

GOVERNMENT OF INDIA  
MINISTRY OF PANCHAYATI RAJ  
**LOK SABHA**  
**UNSTARRED QUESTION NO.4062**  
ANSWERED ON 17.03.2026

DEVELOPMENT WORK OF PANCHAYATS

†4062. SHRI KULDEEP INDORA:

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether the Government has withheld funds worth Rs. 3,000 crore due to Panchayati elections not conducted on time in Rajasthan, if so, the details thereof;

(b) whether the withholding of these funds has adversely affected development works and basic amenities in Panchayats and more than 1.25 lakh elected representatives, including eleven thousand Sarpanches have not received their funds for more than a year, if so, the details thereof;

(c) whether the Government is aware that the State Government of Rajasthan has taken action against more than hundred administrators and dismissed twenty five of them, if so, the details thereof; and

(d) the steps being taken by the Government to ensure early notification of Panchayat elections and release of funds to Panchayati Raj Institutions in Rajasthan?

**ANSWER**

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a) & (b) No, Sir. Only Rs.785.90 crore from the 1st instalment of Untied and Tied Grants under the Fifteenth Finance Commission for FY 2025-26 has been withheld due to Panchayati elections not conducted on time in Rajasthan.

Fifteenth Finance Commission grants are released to the States for Rural Local Bodies (RLBs) on the basis of guidelines issued by the Ministry of Finance on the subject and fulfilment of the prescribed conditions. As per the said guidelines RLBs shall be deemed to be eligible for the release of grants, if they are duly constituted i.e if duly elected bodies are in place except for States/ Areas where Part IX of the Constitution does not apply. In case, all the bodies are not duly constituted grants shall be released to the State on pro-rata basis for duly constituted RLBs only. Further, as per Ministry of Finance, Department of Expenditure guidelines dated 2-6-2022, as soon as the concerned local body becomes eligible (either by way of holding elections or fulfilling the eligibility criteria stipulated), Ministry of Panchayati Raj may recommend release

of withheld portion of grant due to these bodies within the award period. The Department of Expenditure will release the withheld portion subject to availability of funds.

(c) Rajasthan Government has informed that it has taken action against 25 administrators found guilty in the departmental investigation and they have been relieved.

(d) Conduct of Panchayat elections in conformity with constitutional provisions within the stipulated time is the constitutional responsibility of the State Governments. However, Ministry of Panchayati Raj keeps reminding States in this regard from time to time. In this regard, an advisory was issued by the Ministry of Panchayati Raj to the Government of Rajasthan in June 2025. State Government of Rajasthan has intimated that it has completed delimitation process of Panchayati Raj Institutions till 31.12.2025 as per directions of Hon'ble High Court of Rajasthan in its Judgment dated 14.11.2025 in Sheela Kumari v/s State of Rajasthan.

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