

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO. 1697
ANSWERED ON 10.02.2026

IMPACT OF LIMITED INVOLVEMENT OF PANCHAYATI RAJ INSTITUTIONS

1697: DR. T. SUMATHY ALIAS THAMIZHACHI THANGAPANDIAN:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Government has assessed the impact of limited involvement of Panchayati Raj Institutions in centrally sponsored schemes such as PM-KISAN and PMAY in Tamil Nadu, if so, the details thereof;
- (b) whether it is a fact that delays in central releases, including under MGNREGS and watershed programmes, have affected rural employment and service delivery;
- (c) the details of NABARD rural development funds allocated and released to Tamil Nadu for 2024–25;
- (d) whether the Government has considered concerns regarding migration and beneficiary identification issues arising from bypassing Panchayats, if so, the details thereof; and
- (e) the steps taken to strengthen the role of local bodies through adequate funding and autonomy?

ANSWER

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJEEV RANJAN SINGH ALIAS LALAN SINGH)

(a) The role of the Panchayati Raj Institutions (PRIs) in the implementation of central and centrally sponsored schemes like Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) and Pradhan Mantri Awas Yojana-Gramin (PMAY-G) are defined and delineated in the scheme guidelines of the respective implementing Ministries/Departments. For the implementation of PMAY-G, as per the information provided by the Ministry of Rural Development (MoRD), PRIs play a vital role in identification and selection of beneficiaries through the forum like Gram Sabhas or Village Sabhas of the local self-governments as recognised by the respective State Panchayati Raj Acts including the State of Tamil Nadu. The MoRD has allocated a total target of 4.15 crore houses, of which 3.87 crore have been sanctioned and 2.95 crore have been completed. For the next phase (2024-25 to 2028-29) of PMAY-G, a nation-wide survey was conducted using Awaas+2024 mobile App for identification of additional eligible households for providing the benefits under the PMAY-G scheme. The State of Tamil Nadu did not participate in the survey.

As per the information provided by the Ministry of Agriculture and Farmers' Welfare, as per operational guidelines of the PM-KISAN Scheme, due to the nature of the scheme the role of PRIs in implementation of the Scheme is limited. As per guidelines of the scheme, beneficiary lists are to be displayed at Panchayats to ensure greater transparency and information by the State/UT Government concerned.

(b) Timely release of funds under the scheme such as Mahatma Gandhi NREGS and Watershed Development programmes is contingent upon fulfilment of conditions, compliance of procedure and submission of documents like utilisation certificates etc.. As informed by the MoRD, under Mahatma Gandhi NREGS, States/UTs furnish funds release proposals to the Government of India. The Ministry releases funds periodically in two tranches with each tranche consisting of one or more installments, keeping in view the "agreed to" Labour Budget, demand for works, opening balance, pace of utilization of funds, pending liabilities, overall performance and subject to submission of relevant documents by the States/UTs. First instalment of the first tranche is released in the first half of April after adjusting unspent balance available with the States and considering the pending liabilities, if any. The second tranche is released on submission of proposal in the prescribed format by the State and subject to fulfilment of all the prescribed conditions. The proposal can be submitted after a State has utilized 60 percent of the total available funds. This has been revised to 75% of the total funds this financial year. If the proposal for second tranche is submitted after 1st October, then the Audit Report and Audited Utilization Certificate (UC) of the previous financial year are also required. Quantum of funds to be released as part of second tranche depends upon the performance of the State/UT and compliance of others conditions towards fund released.

Further, as has been informed by the Department of land Resources (DoLR), MoRD, under their Watershed Development Component of Pradhan Mantri Krishi Sinchayee 2.0 (WDC-PMKSY2.0), DoLR has sanctioned 34 watershed projects covering an area of 1.66 lakh ha with total project cost of Rs. 368.66 crore (Central share Rs. 221.20 crore) in Tamil Nadu. During 2020-21 to 2025-26, central share of Rs.190.43 crore has been released to the State and an expenditure of Rs.305.95 crore has been reported by the State that includes state share and unspent balances. Moreover, under the new dispensation of fund release under SNA-SPARSH, during the 2025-26, so far an amount of Rs. 32.42 crore as Central share has been issued to State as Mother Sanction, out of which Rs.23.04 crore has been utilized as on 31.12.2025. There is thus sufficient fund available with Tamil Nadu.

(c) As per information furnished by the NABARD through Department of Financial Services, Ministry of Finance, the details of NABARD rural development funds disbursed to Tamil Nadu during 2024-25 is at **Annexure**.

(d) Question does not arise in view of part (a) of the reply.

(e) Panchayat is a State subject and the Ministry of Panchayati Raj (MoPR) supplements and complements the efforts of State Governments, including financial support under its schemes towards strengthening and efficient functioning of the Panchayati Raj Institutions (PRIs) on a continuous basis. In order to strengthen the financial autonomy and technical supports to Panchayats to enable them to undertake local development projects effectively, 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 involvement of the States, through the Public Financial Management System (PFMS) system in accordance with

the norms prescribed by the Finance Commission in respect of tied and untied grants. 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. A total of Rs.47764 crore was allocated for the PRIs in Tamil Nadu under the Fifteenth Finance Commission grants, of which Rs.43837.96 crore has been released as so far.

The Ministry has been focusing on the capacity building of the PRIs in various areas with due emphasis on mobilisation of own sources of revenue towards attaining financial independence and self-sufficiency.

Further, the Ministry undertakes periodical studies to compile the Panchayat Devolution Index (PDI) which reviews the status of devolution to the Panchayats by the States/UTs in the areas of funds, functions and functionalities to foster competitiveness among the States to devolve more and more powers to the Panchayats for their autonomy. As per the latest devolution study, PDI score for Tamil Nadu is 68.38.

On technical front, particularly for promotion of eGovernance in the Panchayats, under the Digital India initiative, the MoPR have developed various digital platforms and applications. The eGramSwaraj application has been designed to facilitate 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 in Panchayat procurement. This integration allows Panchayats to procure goods and services through GeM via the eGramSwaraj platform. Further, applications developed by the Ministry like Meri Panchayat have endeavoured 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.

Annexure

Annexure referred to in reply to Part (c) of the Lok Sabha Unstarred Question No. 1697 answered on 10.02.2026 regarding Impact of Limited Involvement of Panchayati Raj Institutions

Details of grants released under NABARD Development Programmes in Tamil Nadu during 2024-25

Fund/ Programme	Grant disbursement during 2024-25 (in ₹ lakh)	Brief description of the Fund/ Programme
Financial Inclusion Fund (FIF)	1,111.81	Supports financial literacy, digital onboarding, financial inclusion infrastructure, and bridging regional gaps by assisting banks/communities to adopt digital and inclusive financial services.
Gramya Vikas Nidhi (GVN)	371.37	Promotes rural innovation, offfarm livelihood activities, cluster development, capacity building, and skill training for rural youth and artisans to enhance sustainable rural employment.
Watershed Development Fund	1,212.99	Supports participatory watershed development focusing on soil & water conservation, climate resilience, groundwater recharge, livelihood enhancement, and sustainable natural resource management.
Tribal Development Fund (TDF)	343.92	Aims at holistic tribal development through the “Wadi model,” horticulturebased livelihoods, soil/ water conservation, animal husbandry, SHG promotion, and improved quality of life for tribal families.
Farm Sector Promotion Fund (FSPF)	176.98	Facilitates adoption of innovative farm technologies, climateresilient agriculture, valueadded processing, capacity building, and market linkages to enhance farm productivity and incomes.
Farmer Producer Organization (FPO)	810.95	Supports formation and strengthening of FPOs through seed funding, capacity building, market linkage support, infrastructure creation, valueaddition activities, and working capital assistance.
