

GOVERNMENT OF INDIA  
MINISTRY OF PANCHAYATI RAJ  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 1592**  
ANSWERED ON 09.12.2025

**15<sup>th</sup> FINANCE COMMISSION GRANTS**

1592. DR. AMOL RAMSING KOLHE:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the total funds released to the Gram Panchayats and local bodies under various Central schemes, including the 15th Finance Commission Grants, during the last three years in the Shirur constituency;
- (b) the measures being taken to strengthen the financial autonomy and administrative powers of these local bodies to enable them to undertake local development projects effectively;
- (c) the steps being taken to ensure transparency and accountability in the utilisation of these funds and to prevent their misuse; and
- (d) the Government's strategy to empower local communities and promote participatory governance in the State?

**ANSWER**

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJEEV RANJAN SINGH ALIAS LALAN SINGH)

(a) Panchayat-wise details of fund allocation are not maintained centrally, as the distribution of these funds among different tiers of Panchayats is the responsibility of the State Government. As per information furnished by the Government of Maharashtra, a total of 505 Gram Panchayats in the Shirur Parliamentary Constituency received ₹12,457.77 lakh under the Fifteenth Finance Commission grants during the last three years. Additionally, one Gram Panchayat received a sum of Rs.100 lakh under the Incentivization of Panchayat scheme of the Ministry of Panchayati Raj during the same period.

(b) Article 243G of the Constitution empowers "the Legislature of a State to make provisions, by law, for the devolution of power and responsibilities upon Panchayat at appropriate level, subject to such conditions as may be specified, with respect to the preparation of plans and implementation of schemes for economic development and social justice". In order to strengthen the financial autonomy and administrative powers of local bodies to enable them to undertake local development projects effectively measures have been taken to ensure that all Finance

Commission grants are deposited directly into the accounts of Panchayats by the States. These funds are spent by Panchayats from their own accounts, without the interference of States, through the Public Financial Management System (PFMS) in accordance with the norms prescribed by the Finance Commission in respect of tied and untied grants.

There has been progressively huge increase in financial devolution to Panchayats as the per capita per annum allocation of Central Finance Commission (CFC) grants increased from Rs.176 in 13<sup>th</sup> Finance Commission to Rs. 674 in 15<sup>th</sup> Finance Commission. In addition to the provision of grants under the CFC, the Government has taken several steps, such as, developing specialized modules on generation of Own Sources of Revenue (OSR) by Panchayats, commissioning of research studies to assess the potential and challenges in mobilization and augmentation of OSRs by the Panchayats, conferring of Atma Nirbhar Panchayat Visesh Puraskar for augmentation of OSRs by the Panchayats and driving awareness activities on best practices on OSR generation to enable the Panchayats to generate OSR to become financially autonomous and self-reliant.

(c) In order to ensure end-to-end tracking of funds—from receipt to expenditure—and effectively prevent any misuse or misappropriation, it has been made mandatory to record all transactions on PFMS and eGramSwaraj portal. Article 243J of the Constitution further empowers State Legislatures to make provisions for the maintenance and audit of Panchayat accounts.

Under the Digital India initiative, Ministry of Panchayati Raj has been promoting financial as well as governance transparency, efficiency, and accountability at the grassroots level by developing and popularising various digital platforms and applications. The eGramSwaraj application has been designed to facilitate digital planning, accounting, monitoring, and online payments at the Panchayat level. The integration of eGramSwaraj with the PFMS enables real-time payments to vendors and service providers, ensuring seamless fund flow and reducing delays. The eGramSwaraj application has been integrated with the Government e-Marketplace (GeM) to bring transparency to Panchayat procurement. This integration allows Panchayats to procure goods and services through GeM via the eGramSwaraj platform, promoting the “Vocal for Local” initiative. Further, applications developed by the Ministry like Meri Panchayat have endeavored to bring transparency in Panchayat Governance by making information on planning, activities and progress of works in Panchayat accessible to public. Panchayat NIRNAY is an online application which aims to bring transparency and better management in conduct of Gram Sabhas by Panchayats. Further, the ‘AuditOnline’ application developed under the e-Panchayat Mission Mode Project (MMP) facilitates online audits of Panchayat accounts and supports improved financial management.

(d) To empower local communities and to promote participatory governance, MoPR launches the People’s Plan Campaign (PPC) commencing from 2<sup>nd</sup> October (Gandhi Jayanti) every year to facilitate the preparation of Panchayat Development Plans (PDP) at District, Block and Gram Panchayat levels focusing on inclusive development. Under PPC, structured meetings at Panchayati Raj Institutions (PRIs) levels are held to prepare development plans. These deliberative forums bring together local communities, elected members, Self-help Groups (SHGs), and line department officials to discuss local needs, review progress of earlier works, and prioritise future actions. Preparation of PDPs ensures participatory planning at all three

levels, i.e. Zilla Parishad at District level, Panchayat Samiti at Block level and Gram Panchayat at village level. Under the Rashtriya Gram Swaraj Abhiyan (RGSA), training is provided to the elected representatives and functionaries at the District, Block and Gram Panchayat levels for preparation of effective PDPs. These trainings cover different aspects of effective PDP formulation, ensuring that development activities are planned and implemented in alignment with local needs and priorities.

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