

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO.2856
TO BE ANSWERED ON 04.01.2018

Misuse of Panchayat Funds

2856. SHRI JANARDAN SINGH SIGRIWAL:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Government has received any complaints of misuse of the Panchayat funds in various States/UTs;
- (b) if so, the details thereof, State/UT wise including Bihar;
- (c) the details of funds allocated to Panchayats during the last three years and the current year, State/UT-wise; and
- (d) the steps taken/proposed to be taken by the Government for ensuring balanced development of all the villages through Panchayati Raj Institutions (PRIs) in the country?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF PANCHAYATI RAJ

(SHRI PARSHOTTAM RUPALA)

(a) and (b): Yes. Since, Panchayats is a State subject, all complaints relating to Panchayats including those on misuse of funds are forwarded to the concerned State/UT for necessary action. Details of complaints received in the Ministry of Panchayati Raj regarding misuse of funds are given at **Annexure I**.

(c) & (d) Article 243G of the Constitution endows States to devolve powers and responsibilities to Panchayats to enable them to function as institutions of self-government with respect to preparation and the implementation of plans for economic and social justice on subject matters listed in the Eleventh Schedule.

The Government of India devolves funds to supplement the financial resources of Panchayats. Under the FFC award for the period 2015-20 the Government of India has allocated substantial grants to the tune of Rs. 2,00,292.20 crore exclusively for the Gram Panchayats constituted under Part IX of the Constitution, over a period of five years for delivering basic services, creation of reliable data base of local bodies' receipts & expenditure through audited accounts and for improvement of own source tax and non-tax revenue of the Gram Panchayats. Details of funds allocated to Panchayats under Thirteenth Finance Commission award for the year 2014-15 and under the Fourteenth Finance Commission (FFC) award for the years 2015-16 to 2017-18 are at **Annexure-II**.

Further, the Ministry of Panchayati Raj is providing proactive support to the States to (i) formulate convergent Gram Panchayat Development Plans and institutional support structures in order to utilize the funds available with Panchayats optimally; (ii) to develop budgeting, accounting and auditing manuals to improve the functioning of Panchayats; and (iii) financial support for capacity building of the various stakeholders of Panchayats for improved functioning.

Annexure-I

(Referred to in reply to part (b) of the Lok Sabha Unstarred Question No. 2856 to be answered on 04.01.2018)

State wise details of complaints received

| Sl. No. | Name of State | Number of complaints received |
|----------------|----------------------|--------------------------------------|
| 1. | Bihar | 5 |
| 2. | Haryana | 8 |
| 3. | Himachal Pradesh | 1 |
| 4. | Jharkhand | 1 |
| 5. | Madhya Pradesh | 3 |
| 6. | Rajasthan | 6 |
| 7. | Uttar Pradesh | 11 |
| | Total | 35 |

Annexure-II

(Referred to in reply to part (c) of the Lok Sabha Unstarred Question No.2856 to be answered on 04.01.2018)

State-wise allocation of Union Finance Commission Grant to Rural Local Bodies for the years 2014-15 to 2017-18.

(Rs. in crore)

| Sl. No | States | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--------------|-------------------|-----------------|-----------------|-----------------|-----------------|
| | | Allocation | Allocation | Allocation | Allocation |
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1 | Andhra Pradesh | 823.63 | 934.34 | 1463.45 | 1686.85 |
| 2 | Arunachal Pradesh | 77.02 | 88.52 | 138.66 | 159.82 |
| 3 | Assam | 443.47 | 584.80 | 915.98 | 1055.80 |
| 4 | Bihar | 1392.65 | 2269.18 | 3554.23 | 4096.80 |
| 5 | Chhattisgarh | 469.63 | 566.18 | 886.82 | 1022.18 |
| 6 | Goa | 25.43 | 14.44 | 22.62 | 26.07 |
| 7 | Gujarat | 655.88 | 932.25 | 1460.18 | 1683.08 |
| 8 | Haryana | 305.41 | 419.28 | 656.72 | 756.98 |
| 9 | Himachal Pradesh | 156.46 | 195.39 | 306.05 | 352.76 |
| 10 | Jammu & Kashmir | 258.19 | 373.96 | 585.73 | 675.15 |
| 11 | Jharkhand | 426.27 | 652.83 | 1022.53 | 1178.63 |
| 12 | Karnataka | 1266.22 | 1002.85 | 1570.77 | 1810.55 |
| 13 | Kerala | 548.10 | 433.76 | 679.40 | 783.12 |
| 14 | Madhya Pradesh | 1156.51 | 1463.61 | 2292.46 | 2642.40 |
| 15 | Maharashtra | 1545.72 | 1623.32 | 2542.61 | 2930.76 |
| 16 | Manipur | 61.52 | 22.25 | 34.84 | 40.16 |
| 17 | #Meghalaya | 87.92 | 0.00 | 0.00 | 0.00 |
| 18 | #Mizoram | 56.67 | 0.00 | 0.00 | 0.00 |
| 19 | #Nagaland | 85.74 | 0.00 | 0.00 | 0.00 |
| 20 | Odisha | 728.30 | 955.52 | 1496.64 | 1725.11 |
| 21 | Punjab | 316.31 | 441.70 | 691.84 | 797.45 |
| 22 | Rajasthan | 1107.10 | 1471.95 | 2305.52 | 2657.47 |
| 23 | Sikkim | 51.83 | 16.03 | 25.11 | 28.95 |
| 24 | Tamil Nadu | 866.84 | 947.65 | 1484.31 | 1710.90 |
| 25 | Telangana | 645.56 | 580.34 | 908.99 | 1047.75 |
| 26 | Tripura | 82.35 | 36.24 | 56.76 | 65.43 |
| 27 | Uttar Pradesh | 2751.40 | 3862.60 | 6050.02 | 6973.57 |
| 28 | Uttarakhand | 166.15 | 203.26 | 318.37 | 366.97 |
| 29 | West Bengal | 1164.98 | 1532.21 | 2399.91 | 2766.26 |
| Total | | 17723.26 | 21624.46 | 33870.52 | 39040.97 |

Fourteenth Finance Commission grants are not applicable to the States of Meghalaya, Mizoram and Nagaland. Special Assistance of Rs. 1000 crores have been provided by the Government of India to Autonomous Councils in Sixth Schedule areas in the States of Assam, Meghalaya, Mizoram and Tripura in 2015-16. Further, Special Assistance of Rs. 500 crores provided to Non Part IX & IXA areas of the States of Assam, Meghalaya, Mizoram and Tripura and Non-Part IX & IXA areas of the States of Nagaland, hill districts of Manipur and Non-sixth scheduled areas of Mizoram for the year 2017-18.