

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO. 1566
ANSWERED ON 09.12.2025

DIVERSION OF PANCHAYATI RAJ FUNDS IN ANDHRA PRADESH

1566. DR. GUMMA THANUJA RANI

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Government is aware of reports that Rs. 500 crore in Panchayati Raj funds and Rs. 1,120 crore from the 15th Finance Commission have not been deposited into local body accounts in Andhra Pradesh, if so, the reasons therefor;
- (b) whether the Ministry proposes to investigate this diversion and ensure restoration of funds, if so, the details thereof;
- (c) whether the Government has noted the reported withdrawal of cheque signing powers from Sarpanches without due process and security from Zilla Parishad Chairpersons; and
- (d) if so, the steps being taken to uphold constitutional protections under the 73rd Amendment?

ANSWER

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a) & (b): No, Sir. No such report has been received by the Ministry of Panchayati Raj. However, as per the Grant Transfer Certificate (GTC) submitted by the State Government of Andhra Pradesh, Rs. 1121.20 Crores released to State for the 2nd Installment of 15th FC grants for FY 2024-25 (both Tied and Untied) were deposited into the respective Bank Accounts of Rural Local Bodies along with the penal interest of a total of Rs. 55.31 Crores for the delayed period of transfer.

(c) & (d): Panchayat, being “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 operate through the respective State Panchayati Raj Acts, which may vary from State to State, subject to the provisions of the Constitution. Further, no such communication regarding the withdrawal of cheque signing powers from Sarpanches has been received by this Ministry from the State.
