67
(iii)	Minutes of the Seventh Sitting of Committee on Estimates (2016-17) held on 29.07.2016	

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(2015-16)**

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- 7. Shri Sudheer Gupta**
- 8 Shri P.C. Gaddigoudar**
- 9 Shri Jay Prakash Narayan Yadav**
- 10. Shri J. C. Divakar Reddy**
- 11. Shri Anil Shirole**

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*Elected *Vide* Lok Sabha Bulletin Part-II No. 3908 dated 28.07.2016 vice Shri Arjun Ram Meghwal appointed as Minister.

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INTRODUCTION

I, the Chairman of the Committee on Estimates, having been authorized by the Committee to submit the Report on their behalf, do present this Eighteenth Report on the subject 'Panchayati Raj' pertaining to the Ministry of Panchayati Raj.

2. Panchayats are local Governments mandated in the Constitution of India. As per the Constitution, three tiers of Panchayats are to be constituted, through elections every five years, except in States with population less than 20 lakhs, where Panchayats at two tiers may be created. The Constitution envisages that Panchayats will function as institutions of local Government and prepare plans and implement schemes for economic development and social justice, but leaves the precise devolution of powers and authority to Panchayats to the States. The Panchayati Raj Institutions (PRIs) have differential performance based on size, staff available, functions exercised, resource available, capacity built, leadership and in spite of constraints and limitations, there are many outstanding performances among Panchayats all over the country. To build models and to nurture schools of practice, such Panchayats need to be identified and encouraged.

3. In the above backdrop, the Committee (2015-16) selected this subject for indepth examination and Report. The Sub-Committee on Panchayati Raj was constituted in September, 2015 to get a comprehensive perspective of the subject.

4. The Sub-Committee on Panchayati Raj of Committee on Estimates took oral evidence of the representatives of Ministry of Panchayati Raj on 9 September, 2015 and 5th October, 2015. The draft Report was considered and adopted by the Committee on Estimates (2016-17) at their sitting held on 29th July, 2016.

5. The Committee wish to express their thanks to the representatives of the Ministry of Panchayati Raj for furnishing material, written replies to list of points and tendering evidence before them.

6. For facility of reference and convenience, the observations/recommendations of the Committee have been printed in Bold in Part-II of the Report.

NEW DELHI;
7 August, 2016
Shravana 16, 1938 (saka)

DR. MURLI MANOHAR JOSHI
Chairperson,
Committee on Estimates.

Part I

Chapter I

Introduction

Panchayats are local self governments as mandated in the Constitution of India. As per the Constitution, three tiers of Panchayats are to be constituted, through elections every five years, except in States with population less than 20 lakhs, where Panchayats at two tiers may be created. The constitution envisages that the panchayats will function as institutions of local government and prepare plans and implement schemes for economic development and social justice, but leaves the precise devolution of powers and authority to Panchayats to the States.

The Ministry of Panchayati Raj, which was set up in May 2004 envisions to attain decentralized and participatory local self-government through Panchayats or Panchayati Raj Institutions (PRIs). The vision of the Ministry is to make PRIs an effective, efficient and transparent vehicle for local governance, social change and public service delivery mechanism and encouraging States (i) to devolve powers (Functions, Functionaries and Finance i.e. 3Fs) to PRIs, (ii) Capacity Building of PRIs and (iii) Creation of a vibrant interface between PRIs and the rural people through Gram Sabhas.

The following are the functions of the Ministry of Panchayati Raj

- (i) to oversee the implementation of Part IX of the Constitution;
- (ii) support States to build capacities of Panchayats;
- (iii) devolve powers to Panchayats - Funds, Functions, Functionaries;
- (iv) promote decentralized planning and strengthen District Planning Committees;
- (v) promote e-governance in Panchayats;
- (vi) strengthen Gram Sabhas;
- (vii) promote accountability through up-to-date and accurate accounts, disclosure, regular audit and social audit; and

- (viii) implementation of Panchayats (extension to the Scheduled Areas) Act, 1996 (PESA).

With a view to carrying out the functions, the schemes mainly administered by the Ministry of Panchayati Raj till 2014-15 included Backward Regions Grant Fund (BRGF), Rajiv Gandhi Panchayati Sashaktikaran Abhiyan (RGPSA), Media and Publicity and Action Research and Research Studies Scheme. From 2015-16, the schemes of BRGF and RGPSA have been delinked from support from the Centre except for the National component of RGPSA. It is up to the States to continue these schemes from the higher share of transferred resources and from funds to be transferred to the Panchayats as per recommendations of the 14th Finance Commission. The National component of RGPSA, Media and Publicity, Action Research Studies are proposed to be continued during 2015-16.

I. Implementation of 73rd Constitutional Amendment Act, 1992

The basic provisions of the Constitution (Seventy Third) Amendment Act, 1992 are divided into compulsory and voluntary provisions. The provisions which the state statutes will have to provide for are (i) conducting of Panchayats elections at regular intervals (once in five years), (ii) creation of State Election Commission to conduct elections for Panchayati Raj institutions (PRIs), (iii) setting up of State Finance Commission for five years, (iv) creation of three tier Panchayati Raj structure, (v) the minimum age for contesting elections to PRIs, (vi) reservation of women in Panchayats and reservation of seats for SC/STs in panchayats in proportion to their population, etc.

1.2 When asked as to whether all the States /UTs, in compliance with the mandatory provisions of the Constitution (Seventy Third) Amendment Act, 1992 have enacted legislations for establishing / setting up structures/ systems / processes, Ministry of Panchayati Raj has furnished the following reply:

"73rd Constitutional Amendment Act (CAA), 1992 incorporated as the Part IX of the Constitution included the following as compulsory/ mandatory provision:

-

- (i) Three tiers of Panchayats are to be constituted except in States with population below 20 lakhs.(Article 243-B);

- (ii) Direct election to seats at all three tiers of Panchayats (Article 243C);
- (iii) Indirect elections for chairpersons of Block and District Panchayats (Article 243C);
- (iv) Reservation in seats for the Scheduled Castes and Scheduled Tribes in proportion to their respective population (Article 243D);
- (v) Reservation of not less than one third seats and offices of chairpersons for women including within SC and ST reservations. Article 243D;
- (vi) Election to Panchayats every five years (Article 243 E);
- (vii) Constitution of State Finance Commissions every five years to review the financial position of Panchayats and make recommendations to Governor regarding distribution between the State and Panchayats of taxes, duties, tolls etc. (Article 243I);
- (viii) Setting up of State Election Commission (SEC) and vesting the superintendence, directions and control of the preparation of electoral rolls for and the conduct of all election to the Panchayats in SEC (Article 243K).

The minimum age for contesting elections to PRIs is not mandated in the Part IX, but in the respective State Panchayat Raj Act. The minimum age mandated for contesting election to a seat in State Legislative Assembly is 25 years in terms of the Article 173 of the Constitution. This has been mostly adopted by States as the minimum age for contesting elections to PRIs. However, a State may prescribe minimum age below 25 years but not below 18 years which is the bench mark of adult suffrage , e.g. in the State of Uttar Pradesh minimum age of 21 year is permissible for contesting PRI election.

States have generally complied with the Constitutional provisions. However, in Puducherry, elections to Panchayats have not been held. In the past there have also been instances of elections not being held to Panchayats in Andhra Pradesh and Jharkhand. These matters have been taken up in Court.

Out of 29 States, 26 States (except Meghalaya, Mizoram and Nagaland) have constituted State Finance Commissions (SFCs) to comply Art. 243 I of the Constitution which provides that the Governor of a State shall, as soon as may be within one year from the commencement of the Constitution (Seventy-third Amendment) Act, 1992, and thereafter at the expiration of every fifth year, constitute a Finance Commission to review the financial position of the Panchayats. A statement showing State-wise SFCs constituted along with date of constitution, period covered, date of submission of Reports and Action Taken Report is at **Annexure I**.

Considering that SFCs play a very crucial role in fiscal decentralization and ensuring greater stability and predictability to the transfer mechanism and also for taking a view on various fiscal aspects of the local bodies, Ministry of

Panchayati Raj (MoPR) organized an Interactive meeting on SFCs on issues and options on 23-01-2009 and draft guidelines for SFCs for ensuring minimum benchmark were issued to all States on 27-4-2009. Subsequently, a meeting on "Local Bodies Finances and State Finance Commissions" was held on 27-6-2011 which were attended by Chairpersons & Members of various State Finance Commissions, representatives of Central/ State Governments, International Agencies, eminent Experts on fiscal decentralization and other stakeholders."

II. Compulsory conduct of Elections

Article 243E of the Constitution states that every Panchayat, unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting and no longer. Further, an election to constitute a Panchayat shall be completed before the expiry of its duration or before the expiration of a period of six months from the date of its dissolution. As per Article 243K of the Constitution, superintendence, direction and control of all elections to the Panchayats is vested in a State Election Commission consisting of a State Election Commissioner to be appointed by the Governor.

1.3 When asked as to whether all the states / UTs have conducted elections at the intervals /frequency specified in the Act, the Ministry of MoPR have stated as follows:

"Elections to Panchayats are generally held as stipulated in the Constitution. Election to Panchayats have not been held in Puduchery. Ministry of Panchayati Raj has taken up this issue with the Union Territory. Moreover, in case of delays in elections in Jharkhand and Andhra Pradesh previously, M/o PR had continuously urged the State Governments to hold elections. Andhra Pradesh could not hold PRI elections due in 2011 due to Court cases. The elections were held in 2013-14. Uttrakhand also could not hold elections due in Sept., 2013 due to natural calamities, which were subsequently held in June, 2014."

1.4 On being enquired about the reasons for not conducting timely elections to Panchayats in some States and also the correct measures taken by the governments, the representatives of MoPR submitted before the Committee during oral evidence as under:

"There was one very long instance in Jharkhand where elections were not conducted. Basically the whole thing was sub judice. The Ministry played a very proactive role at that time. So, elections were ultimately conducted in Jharkhand. Similarly, in Andhra Pradesh also for some time, again over the question of reservations and court cases elections were not conducted. Again there was a lot of pressure, the grants were stopped, etc. and elections were conducted. Now, Puducherry remains the only place where they have infringed on this. Again there is a court case going on but the Ministry is constantly pressurizing. Otherwise, we do not find that elections are not conducted. That is not the rule. Usually elections are being conducted as per the stipulated timetable."

During evidence the Committee desire to know the States in which election at district level and block level are held on party line. A representative of the Ministry stated as follow:-

"I do not have the exact figure but we will give it to you later. But I know that in most States, a large number of States have district level and block level. But Madhya Pradesh does not have; Chhattisgarh does not have; Bihar does not have. Broadly most States have gone in for block and district level participation of MLAs. But, for instance, Maharashtra does not have; Kerala does not have. In the Constitution it is possible but it is left to the State. And it is governed by the State Act. So, a Constitution Amendment is required."

III. Supersession of Panchayats

1.5 On being asked whether the state Governments have the powers to supersede PRIs, MoPR have submitted the following reply:

"State Governments have made provision in their respective Panchayati Raj Acts to dissolve Panchayats. Usually, the provisions provide for dissolution of Panchayats if in the opinion of the Government, a Panchayat abuses its powers or is not competent to perform etc. The provisions in various State Acts in major States are as below:-

Sl. No	State/UT	Section of the State Panchayati Raj Act	Competent Authority to dissolve Panchayats
1.	Andaman & Nicobar Islands	Gram Panchayat, Panchayat Samiti or Zilla Parishad may be dissolved respectively under sections 50(1), 141(1) and 183(1)	Administrator
2.	Andhra	Under Section 250 of the State	State Government

	Pradesh	Panchayat Act PRI	
3.	Arunachal Pradesh	Under Section 142(2) of the State Panchayat Act Gram Panchayat / Anchal Samiti/ Zilla Parishad may be dissolved.	State Government
4.	Assam	Under Section 125 of the State Panchayat Act Graon Panchayat / Anchal Samiti/ Zilla Parishad may be dissolved.	State Government
5.	Bihar	Under Section 151 of the State Panchayat Act Gram Panchayat / Anchal Samiti/ Zilla Parishad may be dissolved.	State Government
6.	Chattisgarh	-	-
7.	Goa	Under Sections 200 & 231 of the State Panchayat Act Gram Panchayat / Anchal Samiti/ Zilla Parishad may be dissolved.	State Government
8.	Gujarat	-	-
9.	Haryana	Under Section 52(1), 110 and 158 (1) of the State Panchayat Act Gram Panchayat / Panchayat Samiti / Zilla Parishad respectively may be dissolved.	State Government
10.	Himachal Pradesh	Under Section 140 of the State Panchayat Act Gram Panchayat / Panchayat Samiti / Zilla Parishad respectively may be dissolved.	State Government
11.	J&K	-	-
12.	Jharkhand	Under Section 107 of the State Panchayat Act Gram Panchayat / Panchayat Samiti / Zilla Parishad respectively may be dissolved.	State Government
13.	Karnataka	Under Section 268 of the State Panchayat Act Gram Panchayat / Taluk Panchayat / Zilla Parishad respectively may be dissolved.	State Government
14.	Kerala	Under Section 193 of the State Panchayat Act Gram Panchayat / intermediate Panchayat / Zilla Panchayats respectively may be dissolved.	State Government

15.	Maharashtra	Under Section 145, 146, 260 and 296 of the State Panchayat Act Gram Panchayat / Panchayat Samiti / Zilla Parishad may be dissolved.	State Government
16.	Orissa	Under Section 41 (1) and 28 (1) of the State Panchayat Act Panchayat Samiti / Zilla Parishad respectively may be dissolved.	State Government
17.	Punjab	Under Section 29, 114, and 178 of the State Panchayat Act Gram Panchayat / Panchayat Samiti / Zilla Parishad respectively may be dissolved.	State Government
18.	Rajasthan	Under Section 94 of the State Panchayat Act Gram Panchayat / intermediate Panchayat / Zilla Panchayats may be dissolved.	State Government
19.	Tamil Nadu	Under Section 214, 215, and 216 of the State Panchayat Act Gram Panchayat / Panchayat Samiti / Zilla Parishad respectively may be dissolved.	State Government
20.	Tripura	Under Section 194 of the State Panchayat Act Panchayats may be dissolved.	State Government
21.	Uttar Pradesh	Under Section 95 (f) of the State Panchayat Act, Panchayats may be dissolved.	State Government
22.	Uttarakhand	Under Section 95 (f) of the State Panchayat Act, Panchayats may be dissolved.	State Government

Chapter II

Allocation – Panchyati Raj Schemes

The major scheme-wise 12th Five Year Plan (2012 to 2017) outlay as well as budget estimates and expenditure during annual plans (2012-13, 2013-14, 2014-15 & 2015-16) are given below:-

(Rs. In crore)

Sl. No.	Name of scheme	12 th Five year plan (2012-17) outlay	Annual Plan									
			2012-13			2013-14			2014-15			2015-16
			B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.	R.E.	Actual	B.E.
1	BRGF	29306.00	5050.00	3734.00	3720.00	6500.00	2800.00	2800.00	5900.00	2837.00	2837.00	0.00
2	RGPSA	11270.00	50.00	50.00	42.92	655.00	655.00	629.58	1050.00	527.00	525.64	60.00
3	Other Schemes	277.00	250.00	216.00	173.43	45.00	45.00	31.65	50.00	36.00	27.06	34.00
	Total	40853.00	5350.00	4000.00	3936.35	7200.00	3500.00	3461.23	7000.00	3400.00	3389.70	94.00

I. Backward Regions Grant Fund (BRGF)

2.2 The Committee noted that as against the budgetary allocation of Rs. 272 crore for Capacity Building Grant (CBG) out of Backward Regions Grant Fund (BRGF), an amount of Rs. 58 crore only is stated to have been released during 2014-15. When asked about the specific reasons for releasing 1/5th of the funds only vis-a-vis budgetary allocations for the purpose, the MoPR have stated as follows:

"The overall budgetary allocation of Rs. 6500 crore under BRGF Programme during 2014-15 got reduced to Rs. 2837 crores at Revised Estimate stage and this affected the overall release including Capacity Building. The actual release under Capacity Building Grant during 2014-15 was Rs. 57.59 crores. BRGF is a process oriented and demand driven programme implemented by the PRIs. During 2014-15, the pace of releases had been slow in the first two quarters. This was due to late submission of proposals by many States and also on account of the non- submission of capacity building plans/ discrepancies in requisite documents like Utilisation Certificates, physical & financial progress reports and audit reports. States had been generally slow in reporting expenditure against the previous releases. The standard procedure of deduction of unspent balance of previous years from releases made during the year, also affected releases."

II. Allocation and Utilisation of funds under Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)

2.3 The Committee when asked about the utilisation of funds under RGPSA scheme for the financial year 2013-14, the Ministry have furnished the following written reply:

"It is stated that the utilization figure of Rs.629.59 crores out of BE of Rs.655 crores for RGPSA for the year 2013-14 was inclusive of release of funds to UTs of Daman & Diu and Dadra & Nagar Haveli in the month of March, 2014. However, it was later found out that the above funds could not be transferred in the accounts of respective UTs and the same was lapsed. Hence, there was discrepancy which has since been reconciled."

The Committee pointed out that under the national component of RGPSA the activities undertaken are stated to be the performance assessment and incentivisation of Panchayats through a rigorous process, support to resource agencies for innovative activities and technical support to states.

2.4 On being asked by the Committee to specify the nature of innovative activities undertaken and also the technical support given to States so far under RGPSA, MoPR stated as under:

"Innovative Projects Under RGPSA, States may include innovative proposals up to Rs.2.00 crores annually in their plan. The Ministry has approved the innovation proposals contained in the proposals of some States under RGPSA during 2014-15 as under:

a) Innovative practice relating to "Strengthening of Gram Panchayats Organizations in Mulbagal Taluka" in Karnataka

The proposal of the State Government of Karnataka regarding Innovative practice relating to "Strengthening of Gram Panchayats Organizations in Mulbagal Taluka" costing Rs. 1.19 crore in Karnataka has been approved in the month of July 2014. The proposal is based on the experience of a Gram Panchayat Organization Development (GPOD) intervention of Arghyam, aimed at strengthening of Gram Panchayats through a process intervention to enhance citizen participation and improve delivery services. The project has created cabinet portfolios within the GP, facilitated collective visioning exercises, improved both gram sabha participation and the quality of public services rendered within a very short time span.

b) "ManaVooru – ManaPranalika" (Our Village-Our Plan):

Funds to the tune of Rs. 7.8 Crores have been sanctioned for training of Sarpanchies & Panchayats Secretaries of Gram Panchayats of Telangana for the programme namely "ManaVooru – ManaPranalika" (Our Village-Our Plan). This programme is designed to prepare plan of Gram Panchayats, Mandals and Districts and incorporated in state plan for strengthening the planning system with people participation. Further it seeks to make the functionaries of different sectors responsible to Panchayats for delivering the services and also prioritize the aspirations of the elected PRI's and their suggestions for ensuring through processes of participatory ownership. As regards, the Technical support given to States, the same has been brought out in detail in the item Capacity Building."

III. Utilization of funds under Other Schemes

2.5 The Committee have noted actual utilization of allocations made for 'Other Schemes' fell far short of not only budget estimates but also sharply reduced allocations made at RE stage during 2012-13, 2013-14 and 2014-15. When asked to furnish the reasons for under utilization of allocated amounts, the MoPR have given the following reply:

"The "Other Schemes" as indicated in paras 26 include Secretariat Economic Service Management Cell,(Plan), International Cooperation, UN Agencies, Media & Publicity, Action Research, Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA), Rural Business Hubs (RBH), Panchayat Empowerment and Incentive Scheme (PEAIS), e Panchayats, Resource Support to States and Rashtriya Gram Swaraj Yojna (RGSY). The schemes of PMEYSA, PEAIS, RGSY, Resource Support to States, e Panchayats, which were separate schemes till 2012-13, became components of the main Scheme, Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) from 2013-14. No allocations were made for these schemes from 2013-14 under the Head, " Other Schemes". As far as Secretariat Economic Service (Management Cell,(Plan) is concerned, this is actual amount depending upon salaries and other connected expenditure. Under Action Research, the reasons for low expenditure during the two years was due to non-completion of large number of sanctioned research studies during the previous years since for most of the studies sanctioned the pace was much slower than anticipated. The organizations had taken in-between extension of time for the completion of the study. Further to make the scheme more meaningful and result oriented, it has been decided that projects will only be sanctioned under the scheme which assist the Ministry in framing appropriate policies and schemes and the learning from the action research will be better utilized for strengthening capacity building programmes. Apart from the aforesaid reasons, due to the

shortage/non-receipt of meaningful proposals on the themes identified by the Ministry, funds could not be disbursed. The Ministry has now taken steps to get the studies completed and funds are being released.

Under Media & Publicity Scheme, the reasons for low utilization of funds in the year 2014-15 was due to (i) Production of 35 short films for training purpose commissioned by the Ministry during the year were at different stages of production and evaluation hence the full money was not released to the agencies and (ii) the commemorative celebrations of National Panchayati Raj Day 2014 and any awareness generation activities could not be organized due to implementation of Model code of conduct for Lok Sabha elections. The "Other Schemes" as indicated in para 27 include, among others, Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA), Panchayat Empowerment and Incentive Scheme (PEAIS), e Panchayats, Resource Support to States and Rashtriya Gram Swaraj Yojna (RGSY). The schemes of PMEYSA, PEAIS, RGSY, Resource Support to States and e- Panchayats, which were separate schemes till 2012-13, became components of the Scheme, Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) from 2013-14. Hence, from 2013-14, no allocations were made for the above schemes and proportionally allocations under "Other schemes" show reduction from 2013-14 onwards, compared to 2012-13."

IV. SATCOM (Satellite Communications) facility to States

2.6 The Ministry of Panchayati Raj during evidence dated 09.09.2015 has informed that they are partnering with ISRO to provide SATCOM facilities to States where these do not exist.

The Committee further asked the Ministry regarding the number of Panchayats provided SATCOM facilities (State-wise), the manner in which the challenges like lack of electricity/internet connectivity in the rural areas, the progress made towards developing offline versions of PES applications and adoption of model Gram Panchayats for its implementation and coordination with M/o New and Renewable Energy sources in exploring the possibility of providing solar/wind power where conventional power is not available, the MoPR have stated as under:

"MoPR is still in the process of discussion with ISRO and the States for finalizing the support to be provided to States for universalization of SATCOM facilities at Panchayat level. However, SATCOM facility is already being used by Panchayats in eight States. Though funds have also been sanctioned under RGPSA to Arunachal Pradesh, Himachal Pradesh, Jharkhand, Kerala

and Tripura for setting up SATCOM facilities for Panchayats, the States have not yet been able to utilize these funds due to various reasons. States with shortage of power and broadband at Panchayat level have been advised to make data entry in online applications from the nearby Panchayats where power and internet connectivity is available. To overcome the shortage of power (electricity), the matter is being pursued with Ministry of New and Renewable Energy. Broadband connectivity is also being provisioned for Panchayats under BharatNet, being implemented by the Department of Telecommunications (DoT). Offline versions of PES applications are in various stages of development. The Ministry has advised all States to identify Gram Panchayats as models in the implementation of e-Panchayat. Furthermore, the MoPR has identified five Panchayats as models in the implementation of ePanchayat by December, 2015. Detailed guidelines in this regard have also been shared with States in advance. MoPR is submitting a proposal to Ministry of New and Renewable Energy (under the National Clean Energy Fund) for electrification of un-electrified Panchayats using Solar energy. The proposal will cover about 17,500 Gram Panchayats (with own buildings) identified by the State Governments as un-electrified to provide the following:

- 10 KW power packs for each GP
- The GP bhawan + 6 street lights (LED bulbs) + solar powered drinking water pump
- 5 year AMC (maintenance)
- The Gram Panchayat will train at least one person (Suryamitra) for a period of three months who would ensure maintenance of the solar power system.
- Cost approx. Rs. 17.5 lakhs per GP

V. Panchayat Sashaktikaran Puraskar (PSP)

Management Information System (MIS) for Panchayat Sashaktikaran Puraskar (PSP) is stated to be under revamp mode to enable online data from Panchayat level to determine the best performing panchayats in states. Further, some thematic areas are also stated to have been identified for award purpose.

2.7 When asked to furnish the progress achieved in this regard, the MoPR have stated as under:

"The requisite MIS for Panchayat Awards has been operationalized. All the States/ UTs have been informed in this regard and have been requested to furnish their nominations for best performing Panchayats online on the portal in a time bound manner. The nominations for PSP for 2016 will be received

for general and eight thematic categories of sanitation, civic services (drinking water, street light, infrastructure), natural resource management, marginalized section (women, SC/ST, disabled, senior citizen), social sector performance, disaster management, CBOs/ Individuals taking voluntary actions to support Gram Panchayats and innovation in revenue generation. One-third of the total PSP awards are proposed in the categories of thematic awards. Copy of the letter dated 28th September, 2015 addressed to all the States/ UTs in this regard is placed at **Annex-II.**"

VI. Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA)

2.8 A Central Sector Scheme viz. "Panchayat Mahila Evam Yuva Shakti Abhiyan"(PMEYSA) was under implementation in the country during 2007-08 upto 2012-13 for empowerment of Elected Women Representatives (EWRs) and Elected Youth Representatives (EYRs). Under the scheme, financial assistance was provided to the States/UTs including Maharashtra for holding District/Divisional level sammelans, State level Sammelans, special sensitization/training courses, establishing States support Centres etc., The scheme was later subsumed under "Rajiv Gandhi Panchayat Sashaktikaran Abhiyan". Funds to the tune of Rs.-14.52 cr. had been released under PMEYSA to the States.

VII. Panchayat Empowerment and Accountability Incentive Scheme (PEAIS)

2.9 PEAIS, a Central Sector Scheme, being implemented by M/o Panchayati Raj aims at encouraging states to adequately empower Panchayats and put in place systems for bringing about accountability of PRIs. When asked about the achievements of stated objectives of the PEAI scheme since its inception in 2005-06, the strategy followed and the incentives offered to encourage the states to empower Panchayats systems put in place for bringing about accountability of PRIs, the MoPR have stated as under:

"The Panchayat Empowerment & Accountability Incentive Scheme, which became a component of RGPSA from 2013-14, is aimed at (a) encouraging States to adequately empower Panchayats or Panchayati Raj Institutions (PRIs) and (b) put in place systems for bringing about accountability of the PRIs. Under the PEAIS, awards are given to States for best in the devolution of 3Fs to PRIs and also to Gram Panchayats for performing best in certain aspects. Performance of States is measured through a Devolution Index (DI) by an independent agency and token awards are given to the States which

rank high on DI. Performance of Panchayats is measured in terms of putting in place system to bring about accountability. In the current year, the nominations for Panchayat Sashaktikaran Puraskar (PSP) will be received for General and eight thematic categories of Sanitation, Civic Services (Drinking Water, Street Light, Infrastructure), Natural Resource Management, Marginalized section (women, SC/ST, disabled, senior citizen), Social Sector performance, Disaster Management, CBOs/ Individuals taking voluntary actions to support Gram Panchayats and Innovation in Revenue Generation. One-third of the total PSP awards are proposed in the categories of thematic awards."

VIII. Role of Panchayats in enabling the reach of anti poverty programmes

2.10 The Committee also wanted to know the role played by Panchayati Raj set up in enabling the reach of anti poverty programmes. In this regard, the following information has been provided by the MoPR:

The role of Panchayat Raj Institutions (PRIs), as envisaged in the 73rd Amendment of the Constitution, goes beyond the traditional civic functions. PRIs are made responsible for economic development and social justice, to be achieved through participatory planning process. A list of twenty nine subjects has been devolved under the Eleventh Schedule of the constitution which is indicative of the prominent role envisaged for the Panchayats. To comply with Article 243G read with the Eleventh Schedule of the Constitution for delineation of role and responsibilities of PRIs in the planning, implementation and monitoring of centrally sponsored schemes, implementing Ministries/ Departments in the Government of India have been reviewing the operational guidelines of their schemes to provide roles and responsibilities to Panchayats in the planning, implementation and monitoring of schemes.

While in all the major centrally sponsored schemes, the guidelines recognize the role and responsibilities of Panchayats under the respective schemes, its implementation by the State governments varies, since the level of devolution varies vastly between States.

A note indicating the role of PRIs in some centrally sponsored schemes, as given in the respective scheme guidelines of the concerned Ministries is given in

Annexure-III.

Chapter III

Finances of Panchayati Raj

I. Fourteenth Finance Commission (FFC) Grants

During evidence before the Committee on 09.09.2015, the Ministry informed that FFC has recommended the grant of ₹ 2,00,292.2 crore to Panchayats for the period 2015-20 and this entire amount of funds would go to Gram Panchayats. Out of this 90 per cent will be the basic grant and 10 per cent will be the performance grant. The Committee when desired to know the difference between the recommendations of 13 and 14 Finance Commissions for giving grants to Panchayats, reaction of States and the manner in which the Block Panchayats and Zila Parishads will meet their development expenditure in the absence of Central Grants, the MoPR stated as under:

"The formula adopted/followed for giving grants to Panchayats as per recommendations of Thirteenth Finance Commission (FC XIII):

Criterion	Weights allotted
Population	50
Area	10
Distance from highest per capita sectoral income	10
Index of devolution	15
SC/STs proportion in the population	10
FC local body grants utilization index	5
Total	100

- Weight allotted to criteria for Grants to Local Bodies

(b) The formula adopted/followed for giving grants to Panchayats as per recommendations of Fourteenth Finance Commission (FFC)

The Grants to States have been recommended as per the following formula:-

Population - 90%
Area – 10%
Total 100%

However, so far as inter-se distribution of grants to GPs within a State is concerned, it will be done on the basis of formula recommended by SFC. Where SFC formula is not available, the FFC formula of 90:10 will be adopted.

(ii) (a) The Fourteenth Finance Commission have recommended that the grants should go to gram panchayats, which are directly responsible for the delivery of basic services, without any share for other levels. The Commission has further observed that the State Governments are expected to take care of the needs of the other levels. The recommendations have been accepted by the Government of India in toto.

(b) The Ministry has received requests from a few quarters to provide funds to the other two tiers of panchayats, in addition to the funds meant for GPs. Representatives of State Governments have also expressed concern over non-recommendation of grants to Block & District panchayats in their meeting held in New Delhi on 8.5.2015. Ministry of Panchayati Raj has written to States inter-alia suggesting that – (i) SFCs wherever are functional, to bring the fact to the notice through a modified ToR so that they can take a judicious view on the allocation to be given to District Panchayats from State resources; (ii) Wherever the recommendations have been submitted and a final decision has not been taken, Department of Panchayati Raj and the Finance Department could work out a suitable solution and;

(c) In other cases, the possibility to giving special grants to them may be considered or at least certain schemes could be entrusted to the District Panchayats to make up for the reduction.

(iii) Funds made available by the FFC are an additionality and are only one of the sources of funds for panchayats. Block Panchayats & Zilla Parishads have access to the funds from other sources such as State Finance Commission awards, tax collection, State grants, etc. Funds are also made available under various Centrally Sponsored Schemes, State Schemes from time to time. States have also devolved funds of certain departments to the PRIs."

II. Pre conditions for funds transfer to panchayats

3.2 When asked as to whether there are any pre-conditions set by the centre for transferring funds to Panchayats, the MoPR stated as under:

"The grants have been recommended only to duly constituted gram panchayats in each State. As such gram panchayats constituted on the basis of elections is one basic condition. Transfer of funds by States to the gram

panchayats within 15 days of their credit in their accounts by the Union Government is another pre condition. In case of delay State Governments are required to release instalment with penal interest. To draw their entitled share of these grants, States have to comply with the following eligibility conditions:

(i) The Gram Panchayats will have to submit audited accounts that relate to year not earlier than two years preceding the year in which the Gram Panchayats seek to claim the performance grant.

(ii) The Gram Panchayats will have to show an increase in their own revenues over the preceding year as reflected in the audited accounts.

In addition, certain stipulations regarding furnishing of UC for the previous instalment drawn, design of detailed procedure for disbursement of performance grants, certification from MoPR that the finalized scheme, conforms to FFC recommendations, maintenance of books of accounts as recommended by FFC, continuation of TG&S arrangement from C&AG and timely audit of accounts.

Basic Grant & Performance Grant is to be utilized for the designated purpose as recommended by the FFC only."

III. Finances of Panchayati Raj Institutions (PRIs) – Flow of funds

3.3 During evidence dated 09.09.2015, the Committee when asked about the mechanism of funds to Panchayats from the Central Government, the Secretary, M/o Panchayati Raj stated as follows:

"The Money will go from the Ministry of Finance from the consolidated fund of India to the State Consolidated fund and within 15 days of receipt they will have to release it to the gram panchayats, preferably directly. For example, Karnataka has an electronic transfer. They can give it from the State to the Gram Panchayat within 15 days. Some give it through the District, but it has to reach the gram panchayat within 15 days failing which the State has to give interest to the Gram Panchayats. So that is the award of the 14th Finance Commission."

3.4 When asked about the instances where the State Governments have paid interest to panchayats for delay in releasing the funds received from the Central Government, the Ministry of MoPR have state as under:

"These Grants are released by the Ministry of Finance. So far only the first instalment of Basic Grants for the current financial year 2015-16 has been

released to twenty five State Governments (except Uttar Pradesh) by the Ministry of Finance. Details regarding any delay in the transfer of these Grants to the gram panchayats is not available with the Ministry. However, while implementing the Thirteenth Finance Commission award, subsequent instalments of these grants to panchayats were released by the Ministry of Finance to State Governments such as Andhra Pradesh, Arunachal Pradesh & Uttar Pradesh only after the State Government had released the previous instalment along with the penal interest at RBI rate for a period of delay beyond the stipulated period

(i) The FFC have recommended that State Governments should release these grants to the gram panchayats within fifteen days of it being credited to their account by the Union Government. There is no stipulation in these recommendations that State Governments should transfer funds to the panchayats through electronic transfer only. However, the Ministry agrees that such stipulation of direct transfer of funds to panchayats is more speedy and efficient.

(ii) The current financial year being the first year of the award period of Fourteenth Finance Commission and only the first instalment of the Basic Grants being released so far, data regarding States which are directly transferring the funds to panchayats and those through districts is not readily available in the Ministry. "

3.5 When asked about the role played by the Ministry of Panchayati Raj in ensuring the implementation of relevant recommendations of the Finance Commissions, the MoPR have stated as under:

"As per the guidelines dated 08.10.2015 issued by the Ministry of Finance, MoPR has been given the following roles in the implementation of the FFC recommendations-

(i) Performance grant for 2015-16 for rural local bodies will be released by the D/o Expenditure in October on certification from the MoPR that the Scheme framed by the States for disbursement of Performance Grants (including quantum of incentive and operational criteria) has been received from the States and it conforms to the recommendations of the FFC. Performance Grants for the subsequent years will be released on furnishing of the UC to the MoPR and certification from the MoPR to this effect.

(ii) State Governments will develop state specific time bound action plans to address the issues highlighted by the FFC for the States may work closely with the MoPR

(iii) Further, a Committee has been constituted under the chairmanship of Secretary, Panchayati Raj for providing guidance and support to State Govts. and rural local bodies on the implementation of recommendation of FFC XIV listed in para 24 of the guidelines. The Committee will have the following broad terms of reference-

(i) Suggest measures to facilitate that all the recommendations of the 14th Finance Commission relating to local bodies are operationalized

(ii) Sort out operational issues which are brought to the notice of the committees by the State Governments

iii) Facilitate inter-ministerial coordination at the Central level

iv) Monitor the progress of expenditure of the grants by the local bodies and suggest remedial measures, if needed

IV. Sources of revenue for panchayats

3.6 Furnishing the details about the sources of revenue generated by Gram Panchayats in different states, the MoPR have state as under:

"The latest available information on taxes levied by Panchayats is given as **Annex-IV**. The normal Panchayat taxes are – House or Property Tax, Profession Tax, Entertainment Tax, Surcharge on Stamp Duty, Tax on Goods sold in markets, Tax on Community Services, Water Tax, etc. There is a huge variation across States in the type of local taxes, rates and level of collection. Panchayats also generate resources through various types of fees and assets.

12th Finance Commission in their report made following conditions regarding own revenue generation by panchayats;

Levy of certain major taxes and exploitation of non-tax revenue sources be made obligatory for the panchayats. The minimum rates for all such levies be fixed by the State Governments;

A minimum revenue collection from the panchayat taxes be insisted;

Incentive grants relates to revenue collection beyond a prescribed minimum be introduced by the State Government;

User charges be made obligatory levies;

All common property resources vested in the village panchayats may be identified, listed and made productive of revenue;

Valuation of taxable lands and buildings should be done by a separate cell in the Panchayati Raj Department of the State Governments and not left to the panchayats;

Powers to levy a tax/surcharges/cess on agricultural holdings should be given to the intermediate or district panchayats;

(a) 13th Finance Commission in their report have recommended that the State Governments should incentivize revenue collection by local bodies through methods such as mandating some or all local taxes as obligatory at non-zero rates of levy; by deducting deemed own revenue collection from transfer entitlements of local bodies or through a system of matching grants. 13th Finance Commission also made levy of property tax by panchayats as one of the six mandatory conditions for drawl of performance grants.

(b) 14th Finance Commission: improvement in own source revenue generation is one of the two mandatory conditions for drawal of Performance Grants (applicable from 2016-17 onwards). Extracts from FFC Report on the subject are given in the following paragraphs:

“A common issue raised by most SFCs is that their work was hampered by lack of reliable data on receipts and expenditure at the local body level. The studies commissioned by us on panchayats and municipal finances faced similar problems. We note that despite the last three Finance Commissions raising the issue of reliable data and accounts and providing grants to address the issue, not much has happened. In our opinion, this is not a satisfactory state of affairs. Therefore, we are providing performance grants to address the following issues: (i) making available reliable data on local bodies' receipt and expenditure through audited accounts; and (ii) improvement in own revenues. In addition, the urban local bodies will have to measure and publish service level benchmarks for basic services. These performance grants will be disbursed from the second year of our award period, that is, 2016-17 onwards, so as to enable sufficient time to State Governments and the local bodies to put in place a scheme and mechanism for implementation. The details of the performance grants are given in the paragraphs that follow.

To be eligible for performance grants, the gram panchayats will have to submit audited annual accounts that relate to a year not earlier than two years preceding the year in which the gram panchayat seeks to claim the performance grant. It will also have to show an increase in the own revenues of the local body over the preceding year, as reflected in the audited accounts. To illustrate, the audited accounts required for performance grants

in 2016-17 will be for the year 2014-15; for performance grants in 2017-18, the audited accounts will be for the year 2015-16; for performance grants in 2018-19, the audited accounts will be for 2016-17; and for performance grants in 2019-20, the audited accounts will be for 2017-18.

The ToR mandates us to identify and recommend measures needed to augment the Consolidated Fund of States. In addition to the grants that we have recommended, we have suggested the actionable measures that the State Governments and the local bodies can take to improve their own revenues, based on our examination of SFC reports. There is certainly a need to streamline revenue administration in the States in order to improve own resources of panchayats and municipalities.

States have classified levies assigned to local bodies as compulsory or optional. However, the classification is different across States. Per capita income from both tax and non-tax sources also varies widely. In the case of own revenue collections by local bodies, the bulk of overall collections were accounted for by local bodies in a few States. We notice that there is considerable scope for the local bodies to improve revenues from own sources by taking steps as recommended by the SFCs and the Finance Commissions. In our view, States need to take the measures illustrated below to further augment the resources at the State and local bodies' level.

The reports of some SFCs revealed the fact that panchayats reported low income from advertisement in cases where it was being collected by the district administration for passing on to the panchayats. Even in cases where the panchayats were empowered to collect the tax, most of them were not doing so. In the case of urban local bodies, the tax had two components - tax on hoardings and the tax on advertisements on buses, cars, lamp posts and compound walls. The SFCs also pointed out that in some States, relevant legislation allowed the municipal corporations to collect advertisement tax, but did not give powers to the Tier II and III municipalities to levy the tax. We are of the view that there is no reason why the incomes of local bodies from advertisement tax cannot increase significantly.

In this context, we suggest that States may like to consider steps to empower local bodies to impose this tax and improve own revenues from this source.

It will also have to show an increase in the own revenues over the preceding years as reflected in the audited accounts”.

3.7 The Committee during evidence dated 09.09.2015 desired to know the main sources to generate the own revenue generation of Gram Panchayats. The Secretary MoPR stated as under:

"From national experience, one of the sources is property tax or house tax. Then States like Tamil Nadu, Kerala and others give the entertainment tax from cinemas to them. Then the 14th Finance Commission has recommended what is called profession tax. It is like the income tax on any profession. For example, a Government servant may be liable to give Rs 2500 as profession tax to the Gram Panchayat. Maybe a factory worker will have to give only Rs 500. This is not done in many States. This is there in all the States but they are not collecting it. So, we are now trying to motivate the States to collect this. Telangana is a very good example where they increased their own revenue from Rs 90 crore to Rs 250 crore just in one year without increasing the tax. That is a very good example which we are now trying to point out to others."

V. Financial Accountability

3.8 When asked about the existing provisions on ensuring the financial accountability of Panchayats in different states, the MoPR have stated as under:

"Article 243J provides for the legislature of a State to make provisions with respect to the maintenance of accounts by the Panchayats and the auditing of such accounts.

The State Governments have made necessary provisions in the State Panchayati Raj Acts and Rules for proper maintenance of accounts and auditing of such accounts through the offices of Director (Local Audits) as well as through the office of Accountant General. The State Governments have prepared necessary budgeting, accounting and auditing manuals.

While recommending devolution of funds to the rural local bodies, the Union Finance Commissions have also laid down certain conditions for financial accountability of the Panchayats. The provisions mentioned by 13th and 14th Union Finance Commission are given below:

(I). Ministry of Finance (MoF) had framed detailed guidelines regarding release and utilization of grants recommended by the Thirteenth Finance Commission (FC XIII) for Rural Local Bodies vide their letter dated 23.09.2010.

In terms of guidelines,

- FC XIII recommended grants in-aid to local bodies as a percentage of the previous year's divisible pool of taxes (over and above the share of States), after converting this share to grant-in-aid under Article 275 of the Constitution of India.
- The grants recommended are untied to expenditure conditions.
- Every State shall constitute a High Level Monitoring Committee (HLMC) headed by the Chief Secretary to the State Government and will include Finance Secretary and Secretaries of the concerned Departments as members. HLMC shall be responsible for ensuring adherence to the specific conditions in respect of each category of grant, wherever applicable.
- The expenditure to Local Bodies is also subject to audit by the concerned State Government Agencies.

(II) MoF has issued Guidelines for implementation of recommendations of Fourteenth Finance Commission (FFC) with regard to Local Bodies Grants (RLBs & ULBs) vide letter dated 8-10-2015.

In terms of these guidelines,

- The Comptroller and Auditor General of India will audit the release and transfer of the grant-in-aid. C&AG may also conduct audit of expenditure in selected Panchayats in accordance with the Technical Guidance and Support (TG&S).
- It is suggested that the publishing of service level data and preparation and audit of accounts will provide the necessary transparency and accountability for release of funds.
- It is also recommended that stern action should be ensured if irregularities in the application of funds are noticed or pointed out, for the prevention of which appropriate third party audit mechanism may be put in place by March, 2017.
- For monitoring and concurrent evaluation, the States may constitute High Level Monitoring Committee (HLMC) headed by Chief Secretary and including the Finance Secretary and other concerned Departmental Secretaries to monitor and carry out concurrent evaluation of the Local bodies receiving grants to ensure that funds are utilized for the purpose recommended by the FFC.
- At the level of Union Government, a Committee will be constituted under the Ministry of Panchayati Raj to provide guidance and support to the State

Governments and local bodies on implementation of recommendations of FFC which inter-alia monitor the progress of expenditure of the grants by the local bodies and suggest remedial measures, if needed.

- To assist the States to ensure proper financial accountability of the Gram Panchayats, the Ministry of Panchayati Raj has awarded the work of preparation of States specific manuals for budgeting, accounting and auditing of Panchayat Accounts to an independent agency called Institute of Public Audit of India. This institute is working with the State Government for preparation of state specific manuals.

Chapter IV

I. Reservation of seats for disadvantaged sections in Panchayats

Article 243 D of the Constitution of India provides for (i) the reservation of seats for the Scheduled Castes and Scheduled Tribes in every Panchayat (at all levels) in proportion of their population in the Panchayat area and also the women

The Committee during evidence on 09.09.2015 when asked to clarify the implementation guidelines for reservations and rotation of reserved seats after two terms. The representatives of Ministry stated as under:-

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The Committee asked as to whether all the State Governments are adhering to the provision of Article 243D and 243D(3), the MoPR have stated as under:

"Reservation of seats for the Scheduled Castes and Scheduled Tribes at all levels of Panchayat is a mandatory provision and generally the State Governments have complied with this by making a provision in their respective Panchayati Raj Acts. A third party audit has not been conducted in this regard.

Reservation of one third seats (including the seats reserved for the Scheduled Castes and Scheduled Tribes) by rotation is a mandatory provision and the State Governments have already made provision in this regard. Some of the State Governments, as per details below, have made provision for reservation of 50% of seats for women at PRIs.

- i. Assam
- ii. Andhra Pradesh
- iii. Bihar
- iv. Chhattisgarh
- v. Himachal Pradesh
- vi. Jharkhand
- vii. Kerala
- viii. Karnataka
- ix. Madhya Pradesh
- x. Maharashtra
- xi. Odisha
- xii. Rajasthan
- xiii. Tripura
- xiv. Telengana
- xv. Uttarakhand
- xvi. West Bengal.

During evidence the Committee desired to know the names of States which have direct elections to the three tier system for the post of Chairperson. The representative replied as under:

"These points are very important about direct and indirect elections. The Ministry is a little constrained because the Constitution provides for indirect elections at the block and district Panchayats. Since the Hon. Committee has pointed out this issue, we will again take it up in our Ministry. It would require consultation with the States, taking them on board, it would require a Constitution amendment. So, we cannot immediately act on this issue because of the constitutional provisions in that sense but certainly we will take up this whole issue with the States."

II. Association of MPs and MLAs at block level / Panchayat Samithi

4.2 The Committee further desire to know the provision of participation of public representatives MPs and MLAs in the Block/Panchayat Samiti/Zila Parishads, the Ministry in their written reply stated that as per Article 243 C (3) (c) & (d) of the Constitution, a State may provide for representation of MPs and MLAs in block and district Panchayats. Various State Governments, as given below for major States, have made provision for representation of MLAs and MPs in PRIs as members/ associate members:

Sl. No	State/UT	Provision for Intermediary Panchayat (Block)		Provision for District Panchayat	
		MP	MLA	MP	MLA
1.	Andaman & Nicobar Islands				
2.	Andhra Pradesh	Yes	Yes	Yes	Yes
3.	Arunachal Pradesh	Yes	Yes	Yes	Yes
4.	Assam	Yes	Yes	Yes	Yes
5.	Bihar	Yes	Yes	Yes	Yes
6.	Chhattisgarh			Yes	Yes
7.	Goa				
8.	Gujarat	No	Yes	No	Yes
9.	Haryana	Yes	Yes	Yes	Yes
10.	Himachal Pradesh	Yes	Yes	Yes	Yes
11.	Jharkhand	No	No	No	Yes
12.	Karnataka	Yes	Yes	Yes	Yes
13.	Kerala	Yes	Yes	Yes	Yes
14.	Madhya Pradesh	No	Yes	Yes	Yes
15.	Maharashtra	No	No		
16.	Orissa	Yes	Yes	Yes	Yes
17.	Punjab	No	Yes	Yes	Yes
18.	Rajasthan	No	Yes	Yes	Yes
19.	Sikkim			Yes	Yes
20.	Tamil Nadu	Yes	Yes	Yes	Yes
21.	Tripura	No	Yes	Yes	Yes
22.	Uttar Pradesh	Yes	Yes	Yes	Yes
23.	Uttarakhand	Yes	Yes	Yes	Yes
24.	West Bengal	Yes	Yes	Yes	Yes

During the course of evidence, the representatives of MoPR further elucidated the Committee on the issue of association of MPs/MLAs to panchayats as under:

".....in Panchayat elections, again there are State specific variations. In most States, they do not encourage participation of political parties at least at the

level of village Panchayats. But in many States, they do not encourage participation of political parties at any level. We note that point also for our future action.

Similarly about reservation, it does happen especially in Madhya Pradesh also, I am aware that even when there is a one SC family and ST family, the seats rotate. These rules are also decided by the States. Some States have made these rules so that this kind of an anomaly does not arise. What we will try and do now that the hon. Committee has pointed this out is, we will collect the best practices from the States, how States have tried to rotate in a manner which is fair and also rational. So, we will attempt to collect the best practices from the States and circulate. Then, the rotational rules also keep changing. It is not that States adopt one kind of rule and follow that. They also change it from time to time. But this is an area of work that this Ministry has identified, to find out what are the most rational practices that have been adopted by the States.

These were the important issues which were raised by the Members. We take very serious note of these issues. As the topic itself is about the 73rd Constitution Amendment, many of them are concerned with constitutional provisions. We have to deliberate and we have to look at what is possible in the constitutional structure. So, we take note of all these issues."

Chapter V

I. Capacity Building

The Ministry has informed the Committee that the manpower and infrastructure sanctioned form Gram Panchayats under RGPSA till 2014-15 are under:-

Administrative and Technical Support to Gram Panchayats sanction in RGPSA

Activity	2013-14	2014-15	Total
No. of Account cum DEOs sanctioned for Gram Panchayats:	54753	55295	110048
No. of Panchayat Sachiv / PDOs sanctioned for Gram Panchayats:	15290	110001	26291
No. of JE / Technical staff sanctioned:	2570	8247	10817
Others	-	876	876
Total no. of personnel sanctioned under RGPSA so far:			148032

Construction & repair of Gram Panchayat buildings sanctioned in RGPSA

Activity	2013-14	2014-15	Total
No. of new Panchayats bhavan sanctioned:	3128	2037	5165
No. of repair sanctioned	7727	7856	15583
Computer infrastructure to gram panchayats	22506	19741	42247

The number of trainings of Elected Representatives and functionaries that has been sanctioned under RGPSA during 2013-14 and 2014-15 is given as under:

	2013-14	2014-15
Total no. of ERs and functionaries training sanctioned under RGPSA	1096825	1670581

The institutions sanctioned at various levels are as follows:

	2013-14	2014-15
State Panchayat Resource Centres sanctioned	13	19
District Panchayat Resource Centres sanctioned	136	189
Block Panchayat Resource Centres sanctioned	338	851
Faculty support to SPRC	16	16
SATCOM support provided	0	7
Upgrade of ETC	30	34

To gauge the impact of the scheme and also to track the meaningful utilization of funds, the scheme was monitored through following measures:

- (a) While submitting their Annual Plan proposals, the States had to submit before the CEC the status of Devolution of 3Fs, completion of other activities sanctioned for them under the scheme, status of utilisation of funds, audit reports etc. other measures taken for empowering the Gram Panchayats, Gram Sabhas, etc.
- (b) Obtaining the Quarterly Progress Report (QPR): the first regular instalments under RGPSA, on the basis of Annual Plans were released only in the latter half of financial year 2013-14. 21 States have submitted QPR for 1st and 2nd quarter 2014.
- (c) Conduct of reviews and video conference: detailed reviews, zonal meetings and video conference were held and interactions with SIRDs conducted to monitor implementation of the programme.

The Committee when asked about the strategic action plan of the Government to strengthen/ improve capacity to ensure that all members and elected representatives are adequately trained to perform their roles and responsibilities effectively, to understand programmes, practices, procedures and systems and its impact on the functioning of Panchayati Raj Institutions, the MoPR have stated as under:

"MoPR has supported the Capacity Building and Training (CB&T) of Panchayat ERs and functionaries, as well as other stakeholders in several ways as under:-

i) Schematic Interventions: MoPR, along with States, has successfully addressed the challenge of large numbers for training by deploying the cascade mode of training as well as distance education. Under RGPSA as well as the CB grant of BRGF, substantial support has been provided to set up the training infrastructure, and to provide training. Around 15 lakh Panchayat Elected Representatives and functionaries are trained every year. In addition, MoPR arranges experience sharing across States and also supports knowledge based activities as described below. Several training institutes have also innovated with interesting modes of training, such as on the spot training, work books, help desks, street plays etc. Exposure visits of Elected Representatives to well-performing Panchayats have also been organized. The range of stakeholders to be trained has also expanded considerably, to include various technical functionaries, Gram Sabhas, school children etc. Very strong efforts have been undertaken under RGPSA to strengthen the institutional structure for training.

W.e.f. the year 2015-16, it has been decided that the funds under RGPSA will primarily be released for supporting States to meet their Capacity Building obligations under FFC Award particularly training support for Gram Panchayat Development Plan (GPDP).

The impact of training on the governance capability of PRIs has been mixed. While trainings have had an immediate impact of the knowledge level of ERs, in the absence of adequate resources, it has been difficult for PRIs to deliver on the ground. This is sought to be addressed through the FFC award, and participatory planning process at grassroots, which in itself is a capacity building exercise.

ii). National Capability Building Framework (NCBF): The National Capability Building Framework 2014 has been prepared after iterative consultations to provide a definitive framework for capacity building for elected representatives of the three tiers of panchayati raj and for panchayat functionaries and other stakeholders that would enable the panchayats to provide local governance solutions and become drivers of local development and social justice.

iii). Active Panchayat Series To equip the Gram Panchayats and the Gram Sabha to play an active and meaningful role in various spheres, reading materials suitable for Gram Panchayats and Gram Sabha have been prepared under Active Panchayats and Active Gram Sabha series of publication.. The following books have been prepared and made available to States:

❖ Sanitation in Gram Panchayats

- ❖ Drinking Water in Gram Panchayats
- ❖ Governance in Gram Panchayats
- ❖ Gram Sabha reader on Sanitation or Resource Book for Panchayats
- ❖ Animal Husbandry in Gram Panchayats
- ❖ Child Development in Gram Panchayats
- ❖ Resource Book and Trainers manual on sanitation
- ❖ Community mobilization in PESA Areas
- ❖ Methodology and questionnaire for Gram Panchayats to undertake survey on sanitation.

iv). National Plan for Technical Assistance : A National Plan for Technical Assistance (NPTA) is approved on an annual basis which enables the Ministry to take up strategic activities in line with the National Capability Building Framework (NCBF) and with emerging imperatives for empowerment of panchayati raj institutions, under the central component of RGPSA. Some activities taken up under the NPTA for the current year are listed below:

1. Panchayat Incentivization Thematic awards to Panchayats
2. Development of Beacon Panchayats as Peer Learning Centres
3. Developing financial and administrative operating systems as relevant to individual States for roll out of the FFC Award
4. Support to the school of local governance in NIRD &PR
5. Faculty development of SIRD
6. Thematic modules for grassroots training
7. E-governance support to PRIs
8. Knowledge repository on Panchayati Raj

v.) Strategic Workshops:

Various consultations and Workshops for developing strategies and solutions relevant to improving the quality and reach of local governance have been organised by the Ministry as per details below:-

a) National level consultative workshop with SIRDs/States for peer learning:- A national conference on Capacity Building & Training (CB&T) was held with states and SIRDs with a view to understand and discuss the issues on preparedness of SIRDs for conduct of trainings, training strategies, sharing training methodologies that can be identified as best practices, review of adaptation of modules developed by the Ministry, review the action taken for

carrying forward the recommendation of the NCBF document and discuss interventions and strategies for Swachh Bharat Abhiyan.

b) A National Peer learning workshop on Own Source Revenue Generation by Panchayats was held by MoPR at NIRD & PR on 11-13th June 2015 which provided a platform for sharing of OSR practices at Gram Panchayat level across the country. The Workshop was attended by participants from 24 States comprising Senior Officers from State/SIRD facilities, SFC Members, ERs of GPs, External Experts. This also facilitated development of states specific time bound road map regarding policy and operational issues of OSR mobilization, capability development and devolution of power. Especially in the wake of the FFC award, there has been a noticeable increase in engagement on issues pertaining to OSR by both State Governments and PRIs.

c) A National Write shop for GP Development Plan through Participatory Planning in the context of 14th finance Commission was held by Ministry at KILA during 8th -13th July, 2015. The Writeshop was attended by the participants from 27 States comprising Senior Officers from State/SIRD facilities. The participants were oriented to concepts and methods of decentralized participatory planning and had field visit to Gram Panchayat to see the process of planning followed. The Writeshop facilitated cross learning and also learning from fields level experiences thereby facilitating clarity in GP development planning. States have been following up on this exercise to finalize guidelines for GP Development Plan. 14 States have finalized the guidelines for participatory planning by GPs.

d) A 3 day workshop in Guwahati on GDPD for the North Eastern States was held during 28-30th September, 2015. This was to address specific concerns of the north eastern states in regard to putting institutional structures in place for facilitating grass roots planning exercises.

e) The Ministry has also been facilitating State level workshops for developing strategies for the effective implementation of the FFC award. The States thus supported include Assam, Uttarakhand and Jharkhand.

II. Capacity Building in Scheduled V Areas

5.2 Capacity building of Gram Sabhas in Scheduled V Areas is one of the major thrust areas of the Ministry. The Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), addresses the major issues concerning awareness about rights of the people in Schedule V Areas. Funds have been provided to the ten States to strengthen Gram Sabhas in Fifth Schedule areas under the component of Capacity

Building & Training and Special Support for PESA. It provides for deployment of one Mobiliser in each Gram Sabha and one Coordinator at Block/District levels. Funds have been provided for orienting Gram Sabha on PESA related issues and States can involve NGOs, if required, in process. All these activities have been integrated in the overall programme of capacity building undertaken by the States in coordination with their State Institutes of Rural Development (SIRDs). Training module for capacity building of elected representatives and officials of the State Governments has been prepared by the respective SIRD.

All the PESA States have been provided funds for 2013-14 and 2014-15 for the purpose. They have initiated the process of deployment of Mobilisers/Coordinators, which are expected to be in place soon. The activities sanctioned (in nos.) for PESA so far under RGPSA are:

Activity	2013-14	2014-15	Total
Gram Sabha mobilizers	24849	11153	36002
Support for Gram Sabha orientation	31049	8915	39964
Support to Gram Panchayat with low resource base	5794	5558	11352

III. Transparency

5.3 In reply to the written query regarding transparency in the functioning of the panchayats and third party audit of the Panchayats, the MoPR have stated as under:

"Ministry of Panchayati Raj has urged Panchayats to display information on their buildings and notice boards, and also provide information in Gram Sabhas. Under MGNREGA, social audit is mandatory. Further to facilitate transparency and accountability in the maintenance of accounts of Panchayats, MoPR has launched a software application, PRIASoft which captures receipt & expenditure details through voucher entries and automatically generates cash book, registers, etc. Panchayats have been encouraged to put this information on-line.

IV. Infrastructure Constraints.

5.4 During evidence the Ministry informed that 50,000 Gram Panchayats (GPs) do not have any building. When asked as to how in the absence of basic infrastructure Gram Panchayats fulfill their responsibilities and also the specific steps taken to address this basic infrastructure requirement, the MoPR have stated as under:

"It is imperative that for the effective functioning of the Gram Panchayats basic infrastructure facilities like pacca GP building, provision for water, electricity etc. are the pre-requisite. To strengthen the infrastructure facilities in GPs, MoPR provided assistance to the State Governments under RGPSA for new GP buildings, repairs of the existing buildings, construction of toilet blocks, electricity and water supply for the GPs, provision of computers to panchayats etc. However, funds under RGPSA have been substantially reduced. States can use MGNREGS funds to construct Panchayats buildings."

V. Gram Sabha

5.5 Article 243A provides that a Gram Sabha may exercise such powers and perform such functions at the village level as the legislature of a State may, by law, provide. Powers assigned to the Gram Sabha, therefore, vary from State to State. Gram Sabha is key to the self-governance and transparent and accountable functioning of the Gram Panchayat. The Gram Sabha is the forum that ensures direct, participative democracy. It offers equal opportunity to all citizens including the poor, the women and the marginalised to discuss and criticize, approve or reject proposals of the Gram Panchayat (the executive) and also assess its performance.

5.6 When asked about the functioning of Gram Sabha and the role played by it in the achievement of objectives of Panchayati Raj System, the MoPR stated as under:

"Gram Panchayat is accountable to Gram Sabha. Also bottom- up planning starts from Gram Sabha to make it an inclusive planning in terms of the Article 243 ZD regarding district planning. Selection of beneficiaries, sites, social audit etc. in connection with various welfare and developmental programmes should be done by Gram Sabha. As per Article 243A, it is upto the States to decide on the powers of Gram Sabhas. Functions/roles assigned to Gram Sabha by some major States in their State Panchayati Raj Acts are given in **Annexure-V**.

Ministry of Panchayati Raj regularly encourages State Governments to strengthen the functioning of Gram Sabha and also to involve Gram Sabha in the decision making process at PRIs by issuing Guidelines for conducting/organizing Gram Sabha meetings at regular intervals and on special occasions like Independence Day, Gandhi Jayanti, National Panchayati Raj Day etc., ensuring quorum, participation of marginalized sections of the society, recording of minutes of meetings and follow-up on actions to be taken on the recommendations in the Gram Sabha meetings. The functioning of Gram Sabhas is studied in periodic "State of Panchayati Raj" Report published by the Ministry."

5.7 Apprising the Committee on 09 September, 2015 of the efforts made including instituting the awards to best performing Gram Sabhas, by M/o Panchayati Raj to encourage State Governments to make Gram Sabhas effective and the result thereof, a representative of the Ministry appearing before the Committee stated as follows:

"... This is an award that is given to gram panchayats which make their Gram sabhas really active and vibrant as you are saying. While we do not have any sort of direct way of forcing certain things on gram sabhas, but we do try and highlight the achievements of Gram sabhas. These awards are a way and also from time to time we take it up with the states that they should empower these Gram Sabhas the results are not as good as we would have liked."

5.8 When asked about the role played by the Gram Sabha in selection of beneficiaries under various Central/State Schemes, the Secretary MoPR submitted as under:

"Sir, it is not a direct measure. Two things are happening. One is done by the Ministry of Rural Development. Under the MNREGA, last year they started this activity. This year, it is being intensified. We are also closely in coordination with them but basically it is being done by them. In 2532 Blocks, they have formed village/Block planning teams which will go and mobilize the Gram Sabha for preparing the labour budget under MNREGA. It is only under NREGA but at least the Gram Sabha will be mobilized to some extent. At least people who are interested in working will come to the Gram Sabha. This is one significant development which has taken place recently.

What we are now going to do for these Rupees two lakh crore is, we cannot direct the State Governments but we are working with the State Governments to prepare participatory plans for GPs. So, the first level of plan preparation will be at the Gram Sabha. All the States will have to mandatorily consult the

Gram Sabhas and discuss what they want. Then the Panchayat will prepare the plan. That we are putting in the guidelines. The guidelines have not yet been issued. So, these are two measures which we thought may help in activating the Gram Sabhas.

In addition, there is one more activity, but that is limited to the States where the 5th Schedule is in operation, where the Gram Sabhas have more powers than Gram Sabhas elsewhere and those powers are given by the Panchayats (Extension to Scheduled Areas) Act. There we are giving coordinators. The Ministry itself under RGPSA is funding coordinators but that is limited to the 5th Schedule districts only."

During the course of evidence, the representative further added as under:

"From our Ministry, we have constantly stressed on the issue of Gram Sabha. In most States, they have mandatory minimum number of Gram Sabhas. In many States we find that even the number of mandatory Gram Sabha meetings may not be taking place and the Gram Sabha meeting may take place and it may be attended by a very few people or the beneficiary selection may not be done as per the rules. So, what we have done is, we have constantly emphasized the importance of the Gram Sabha with the States and secondly, we have also identified ways in which Gram Sabha participation can be increased. For instance, many States have put up a quorum for participation of women. In Maharashtra they have a Mahila Sabha before the Gram Sabha. From our Ministry, we have encouraged other States to put this provision in their Acts so that women's issues are discussed in Mahila Sabha first and then put up before the Gram Sabha. In Kerala for instance, they have laid down a good process and we have also constantly emphasized that all beneficiaries shall be selected in the full Gram Sabha and they shall be approved in the Gram Sabha. But it does need constant work. We also provide funds for training of Gram Sabha."

Part-II

Observations / Recommendations

1. **Timely Conduct of Elections** : Panchayati Raj system in India refers to the system of local self governance introduced by the Constitution (Seventy-Third Amendment) Act, 1992. Article 243 E(1) unambiguously stipulates that every Panchayat, unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting and no longer. The Committee, however, note with deep dismay that despite the constitutional directive, there have been instances in some states where elections to the Panchayats were postponed for decades. For instance, in Jharkhand, elections were held after a long gap of about 32 years. In the undivided Andhra Pradesh, the elections to Panchayats were postponed for a considerable time and in Puduchery, Panchayats elections were yet to be Conducted. The Committee were apprised by the Government that in order to ensure timely conduct of elections, Backward Region Grant Fund Scheme funds were not given to the States till the elections were held. However, as the funds were small, the scheme failed to bring in compliance on the part of the states.

The Committee feel that the Ministry of Panchayati Raj (MOPR) has a very important constitutional obligation to ensure conduct of Panchayat elections within the stipulated period of five years. The ways and means for timely election are to be evolved by the Ministry of Panchayati Raj (MOPR) in coordination with respective State/ U.T Governments and other concerned authorities. The Committee, therefore strongly recommend that earnest efforts

should be made by the MOPR to ensure conduct of periodic elections as per the provision of the 73rd Constitution (Amendment) Act, 1992 to Panchayats at all levels in all the States/UTs so as to strengthen the grass root level democracy throughout the length and breadth of the country. Further, having regard to periodic complaints, the Committee recommend that the government need to examine the desirability of laying down certain essential qualifications for various posts in the lowest rung of democracy so that elected functionaries discharge their duties efficiently, effectively and independently.

2. **Reservation for Women** : The Committee note that rotation of one third seats is a mandatory provision. Further, so far sixteen States have made provision for 50% reservation of the seats for women in the Panchayati Raj Institutions in the total number of seats, offices of chairpersons and in the seats reserved for Scheduled Castes and Scheduled Tribes across the three tiers, position has been raised from the existing provision of 'not less than one-third' to 'not less than one-half'. Further, it has been stated that the Ministry of Panchayati Raj (MOPR) has prepared a Cabinet note and moved for Constitutional Amendment to provide for fifty percent reservation for women in the remaining States / U.Ts. The Committee urge that the proposed legislation should be enacted at the earliest without further delay and the Committee be apprised in this regard.

3. **Rotation System of Reservation** : In order to usher in social equality and political justice, the Constitution provides for rotation of seats reserved for Scheduled Castes, Scheduled Tribes, Backward Classes and Women in almost

all elections from Panchayats to State and national level elections. However, Committee observe that in actual practice at Panchayat level, some shortcomings have been noticed in this system of reservation. For example, in Jharkhand, it was reported that seats were reserved even for two or three Scheduled Caste / Scheduled Tribe families. The representative of Ministry assured to study the rotation system of reservation in such areas. The Committee, therefore, recommend that it is high time to re-look into the existing system of rotation in the light of demographic composition of the areas concerned so that necessary corrective measures are taken to remove the shortcomings and the Committee apprised.

4. Need for Direct Elections to the Posts of Chairpersons of Block and District Panchayats : The Committee note that Article 243 (C) inserted by the 73rd Constitution (Amendment) Act provides for direct election to seats at all three tiers of Panchayats and indirect election for Chairpersons of Block and District Panchayats. The Committee further note that the existing provision of indirect elections for the post of Chairpersons of Block and District Panchayats has been promoting electoral corruption. The representative of the Ministry stated that it would involve amendment to the Constitution and therefore they would hold consultations with the States. The Committee, therefore, desire the Ministry to hold consultation with the States so that necessary amendment is made in the Constitution expeditiously for providing direct elections to the post of Chairpersons of Block and District Panchayats. The Committee are of the considered view that holding of direct elections to

these posts would reduce the dubious role of money and muscle power and go a long way to strengthen our grass root level democracy.

5. **Infrastructure Constraints** : The Committee are dismayed to find that about fifty thousand Gram Panchayats are stated to be operating without any building. To make the things worse, funds under Rajiv Gandhi Panchayat Sashaktikaran Abhiyan, have been substantially reduced from 2015-16. States can now use MGNREGA funds for constructing Panchayat Buildings. The Committee wonder how in the absence of basic infrastructure facilities, Gram Panchayats can fulfill their various responsibilities. Besides, there is shortage of adequate manpower at all levels of Panchayats in majority of the States particularly in Bihar, Uttar Pradesh, Andhra Pradesh, etc. The Committee note that approx. 50,000 Gram Panchayats do not have any buildings. The Committee feel that due to lack of adequate manpower and basic infrastructure facilities like Gram Panchayat Buildings, the functioning of Panchayats at levels would be adversely affected. The Committee, therefore, strongly recommend that the construction of Panchayat Buildings should be taken on priority basis and the matter be taken up with the concerned States and authorities at the highest level. The MoPR need to take urgent measures to augment the existing manpower for optimal delivery of various services by the Panchayats and the Committee be apprised within six months about the progress made in this direction.

6. **Computerisation of Panchayats** : The Committee note that MoPR propose to provide SATCOM (Satellite Communications) facility to all the State Institutes of Rural Development (SIRD) in the States where it does not exist. The Committee have been informed that MoPR is still in the process of

discussion with ISRO and the States for universalisation of SATCOM facilities at Panchayat level. As per the information provided to the Committee, SATCOM facility is already being used by Panchayats in eight States. Many States have not utilised the earmarked funds due to various reasons. The Committee are unhappy to find that Panchayats in most of the States have not been equipped with requisite level of computerisation. The Committee further observe that the Government have been proposing broad-band connectivity to Panchayats across the country. The Committee note that the Ministry has submitted a proposal to Ministry of New & Renewable Energy for electrification of un-electrified panchayats using solar energy. The Committee, therefore, desire that status report of computerisation of Panchayats be furnished to the Committee at the earliest. They further recommend that the Ministry expedite electrification of all un-electrified Panchayats in a time bound manner and apprise the Committee in due course. In the meanwhile till all villages are electrified, offline versions of PES applications, which are stated to be in various stages of development, may be used for ensuring transparency in the functioning of Panchayats.

7. Award of Grants by Fourteenth Finance Commission : The Committee note that as per the Fourteenth Finance Commission (FFC) Award, grants will go to Gram Panchayats, which are directly responsible of basic services without any share for other levels i.e. Block and District Panchayats within fifteen days failing which the State has to give interest to the Gram Panchayats. This money can be spent by Gram Panchayats only for basic services which have been defined by the Fourteenth Finance Commission like

water supply, sanitation, streetlights, roads, burial grounds and crematorium, etc. The Committee are dismayed to observe that the FFC award has created pitiable situation for the Block and District Panchayats. As far as State Finance Commissions (SFCs) are concerned, the Committee find that out of 29 States, only 6 States namely Assam, Himachal Pradesh, Kerala, Odisha, Rajasthan and Sikkim have furnished details of submission and acceptance of the recommendations made by their SFCs. Keeping this in view, the Committee are apprehensive as to how the financial needs of Block and District Panchayats will be met. The Committee, therefore, recommend that MoPR help expedite timely allocation of funds by the States Finance Commission to Panchayats and a concrete schedule be made with proper monitoring for such allocations.

8. Devolution of Functions, Finances and Functionaries : Article 243(G) clearly provides that subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to (a) the preparation of plans for economic development and social justice; and (b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

The Committee note that the devolution of functions, finance and functionaries or 3Fs falls under the discretionary provisions of the Seventy

Third Constitution Amendment Act. From the information provided to the Committee by MoPR, it is observed that Arunachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Himachal Pradesh, Goa, Sikkim, Tamil Nadu, Gujarat, etc have transferred some subjects in varying degrees to Panchayati Raj Institutions (PRIs). However it is saddening to note that no information or data has been provided to the Committee about the actual empowerment of PRIs. The Committee are of the considered view that the MoPR has the constitutional obligation for ensuring devolution of more powers to the Panchayats across the country in a time bound manner, otherwise the issue of devolution of powers to Panchayats may continue to elude. The holding of yearly award distribution ceremony alone is far from adequate to compel States to implement constitutionally mandated provisions relating to devolution of Functions, Finance and Functionaries. The Committee strongly recommend that, if necessary for devolution of powers to Panchayats, the MoPR should move constitutional amendment for doing away with the discretionary powers of State legislatures without compromising the spirit of federalism enshrined in Constitution.

9. Revitalisation of Gram Sabhas : The Committee are dismayed to note the candid admission by the representative of MoPR before the Committee that the functioning of Gram Sabhas in many States is not satisfactory at all. Although the MoPR have been making efforts for past several years to prevail upon the State/UT Governments to empower Gram Sabhas and make their functioning more vibrant and participatory yet the results of such initiatives have not brought requisite empowerment of the Gram Sabhas. The committee

feel that Gram Sabha is the bed-rock of our democratic edifice. As a robust institutional mechanism, the Gram Sabha can mount close vigil on the implementation of developmental programmes and eliminate mis-use of funds. Apparently, laxity on the part of MoPR and the respective State/UT Governments is largely responsible for sluggish empowerment of Gram Sabhas across the country. Though Panchayati Raj is a State subject, yet the MoPR need to make efforts to chalk out a programme in coordination with State/UT Governments for purposeful and effective empowerment of Gram Sabhas. The necessary guidelines, which the MoPR propose to put in place for compulsory consultation with Gram Sabhas in preparing participatory plans for Gram Panchayats, should be issued to the States/UTs at the earliest along with other proposed measures that may help in activating the Gram Sabhas. Further, the monitoring system must be strengthened to oversee the number of members enrolled, meetings held, number of members attending meetings, committees formed, targets achieved, etc.

10. Depoliticisation of Local Elections and Need for Simultaneous Elections

: The Committee note that there is no uniformity in regard to elections at district level and block level with respect to affiliation of candidates to political parties. Some States like Madhya Pradesh, Chhattisgarh, Bihar do not have party line elections for district level and block level. The Ministry agreed that there may be uniformity in regard to participation and vote of MPs and MLAs in district level and block level as per the enabling provision of Article 243(C). The Committee therefore recommend that the Government may initiate necessary action to make provision in the Constitution so that there is

uniformity in elections to local bodies and there is depoliticisation of elections to these bodies. The Committee also note that there are occasional demands that elections to local bodies, assemblies and the Lok Sabha should be held simultaneously for greater national good. The desirability of such a demand needs to be examined, appropriate decision taken on balance of consideration and the Committee apprised.

11. Audit and Accountability of Panchayati Raj Institution: The Committee note that over the time the thrust of successive Governments has been to strengthen the Panchayati Raj Institutions, the very edifice of our democracy by devolving more powers and funds to them. The Committee note that though some States Governments/ Legislatures have made provision for monitoring the works done by the PRIs, the system of audit and accountability of PRIs remains far from satisfactory. The Committee recommend that the whole system of monitoring, audit and accountability of the PRIs be revisited and strong audit and accountability mechanism be put in place. Further, the Committee may also be apprised of the guidelines so evolved.

NEW DELHI;
7 August, 2016
Shravana 16, 1938 (saka)

DR. MURLI MANOHAR JOSHI
Chairperson,
Committee on Estimates.

ANNEXURE-I
Refer to para No. 1.2

Details of constitution of First, Second & Third SFCs, submission of Report and submission of Action Taken Report																
Sl. No.	States	First SFC					Second SFC					Third SFC				
		Date of Constitution/ Submission	Period Covered	Date of Submission of ATR	Recommendation	SFC Report & ATR	Date of Constitution/ Submission	Period Covered	Date of Submission of ATR	Recommendation	SFC Report & ATR	Date of Constitution/ Submission	Period Covered	Date of Submission of ATR	Recommendation	SFC Report & ATR
1	Andhra Pradesh	22.6.1994/30.5.1997	1997-98 to 1999-2000	29.11.1997	No record	Report not Avialable	8.12.1998/19.8.2002	2000-01 to 2004-2005	31.3.2003	No record	Report not Avialable	29.12.2004/31.01.2009	2005-06 to 2009-2010	January,2014	No record	Report not Avialable
2	Arunachal Pradesh	21.05.2003/April 2008	N.A	N.A	No record	Report not Avialable	2nd SFC constituted	1.10.2013 to 30.06.2014	N.A	No record	Report not Avialable	-	-	-	-	-
3	Assam*	23.06.1995/29.02.1996	1996-97 to 2000-2001	18.03.1996	7 were accepted out of 7	Report avialable in Website	18.04.2001/18.08.2003	2001-02 to 2005-2006	07.02.2006	5 were accepted out of 7	Report Avialable in Website	06.02.2006/27.03.2008	2006-07 to 2010-2011	25.09.2009	91 were accepted out of 98	Report Avialable in Website
4	Bihar*	23.4.1994/N.A	N.A	N.A	-	Report not avialable in website	20.06.1999/November 2003	June'2009 to Nov'2003	N.A	NA	Report not avialable in website	20.07.2004/November2007	July 2004 to June 2006	26.03.2007	NA	Report not avialable in website
5	Chattisgarh	22.8.2003/15.05.2007	2005-06 to 2009-2010	29.07.2009	NA	Report not avialable in website	23.07.2011/31.03.2013	2011-16 subsequently changed to 2012-17	N.A		Report not avialable in website	-	-	-	-	-
6	Goa	1.4.1999/5.6.1999	2000-2001 to 2004-2005	12.11.2001	NA	Report not avialable in website	16.08.2005/31.12.2007	2007-08 to 2011-2012	N.A		Report not avialable in website	-	-	-	-	-
7	Gujarat	15.9.1994/13.7.1998	1996-97 to 2000-2001	28.08.2001	56 nos recommendation were accepted out of 116	Report not avialable in website	19.11.2003/June 2006	2005-06 to 2009-2010	31.03.2011	83 were accepted out of 32	Report not avialable in website	02.02.2011/29/05/2014	2010-2015	Not Submitted		Report not avialable in website
8	Haryana	31.05.1994/31.03.1997	1997-98 to 2000-01	05.09.2000	few were accepted while major recommendations were ignored	Report avialable in website	06.09.2000/30.09.2004	2001-02 to 2005-06	13.12.2005	2 were accepted while major recommendations were ignored	Report avialable in website	22.12.2005/31.12.2008	2006-07 to 2010-11	01.09.2010	50 nos were placed but no ATR avialble	Report avialable in website
9	Himachal Pradesh	23.4.1994/30.11.96	1996-97 to 2000-01	05.02.1997	2 were accepted out of 5	Report avialable at MoPR	May 1999/24.10.2002	2002-07	24.06.2003	few were accepted m out of 11 while major recommendations were partially accepted	Report avialable at MoPR	26.05.2005/2.11.2007	2007-08 to 2011-12	04.06.2008	5 were accepted out of 11 and were partially accepted.	Report avialable at MoPR
10	Jammu & Kashmir	15.01.2008/-	2009-2010	N.A	No record	Report not Avialable			-	0	-	-	-	-	-	-
11	Jharkhand	28.01.2004/N.A	N.A	N.A	No record	Report not Avialable	January, 2009	N.A	N.A	NA	Report not avialable					
12	Karnataka	10.06.1994/July 1996	1996-97 to 2000-2001	31.03.1997	No record	Report not Avialable	25.10.2000/December 2002	2005-06 to 2009-10	N.A			28.08.2006/31.12.2008	2010-11 to 2014-15	N.A		
13	Kerala	23.04.1994/29.02.1996	1996-97 to 2000-01	26.02.1997	There were nearly 20 recommendations though accepted in principle but not been fully implemented	Report avialable on website	23.06.1999/08.01.2001	2000-01 to 2005-06	07.01.2004	There were large number of recommendations though accepted but not been fully implemented	Report avialable on website	20.09.2004/23.11.2005	2006-07 to 2010-2011	16.02.2006	seven number of recommendations were accepted but not been fully implemented	Report avialable on website

Sl. No.	States	First SFC					Second SFC					Third SFC				
		Date of Constitution/ Submission	Period Covered	Date of Submission of ATR	Recommendation	SFC Report & ATR	Date of Constitution/ Submission	Period Covered	Date of Submission of ATR	Recommendation	SFC Report & ATR	Date of Constitution/ Submission	Period Covered	Date of Submission of ATR	Recommendation	SFC Report & ATR
25	Tripura	23.04.1994/ 12.01.1996	01.01.1997	01.02.1997	NA	Report not available.	29.10.1999/01.04.2003	2003-04 to 2007-08	01.06.2008	NA	Report not available.	28.03.2008/N.A	N.A	N.A	NA	Report not available.
26	Uttar Pradesh	22.10.1994/ 26.12.1996	1997-98 to 2000-01	20.1.1998	NA	Report not available.	25.02.2000/ 30th June, 2002	2001-02 to 2005-06	30.04.2004	NA	Report not available.	23.12.2004/ 29.08.2008	2006-07 to 2010-11	N.A	NA	Report not available.
27	Uttaranchal	31.3.2001/ 29.06.2002	2001-02 to 2005-06	3.7.2004	NA	Report not available.	30.4.2005/ 06.06.2006	2006-07 to 2010-11	05.10.2006	NA	Report not available.	N.A	N.A	June, 2011	NA	Report not available.
28	West Bengal	13.5.1994/ 27.12.1995	1996-97 to 2000-01	22.07.1996	39 recommendations were accepted out of 46	Report available.	14.7.2000/ 6.2.2002	2001-02 to 2005-06	15.07.2005	15 recommendations were accepted out of 18	Report available.	22.02.2006/ 31.10.2008	2008-09 to 2012-13	16.07.2009	NA	Report not available.

*Assam & Bihar has constituted 5th SFC recently.

**Notification prescribing the qualification of members of SFC has been issued on 12.11.2010 being one of the conditions for drawl of Performance Grants.

N.A- Not Available

Details of constitution of Fourth & Fifth SFCs, submission of Report and submission of Action Taken Report

Sl. No.	States	Fourth SFC					Fifth SFC				
		Date of Constitution/ Submission	Period Covered	Date of Submission of ATR	Recommendation	SFC Report & ATR	Date of Constitution/ Submission	Period Covered	Date of Submission of ATR	Recommendation	SFC Report & ATR
1	Andhra Pradesh	05.01.2015	2015-2020	Not submitted yet	No record	Report not Avialable	-	-	-	-	-
2	Arunachal Pradesh	-	-	-	-	-	-	-	-	-	-
3	Assam*	23.04.2010/31.03.2010	1st April, 2011 to 31st March, 2016	25.03.2012	24 were accepted out of 25	Report Avialable in Website	05.10.2013/				Report Not avialable in Website
4	Bihar*	22.06.07/26.06.10	2010-11 to 2014-15	NA		Report not avialable in website	13.12.2013/	upto 31.12.2015			Report not avialable in website
5	Chattisgarh	-	-	-	-	-	-	-	-	-	-
6	Goa	-	-	-	-	-	-	-	-	-	-
7	Gujarat										
8	Haryana	16.04.2010/N.A	N.A	N.A		Report not avialable in website					
9	Himachal Pradesh	20.05.2011/12.03.2013	2013-14	January, 2014	4 th SFC recommends to PRIs for Rs.11102. Lakhs for 2012-13, Rs.6383.45 lakhs for 2013-14 & 6355.32 lakhs for ULBs	Report avialable at MoPR					
10	Jammu & Kashmir	-	-	-	-	-	-	-	-	-	-
11	Jharkhand										
12	Karnataka										
13	Kerala	19.09.2009/18.01.2011	2011-2012 to 2015-16	January,2011	20 accepted against 43 and 23 were referred for examination	Report avialable on website					

Sl. No.	States	Fourth SFC					Fifth SFC				
		Date of Constitution/ Submission	Period Covered	Date of Submission of ATR	Recommendation	SFC Report & ATR	Date of Constitution/ Submission	Period Covered	Date of Submission of ATR	Recommendation	SFC Report & ATR
14	Madhya Pradesh	29.01.2012/31.01.2013	2010-2014	N.A	no record	Report not available on website					
15	Maharashtra	10.02.2011/ N.A	2011-2014	N.A	NA	Report not available on website					
16	Manipur										
17	Meghalaya										
18	Mizoram**										
19	Nagaland										
20	Odisha	30.10.2013/ 30.04.2014	2015-20	16-02-2015	27 recommendation accepted out of 6	Report available.					
21	Punjab	05.11.2008/May 2011	N.A	N.A	NA	Report not available.					
22	Rajasthan	4th SFC constituted	2010-2015	N.A	25 recommendations placed	Report available.					
23	Sikkim	15.06.2012/ 15.05.2013	2014-2015 to 2015-2020	01.04.2015	35 recommendations were accepted out of 40	Report available.					
24	Tamil Nadu	01.12.2009/ 29.09.2011	five years commencing on 1st April 2012	N.A	NA	Report not available.					
	Talengana										
25	Tripura										
26	Uttar Pradesh	Nov. 2011	NA	NA	NA	Report not available.					
27	Uttaranchal										
28	West Bengal										

*Assam & Bihar has constituted 5th SFC recently.

**Notification prescribing the qualification of members of SFC has been issued on 12.11.2010 being one of the conditions for drawl of Performance Grants.

N.A- Not Available

1. Scheme : Mahatma Gandhi National Rural Employment Gurantee Act (MGNREGA)

- The Act formally declares Panchayats at the three levels as “principal authorities for planning and implementation of schemes” made under the Act.
- Specific roles and responsibilities of Gram/Ward Sabhas, Gram Panchayats, Intermediate Panchayats and District Panchayats are given in the Act

2. Scheme: National Rural Health Mission

The broad institutional mechanisms at various levels in NRHM in which the role of PRIs is specified include:-

- Committees at village, Gram Panchayats, Block and District levels for preparation and approval of district health plans and for monitoring.
- Village Health and Sanitation Committee (at Village level) comprising Panchayat representatives, ANM/MPW, Anganwadi Worker, Teacher, ASHA, Community Health Volunteers.
- Gram Panchayat/Sub-Health Centre level Committee of Panchayat.
- Block level PRI Committee for approval of Block Health Plan.
- Zilla Parishad approval of District Health Plan.
- Independent Monitoring Committees at block, district and national level.
- Hospital Management Commttee/Rogi Kalyan Samiti for Community Management of Public Hospitals.
- Selection and functioning of ASHA.

3. Scheme: Integrated Child Development Services (ICDS)

Role envisaged for PRIs in the Programme guidelines are as below:

- Monitoring and supervision of working of Anganwadi Centre (AWC) ensuring delivery of services.
- Monitoring and supporting distribution of supplementary food (hot-cooked meals, Take Home Ration (THR) and Snacks) and its quality acceptance by community.
- Organization of the monthly joint meetings health and ICDS (village and sanitation committees.
- Helping in the monthly observance of Village Health and nutrition days (VHNDs).
- Checking of availability of prescribed records and registers at the AWC etc.
- Representation in the Selection Committees of Anganwadi Workers (AWWs) and Anganwadi Helpers (AWHs).
- Making available site for construction of AWCs.
- Construction of AWCs and maintenance.
- Community mobilization by motivating people to participate in ICDS.
- Monitoring of payment of honoraria to AWWs/AWHs.

4. Scheme : Sarva Shiksha Abhiyan

SSA Framework issued in March, 2011 has incorporated following roles of PRIs:-

- Creating an enabling environment of rights of children under the Right to Education Act through mass mobilization campaigns;
- Initiating action plans for opening new schools;
- Identifying out-of-school children and motivating parents to send them to school;

- Identifying and providing support to differently-abled children;
- Monitoring teacher vacancies and attendance;
- Teacher training;
- Improving school infrastructure with their own funds;
- Setting up of Grievance Redressal Committees headed by the chairpersons of PRIs/Standing Committee
- Setting up Education Committees for operationalization of the RTE Act, comprising elected representatives, experts, parents etc.

**5. Scheme : Rashtriya Krishi Vikas Yojana:
Roles of the Panchayati Raj Institutions**

- The operational guidelines of RKVY includes an activity mapping for various levels of government
- Districts Agriculture Planning Unit (DAPU) may be actively associated in formulation of Comprehensive District Agriculture Plans.
- Block/Taluka Agriculture Planning Unit (BAPU/TAPU) may be associated in providing inputs for DAP.
- Village Agriculture Planning Unit (VAPU) may be associated in identifying clusters/selection of beneficiaries.
- District Panchayat will be associated in selection of site/location of projects in consultation with implementing agencies. Block Panchayat will be associated in selection of locations/villages for implementation of projects.
- Gram Panchayat will be associated in selection of beneficiaries based on cluster approach
- District and Block panchayats will be involved in monitoring of the RKVY interventions.

Social audit will be done at Gram Sabha level.

Annexure-IV
Refer to para No. 3.6

Empowerment and Collection of own revenue in DP - 2015

Code	Source	Assam	Chhattisgarh	Haryana	Himachal Pradesh	Maharashtra	Punjab	Rajasthan	Sikkim	Tamil Nadu	Telangana	Uttar Pradesh	West Bengal
1	House or Property Tax						E.N.					E.C.	
2	Surcharge on House or Property Tax	E.N.											
3	Tax on agriculture land for specific purpose		E.C.										
5	Surcharge on additional stamp duty								E.N.		E.N.		
6	Tax on professions, trades, calling, etc.								E.N.			E.C.	
8	Entertainment Tax								E.N.	E.N.			
9	Pilgrim tax or fees	E.C.					E.C.						
10	Tax on advertisements					E.C.							
12	Tolls												E.C.
13	Tax on goods sold in a market, haat fair etc	E.N.				E.C.						E.C.	
14	Vehicle Tax						E.N.						
15	Cattle Tax					E.C.							

17	Lighting Rate												E.C.
18	Water rate	E.N.				E.C.		E.N.					E.C.
20	Special Tax for community civic services or works												E.C.
22	Minor Minerals Tax										E.C.		
23	Pond/Tank Lease		E.C.	E.N.		E.C.							E.C.
24	Village Land Lease			E.N.		E.C.					E.C.		
25	Shops Lease		E.C.	E.N.	E.C.	E.C.	E.C.				E.C.	E.C.	E.C.
26	Any Other	E.C.		E.C.		E.C.							E.C.

E.N.: Empowered but not collected, E.C.: Empowered and collected

17	Lighting Rate	E.N.										E.C.	E.C.
18	Water rate	E.N.										E.N.	E.C.
20	Special Tax for community civic services or works											E.N.	E.C.
22	Minor Minerals Tax		E.C.								E.C.		
23	Pond/Tank Lease		E.C.	E.N.								E.C.	E.C.
24	Village Land Lease			E.N.							E.C.		
25	Shops Lease		E.C.	E.N.	E.C.			E.C.	E.N.		E.C.	E.C.	E.C.
26	Any Other	E.C.		E.C.					E.N.				

E.N.: Empowered but not collected, E.C.: Empowered and collected

Empowerment and Collection of own revenue in GP -2015

Row Labels	Source Name	Andhra Pradesh	Assam	Chhattisgarh	Gujarat	Haryana	Himachal Pradesh	Jammu and Kashmir	Karnataka	Kerala	Madhya Pradesh	Maharashtra	Odisha	Punjab	Rajasthan	Sikkim	Tamil Nadu	Telangana	Tripura	Uttar Pradesh	West Bengal
1	House or Property Tax	E.C.	E.C.	E.C.	E.C.	E.C.	E.C.	E.N.	E.C.	E.C.	E.C.	E.C.		E.N.	E.N.	E.C.	E.C.	E.C.	E.C.		E.C.
2	Surcharge on House or Property Tax		E.N.	E.C.	E.C.	E.N.	E.N.	E.N.		E.C.	E.C.			E.C.		E.C.	E.C.	E.C.	E.C.		
3	Tax on agriculture land for specific purpose	E.N.	E.N.		E.C.	E.N.	E.N.	E.N.						E.C.				E.N.	E.C.		
4	Cess on Land Revenue or Surcharge				E.C.		E.C.	E.N.	E.C.							E.C.		E.N.			
5	Surcharge on additional stamp duty		E.N.													E.N.		E.N.			
6	Tax on professions, trades, calling, etc.	E.N.	E.C.	E.C.	E.C.	E.N.		E.N.	E.C.	E.C.	E.C.	E.C.		E.C.		E.N.	E.C.	E.C.	E.C.		E.C.
7	Octroi	E.N.				E.N.		E.C.				E.C.	E.C.				E.N.				
8	Entertainment Tax		E.N.	E.C.	E.C.	E.N.		E.N.	E.C.	E.C.		E.N.				E.N.	E.N.	E.N.		E.N.	
9	Pilgrim tax or fees	E.N.	E.C.			E.N.		E.N.	E.C.			E.C.		E.C.	E.N.		E.C.				E.C.
10	Tax on advertisements	E.N.				E.N.		E.C.	E.C.	E.C.		E.C.					E.C.	E.C.			E.C.
11	Education Cess				E.C.				E.C.								E.C.				
12	Tolls	E.N.		E.C.		E.N.		E.C.									E.C.		E.C.		E.C.
13	Tax on goods sold in a market, haat fair etc	E.N.	E.N.	E.C.		E.N.			E.C.			E.C.		E.C.		E.N.	E.C.	E.C.	E.C.	E.C.	E.C.
14	Vehicle Tax	E.N.	E.N.			E.N.			E.C.			E.C.	E.C.	E.N.	E.N.			E.C.	E.C.		E.C.

Row Labels	Source Name	Andhra Pradesh	Assam	Chhattisgarh	Gujarat	Haryana	Himachal Pradesh	Jammu and Kashmir	Karnataka	Kerala	Madhya Pradesh	Maharashtra	Odisha	Punjab	Rajasthan	Sikkim	Tamil Nadu	Telangana	Tripura	Uttar Pradesh	West Bengal
15	Cattle Tax	E.N.	E.N.	E.C.		E.N.	E.C.		E.C.			E.C.	E.C.	E.C.				E.C.	E.N.		
16	Conservancy rate											E.C.							E.C.		E.C.
17	Lighting Rate	E.N.	E.N.	E.C.	E.C.		E.C.		E.C.			E.C.	E.N.	E.C.				E.C.			E.C.
18	Water rate	E.N.	E.N.	E.C.	E.C.	E.N.	E.C.		E.C.			E.C.	E.C.	E.N.			E.C.	E.C.	E.C.	E.N.	E.C.
19	Drainage rate	E.N.	E.N.	E.N.	E.C.	E.N.	E.C.					E.C.	E.C.	E.N.				E.C.			E.C.
20	Special Tax for community civic services or works	E.N.		E.N.		E.N.			E.C.			E.C.						E.C.	E.C.		E.C.
21	Surcharge on any tax imposed by Gram Panchayat	E.N.	E.N.	E.N.		E.N.			E.C.								E.C.				
22	Minor Minerals Tax			E.C.			E.C.					E.C.		E.N.			E.C.	E.C.			
23	Pond/Tank Lease	E.N.	E.N.	E.C.		E.N.			E.C.			E.C.	E.C.	E.C.			E.C.	E.C.	E.C.		E.C.
24	Village Land Lease	E.N.	E.N.			E.C.			E.C.			E.C.	E.C.	E.C.			E.C.	E.C.			
25	Shops Lease	E.N.	E.N.	E.C.		E.N.	E.C.		E.C.	E.C.		E.C.	E.C.	E.C.	E.N.		E.C.	E.C.	E.C.		E.C.
26	Any Other	E.N.	E.C.			E.C.			E.C.	E.C.		E.C.									

E.N.: Empowered but not collected, E.C.: Empowered and collected

ANNEXURE-V
Refer to para no. 5.6

Examples of Functions/roles assigned to Gram Sabhas by various State Governments in their State Panchayati Raj Acts

	A&N Islands	Andhra Pradesh	Arunachal Pradesh	Assam	Bihar	Goa	Gujarat	Haryana	HP	Jharkhand	Karnataka	Kerala	Orissa	Punjab	Rajasthan	Sikkim	TN	Tripura	Uttar	Uttarakhand	
Placement of annual statement of accounts & Audit	Y	Y	Y		Y	Y		Y						Y	Y	Y	Y	Y	Y	Y	Y
Report on Administration	Y	Y			Y	Y															
Approval of Development Programme for the year		Y	Y	Y	Y	Y		Y	Y		Y	Y	Y	Y	Y	Y	Y	Y			
Proposal for fresh and enhancement of taxation		Y				Y															
Selection of schemes, beneficiaries & Locations		Y				Y		Y		Y	Y	Y		Y							
promotion of unity and harmony among all sections of society				Y					Y	Y	Y	Y		Y	Y	Y				Y	Y
Reports of Vigilance Committee				Y																	
Budget				Y		Y			Y	Y			Y	Y	Y		Y	Y			
organising community service, voluntary labour or mobilization of the local people for any specific work						Y			Y		Y	Y		Y	Y						
seek clarifications from the Pradhan, Up-Pradhan and members of the GP about any particular activity, scheme, income and expenditure									Y					Y	Y						
Managing natural resources such as land, water, forest									Y						Y						
Sanitation and conservancy									Y		Y										
Construction, repair and maintenance of public wells and ponds									Y												
promote programme of adult education											Y			Y	Y	Y				Y	Y
assist the public health activities											Y	Y		Y	Y						

MINUTES OF FIRST SITTING OF THE SUB-COMMITTEE ON PANCHAYATI RAJ OF THE COMMITTEE ON ESTIMATES
(2015-16)

The Sub-Committee sat on Wednesday, the 9th September, 2015 from 1500 hrs. to 1630 hrs. in Room No. '53', Parliament House, New Delhi.

PRESENT

- | | | |
|----|----------------------------|-------------|
| 1. | Shri K.H. Muniyappa | Convenor |
| 2. | Shri P. Kumar | Co-Convenor |
| 3. | Shri Ram Tahal Choudhary | |
| 4. | Shri Ravindra Kumar Pandey | |
| 5. | Shri P.C. Gaddigoudar | |
| 6. | Shri Anil Shirole | |

SECRETARIAT

- | | | | |
|----|------------------------|---|---------------------|
| 1. | Shri Vipin Kumar | - | Director |
| 2. | Shri Srinivasulu Gunda | - | Additional Director |
| 3. | Shri U.C. Bharadwaj | - | Deputy Secretary |

WITNESSES

MINISTRY OF PANCHAYATI RAJ

S.No.	Name of the Official	Designation
1.	Shri S.M. Vijayanad	Secretary
2.	Shri A.K. Goyal	Addl. Secretary
3.	Smt. Rashmi Shukla	Addl. Secretary
4.	Smt. Rugmini S Parmar	Sr. Advisor
5.	Shri Sarada G. Muraleedharan	Joint Secretary

2. At the outset, the Hon'ble Convenor welcomed the Members to the First Sitting of the Sub-Committee. He then directed that the representatives of the Ministry of Panchayati Raj be called in.

3. The Hon'ble Convenor welcomed the representatives of the Ministry of Panchayati Raj and drew their attention to Direction 55(1) of 'Directions by the Speaker, Lok Sabha' regarding confidentiality of the proceedings of the Committee.

4. Thereafter, the representative of Ministry of Panchayati Raj gave power-point presentation on the subject. The main points related to allocation of financial resources to Panchayats in the backdrop of delinking of Backward Regions Grant Fund (BRGF) scheme from the support of the Centre, financial outlays of various schemes like BRGF, Rajiv Gandhi Panchayat Sashaktikaran Abhiyan and other schemes being administered by the Ministry and their physical financial performance; fixing accountability and ensuring transparency in the functioning of Panchayats at all the levels; holding timely elections to the Panchayats after completion of tenure; need to review and re-look at existing pattern of reservations in rotation system in some States; expediting the process of providing 50 % reservation to women in Panchayats at all levels;

providing adequate and trained manpower to the Panchayats; proper coordination with States to implement various projects and schemes; expediting e-Panchayat Programme to deepen e-governance at grass root level; and orientation programme for the elected representatives and Powers and other related things of Panchayats explained in the 73rd Amendment of the Constitution of India, etc.

5. The representatives of the Ministry of Panchayati Raj elucidated the Sub-Committee on the aforesaid issues. The Sub-Committee also desired that the written replies to the unanswered points/queries be sent to the Committee Secretariat within a week.

6. The verbatim proceedings of the sitting of the Sub-Committee were kept on record.

The Sub-Committee then adjourned.

MINUTES OF SECOND SITTING OF THE SUB-COMMITTEE ON PANCHAYATI RAJ OF THE COMMITTEE ON ESTIMATES (2015-16)

The Sub-Committee sat on Monday, the 5th October, 2015 from 1500 hrs. to 1620 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

- | | | |
|----|--------------------------|-------------|
| 1. | Shri K.H. Muniyappa | Convenor |
| 2. | Shri P. Kumar | Co-Convenor |
| 3. | Shri Ram Tahal Choudhary | |
| 4. | Shri Sudheer Gupta | |

SECRETARIAT

- | | | | |
|----|------------------------|---|---------------------|
| 1. | Shri Vipin Kumar | - | Director |
| 2. | Shri Srinivasulu Gunda | - | Additional Director |

WITNESSES

MINISTRY OF PANCHAYATI RAJ

S.No.	Name of the Official	Designation
1.	Smt. Rashmi Shukla	Addl. Secretary
2.	Smt. Rugmini S Parmar	Sr. Advisor
3.	Shri Dvijendra Kumar Sharma	Joint Secretary
4.	Smt. Neerja Shekhar	Joint Secretary
5.	Shri Sarada G. Muraleedharan	Joint Secretary

2. At the outset, the Convenor welcomed the Members to the sitting of the Sub-Committee. He then directed that the representatives of the Ministry of Panchayati Raj be called in.

3. The Convenor welcomed the representatives of the Ministry of Panchayati Raj and drew their attention to Direction 55(1) of 'Directions by the Speaker, Lok Sabha' regarding confidentiality of the proceedings of the Committee.

4. Thereafter, the representative of Ministry of Panchayati Raj gave power-point presentation on the salient features of 73rd Constitutional Amendment Act, 1992. The main highlights included implementation of mandatory and discretionary provisions of the 73rd Constitutional Amendment Act, 1992 by the States; devolution of powers by the States to the

Panchayats as enshrined in the Eleventh Schedule of the Constitution; steps undertaken so far by the government for ushering in transparency and accountability in the functioning of the Panchayats; need to review and relook the system of indirect election for the post of Chairperson at block and district Panchayats; association of local MPs and MLAs with the Panchayats at Block and District levels; need for overhauling the rotation based reservation system, progress made so far by the States to provide 50 % reservation to women in Panchayats; need to strengthen the role of Gram Sabha in the functioning of Panchayat; steps taken so far against the States which failed to conduct timely periodic elections as per Constitutional provision to the Panchayats, selection of beneficiaries by Panchayat under various social welfare programmes, etc.

5. The representatives of the Ministry of Panchayati Raj further elucidated the issues in reply to the queries of the Members. The Sub-Committee also desired that written replies to the unanswered points/queries be sent to the Committee Secretariat within 15 days.

6. The verbatim proceedings of the sitting of the Sub-Committee were kept on record.

The Sub-Committee then adjourned.

MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE ON ESTIMATES (2016-17)

The Committee sat on Friday, the 29th July, 2016 from 1500 hrs to 1615 hrs. in Room No. '62', Parliament House, New Delhi.

PRESENT

Dr. Murli Manohar Joshi – Chairperson

MEMBERS

2. Shri George Baker
3. Shri Dushyant Chautala
4. Shri Ashwini Kumar Choubey
5. Shri Ram Tahal Choudhary
6. Shri Ramen Deka
7. Shri Sanjay Dhotre
8. Shri P. C. Gaddigoudar
9. Shri K. H. Muniyappa
10. Shri Rajesh Pandey
11. Shri Bhagirath Prasad
12. Shri Arvind Sawant

13. Shri Jugal Kishore Sharma
14. Shri Anil Shirole
15. Shri Rajesh Verma

SECRETARIAT

1. Shri Devender Singh – Additional Secretary
2. Shri Srinivasulu Gunda – Additional Director
3. Shri R. S. Negi – Under Secretary

2. At the outset, the Chairperson welcomed the members to the sitting of the Committee. Thereafter, the Chairperson apprised the Committee of the election of a new member Shri Bhagirath Prasad to the Committee. The Committee then welcomed the newly elected member.

3. The Committee then took up for consideration the following draft Reports:-

(i) xxx xxx xxx xxx

(ii) Draft Report on the subject 'Panchayati Raj' pertaining to the Ministry of Panchayati Raj.

4. The Committee after consideration adopted the above Reports with minor modifications and authorized the Chairperson to finalize the Reports in the light of factual verification from the Ministries concerned and present the same to Lok Sabha.

The Committee then adjourned with vote of thanks to the Chair.

xxx Matter not related to this Report