

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO. 3781
ANSWERED ON 11.08.2026

PANCHAYATI RAJ INSTITUTIONS

†3781. SHRI UTKARSH VERMA MADHUR:

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) the details of the steps taken by the Government to financially empower and make Panchayati Raj Institutions self-reliant in the country during the last three years, along with the State and district-wise;

(b) whether the Government has any time-bound plan to establish Panchayat Secretariats for enhancing administrative efficiency in the Gram Panchayats of the country and to ensure 100 percent broadband internet connectivity there, if so, the details thereof; and

(c) whether any additional or special budgetary provision has been made for the development of infrastructure of Gram Panchayats in affected areas in various States, including Uttar Pradesh and if so, the State and district-wise details thereof?

ANSWER

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a) to (c) “Panchayat”, being a “Local Government”, is a State subject and part of the State List of the Seventh Schedule of the Constitution of India. Panchayats are set up and operated through the respective State Panchayati Raj Acts, which may vary from State to State, subject to the provisions of the Constitution of India. As per Article 243H of the Constitution, legislature of the State may, by law, authorize a Panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits and assign to the Panchayats such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits as may be specified in the law.

However, Article 280 of the Constitution of India provides the basis for the Central Finance Commissions to assess the status of finances of the Union, States and their respective local bodies and recommend sharing of taxes as well as grants for various purposes to the States and Local Bodies. The Finance Commission grant can be used by Rural Local Bodies (RLBs) for location-specific felt needs under 29 subjects enshrined in the Eleventh Schedule of the Constitution, except for salary or other establishment expenditures. Central Finance Commission grants for Rural Local Bodies in the States have continuously increased. Under the 14th Finance

Commission (FY 2015-16), the allocation stood at ₹2,00,29.20 crore, whereas under the 16th Finance Commission (FY 2026-31), the allocation has been enhanced to ₹4,35,236 crore — representing nearly a two-fold increase over the 14th Finance Commission.

However, the Government has taken significant steps to enhance the revenue-generating capabilities of Panchayats in the entire country including Uttar Pradesh, enabling them to become self-reliant and less dependent on external funding.

The Ministry of Panchayati Raj, in collaboration with IIM Ahmedabad, has developed a training module on Own Source Revenue (OSR) to strengthen the financial self-reliance of Gram Panchayats. The module helps elected representatives and Panchayat functionaries understand how OSR is generated through tax and non-tax sources. As on 10.07.2026, under the Rashtriya Gram Swaraj Abhiyan (RGSA), a total of 2,75,893 participants have been trained through the Specialised Module on Own Source Revenue (OSR).

In 2025, the Ministry of Panchayati Raj launched the Atma Nirbhar Panchayat Special Award (ANPSA) to promote Atmanirbharta through the augmentation of Own Source Revenue (OSR) by Panchayats.

The Ministry of Panchayati Raj (MoPR) has also developed the 'SAMARTH Panchayat portal', a dedicated digital platform that facilitates the generation of tax & non-tax demands and collection thereof, maintenance of tax registers, and online tracking of revenue.

With a view to support States and Union Territories in strengthening their legal and institutional framework for Own Source Revenue, the Ministry has formulated the Model Own Source Revenue Rules as a guiding framework for consideration by the States/Union Territories. These Model Rules are advisory in nature and are intended to serve as a reference for strengthening the Own Source Revenue framework of Panchayats. States and Union Territories may adopt, adapt or modify these Model Rules, either in full or in part, as considered appropriate, keeping in view their existing legal provisions, administrative arrangements and local requirements.

The implementation of the SVAMITVA (Survey of Villages Abadi and Mapping with Improved Technology in Village Areas) Scheme, launched in April, 2020, lays a robust foundation for the growth of property taxes in rural areas, ultimately leading to enhanced OSR generation and improved financial self-sufficiency for RLBs.

Panchayat, being “Local Self Government”, is a State subject and part of the State list of the Seventh Schedule of the Constitution of India. However, the Ministry of Panchayati Raj is implementing the Centrally Sponsored Scheme of Revamped Rashtriya Gram Swaraj Abhiyan (RGSA) since the financial year 2022-23 in States/ UTs. The main objective of the scheme is to strengthen the capacity of Panchayati Raj institutions (PRIs) by imparting training to Elected Representatives (ERs), Panchayat Functionaries and other stakeholders to develop their governance capabilities for leadership roles, enabling the Gram Panchayats and Local bodies to function effectively across all States/UTs. Apart from different trainings, the Scheme also supports for the Panchayat infrastructure like Gram Panchayat Bhawan to the States/ UTs on

limited scale for effective functioning of Panchayats. Under the scheme, 6,536 Gram Panchayat Bhawans have been constructed in different States/UTs during 2022-23 to 2025-26.

The provision of last-mile digital connectivity to Gram Panchayats under the BharatNet programme is being implemented by the Department of Telecommunications (DoT) to provide broadband connectivity to all Gram Panchayats. As per the information available on the BharatNet UNMS Dashboard, under the BharatNet Project, more than 2.21 lakh Gram Panchayats across the country have been made service-ready. Further, network upgradation and expansion are being undertaken under the Amended BharatNet Programme.
