

GOVERNMENT OF INDIA  
MINISTRY OF PANCHAYATI RAJ  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2661**  
ANSWERED ON 16.12.2025

**MAJOR RECOMMENDATIONS OF DR. BALWANT RAI MEHTA COMMITTEE ON  
PANCHAYATI RAJ**

†2661. SHRI SUNIL KUMAR:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the major recommendations of Dr. Balwant Rai Mehta Committee on Panchayati Raj and the extent of which they have been implemented;
- (b) the steps taken by the Government to strengthen Panchayati Raj Institutions, including capacity building and financial empowerment;
- (c) whether the Government proposes to launch any new initiative to promote participatory governance and decentralisation; and
- (d) if so, the progress made in achieving the Sustainable Development Goals through Panchayati Raj Institutions, the details thereof?

**ANSWER**

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH)

**(a)** The major recommendations of Dr. Balwant Rai Mehta Committee, 1957 on Panchayati Raj are placed at **Annexure**. After enactment of 73rd Constitutional Amendment Act, Part-IX (relating to Panchayats) has been inserted in the Constitution of India, all States and Union Territories, covered under Part-IX of the Constitution, have amended their Panchayati Raj laws. Part-IX of the Constitution covers the major recommendations of Dr. Balwant Rai Mehta Committee on Panchayati Raj.

**(b)** “Panchayat”, being “Local Government”, is a State subject and part of State List of 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. 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. Accordingly, all matters relating to Panchayats comes within jurisdiction of the State Government concerned.

To strengthen Panchayati Raj Institutions (PRIs), including capacity building and financial empowerment, the Ministry of Panchayati Raj is implementing the Revamped Centrally Sponsored Scheme of RGSA w.e.f. financial year 2022-23 in States/ Union Territories with the main objective for capacitating PRIs through imparting training to all the Elected Representatives, functionaries and other stakeholders to develop their governance capabilities for leadership roles to enable the Panchayats to function effectively. Under the scheme, Ministry supplements the efforts of States/UTs on limited scale for creating basic infrastructure for effective functioning of Gram Panchayats such as Construction of Gram Panchayat Bhawans, Computers and co-location of Common Service Centres (CSC) with Gram Panchayat Bhawans with focus on North East States, as proposed by States/UTs in their Annual Action Plans and later approved by Central Empowered Committee. This Ministry has also been providing support to the States/UTs, under the scheme of revamped RGSA for setting up of Project Management Units (PMUs) at States, District and Block level as approved in the Annual Action Plan for effective implementation of the scheme and setting up of an institutional mechanism as State, District and Block level Panchayat Resource Centres to support Capacity Building & Training of Panchayats.

Mission Mode Project on e-Panchayats (MMP-ePanchayat) is being implemented as a Central component of the Rashtriya Gram Swaraj Abhiyan (RGSA) scheme under which various e-governance projects are funded towards digitalization of Panchayats to bring in efficiency, accountability and transparency in the functioning of the PRIs and for its overall transformation.

This Ministry has launched eGramSwaraj (<https://egramswaraj.gov.in>), a user friendly web-based portal, which aims to bring in better transparency in the decentralized planning, progress reporting, financial management, work-based accounting and details of assets created. This Portal facilitates all the Panchayats to formulate and upload their plans for utilization of grants under the Central Finance Commission each year. These plans, duly approved by the Panchayats, are monitored at each stage of implementation through the system generated vouchers, geo-tagging and responsibilities assigned to Panchayat Pradhan and Panchayat Secretary. The eGramSwaraj portal has also been integrated with Public Financial Management System for online transfer of the Central Finance Commission funds by the States to PRIs and enabling Panchayats to make real-time payments to vendors/service providers. Panchayats prepare and upload their Annual Panchayat Development Plans on eGramSwaraj portal. In addition, the Ministry has integrated eGramSwaraj 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. Similarly, Panchayat NIRNAY is an online application aims at bringing transparency and better management in conduct of Gram Sabhas by Panchayats.

As far as financial empowerment is concerned, Fifteenth Finance Commission grants are provided to the Rural Local Bodies in 28 States with a weight of 90 percent on population (census-2011) and 10 percent on the areas of the States.

The scheme of Rashtriya Gram Swaraj Abhiyan is demand driven in nature and funds had/have been allocated to States for various components as per the provision of the scheme. Releasing the

funds under the scheme depends on various factors like regular conduct of Panchayat elections, submission of Annual Action Plan, request for release of fund, available unspent balance with States/Union Territories, Utilization Certificate, etc.

Further, an online application 'AuditOnline' has been developed for online audits of Panchayat accounts and their financial management. AuditOnline portal, launched in April 2020, facilitates transparent auditing of Central Finance Commission funds utilization and strengthens financial management of Panchayats.

**(c) and (d)** The Ministry has led the process of the Localization of Sustainable Development Goals (LSDGs) through Panchayati Raj Institutions (PRIs) by aggregating the 17 Sustainable Development Goals (SDGs) into 9 themes in line with India's commitment to the 2030 Agenda for Sustainable Development. This initiative aims to achieve the Sustainable Development Agenda by 2030 at the grassroots level. This thematic approach simplifies the alignment of global goals with local governance structures, making them more relevant and actionable for implementation at the local level i.e at Panchayat level.

The Panchayat Advancement Index (PAI) launched this year indicates the current saturation level of LSDGs in Gram Panchayat and also measures the incremental progress made by Gram Panchayat in achieving localized SDGs and, consequently, attaining SDG 2030. The Panchayat Advancement Index (PAI) is a multi-domain and multi-sectoral index that is intended to be used to measure the overall holistic development, performance & progress of Gram Panchayats. One of the purposes of the PAI is to identify the development gaps across 9 themes of LSDGs of the Gram Panchayats through the thematic scores and to enable Panchayat to undertake evidence based planning at grassroots level by setting local targets of development and action points, prioritizing Sankalp in themes for preparation of Thematic Gram Panchayat Development Plan. The exercise of PAI FY 2023-24, i.e. PAI 2.0, was launched recently in the month of May 2025.

Ministry of Panchayati Raj is actively involved in assisting the Rural Local Bodies (RLBs) towards augmenting their Own Source Revenues (OSR), thereby assisting in their autonomy and self-sufficiency. With this objective, the Ministry has set up a dedicated Panchayat Revenue Enhancement Cell (PREC /OSR Cell) and has launched a project under the RGSA Scheme to identify a total of 350 Gram Panchayats over the next four years, commencing from November 2025 and to transform them as Growth Centres. This Ministry, in collaboration with the Indian Institute of Management-Ahmedabad (IIM-A), has developed specialised modules on the generation of Own Source Revenue (OSR) by the Panchayats. Based on the specialised modules of OSR training of State Level Master Trainers (SLMTs) of 31 States/UTs are being trained by the team of IIM-A.

This Ministry has also undertaken a significant step to digitise the OSR collection of the Panchayats by developing the "SAMARTH Panchayat portal", a dedicated digital platform that facilitates the generation of tax & non-tax demands & collection thereof, maintenance of tax registers, and online tracking of revenue. This digital empowerment is designed to bring transparency, efficiency, and scalability to local financial administration.

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## Annexure

Annexure referred to in reply to part (a) of the Lok Sabha Unstarred Question No. 2661 answered on 16.12.2025.

### Major recommendations of Dr. Balwant Rai Mehta Committee 1957 on Panchayati Raj

S. No.	Reference to Para No. of the Report	Summary of recommendations
1.	2.8	The Government should divest itself completely of certain duties and responsibilities and devolve them to a body which will have the entire charge of all development work within its jurisdiction, reserving to itself only the functions of guidance, supervision and higher planning.
2.	2.12	At the block level, an elected self-governing institution should be set up with its jurisdiction co-extensive with a development block.
3.	2.15	The panchayat samiti should be constituted by indirect elections from the village panchayats.
4.	2.16	Each of the municipalities lying as enclaves within the jurisdiction of a block should elect from amongst its own members one person as a member of the panchayat samiti. Secondly, State Government may convert predominantly rural municipalities into Panchayats.
5.	2.17 and 2.18	Where the extent and importance of the local cooperative organisations in a block and justify, a number of seats equal to 10% of the number of elected seats be filled by the representatives of directors of co-operatives either by co-option or by election. Secondly, the samiti should have a life of 5 years and it should come into being sometime in the third year of the five-Year Plan period.
6.	2.19 and 2.20	The functions of the panchayat samiti should cover the development of and agriculture in all its aspects, improvement of cattle, promotion of local industries, public health, welfare work, administration of primary schools and collection and maintenance of statistics. It should also act as an agent of the State Government in executing special schemes of development entrusted to it. Other functions should be transferred to the panchayat samitis only when they have started functioning as efficient democratic institutions.
7.	2.21	The following sources of income be assigned to the panchayat samiti:

		<ul style="list-style-type: none"> <li>i. Percentage of land revenue collected within the block</li> <li>ii. Cess on land revenue, etc.</li> <li>iii. Tax on professions, etc.</li> <li>iv. Surcharge of duty on transfer of immovable property.</li> <li>v. Rent and profit accruing from property,</li> <li>vi. Net proceeds of tolls and leases.</li> <li>vii. Pilgrim tax, tax on entertainment, primary education cess, proceeds from fairs and markets.</li> <li>viii. Share of motor vehicle tax.</li> <li>ix. Voluntary public contributions.</li> <li>x. Grants made by the Government.</li> </ul>
8.	2.21	The State Government should give to these samitis adequate grants-in-aid conditionally or unconditionally or on a matching basis, with due regard to economically backward areas.
9.	2.22	All Central and State funds spent in a block area should invariably be assigned to the panchayat samiti to be spent by it directly or indirectly excepting when the samiti recommends direct assistance to an institution.
10.	2.25	The technical officers of the samiti should be under the technical control of the corresponding district level officers but under the administrative and operational control of its chief administrative officer.
11.	2.25	The annual budget of the samiti should be approved by the zila parishad.
12.	2.26	A certain amount of control should inevitably be retained by the Government, e.g., the power of superseding a panchayat samiti in public interest.
13.	2.28	The constitution of the panchayat should be purely on an elective basis with the provision for the co-option of two women members and one member each from the Scheduled Castes and Scheduled Tribes. No other special groups need be given special representation.
14.	2.29	Main resources of income of the panchayat will be property or house tax, tax on markets and vehicles, octroi or terminal tax, conservancy tax, water and lighting rate, income from cattle ponds, grants from the panchayat samiti and fees charged from the registration of animals sold, etc.
15.	2.30	The village panchayats should be used as the agency for the

		collection of land revenue and be paid a commission. For this purpose the panchayat may be graded on the basis of their performance in the administrative and development field, and only those which satisfy a certain basic minimum efficiency will be invested with this power.
16.	2.30	The village panchayats should be entitled to receive from the panchayat samiti a statutorily prescribed share, up to three- fourths of the net land revenue assigned to the latter.
17.	2.31	Local resources now raised by the village panchayats and spent on the maintenance of watch and ward staff should, in future, be used for development purposes.
18.	2.32	Legislation should provide that a person who has not paid his taxes in penultimate year should be debarred from exercising his franchise in the next panchayat election and that a panchayat member should automatically cease to be such if his tax is in arrears for more than six months.
19.	2.33	The budget of the village panchayat will be subject to scrutiny and approval of the panchayat samiti, chief officer of which will exercise the same power in regard to the village panchayat as the collector will in regard to the Panchayat samiti. No village panchayat should, however, be superseded except by the State Government who will do so only on the recommendation of the zila parishad.
20.	2.34	The compulsory duties of the village panchayats should among other provisions of water supply, sanitation, lighting, maintenance of roads, land management, collection and maintenance of records and other statistics and the welfare of backward classes. It will also act as an agent of the panchayat samiti in executing any scheme entrusted to it.
21.	2.28	The judicial panchayat may have much larger jurisdiction than even a Gram Sewak's circle, and out of the panel suggested by village panchayats the subdivisional or district magistrate may select persons to form judicial panchayats.
22.	2.38	To ensure necessary coordination between the panchayat samitis, a zila parishad should be constituted consisting of the presidents of these samitis, M.L.As and M. Ps representing the area and the district level officers. The collector will be its chairman and one of his officers will act as secretary.

23.	2.46	If this experiment of democratic decentralisation is to yield maximum results, it is necessary that all the three tiers of the scheme, viz., village panchayat, panchayat samiti and zila parishad should be started at the same time and operated simultaneously in the whole district.
24.	2.47	Persons elected or aspiring to be elected to local bodies should be provided with some training in administrative matters so that they are equipped with a certain minimum of knowledge of this machinery which is growing more and more complex.
25.	2.48	<p>Some of the States consider it advisable to develop power to a local body at the district level. While the block is the optimum unit for the purpose, similar devolution to a district body may take place instead provided that</p> <p>(a) such a district body is fully empowered by Statute on the same lines as the panchayat samiti, though on a correspondingly larger scale;</p> <p>(b) the appropriate funds, powers of taxation, requisite field staff, and supervisory staff at the district head quarters are made available on the same lines as for the panchayat samiti;</p> <p>(c) in the blocks selected for development programme, panchayat samitis are constituted to carry out as agents of the district body all other development activities proposed for that area by the district body, and all funds meant to be spent in the block are transferred to the panchayat samitis;</p> <p>(d) the district body operate directly only in non panchayat samiti areas or in matters of inter-block and district level activities and institutions; and</p> <p>(e) the district body is so constituted on a purely elected basis that the former does not become too large to be effective as an instrument for rural development.</p> <p>(f) If feasible, similar arrangements can also be worked out in the alternative to devolve power to a body with a sub-division of the district for its jurisdiction.</p>