

MINISTRY OF PANCHAYATI RAJ

PANCHAYATI RAJ

[Action taken by Government on the recommendations contained in Eighteenth Report (Sixteenth Lok Sabha) of the Committee on Estimates]

COMMITTEE ON ESTIMATES (2017-18)

TWENTY FIFTH REPORT

(SIXTEENTH LOK SABHA)



LOK SABHA SECRETARIAT
NEW DELHI

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COMMITTEE ON ESTIMATES
(2017-18)
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**[Action taken by the Government on the recommendations contained in
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(Presented to Lok Sabha on 21 December, 2017)



LOK SABHA SECRETARIAT
NEW DELHI
December, 2017/ Agrahayana, 1939 (Saka)

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COMPOSITION OF THE COMMITTEE ON ESTIMATES (2017-18)

Dr. Murli Manohar Joshi – Chairperson

Members

- | | | |
|---|-----|--------------------------------|
| % | 2. | Vacant |
| | 3. | Shri A. Arunmozhithevan |
| | 4. | Shri George Baker |
| | 5. | Shri Kalyan Banerjee |
| @ | 6. | Vacant |
| | 7. | Shri Dushyant Chautala |
| | 8. | Shri Ram Tahal Choudhary |
| | 9. | Col. Sonaram Choudhary |
| | 10. | Shri Ramen Deka |
| | 11. | Shri Sanjay Dhotre |
| | 12. | Shri P.C. Gaddigoudar |
| | 13. | Shri Prakash B. Hukkeri |
| | 14. | Smt. Kavitha Kalvakuntala |
| | 15. | Smt. Raksha Khadse |
| | 16. | Dr. Sanjay Jaiswal |
| | 17. | Shri P. Kumar |
| | 18. | Shri Rajesh Pandey |
| | 19. | Shri Ravindra Kumar Pandey |
| # | 20. | Vacant |
| | 21. | Dr. Bhagirath Prasad |
| | 22. | Smt. Ranjeet Ranjan |
| | 23. | Shri Konakalla Narayan Rao |
| | 24. | Shri Y.V. Subba Reddy |
| | 25. | Shri Arvind Ganpat Sawant |
| | 26. | Shri Arjun Charan Sethi |
| | 27. | Shri Janardan Singh Sigriwal |
| | 28. | Shri Jugal Kishore Sharma |
| @ | 29. | Vacant |
| | 30. | Shri Jay Prakash Narayan Yadav |

% Consequent upon sad demise of Shri Sultan Ahmed, MP on 4th September, 2017 vide Notification No. 21/4(3)/2017/T(B) dated 10 October, 2017.

@ Shri Ashwini Kumar Choubey ceased to be Member of the Committee consequent upon his induction in the Council of Ministers on 3 September, 2017 vide Notification No. 21/1(3)/2017/T(B) dated 14 December, 2017.

Resignation of Shri Nanabhau Falgunrao Patole from Lok Sabha accepted w.e.f. 14 December, 2017 vide Notification No. 21/1(3)/2017/T(B) dated 14 December, 2017.

@ Shri Gajendra Singh Shekhawat ceased to be Member of the Committee consequent upon his induction in the Council of Ministers on 3 September, 2017 vide notification No. 21/1(3)/2017/T(B) dated 14 December, 2017.

SECRETARIAT

- | | | | |
|----|---------------------|---|-------------------------|
| 1. | Smt Sudesh Luthra | - | Additional Secretary |
| 2. | Shri N.C Gupta | - | Joint Secretary |
| 3. | Shri Vipin Kumar | - | Director |
| 4. | Shri R.S Negi | - | Under Secretary |
| 5. | Shri Gurpreet Singh | - | Sr. Executive Assistant |

INTRODUCTION

I, the Chairperson of Committee on Estimates (2016-17) having been authorized by the Committee to submit the Report on their behalf, do present this Twenty-fifth Report on action taken by the Government on the observations/ recommendations contained in the Eighteenth Report of the Committee (2016-17) on the subject 'Panchayati Raj' pertaining to the Ministry of Panchayati Raj.

2. The Eighteenth Report (Sixteenth Lok Sabha) was presented to Lok Sabha on 11 August, 2016. Action Taken Notes on observations/ recommendations from the Ministry of Panchayati Raj were received on 05 April, 2017. The Committee would like to thank the representatives of Niti Aayog who deposed before the Committee in the context of award of grants to Panchayats by Fourteenth Finance Commission. The Draft Report was considered and adopted by the Committee on Estimates (2017-18) at their sitting held on 01 November, 2017.

3. An Analysis of the action taken by the Government on the observations/ recommendations contained in the Eighteenth Report of the Committee is given in Appendix IV.

**NEW DELHI;
17 November, 2017
26 kartika, 1939 (Saka)**

**DR. MURLI MANOHAR JOSHI,
CHAIRPERSON,
ESTIMATES COMMITTEE.**

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by the Government on the recommendations contained in the Eighteenth Report (Sixteenth Lok Sabha) on the subject 'Panchayati Raj' pertaining to the "Ministry of Panchayati Raj".

1.2 The Eighteenth Report (Sixteenth Lok Sabha) was presented to Lok Sabha on 11.08.2016. It contained 11 observations/recommendations. Action Taken Notes on all these observations/recommendations were received from the Ministry of Panchayati Raj on 05.04.2017.

1.3 Replies to the observations and recommendations contained in the Report have broadly been categorized as under:-

(i) Recommendations/Observations which have been accepted by the Government:

Sl. Nos. 9 & 10

(Total - 2)
(Chapter-II)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's reply:

Sl. Nos. 3, 5 & 8

(Total - 3)
(Chapter-III)

(iii) Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee:

Sl. Nos. 1, 2, 4, 6, 7 & 11

(Total - 6)
(Chapter-IV)

(iv) Recommendations/Observations in respect of which final reply of Government is still awaited:

Sl. No. Nil

(Chapter-V)

1.4. The Committee desire that response to the comments contained in Chapter I of this Report should be furnished to them expeditiously.

1.5 The Committee will now deal with the action taken by the Government on some of their recommendations.

Observation/Recommendation (Para No.1)

Timely Conduct of Elections

The Committee in their original report had recommended that_Panchayati Raj system in India refers to the system of local self governance introduced by the Constitution (Seventy-third Amendment) Act, 1992. Article 243 E unambiguously stipulates that every Panchayat, unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting and no longer. The Committee, however, noted with deep dismay that despite the constitutional directive, there have been instances in some States where elections to the Panchayats were postponed for decades. For instance, in Jharkhand, elections were held after a long gap of about 32 years. In the undivided Andhra Pradesh, the elections to Panchayat were postponed for a considerable time and in Puduchery, Panchayats elections were yet to be conducted. The Committee were apprised by the Government that in order to ensure timely conduct of elections, Backward Region Grant Fund Scheme funds were not given to the States till the elections were held. However, as the funds were small, the scheme failed to bring in compliance on the part of the States.

The Committee felt that the Ministry of Panchayati Raj (MOPR) has a very important Constitutional obligation to ensure conduct of Panchayat elections within the stipulated period of five years. The ways and means for timely election are to be evolved by the Ministry of Panchayati Raj (MOPR) in coordination with respective State/

U.T Governments and other concerned authorities. The Committee, therefore strongly recommended that earnest efforts should be made by the MOPR to ensure conduct of periodic elections as per the provision of the 73rd Constitution (Amendment) Act, 1992 to Panchayats at all levels in all the States/UTs so as to strengthen the grass root level democracy throughout the length and breadth of the country. Further, having regard to periodic complaints, the Committee recommended that the Government need to examine the desirability of laying down certain essential qualifications for various posts in the lowest rung of democracy so that elected functionaries discharge their duties efficiently, effectively and independently.

1.7 The Ministry in their Action Taken reply has stated that elections to Panchayats have been held in all the States/UTs covered under Part IX, except UT of Puducherry. In the UT of Puducherry where the elections have been due since July 2011 as the matter is sub judice. Presently, it is pending before the Hon'ble Supreme Court. Similarly, in Tamilnadu , the Panchayat Elections were due in November, 2016, and in September, 2016 notification for next election was also issued by the State Election Commission. However, this notification has been challenged in the High Court. The matter is still sub-judice due to which the Panchayat Election were still not held.

As regards prescribing minimum qualifications for Elected Representatives (ERs), the States have been empowered to prescribe the same under Article 243F(b). States like Rajasthan and Haryana have already prescribed minimum educational qualifications as an eligibility criteria for contesting elections to PRIs.

In line with the recommendations of the Hon'ble Committee, the matter is being pursued with the States/UTs consistently to (i) ensure the Panchayat elections processes as laid down in the Constitution's mandatory provisions of Article 243E and also where elections are due, they have been asked for providing information about preparedness for the Panchayat election process, (ii) to ensure the functioning of State Election Commission in letter and spirit by the States/UTs as per Article 243K of the Constitution & (iii) to provide legislative provisions of the States about disqualifications for membership of Panchayats as per the Article 243F of the Constitution and with justification for such disqualification.

Till date, the States of Rajasthan, Karnataka, Himachal Pradesh, Tripura, Sikkim and Odisha & UT of Dadra & Nagar Haveli have responded. Responses of these States/UTs are at Annexure-I.

1.8 The Committee take cognizance of the initiatives taken by the Ministry of Panchayati Raj (MoPR) to pursue matter with the States/UTs to ensure timely conduct and completion of Panchayat elections, functioning of State Election Commissions in letter and spirit by the States/UTs as per Article 243K of the Constitution and to provide legislative provisions about disqualifications for membership of Panchayats as per the Article 243F of the Constitution. The Committee note that only seven States / UTs viz Rajasthan, Karnataka, Himachal Pradesh, Tripura, Sikkim and Odisha & Dadra & Nagar Haveli have responded to the above said initiatives of the MoPR. On perusal of the information provided by the Ministry, the Committee find that only Rajasthan and Haryana have provided for minimum educational qualification as an eligibility for contesting elections to Panchayati Raj Institutions (PRIs). The Committee desire that MoPR should vigorously pursue the matter with other States also so as to ensure timely conduct of elections, providing legislative provision about disqualification of membership of Panchayats etc.

Observation/Recommendation (Para No.2)

Reservation for Women

1.9 The Committee had noted that rotation of one third seats is a mandatory provision. Further, so far sixteen States have made provision for 50% reservation of the seats for women in the Panchayati Raj Institutions in the total number of seats, offices of chairpersons and in the seats reserved for Scheduled Castes and Scheduled Tribes across the three tiers, position has been raised from the existing provision of 'not less than one-third' to 'not less than one-half'. Further, it has been stated that the Ministry of Panchayati Raj (MOPR) has prepared a Cabinet note and moved for Constitutional Amendment to provide for fifty percent reservation for women in the remaining States / U.Ts. The Committee urged that the proposed legislation should be enacted at the earliest without further delay and the Committee be apprised in the regard.

1.10 The Ministry in their action taken reply has stated that Article 243D of the Constitution of India provides that the offices of Chairpersons in the Panchayats at the Village or any other level shall be reserved for the Scheduled Castes, the Scheduled Tribes and Women in such manner as a legislature of a State may, by law provide. The number of offices of Chairpersons reserved for Scheduled Castes and Scheduled Tribes in the Panchayats at each level in any States shall bear, as nearly as may be, the same proportion to the total number of such offices in the Panchayats at each level as the population of the Scheduled Castes/Scheduled Tribes in the States. It is further provided that not less than one third of the total number of offices of Chairpersons in the Panchayats at each level shall be reserved for women.

The Ministry has also submitted that by now 19 major States (Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Maharashtra, Odisha, Rajasthan, Sikkim, Tripura, Uttarakhand, West Bengal, Madhya Pradesh, Assam, Bihar, Tamil Nadu and Telengana) have already made provision for reservation of 50% seats for women in PRIs. A summary statement of States/UTs on their current status vis-à-vis this provision and responses on the proposed amendment as furnished by the Ministry is given at Annexure-II.

It has also been stated in the action taken note that a Cabinet note on 'Amendment of Article 243D of the Constitution of India', was sent to the Cabinet Secretariat in January, 2016. In this regard a meeting of the Committee of Secretaries (CoS) meeting was held on 05.08.2016 wherein it is recommended that Ministry may re-examine the need for the amendment proposing 50% reservation for women in PRIs.

1.11 The Committee note that 19 States have already made provision for reservation of 50% seats for woman in PRIs. The Ministry in their Action Taken reply has stated that a Cabinet note on 'Amendment of Article 243D of the Constitution of India', was sent to the Cabinet Secretariat in January, 2016. In this connection a meeting of the Committee of Secretaries (CoS) was held on 05.08.2016 wherein it is recommended that *the* Ministry may re-examine the need for the amendment proposing 50% reservation for women in PRIs. The Committee are unable to comprehend the reasons/rationale behind the decision of Committee

of Secretaries whereby it is recommended to the Ministry of Panchayati Raj to re-examine the need for the amendment proposing 50% reservation for women in PRIs particularly when majority of States have already provided for 50% reservation for women and some other States have agreed to do the same. The Committee, therefore, reiterate their earlier recommendation and emphasize for early introduction of the legislative proposal in Parliament in this regard.

Observation/Recommendation (Para No.4)

Need for Direct Elections to the Posts of Chairpersons of Block and District Panchayats

1.12 The Committee noted that Article 243 (C) inserted by the 73rd Constitution (Amendment) Act provides for direct election to seats at all three tiers of Panchayats and indirect election for Chairpersons of Block and District Panchayats. The Committee further noted that the existing provision of indirect elections for the post of Chairpersons of Block and District Panchayats has been promoting electoral corruption. The representative of the Ministry stated that it would involve amendment to the Constitution and therefore they would hold consultations with the States. The Committee, therefore, desired the Ministry to hold consultation with the States so that necessary amendment is made in the Constitution expeditiously for providing direct elections to the post of Chairpersons of Block and District Panchayats. The Committee were of the considered view that holding of direct elections to these posts would reduce the dubious role of money and muscle power and go a long way to strengthen our grass root level democracy.

1.13 The Ministry in their Action Taken reply has stated that in terms of the Article 243C (5) (b) of the Constitution, Chairperson of Panchayat at the Block Panchayat or District Panchayat, shall be elected by, and from amongst, the elected members thereof. In respect of the election of Chairperson of Gram Panchayat prescribing direct or indirect elections has been left to the discretion of the State Legislature. The status of direct/indirect elections to Chairpersons of Gram Panchayats in different States is given at Annexure-V.

The Ministry in the action taken note has also stated that in the light of the recommendation, the States/UTs have been requested to offer their comments on the Committee's recommendation. But despite Ministry's continuous efforts only the States of Bihar, Punjab, Himachal Pradesh and Jharkhand have responded and expressed their opinion in favour of indirect elections for the posts of Chairpersons of Block & District Panchayats. UTs of Chandigarh and Andaman & Nicobar Islands have responded in favour of direct elections. Responses of these States/UTs are at Annex-VI.

1.14 The Committee note that in the light of their recommendation, the MoPR has requested States/UTs to offer their comments regarding need for providing direct elections to the posts of Chairpersons of Block and District panchayats to reduce dubious role of money and muscle power in Panchayats elections. However, it is saddened to note that despite Ministry's continuous efforts, only States of Bihar, Punjab, Himachal Pradesh and Jharkhand and UTs of Chandigarh & A&N Islands have responded. While reiterating their earlier recommendation, the Committee desire the Ministry to earnestly keep pursuing the matter with the remaining States/UTs who have not responded so far and take the action as recommended and the Committee be kept apprised.

Observation/Recommendation (Para No.6)

Computerisation of Panchayats

1.15 The Committee noted that MoPR propose to provide SATCOM (Satellite Communications) facility to all the State Institutes of Rural Development (SIRD) in the States where it does not exist. The Committee have been informed that MoPR is still in the process of discussion with ISRO and the States for universalisation of SATCOM facilities at Panchayat level. As per the information provided to the Committee, SATCOM facility is already being used by Panchayats in eight States. Many States have not utilised the earmarked funds due to various reasons. The Committee were unhappy that Panchayats in most of the States have not been equipped with requisite level of computerisation. The Committee further observed that the Government have been proposing broad-band connectivity to Panchayats across the country. The

Committee noted that the Ministry had submitted a proposal to Ministry of New & Renewable Energy for electrification of un-electrified panchayats using solar energy. The Committee, therefore, desired that status report of computerisation of Panchayats be furnished to the Committee at the earliest. They further recommended that the Ministry expedite electrification of all un-electrified Panchayats in a time bound manner and apprise the Committee in due course. In the meanwhile till all villages are electrified, offline versions of PES applications, which were stated to be in various stages of development, may be used for ensuring transparency in the functioning of Panchayats.

1.16 The Ministry in their Action Taken reply has stated that considering the need to provide training to a large number of Elected Panchayat Representatives & Panchayat Functionaries, support to States for appropriate SATCOM was under consideration in 2015-16 but due to techno-economic reasons of 2-way interactive terminals at District and Block level this could not be finalized. The discussions were continued in 2016-17 with Ministry of Electronics and Information Technology (MeitY) for establishing video connectivity through terrestrial network and also with Bhaskaracharya Institute for Space Applications and Geoinformatics (BISAG), Gujarat and Doordarshan for exploring economically feasible training medium and for telecasting informative programmes relating to Panchayati Raj over a free-to-air Direct-To-Home (DTH) channel. Based on these discussions, it emerged that there would be a need for technical support up to Block level to maintain the equipment procured for SATCOM facilities, as envisaged by ISRO and Doordarshan could provide viable solutions.

As per information available with the Ministry, about 1.36 lakh Panchayats have computers and the level of their usage of software applications varies significantly across Panchayats in the country, based on their level of preparedness. Furthermore, the Department of Telecommunications has now embarked on the ambitious BharatNet programme with great earnest and plans to provide broadband connectivity to 1.5 lakh GPs by March, 2018.

The electrification of Panchayats is covered under the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) scheme of Ministry of Power, Government of

India. Rural Electrification Corporation (REC) is facilitating availability of electricity for rural and semi-urban population for accelerated growth and for enrichment of quality of life. As per reports of REC, out of 597,464 Census villages, 590,028 villages have been electrified till now and rest are under process. The previously envisaged partnership with Ministry of New and Renewable Energy did not solicit any interest/demand from the States, despite follow-up by the Ministry. To overcome the unavailability of power and internet, the affected Panchayats are generally visiting the nearby electrified and internet-equipped Panchayats for their data entry needs. Certain offline features have also been enabled in the PES applications to bridge this gap.

1.17 The Committee note from the action taken reply that the programme envisaged for providing training to a large number of Panchayat representatives and functionaries viz. Support to States for appropriate SATCOM and establishing video connectivity could not be finalized/made operational due to techno economic reasons and lack of technical support upto Block level. It has emerged from the action taken note that providing broadband connectivity and computerization of panchayats is the pre-requisite for training programmes being conceived by the Ministry. While reiterating their recommendation, the Committee re-emphasize for broadband connectivity and electrification of the remaining villages. In this regard, the Ministry of Panchayati Raj need to pursue with the Department of Telecommunication for expeditious implementation of Bharat Net Programme meant to provide broadband connectivity to 1.5 lakh GPs by March 2018, and with Ministries of Power and New and Renewable Energy for rural electrification. Till full computerization and electrification is achieved, more focus share to be given for enabling offline features in the PES applications to bridge the gap. The concrete action should be taken in this regard and the Committee apprised at the final action taken stage.

Observation/Recommendation (Para No.7)

Award of Grants by Fourteenth Finance Commission

1.18 The Committee had noted that as per the Fourteenth Finance Commission (FFC) award, grants will go to Gram Panchayats, which are directly responsible for basic services without any share for other levels i.e. Block and District Panchayats within fifteen days failing which the State has to give interest to the Gram Panchayats. This money can be spent by Gram Panchayats only for basic services which have been defined by the Fourteenth Finance Commission like water supply, sanitation, street lights, roads, burial grounds and crematorium, etc. The Committee were dismayed to observe that the FFC award has created pitiable situation for the Block and District Panchayats. As far as State Finance Commissions (SFCs) are concerned the Committee noted that out of 29 States, only 6 States namely Assam, Himachal Pradesh, Kerala, Odisha, Rajasthan and Sikkim had furnished details of submission and acceptance of the recommendations made by their SFCs. Keeping in view, the Committee expressed apprehension as to how the financial needs of Block and District Panchayats women be met. The Committee, therefore, recommended that MoPR help expedite timely allocation of funds by the States Finance Commission to Panchayats and a concrete schedule be made with proper monitoring for such allocations.

Reply of the Government

1.19 The Ministry of Panchayati Raj in the Action Taken note has stated that Fourteenth Finance Commission (FFC) has recommended grants only to Gram Panchayats constituted under Part IX of the Constitution as they are directly responsible for delivery of basic services without any share for other levels. The Government has accepted the recommendations of the FFC and funds are being released as per the recommendations.

It has also been stated that The Finance Commission have, *inter-alia*, also observed that the State Governments are expected to take care of the needs of the Taluk and Zila Panchayats and it is incumbent upon the State Governments to utilize the enhanced fiscal space made available to the States by the FFC on account of higher devolution from 32% to 42% of the Centre's net tax receipts.

The Ministry has further stated that the Secretary, Panchayati Raj on July 31, 2015 has also written to the Chief Secretary of all State Government suggesting measures so that the States could take to devolve funds to the two left out tiers of Intermediate and District level Panchayats.

Being not satisfied with the replies of the Ministry, the Committee decided to take evidence of the representatives of NITI Aayog.

NITI Aayog in the written document furnished to the Committee has stated that one of the terms of reference of Fourteenth Finance Commission was to make recommendations on the measures needed to augment the Consolidated Fund of a State on the basis of the recommendations made by the Finance Commission of the State. The Commission submitted its Report in December, 2014. The FFC has worked out the total size of the grant to be Rs. 2,87,436 crore for the period 2015-20, constituting an assistance of Rs.488 per capita per annum at an aggregate level for the local bodies to carry out their duties of providing basic services. Of this, the grant recommended to Panchayats is Rs.2,00,292.2 crore and that to municipalities is Rs.87,143.8 crore. These local bodies grants are released by the Ministry of Finance on the recommendations of the Ministry of Panchayati Raj to the concerned State Governments for redistribution of resources at lower levels of Panchayats.

NITI Aayog in the written views has also stated that the constitution of the State Finance Commission is a State subject and FFC has not given clear cut instructions as regards flow of FFC funds to Block and District Panchayats. As the issue has not been addressed by the Fourteenth Finance Commission, this issue has to be flagged by the Ministry of Panchayati Raj and the States in their deposition before the Fifteenth Finance Commission. In the meantime, the States would have to ensure that the recommendations of the State Finance Commissions in this regard are implemented.

When asked about the views of NITI Aayog on the issue, CEO, NITI Aayog during the course of oral evidence stated that NITI Aayog is clearly of the view that allocations should also be made for middle level Panchayats.

1.20 The Committee note from the action taken reply of the Ministry and the information furnished by NITI Aayog that the Fourteenth Finance Commission and the Union Government have left the matter of devolution of funds to Intermediate and District Level Panchayats to the State Finance Commissions. From the information furnished by the Ministry at Annexure VIII, the Committee note that some of the State Governments viz. Andhra Pradesh, Chattisgarh, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh and West Bengal have also transferred funds only to Gram Panchayats thereby making the position of Intermediate and District Level Panchayats worse. Uttar Pradesh is the only State where all three tiers have the powers to collect taxes and Lakshadweep is the only Union Territory where funds are transferred to both District and Village Panchayats. The Committee conclude from the aforesaid scenario that with allocation of Fourteenth Finance Commission grants only to Gram Panchayats, Intermediate and District Panchayats have been left on their own to handle their responsibilities as per the Constitutional mandate.

1.21 The Committee observe that as per Article 243B, in the States having population above twenty lakhs, Panchayats shall be constituted at the village, intermediate and district levels, and in the States having a population not exceeding twenty lakhs, Panchayats are to be constituted at the village and district levels only. The Committee fail to understand how the intermediate and district level Panchayats, particularly in the backward districts would fulfil their Constitutional obligations in the absence of devolution of funds. Not only that this put pressure on the members local area development fund. The Committee would like to emphasise that the Union Government cannot shift the responsibility entirely to the State Governments particularly when it is a question of implementation of provisions made in the Constitution. Now when NITI Aayog has concurred with the concerns of the Committee, the Committee while reiterating their recommendation would like Government to look into the issue of devolution of funds to all the three tiers of Panchayats for the balanced development of a village to achieve the vision of transformation of rural India into smart rural India. As rightly stated by NITI Aayog, the Ministry of Panchayati Raj and States need to flag this issue before the Fifteenth Finance Commission at the

appropriate time. The Committee in this regard would also like to be apprised about the status of allocation and utilisation of Fourteenth Finance Commission Funds by the Gram Panchayats in various States.

Observation/Recommendation (Para No.11)

Audit and Accountability of Panchayati Raj Institutions

1.22 The Committee noted that over the time the thrust of successive Governments has been to strengthen the Panchayati Raj Institutions, the very edifice of our democracy by devolving more powers and funds to them. The Committee noted that though some States Governments/Legislatures have made provision for monitoring the works done by the PRIs, the system of audit and accountability of PRIs remains far from satisfactory. The Committee recommended that the whole system of monitoring, audit and accountability of the PRIs be revisited and strong audit and accountability mechanism be put in place. Further, the Committee may also be apprised of the guidelines so evolved.

1.23 The Ministry their Action Taken reply has stated that to facilitate simplifying and improving the system of basic accounts keeping in Panchayats, MoPR had assigned the work of preparation of State/UT (except Delhi)-specific budget, accounts and audit manuals for Panchayats to Institute of Public Auditors of India (IPAI). The draft Manuals prepared by IPAI have been forwarded by IPAI to all 35 States/UTs (except Delhi) for adoption in their legal framework. So far five States namely, Maharashtra, Manipur, Arunachal Pradesh, Karnataka and Punjab have adopted the Manuals.

Under Fourteenth Finance Commission (FFC) for the award period 2015-20, grants to the tune of Rs. 2,00,292.20 crore for the period from 2015 to 2020 are being devolved to Gram Panchayats constituted under Part IX of the Constitution ,amounting to an assistance of Rs. 488 per capita per annum at an aggregate level for 26 States for delivering basic services, creation of reliable data base of local bodies' receipts & expenditure through audited accounts and for improvement of own source revenue of the Gram Panchayats. 90 percent of the Grants are the Basic Grants and 10 percent

will be Performance Grant (applicable from 2016-17). The Commission has recommended grants for Gram Panchayats as they are directly responsible for delivery of basic services without any share for other levels.

Performance grants are designed to serve the purpose of ensuring reliable audited accounts and data of receipt and expenditure and improvement in own revenues and are based on submission of audited annual accounts and increase in own revenues by the GPs. No additional conditions need to be imposed by GOI or State Govts.

The FFC has followed a trust based approach towards the local bodies as institutions of local self-governance while awarding the grants. Ministry of Finance (MoF) guidelines dated 08.10.2015 for implementation of FFC recommendations for local bodies enjoin upon States to constitute a High Level Monitoring Committee (HLMC) headed by Chief Secretary for monitoring and concurrent evaluation of local bodies. Ministry of Panchayati Raj (MoPR) has constituted a Coordination Committee headed by Secretary, Panchayati Raj to inter-alia guide and support States and local bodies in the implementation of FFC recommendations, monitor progress of expenditure of grants by local bodies and suggest remedial measures as per the MoF Guidelines. State Governments are also mandated to put in place third party audit mechanism.

MoPR has developed Panchayat Enterprise Suite (PES) constituting 11 common core applications which cover the entire gamut of core governance functions of Panchayats. These application together foster transparency and accountability in the functioning of Panchayats.

Online Dashboard has been provisioned under the PlanPlus Application to facilitate better monitoring of release of the FFC funds to Gram Panchayats and to track sector wise expenditure incurred by the Gram Panchayats. Rashtriya Gram Anudaan Evam Vikas (RAGAV) mobile application has also been developed for above said purpose. So far eight States for FY 2015-16 namely, Chhattisgarh, Gujarat, Jharkhand, Sikkim, Tamil Nadu, Tripura, Uttarakhand and Uttar Pradesh and three States namely, Gujarat, Jharkhand and Uttarakhand for FY 2016-17 have started uploading Sector-wise expenditure on the Dashboard. States of Assam, Himachal Pradesh, Jammu &

Kashmir, Maharashtra, Sikkim, Telangana & Uttar Pradesh for FY 2015-16 and Chhattisgarh, Haryana, Himachal Pradesh, Maharashtra, Odisha, Rajasthan, Telangana, Uttarakhand and Uttar Pradesh have also started uploading the GP-wise detail on the Dashboard.

1.24 The Committee note that some measures are being taken to put in place robust audit and accountability mechanism for monitoring and audit of PRIs, which include draft model manuals sent to States/UTs for adoption in their legal framework, grants to the tune of Rs.2,00,292.20 crore for the period from 2015-2020 under Fourteenth Finance Commission (FFC), constitution of a Coordination Committee headed by Secretary, Panchayati Raj to inter-alia guide and support States and local bodies in the implementation of FFC recommendations, monitor progress of expenditure of grants by local bodies, as well as developing a Panchayat Enterprise Suite (PES) constituting 11 common core applications which cover the entire gamut of core governance functions of Panchayats. So far as the outcomes of these efforts are concerned, the action taken notes indicate that action still needs to be taken by many of the States. With regard to adoption of draft Manuals, so far only five States namely, Maharashtra, Manipur, Arunachal Pradesh, Karnataka and Punjab have adopted the Manuals. Online Dashboard provisioned under the Plan Plus Application to facilitate better monitoring of release of the FFC funds to Gram Panchayats and to track sector wise expenditure incurred by the Gram Panchayats, is still to be used by all the States/UTs. The Committee conclude from the above that much needs to be done to persuade the State Governments to take benefit of the initiatives taken by the Union Ministry of Panchayati Raj. The initiatives on the lines suggested above as well as in the original recommendation may be taken and the Committee apprised accordingly.

CHAPTER-II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Observation/Recommendation (Para No.9)

Revitalisation of Gram Sabhas

The Committee are dismayed to note the candid admission by the representative of MoPR before the Committee that the Functioning of Gram Sabhas in many States is not satisfactory at all. Although the MoPR have been making efforts for past several years to prevail upon the State/UT Government to empower Gram Sabhas and make their functioning more vibrant and participatory yet the results of such initiatives have not brought requisite empowerment of the Gram Sabhas. The Committee feel that Gram Sabha is the bed-rock of our democratic edifice. As a robust institutional mechanism, the Gram Sabha can mount close vigil on the implementation of developmental programmes and eliminate mis-use of funds. Apparently, laxity on the part of MoPR and the respective State/UT Governments is largely responsible for sluggish empowerment of Gram Sabhas across the country. Though Panchayati Raj is a State subject, yet the MoPR need to make efforts to chalk out a programme in coordination with State/UT Governments for purposeful and effective empowerment of Gram Sabhas. The necessary guidelines, which the MoPR propose to put in place for compulsory consultation with Gram Sabhas in preparing participatory plans for Gram Panchayats, should be issued to the States/UTs at the earliest along with other proposed measures that may help in activating the Gram Sabhas. Further, the monitoring system must be strengthened to oversee the number of members enrolled, meetings held, number of members attending meetings, committees formed, targets achieved, etc.

Reply of the Government

(i) This Ministry has always been seized of the crucial role that the Gram Sabha plays in the robust and vibrant functioning of Panchayati Raj system and also the fact that Planning, implementation and monitoring of the Schemes/Programmes of the Government in desired and pointed manner can be possible only with the pivotal involvement of Gram Sabhas. However, Panchayat being a State subject, States have

to crystallize the powers and responsibilities of the Gram Sabhas under their domain through their Statutes/Regulations and thus enable the Gram Sabhas function as per their mandated role. To sensitize the State Govts, Panchayats and Gram Sabhas about different facets of their empowered positions, roles and duties, this Ministry had observed Gram Sabha Year from 2.10.2009 to 2.10.2010 in consultation with the State Governments and other stake holders. Exhaustive advisory was also issued to them for undertaking relevant activities. Subsequently another advisory about ensuring videography of the proceedings of the Gram Sabhas was also issued to States, so that the Panchayats performed their mandated duties and function in accountable and transparent manner. This would also ensure that the Gram Panchayat were responsive to the Gram Sabha and did not violate the approvals and decisions of Gram Sabha. Besides, this Ministry has been consistently advocating with line Ministries/Departments about providing a central role to Gram Panchayat/ Gram Sabha in identification of beneficiaries and as far as possible, in implementation of the schemes, directing the officials of concerned line departments for making voluntary disclosures before Gram Sabhas and ensuring the social audit of their Schemes with the assistance of Gram Sabhas.

The huge devolution of funds to Gram Panchayat under FFC award has provided a significant opportunity to revitalize Gram Panchayat, especially the Gram Sabha since it requires involvement/approval of Gram Sabha in formulation of priorities and projects in the course of Participatory Plan preparation. The MoPR has been working in close coordination with State Government for developing State level guidelines for development and Implementation of Gram Panchayat Development Plan (GPDP) through a process of planning through Gram Sabha. The model guidelines for GPDP have been finalized and shared with States. MoPR has also developed a manual for preparation of GPDP. Under the manual, MoPR advised to States to conduct at least three gram sabhas as initial Gram Sabha for awareness creation about the plan preparation, Visioning and priotitization Gram Sabha and approval of GPDP Gram Sabha. MoPR has also provided funds to states for conducting trainings on the various aspects of GPDP. Since 2015-16, GPDP trainings have been sanctioned for 3516025 stakeholders of Panchayats. All part IX States have finalized their respective GPDP guidelines which reaffirms the role of Gram Sabha in formulation/approval of projects for

development of Panchayats out of FFC grant and other funds at disposal of Gram Panchayat.

(ii) Further, during the year 2015-16, MoPR celebrated National Panchayati Raj Day by organizing the '**Gramoday Se Bharat Uday Abhiyan**' in all the Panchayats of the country from 14th April to 24th April 2016.

The **Objective of Gramodaya se Bharat Uday Programme was:**

- Strengthen the Panchayati Raj system and through it,
- Promote social harmony,
- Foster farmers' welfare and livelihoods of the poor,
- Support rural development.

During the eleven days intensive campaign, various programmes were conducted at all the three levels of Panchayati Raj Institutions as well as at State headquarters level. Special Gram Sabhas were convened and various issues of common concern & overall development were discussed during the meetings of the Gram Sabha which was, at several places, attended by the officials from Central / State Governments. General rural masses were made aware of various pro-poor/ pro-farmer/ pro-people Centrally Sponsored Schemes so that the benefit of the Schemes run by the Government of India could reach the last mile as well as the targeted/ deserving/ bona-fide beneficiaries.

Gramodaya se Bharat Uday Abhiyan created awareness about importance of 73rd CAA and more importantly provide a forum to grassroot people for celebrating and showcasing their achievements.

Observation/Recommendation (Para No.10)

Depoliticisation of Local Elections and need for Simultaneous Elections

The Committee note that there is no uniformity in regard to elections at district level and block level with respect to affiliation of candidate to political parties. Some States like Madhya Pradesh, Chhattisgarh, Bihar do not have party line elections for district level and block level. The Ministry agreed that there may be uniformity in regard to participation and vote of MPs and MLAs in district level and block level as per the

enabling provision of Article 243(C). The Committee therefore recommend that the Government may initiate necessary action to make provision in the Constitution so that there is uniformity in elections to local bodies and there is depoliticisation of elections to these bodies. The Committee also note that there are occasional demands that elections to local bodies, assemblies and the Lok Sabha should be held simultaneously for greater national good. The desirability of such a demand needs to be examined, appropriate decision taken on balance of consideration and the Committee apprised.

Reply of the Government

(i) De-politicisation of local body elections: Part IX of the Constitution on the Panchayats does not contain any specific provision in this regard. It does not either prohibit or direct contesting election to Panchayats on political party affiliations. State Governments are empowered to decide on this issue and the position varies from State to State. In some States like West Bengal, Karnataka, Kerala, Tripura and Punjab local elections are known to be held on political party basis.

(ii) Exploring the desirability of holding elections to Local Bodies, State Assemblies and the Lok Sabha simultaneously: Provisions with regard to conduct of elections to the Parliament and State Assemblies are contained in Article 324 to 328 of the Part XV of the Constitution.

Recommendations of the Hon'ble Committee have been shared with the Union Ministry of Law & Justice (MoL&J), Election Commission of India (ECI), all State Governments/State Election Commissions (SECs) and the Ministry of Urban Development (MoUD) inviting their comments/views in this regard.

On the issue of simultaneous elections to local bodies, State Assemblies and Lok Sabha ECI has furnished that –

'The Department related Parliamentary Standing Committee on Personnel, Public Grievance, Law and Justice, has gone into issue of holding simultaneous elections to the House of People (Lok Sabha) and State Legislative Assemblies and has already submitted a Report (its 79th report) to the Government. As regards local bodies' elections, the same are conducted by the concerned State Election Commission, which

is a separate Constitutional authority. The Commission has no specific views on the proposal for de-politicisation of the Local Bodies elections.'

MoUD in their response has stated that there is no such proposal under consideration in the Ministry of Urban Development.

The Ministry of Law and Justice (Department of Legal Affairs) has responded that since no specific legal issue has been formulated for consideration, no comments offered at this stage.

CHAPTER-III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLY

Observation/Recommendation (Para No.3)

Rotation System of Reservation

In order to usher in social equality and political justice, the Constitution provides for rotation of seats reserved for Scheduled Castes, Scheduled Tribes, Backward Classes and Women in almost all elections from Panchayats to State and national level elections. However, Committee observe that in actual practice at Panchayat level, some shortcomings have noticed in this system of reservation. For example, in Jharkhand, it was reported that seats were reserved even for two or three Scheduled Caste / Scheduled Tribe families. The representative of Ministry assured to study the rotation system of reservation in such areas. The Committee, therefore, recommend that it is high time to re-look into the existing system of rotation in the light of demographic composition of the areas concerned so that necessary corrective measures are taken to remove the shortcomings and the Committee apprised.

Reply of the Government

Article 243D of the Constitution of India provides for (i) the reservation of seats for the Scheduled Castes and Scheduled Tribes in every Panchayat (at all levels) in proportion of their population in the Panchayat area and also for the women. It does not provide the precise modalities for rotation of reserved seats and therefore are left to the States to decide. The modalities for rolling out this mandatory provision are prescribed by the States in their respective State Panchayati Raj Acts and vary from State to State.

States/UTs have been consulted on the proposed amendment of Article 243D. A summary of the current status on this provision and response of the States on the proposed amendment is given at **Annexe-III**.

Further, in the recommendation of the Hon'ble Committee, MoPR was shared by MoPR with the States and also requested States to provide their comments. Till date

the State of **Andhra Pradesh, Karnataka, Maharashtra, Punjab, Himachal Pradesh, Telegana and UT of Chandigarh** have responded. Responses of these States/UTs are at **Annex-IV**.

Observation/Recommendation (Para No.5)

Infrastructure Constraints

The Committee are dismayed to find that about fifty thousand Gram Panchayats are stated to be operating without any building. To make the things worse, funds under Rajiv Gandhi Panchayat Sashaktikaran Abhiyan, have been substantially reduced from 2015-16. States can now use MGNREGA funds for construction Panchayat Buildings. The Committee wonder how in the absence of basic infrastructure facilities, Gram Panchayats can fulfill their various responsibilities. Besides, there is shortage of adequate manpower at all levels of Panchayats in majority of the States particularly in Bihar, Uttar Pradesh, Andhra Pradesh, etc. The Committee note that approx. 50,000 Gram Panchayats do not have any buildings. The Committee feel that due to lack of adequate manpower and basic infrastructure facilities like Gram Panchayat Buildings, the functioning of Panchayats at levels would be adversely affected. The Committee, therefore, strongly recommend that the construction of Panchayat Building should be taken on priority basis and the matter be taken up with the concerned States and authorities at the highest level. The MoPR need to take urgent measures to augment the existing manpower for optimal delivery of various services by the Panchayats and the Committee be apprised within six months about the progress made in this direction.

Reply of the Government

Panchayati Raj being a State subject, providing infrastructure and manpower in Gram Panchayats is primarily the responsibility of the respective State Governments. However, this Ministry has been implementing a few Schemes to strengthen the Panchayati Raj system across the Country by assisting the States towards strengthening of Panchayats, which also included support for construction/repair of Panchayat Ghars and Administrative & Technical support at GP level. To give further boost to strengthening of Panchayati Raj Institutions (PRIs), the Ministry had implemented the Scheme of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) during 2012-13 upto 2015-16. Under the scheme, substantive funds were provided for construction and repair of Panchayat Ghars and

Administrative & Technical support at GP level as proposed by States in their respective Annual plans, up to 2014-15. The number of Panchayats without buildings is now reduced. However in the backdrop of delinking of state component of the scheme from central support in the context of FFC award to Gram Panchayats and meagre funds being available under the scheme w.e.f 2015-16, the support for these activities was discontinued. The states were exhorted upon to undertake these critical activities from their enhanced allocation of funds, post FFC. In the meeting of Principal Secretaries Conference held on 8.05.2015, it was advised to states to construct the GP buildings through converging funds from FFC, SFC and MGNREGS. The above issue has also been discussed in various fora viz CEC meetings and states have been informed about the above proposition.

As regards Administrative and Technical manpower at Gram Panchayat level, the Panchayats can supplement the support from State Government towards this end, by pooling the 10% allocation of FFC grant towards administrative expenditures.

Observation/Recommendation (Para No.8)

Devolution of Functions, Finances and Functionaries

Article 243(G) clearly provides that subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of Self-government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to (a) the preparation of plans for economic development and social justice, and (b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

The Committee note that the devolution of functions, finance and functionaries of 3Fs falls under the discretionary provisions of the Seventy Third Constitution Amendment Act. From the information provided to the Committee by MoPR, it is observed that Arunachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Himachal Pradesh, Goa, Sikkim, Tamil Nadu, Gujarat, etc have transferred some subjects in

varying degrees to Panchayati Raj Institutions (PRIs). However it is saddening to note that no information or data has been provided to the Committee about the actual empowerment of PRIs. The Committee are of the considered view that the MoPR has the constitutional obligation for ensuring devolution of more powers to the Panchayats across the country in a time bound manner, otherwise the issue of devolution of powers to Panchayats may continue to elude. The holding of yearly award distribution ceremony alone is far from adequate to compel States to implement constitutionally mandated provisions relating to devolution of Functions, Finance and Functionaries. The Committee strongly recommend that, if necessary for devolution of powers to Panchayats, the MoPR should move constitutional amendment for doing away with the discretionary powers of State legislatures without compromising the spirit of federalism enshrined in Constitution.

Reply of the Government

Article 243G empowers the States to endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government. Illustrative list of 29 subjects mentioned in the Eleventh Schedule of the Constitution is at **(Annex-VII)**. The process, content and even the very pace of devolution of functions, finances and functionaries (3Fs) are vested entirely in State Legislature. Ministry of Panchayati Raj (MoPR) as the nodal Ministry in respect of PRIs oversees the implementation of various provisions in the Part IX. Accordingly, this Ministry is actively engaged in advocacy with the States for Devolution of Powers to PRIs. The profile of devolution of powers by the States to PRIs is indicated in **Annexe-VIII**.

CHAPTER-IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Observation/Recommendation (Para No.1)

Timely Conduct of Elections

The Committee in their original report had recommended that Panchayati Raj system in India refers to the system of local self governance introduced by the Constitution (Seventy-third Amendment) Act, 1992. Article 243 E unambiguously stipulates that every Panchayat, unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting and no longer. The Committee, however, noted with deep dismay that despite the constitutional directive, there have been instances in some States where elections to the Panchayats were postponed for decades. For instance, in Jharkhand, elections were held after a long gap of about 32 years. In the undivided Andhra Pradesh, the elections to Panchayat were postponed for a considerable time and in Puduchery, Panchayats elections were yet to be conducted. The Committee were apprised by the Government that in order to ensure timely conduct of elections, Backward Region Grant Fund Scheme funds were not given to the States till the elections were held. However, as the funds were small, the scheme failed to bring in compliance on the part of the States.

The Committee felt that the Ministry of Panchayati Raj (MOPR) has a very important Constitutional obligation to ensure conduct of Panchayat elections within the stipulated period of five years. The ways and means for timely election are to be evolved by the Ministry of Panchayati Raj (MOPR) in coordination with respective State/ U.T Governments and other concerned authorities. The Committee, therefore strongly recommended that earnest efforts should be made by the MOPR to ensure conduct of periodic elections as per the provision of the 73rd Constitution (Amendment) Act, 1992 to Panchayats at all levels in all the States/UTs so as to strengthen the grass root level democracy throughout the length and breadth of the country. Further, having regard to periodic complaints, the Committee recommended that the Government need to

examine the desirability of laying down certain essential qualifications for various posts in the lowest rung of democracy so that elected functionaries discharge their duties efficiently, effectively and independently.

Reply of the Government

The Ministry in their Action Taken reply has stated that elections to Panchayats have been held in all the States/UTs covered under Part IX, except UT of Puducherry. In the UT of Puducherry where the elections have been due since July 2011 as the matter is sub judice. Presently, it is pending before the Hon'ble Supreme Court. Similarly, in Tamilnadu , the Panchayat Elections were due in November, 2016, and in September, 2016 notification for next election was also issued by the State Election Commission. However, this notification has been challenged in the High Court. The matter is still sub-judice due to which the Panchayat Election were still not held.

As regards prescribing minimum qualifications for Elected Representatives (ERs), the States have been empowered to prescribe the same under Article 243F(b). States like Rajasthan and Haryana have already prescribed minimum educational qualifications as an eligibility criteria for contesting elections to PRIs.

In line with the recommendations of the Hon'ble Committee, the matter is being pursued with the States/UTs consistently to (i) ensure the Panchayat elections processes as laid down in the Constitution's mandatory provisions of Article 243E and also where elections are due, they have been asked for providing information about preparedness for the Panchayat election process, (ii) to ensure the functioning of State Election Commission in letter and spirit by the States/UTs as per Article 243K of the Constitution & (iii) to provide legislative provisions of the States about disqualifications for membership of Panchayats as per the Article 243F of the Constitution and with justification for such disqualification.

Till date, the States of Rajasthan, Karnataka, Himachal Pradesh, Tripura, Sikkim and Odisha & UT of Dadra & Nagar Haveli have responded. Responses of these States/UTs are at Annexure-I.

Comments of the Committee

(Please see Para No.1.8 of the Chapter-I)

Observation/Recommendation (Para No.2)

Reservation for Women

The Committee note that rotation of one third seats is a mandatory provision. Further, so far sixteen States have made provision for 50% reservation of the seats for women in the Panchayati Raj Institutions in the total number of seats, offices of chairpersons and in the seats reserved for Scheduled Castes and Scheduled Tribes across the three tiers, position has been raised from the existing provision of 'not less than one-third' to 'not less than one-half'. Further, it has been stated that the Ministry of Panchayati Raj (MOPR) has prepared a Cabinet note and moved for Constitutional Amendment to provide for fifty percent reservation for women in the remaining States / U.Ts. The Committee urge that the proposed legislation should be enacted at the earliest without further delay and the Committee be apprised in the regard.

Reply of the Government

Article 243D of the Constitution of India provides that the offices of Chairpersons in the Panchayats at the Village or any other level shall be reserved for the Scheduled Castes, the Scheduled Tribes and Women in such manner as a legislature of a State may, by law provide. The number of offices of Chairpersons reserved for Scheduled Castes and Scheduled Tribes in the Panchayats at each level in any States shall bear, as nearly as may be, the same proportion to the total number of such offices in the Panchayats at each level as the population of the Scheduled Castes/Scheduled Tribes in the States. It is further provided that not less than one third of the total number of offices of Chairpersons in the Panchayats at each level shall be reserved for women.

It is, however, submitted that by now 19 major States (Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Maharashtra, Odisha, Rajasthan, Sikkim, Tripura, Uttarakhand, West Bengal, Madhya Pradesh, Assam, Bihar, Tamil Nadu and Telengana) have already made provision for reservation of 50% seats for women in PRIs. A summary statement of States/UTs on their current status vis-à-vis this provision and responses on the proposed amendment is given at **Annex-II.**

It is further submitted that a Cabinet note on 'Amendment of Article 243D of the Constitution of India', was sent to the Cabinet Secretariat in January, 2016. In this regard a meeting of the Committee of Secretaries (CoS) meeting held on 05.08.2016 wherein it is recommended that Ministry may re-examine the need for the amendment proposing 50% reservation for women in PRIs.

Comments of the Committee

(Please see Para No. 1.11 of the Chapter-I)

Observation/Recommendation (Para No.4)

Need for Direct Elections to the Posts of Chairpersons of Block and District Panchayats

The Committee note that Article 243 (C) inserted by the 73rd Constitution (Amendment) Act provides for direct election to seats at all three tiers of Panchayats and indirect election for Chairpersons of Block and District Panchayats. The Committee further note that the existing provision of indirect elections for the post of Chairpersons of Block and District Panchayats has been promoting electoral corruption. The representative of the Ministry stated that it would involve amendment to the Constitution and therefore they would hold consultations with the States. The Committee, therefore, desire the Ministry to hold consultation with the States so that necessary amendment is made in the Constitution expeditiously for providing direct elections to the post of Chairpersons of Block and District Panchayats. The Committee are of the considered view that holding of direct elections to these posts would reduce the dubious role of money and muscle power and go a long way to strengthen our grass root level democracy.

Reply of the Government

In terms of the Article 243C (5) (b) of the Constitution, Chairperson of Panchayat at the Block Panchayat or District Panchayat, shall be elected by, and from amongst, the elected members thereof. In respect of the election of Chairperson of Gram Panchayat prescribing direct or indirect elections has been left to the discretion of the

State Legislature. The status of direct/indirect elections to Chairpersons of Gram Panchayats in different States is given at **Annex-V**.

In the light of the recommendation, the States/UTs have been requested to offer their comments on the Committee's recommendation. But despite Ministry's continuous efforts only the States of Bihar, Punjab, Himachal Pradesh and Jharkhand have responded and expressed their opinion in favour of indirect elections for the posts of Chairpersons of Block & District Panchayats. UTs of Chandigarh and Andaman & Nicobar Islands have responded in favour of direct elections. Responses of these States/UTs are at **Annex-VI**.

Comments of the Committee

(Please see Para No. 1.14 of the Chapter-I)

Observation/Recommendation (Para No.6)

Computerisation of Panchayats

The Committee note that MoPR propose to provide SATCOM (Satellite Communications) facility to all the State Institutes of Rural Development (SIRD) in the States where it does not exist. The Committee have been informed that MoPR is still in the process of discussion with ISRO and the States for universalisation of SATCOM facilities at Panchayat level. As per the information provided to the Committee, SATCOM facility is already being used by Panchayats in eight States. Many States have not utilised the earmarked funds due to various reasons. The Committee are unhappy to find that Panchayats in most of the States have not been equipped with requisite level of computerisation. The Committee further observe that the Government have been proposing broad-band connectivity to Panchayats across the country. The Committee note that the Ministry has submitted a proposal to Ministry of New & Renewable Energy for electrification of un-electrified panchayats using solar energy. The Committee, therefore, desire that status report of computerisation of Panchayats be furnished to the Committee at the earliest. They further recommend that the Ministry expedite electrification of all un-electrified Panchayats in a time bound manner and apprise the Committee in due course. In the meanwhile till all villages are electrified,

offline versions of PES applications, which are stated to be in various stages of development, may be used for ensuring transparency in the functioning of Panchayats.

Reply of the Government

Considering the need to provide training to a large number of Elected Panchayat Representatives & Panchayat Functionaries, support to States for appropriate SATCOM was under consideration in 2015-16 but due to techno-economic reasons of 2-way interactive terminals at District and Block level this could not be finalized. The discussions were continued in 2016-17 with Ministry of Electronics and Information Technology (MeitY) for establishing video connectivity through terrestrial network and also with Bhaskaracharya Institute for Space Applications and Geoinformatics (BISAG), Gujarat and Doordarshan for exploring economically feasible training medium and for telecasting informative programmes relating to Panchayati Raj over a free-to-air Direct-To-Home (DTH) channel. Based on these discussions, it emerged that there would be a need for technical support up to Block level to maintain the equipment procured for SATCOM facilities, as envisaged by ISRO and Doordarshan could provide viable solutions.

As per information available with the Ministry, about 1.36 lakh Panchayats have computers and the level of their usage of software applications varies significantly across Panchayats in the country, based on their level of preparedness. Furthermore, the Department of Telecommunications has now embarked on the ambitious BharatNet programme with great earnest and plans to provide broadband connectivity to 1.5 lakh GPs by March, 2018.

The electrification of Panchayats is covered under the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) scheme of Ministry of Power, Government of India. Rural Electrification Corporation (REC) is facilitating availability of electricity for rural and semi-urban population for accelerated growth and for enrichment of quality of life. As per reports of REC, out of 597,464 Census villages, 590,028 villages have been electrified till now and rest are under process. The previously envisaged partnership with Ministry of New and Renewable Energy did not solicit any interest/demand from the States, despite follow-up by the Ministry.

To overcome the unavailability of power and internet, the affected Panchayats are generally visiting the nearby electrified and internet-equipped Panchayats for their data entry needs. Certain offline features have also been enabled in the PES applications to bridge this gap.

Comments of the Committee

(Please see Para No. 1.17 of the Chapter-I)

Observation/Recommendation (Para No.7)

Award of Grants by Fourteenth Finance Commission

The Committee had noted that as per the Fourteenth Finance Commission (FFC) award, grants will go to Gram Panchayats, which are directly responsible for basic services without any share for other levels i.e. Block and District Panchayats within fifteen days failing which the State has to give interest to the Gram Panchayats. This money can be spent by Gram Panchayats only for basic services which have been defined by the Fourteenth Finance Commission like water supply, sanitation, street lights, roads, burial grounds and crematorium, etc. The Committee were dismayed to observe that the FFC award has created pitiable situation for the Block and District Panchayats. As far as State Finance Commissions (SFCs) are concerned the Committee noted that out of 29 States, only 6 States namely Assam, Himachal Pradesh, Kerala, Odisha, Rajasthan and Sikkim had furnished details of submission and acceptance of the recommendations made by their SFCs. Keeping in view, the Committee expressed apprehension as to how the financial needs of Block and District Panchayats women be met. The Committee, therefore, recommended that MoPR help expedite timely allocation of funds by the States Finance Commission to Panchayats and a concrete schedule be made with proper monitoring for such allocations.

Reply of the Government

The Ministry of Panchayati Raj in the Action Taken note has stated that Fourteenth Finance Commission (FFC) has recommended grants only to Gram Panchayats constituted under Part IX of the Constitution as they are directly responsible for delivery of basic services without any share for other levels. The

Government has accepted the recommendations of the FFC and funds are being released as per the recommendations.

It has also been stated that The Finance Commission have, *inter-alia*, also observed that the State Governments are expected to take care of the needs of the Taluk and Zila Panchayats and it is incumbent upon the State Governments to utilize the enhanced fiscal space made available to the States by the FFC on account of higher devolution from 32% to 42% of the Centre's net tax receipts.

The Ministry has further stated that the Secretary, Panchayati Raj on July 31, 2015 has also written to the Chief Secretary of all State Government suggesting measures so that the States could take to devolve funds to the two left out tiers of Intermediate and District level Panchayats.

Being not satisfied with the replies of the Ministry, the Committee decided to take evidence of the representatives of NITI Aayog.

NITI Aayog in the written document furnished to the Committee stated that one of the terms of reference of Fourteenth Finance Commission was to make recommendations on the measures needed to augment the Consolidated Fund of a State on the basis of the recommendations made by the Finance Commission of the State. The Commission submitted its Report in December, 2014. The FFC has worked out the total size of the grant to be Rs. 2,87,436 crore for the period 2015-20, constituting an assistance of Rs.488 per capita per annum at an aggregate level for the local bodies to carry out their duties of providing basic services. Of this, the grant recommended to Panchayats is Rs.2,00,292.2 crore and that to municipalities is Rs.87,143.8 crore. These local bodies grants are released by the Ministry of Finance on the recommendations of the Ministry of Panchayati Raj to the concerned State Governments for redistribution of resources at lower levels of Panchayats.

NITI Aayog in the written views has also stated that the constitution of the State Finance Commission is a State subject and FFC has not given clear cut instructions as regards flow of FFC funds to Block and District Panchayats. As the issue has not been addressed by the Fourteenth Finance Commission, this issue has to be flagged by the

Ministry of Panchayati Raj and the States in their deposition before the Fifteenth Finance Commission. In the meantime, the States would have to ensure that the recommendations of the State Finance Commissions in this regard are implemented.

When asked about the views of NITI Aayog on the issue, CEO, NITI Aayog during the course of oral evidence stated that NITI Aayog is clearly of the view that allocations should also be made for middle level Panchayats.

Comments of the Committee

(Please see Para No. 1.20 and 1.21 of the Chapter-I)

Observation/Recommendation (Para No.11)

Audit and Accountability of Panchayati Raj Institutions

The Committee note that over the time the thrust of successive Governments has been to strengthen the Panchayati Raj Institutions, the very edifice of our democracy by devolving more powers and funds to them. The Committee note that though some States Governments/Legislatures have made provision for monitoring the works done by the PRIs, the system of audit and accountability of PRIs remains far from satisfactory. The Committee recommend that the whole system of monitoring, audit and accountability of the PRIs be revisited and strong audit and accountability mechanism be put in place. Further, the Committee may also be apprised of the guidelines so evolved.

Reply of the Government

- To facilitate simplifying and improving the system of basic accounts keeping in Panchayats, MoPR had assigned the work of preparation of State/UT (except Delhi)-specific budget, accounts and audit manuals for Panchayats to Institute of Public Auditors of India (IPAI). The draft Manuals prepared by IPAI have been forwarded by IPAI to all 35 States/UTs (except Delhi) for adoption in their legal framework. So far five States namely, Maharashtra, Manipur, Arunachal Pradesh, Karnataka and Punjab have adopted the Manuals.

- Under Fourteenth Finance Commission (FFC) for the award period 2015-20, grants to the tune of Rs. 2,00,292.20 crore for the period from 2015 to 2020 are being devolved to Gram Panchayats constituted under Part IX of the Constitution ,amounting to an assistance of Rs. 488 per capita per annum at an aggregate level for 26 States for delivering basic services, creation of reliable data base of local bodies' receipts & expenditure through audited accounts and for improvement of own source revenue of the Gram Panchayats. 90 percent of the Grants are the Basic Grants and 10 percent will be Performance Grant (applicable from 2016-17). The Commission has recommended grants for Gram Panchayats as they are directly responsible for delivery of basic services without any share for other levels.
- Performance grants are designed to serve the purpose of ensuring reliable audited accounts and data of receipt and expenditure and improvement in own revenues and are based on submission of audited annual accounts and increase in own revenues by the GPs. No additional conditions need to be imposed by GOI or State Govts.
- The FFC has followed a trust based approach towards the local bodies as institutions of local self-governance while awarding the grants. Ministry of Finance (MoF) guidelines dated 08.10.2015 for implementation of FFC recommendations for local bodies enjoin upon States to constitute a High Level Monitoring Committee (HLMC) headed by Chief Secretary for monitoring and concurrent evaluation of local bodies. Ministry of Panchayati Raj (MoPR) has constituted a Coordination Committee headed by Secretary, Panchayati Raj to inter-alia guide and support States and local bodies in the implementation of FFC recommendations, monitor progress of expenditure of grants by local bodies and suggest remedial measures as per the MoF Guidelines. State Governments are also mandated to put in place third party audit mechanism.
- MoPR has developed Panchayat Enterprise Suite (PES) constituting 11 common core applications which cover the entire gamut of core governance functions of Panchayats. These application together foster transparency and accountability in the functioning of Panchayats.

- Online Dashboard has been provisioned under the PlanPlus Application to facilitate better monitoring of release of the FFC funds to Gram Panchayats and to track sector wise expenditure incurred by the Gram Panchayats. Rashtriya Gram Anudaan Evam Vikas (RAGAV) mobile application has also been developed for above said purpose.
- So far eight States for FY 2015-16 namely, Chhattisgarh, Gujarat, Jharkhand, Sikkim, Tamil Nadu, Tripura, Uttarakhand and Uttar Pradesh and three States namely, Gujarat, Jharkhand and Uttarakhand for FY 2016-17 have started uploading Sector-wise expenditure on the Dashboard. States of Assam, Himachal Pradesh, Jammu & Kashmir, Maharashtra, Sikkim, Telangana & Uttar Pradesh for FY 2015-16 and Chhattisgarh, Haryana, Himachal Pradesh, Maharashtra, Odisha, Rajasthan, Telangana, Uttarakhand and Uttar Pradesh have also started uploading the GP-wise detail on the Dashboard

Comments of the Committee

(Please see Para No. 1.24 of the Chapter-I)

CHAPTER-V

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLY OF
GOVERNMENT IS STILL AWAITED**

-NIL-

**NEW DELHI;
17 NOVEMBER, 2017
26 KARTIKA, 1939 (SAKA)**

**DR. MURLI MANOHAR JOSHI,
CHAIRPERSON,
ESTIMATES COMMITTEE.**

Views of States about “Timely Conduct of Election” in Panchayats (Para 1 of the Estimates Committee)

Sl. No	Name of State/UT	Ensure the Panchayat election process as laid down in the Constitution of India	Ensure the functioning of State Election Commission (SEC) in the spirit and letter of the Article 243K of the Constitution of India	To provide legislative provisions of the State/UT about disqualifications for members of Panchayats
1	Rajasthan	The Panchayat Election process is as per the provisions of Constitution of India. In the State of Rajasthan Panchayat elections are held after 5 years.	The State Election Commission (SEC) is functioning as per the spirit of Constitution of India	<p>Disqualifications for membership of Panchayats have been categorically defined in the Section 19 of Rajasthan Panchayati Raj Act. 1994. Among other disqualification criteria, <i>the following educational criteria have been provisioned:</i></p> <p><i>Provided (i) in case of a member of Zilla Parishad or a Panchayat Samiti, has not passed secondary school examination of the Board of Secondary Education, Rajasthan or of an equivalent Board;</i></p> <p><i>(ii) in case of a Sarpanch of a Panchayat in a Scheduled Area has not passed Class V from a School and</i></p> <p><i>(iii) in case of a Sarpanch of a Panchayat other than in a Scheduled Area has not passed class VIII from a School.</i></p>

Sl. No	Name of State/UT	Ensure the Panchayat election process as laid down in the Constitution of India	Ensure the functioning of State Election Commission (SEC) in the spirit and letter of the Article 243K of the Constitution of India	To provide legislative provisions of the State/UT about disqualifications for members of Panchayats
2	Karnataka	Karnataka State is conducting the election from time to time to PRIs through the State Election Commission as per the rules.	The State Election Commission is working independently in the spirit of Article 243K of the Constitution of India.	Provision for disqualification for the PRI members is provided in Karnataka Gram Swaraj & Panchayat Raj Act under Section 43A (for Gram Panchayat members), Section 136 (For Taluku Panchayats members) to disqualify from Membership of Panchayats. However, as per the Act, no educational criteria have been provisioned.
3	Himachal Pradesh	In this State, elections to the Panchayati Raj Institutions are conducted within the stipulated period of five years in accordance with the provisions laid down in the Constitution of India.	The State Elections is functioning in this State in the spirit and letter of the article 243K of the Constitution of India	There already exist the provisions for disqualification for the HP Panchayati Raj, 1994. However, as per the Act, no educational criteria have been provisioned.
4.	Tripura	As per the provision of the 73 rd Amendment of the Constitution of the Tripura Panchayats Act, 1993 has been enacted. As per Act elections are being held regularly in Tripura. 1 st Election was held in 1994 thereafter in 199, 2004, 2009 and 2014. Next Election will be in 2019.	In Tripura State Election Commission is functioning properly. Election Commission is being appointed under sub section (4) of section 76 of the Tripura Panchayat Act, 1993. Regular Elections are being conducted by the State election Commission under this proper superintendence, direction and control. Separate rule has also been framed by the Government in this regard style as Tripura Panchayats (Constitution of State Panchayat Election Commission) Rules, 1993.	Sub section (1) of the Section 15 of the Tripura Panchayats Act, 1993 provides general disqualification for membership of gram panchayat and sub section (1) of section 16 of the Tripura Panchayats Act, 1993 provides disqualification on the ground on defecation. However, as per the Act, no educational criteria have been provisioned.

Sl. No	Name of State/UT	Ensure the Panchayat election process as laid down in the Constitution of India	Ensure the functioning of State Election Commission (SEC) in the spirit and letter of the Article 243K of the Constitution of India	To provide legislative provisions of the State/UT about disqualifications for members of Panchayats
5	UT of Dadra and Nagar Haveli	In the UT of Dadra and Nagar Haveli, Panchayat Election process is carried out as laid down in the Constitution of India	Not application as UT of Dadra and Nagar Haveli is without Legislature	Disqualification criteria have been provisioned in Dadra & Nagar Haveli Panchayat Rules 2014. <i>However, as per rule, no educational criteria have been provisioned.</i>
	Sikkim	The preparations for 2017 Panchayat Elections are being done in accordance to section 103 of the Sikkim Panchayat (amendment) Act 2007.		<i>There is no such educational qualification required for contesting Panchayat Election in the State of Sikkim.</i> However, candidates aspiring to contest Panchayat Election are to own and use sanitary toilets vide sec 16 of Sikkim Panchayat Act 1993.
	Odisha	<p>The State Election Commission have issued Notification on 27th December 2016 for election of PRI representatives in respect of Zilla parishads, Panchayats Samitis and Gram Panchayats on 13/15/17/19/21 feb 2017.</p> <p>The model code of conduct in the state with effect from 27.12.2016 till 21.2.2017 notified by the State Election Commission, Odisha.</p>		Section 11 and 25 of OGP Act 1964, Section 45 of Odisha Panchayat Samiti Act 1959 and Section 33 of OGP Act 1991 provide the qualification and disqualification for membership in the Gram Panchayat, Panchayat Samitis and Zilla Parishads respectively. <i>However, as per the Act, no educational criteria have been provisioned.</i>

		<p>The State Election Commission have already conducted conference of collectors and SPs to impress upon them for smooth conduct of election and maintenance of law and order. Nomination of PRI members has already completed. Observers have been appointed in respect of all the districts to supervise the process of election.</p>		
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States/UTS position on Constitution Amendments Bill to Amend Article 243 D

Sl No.	State/UT	50% reservation for Women in seats/offices of chairpersons	
		Provision already exists	Agreed/ Not Agreed
1	Andhra Pradesh	Yes	No comments
2	Arunachal Pradesh	-	Not agreed
3	Chhattisgarh	Yes	Agreed
4	Gujarat	Yes	No comments
5	Himachal Pradesh	Yes	No comments
6	Jharkhand	Yes	Agreed
7	Karnataka	Yes	No comments
8	Kerala	Yes	No comments
9	Maharashtra	Yes	No comments
10	Odisha	Yes	No comments
11	Punjab	-	No comments
12	Rajasthan	Yes	Agreed
13	Sikkim	Yes	No comments
14	Tripura	Yes	Agreed
15	Uttarakhand	Yes	No comments
16	West Bengal	Yes	Agreed
17	Puducherry	-	Agreed
18	Madhya Pradesh	Yes	Agreed
19	Manipur	No comments	Agreed
20	Assam	Yes	No comments
21	Bihar	Yes	Agreed
22	Goa	No comments	Agreed
23	Tamil Nadu	Yes	No comments
24	Telangana	Yes	No comments

States/UTs position on Constitution Amendment Bill to Amend Article 243D

Sl No.	State/UT	Rotation of seats/ offices of chairpersons after a minimum of two terms	
		Provision already exists	Agreed/ Not Agreed
1	Andhra Pradesh	-	Agreed
2	Arunachal Pradesh	-	No comments
3	Chhattisgarh	Yes	Agreed
4	Gujarat	-	No comments
5	Himachal Pradesh	Yes	Agreed
6	Jharkhand	-	No comments
7	Karnataka	Yes	No comments
8	Kerala	Yes	No comments
9	Maharashtra	-	Not agreed
10	Odisha	Yes	No comments
11	Punjab	-	Agreed
12	Rajasthan	-	Agreed
13	Sikkim	-	Agreed
14	Tripura	-	Agreed
15	Uttarakhand	-	Not Agreed
16	West Bengal	-	Not Agreed
17	Puducherry	-	Not Agreed
18	Madhya Pradesh	-	No comments
19	Manipur	No comments	Agreed
20	Assam	No	No comments
21	Bihar	Yes	Not Agreed
22	Goa	No comments	Agreed

Views of States about rotation of reserved seats in PRIs in the light of demographic composition of concerned Panchayat Areas (Para 3 of the Estimates Committee)

Sl. No	Name of State/UT	Whether rotation rule is applicable to all seats irrespective of density of population of respective reserved categories in a Panchayat area i.e, whether a minimum percentage/proportion of population of respective category has been fixed (i)	In case reply to (i) is in the negative, please clarify how reservation of seats by way of rotation may be practically enforced in a Panchayat Area having insignificant or no population belonging to a particular reserved category (ii)	Difficulties faced in implementation of the existing provisions for rotation of reserved seats and how they have been addressed/overcome (iii)	Best practices followed in the matter (iv)	Actionable suggestions of the State Government/ UT Administration in the light of recommendations of the Estimates Committee (v)
1	Andhra Pradesh	As per Sections 9,15,152,153,180, 181 and 242 D of the APPR Act 1994 and Andhra Pradesh Panchayat Raj (Reservation of Seats and offices of Gram Panchayats, Mandal Parishads and Zilla Parishads, 2006) as amended from time to time, reservations of seats (Members) and officers (Chairpersons) in Panchayat Raj Bodies for ST, SC, BC and women and also rotation of	Does not arise	Rotation of reserved seats is being followed as per the existing provisions without any difficulty.	Does not arise	Does not arise

		reserved seats and offices among different constituencies and Panchayats respectively for every five years is being implemented in Andhra Pradesh (extracts of the Act and Rules enclosed)				
2	Karnataka	Yes. The Reservation has been fixed as per the principle of rotation & it has to be proportion to the population of different category in the state. Provision is provided that atleast 1 seat each shall be reserved in Zilla Panchayat/Taluk Panchayat/Grama Panchayat. Annexure-A	Does not arise as replied to Q-1.	No such difficulties have been arrived. However if any such problem is arrived, the Court direction will be Implemented (Annexure-B).	In Karnataka, the period of reservation for the all the three tier (PRI) is fixed for ten year (two periods).(Anne xure-C)	
3	Maharashtra	Yes, Maharashtra Zilla Parishad and Panchayat Samitis (Manner of Rotation of Reservation of Seats) Rules, 1996 and the Maharashtra Village Panchayats (Number of Members, Divisions in towards and Reservation of	Not applicable	While rotating the reserved seats the boundaries of wads and population of the said wad has been taken in to consideration. So there is no any difficulty in implementation.	While rotating the reserved seats the above practices is best practice.	Nil

		Seats) Rules, 1996 are applicable for the reservation and rotation of seats. (Copy attached)				
4	Telangana	Yes	Does not arise	-Nil-	-Nil-	<u>No suggestion</u>
5	Punjab	Yes. However one seat is reserved for backward classes in Panchayat at village, block and district level in case population is not less than 20% of the total population of the Panchayat area.	Not applicable	No difficulty	Rotation of reserved seats is being made as per Act and Rules	<u>No suggestion</u>
6	Himachal Pradesh	Yes please. The reservation is made in proportion to the population of SC and ST	In view of the position indicated at Column (i), no comments	As per the existing provisions of the Act and Rules, the reservation of to the category of SC and ST is made in proportion to the population of these categories. When the reservation to the seat for the above categories is made for the first time in the constituency/ward, the seat goes to the ward/constituen cy where the population of the SC or ST is on the higher side. But when the rotations of the reserved	The provisions for the reservations of the seats and rotation of the reserved seats as per the provisions of the HP PR Act and Rules are followed strictly after every five year for conducting the election of the PRIs	<u>It is suggested that the rotation of the seats for the SC and ST is done after every delimitations of ward on the basis of the census population instead of after five years as is also done in case of the reservations to the MPs and MLAs</u>

				<p>seats is made further in the next election such seats are reserved for the ward/constituen cies having the lowest percentage of the SC and ST due to the provision of rotation of seats after every election. As such the ward/constituen cy where the population of the SC and ST is higher get open. In this regard, it is submitted that the delimitation of ward/constituen cy of PRIs is done after every five years. Therefore instead of determining the reservations through rotation to these categories every five years, it would be appropriate that reservation be rotated to these categories after every delimitations of wards constituency in view of the census</p>		
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				populations so that the seats where the population of SC and ST is higher get reserved as in the case of the MP and MLA		
7	UT of Chandigarh	Yes in respect of Schedule Castes and Women categories because the figures of Census of India in respect of Chandigarh do not carry the population figures of Scheduled Tribes and Backward Classes.	Not commented in view of reply to (i) above	Constraint is felt at the time of reservation of seats for SC category, when a relevant Panchayat Constituencies carries quite low population of SC category. Therefore, from the very inception of the Punjab Panchayati Raj Act 1994 in U.T., Chandigarh, the reservation of seats for SC category was fixed in the Panchayat constituencies carrying largest SC population, the next lower taken in the second election and so on and so forth	In U.T., Chandigarh, there is only one Block Panchayat and one District Panchayat. The offices of Chairperson and Vice-Chairperson in both the Panchayats carry the provision of reservation for SC and women category. In order to overcome the constraints faced in reservation for SC and women category, all the 4 offices of BP and DP are taken together. Since about 33 1/3 reservation is to be provided for women category and about 15% to SC category in U.T., Chandigarh, the one office	<u>The contents of reply to (iv) may be considered as a practical suggestion in the matter of rotation of reservation of seats in the Panchayats</u>

					<u>in DP and one in BP is reserved for SC and women category in every General Election. The reservation is rotated in the next General Elections.</u>	
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Status of provisions for direct/indirect elections of Chairperson of Gram Panchayat

S. No.	State/UT	Direct/Indirect
1.	Andaman & Nicobar Islands	
2.	Andhra Pradesh	Direct
3.	Arunachal Pradesh	Indirect
4.	Assam	Direct
5.	Bihar	Direct
6.	Chattisgarh	Direct
7.	Goa	Indirect
8.	Gujarat	Direct
9.	Haryana	Direct
10.	Himachal Pradesh	Direct
11.	J&K	Direct
12.	Jharkhand	Direct
13.	Karnataka	Indirect
14.	Kerala	Indirect
15.	Madhya Pradesh	Direct
16.	Maharashtra	
17.	Manipur	Direct
18.	Orissa	Direct
19.	Punjab	Direct
20.	Rajasthan	Direct
21.	Sikkim	Indirect
22.	Tamil Nadu	Direct
23.	Telangana	Direct
24.	Tripura	Direct
25.	Uttar Pradesh	Direct
26.	Uttarakhand	Direct
27.	West Bengal	Direct
28.	Daman & Diu	Indirect
29.	Puducherry	
30.	Lakshadweep	Indirect
31.	Chandigarh	Direct
32.	Dadra & Nagar Haveli	

Views of States about need for direct election to posts of Chairpersons of Block and District Panchayats (Para 4 of the Estimates Committee)

Sl. No	Name of State/UT	Merits/demerits of holding direct elections to posts of Chairpersons of Block Panchayats and District Panchayats (i)	Whether in favour of Constitutional Amendment in the Article 243C(5)(b) to make direct election to posts of Chairpersons in Block Panchayats and District Panchayats, mandatory (ii)	If not in favour of the Constitutional Amendment for direct election to posts of Chairperson of Block Panchayats and District Panchayats, the precise reason for the same (iii)	Relevant prevailing Sections of the State Panchayati Raj Act/Rules as to the election to the posts of Chairperson of Block Panchayats and District Panchayats (iv)
1	Bihar	The basic rural development schemes are implemented at the Gram Panchayat level. The Chairperson of the Gram Panchayat is directly elected by the voters. However, the Panchayat Samiti (Intermediate level) and Zila Parishad (District Panchayats) have been entrusted only with limited responsibility in rural development and they are mostly, of regulatory nature. The Chairperson of these bodies are not directly responsible to the people. In these circumstances for these posts direct election by the people has no relevance. Furthermore on an average there are 2 to	<u>As per the clarification made under Column I the State Government is not in a favour of Constitutional Amendment in the Article 243C(5)(b) to make direct election to posts of Chairpersons in Block Panchayats and District Panchayats mandatory.</u>	As per reasons given under Column I.	Section's 40 and 67 of Bihar Panchayat Raj Act, 2006 provide for indirect election to Chairpersons of BP and ZP.

		<p>3 blocks in a Legislative Assembly constituency and the whole district generally constitute a Parliamentary constituency. In such a scenario the direct election to these post may trigger an unhealthy competition for one-upmanship among these representatives and the MLAs/MPs, which may become a stumbling block in the development work of the district. There is also the practical problem of managing so many different types of ballots, totalling eight (8) in numbers, in case of direct elections to these posts. Lastly there is no guarantee that direct elections will curtail muscle and money power as direct elections are no remedy for electoral corruption.</p>			
2	Himachal Pradesh	<p>□ The holding of the indirect election of the Chairpersons of Panchayat Samiti and Zila Parishads provides the opportunity to the elected members from the different constituencies to elect one of the Chairpersons amongst</p>	<p><u>In view of the position mentioned in Column I, it will not be appropriate to favour the direct election to the posts of Chairpersons of Panchayat Samitis and Zila Parishads. However, the matter is to be decided at the higher level.</u></p>	<p>As has been mentioned at Column I that no problem has been reported for conducting the indirect election of the Chairpersons of Zila Parishads and Panchayat Samitis. Moreover, direct election will require lot of man</p>	<p>The relevant provisions of the Act and Rules provide for indirect elections to Chairpersons of IP and ZP.</p>

		<p>themselves.</p> <p><input type="checkbox"/> Holding of the direct elections will require lot of man power to conduct the elections to the Chairpersons and election of the Vice Chairpersons will also have to be conducted directly, thus there will be lot of requirement for election machinery, besides financial resources.</p> <p><input type="checkbox"/> Already, there is direct election of the Pradhan, UP-Pradhan, members of Gram Panchayats, Panchayat Samiti and Zila Parishads as such also there will be requirement of additional election machinery/material for conducting the direct election of the Chairpersons of the Zila Parishad.</p> <p><input type="checkbox"/> Presently, there is not any problem reported in conducting the indirect election of the Chairpersons of Panchayat Samitis and Zila Parishads.</p> <p><input type="checkbox"/> Besides above direct elections of Chairpersons of Zila Parishads and Panchayat Samitis will create complications in No Confidence Motion if</p>		<p>power and financial resources.</p>	
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		these office bearer do not perform as per wishes of the people. The role of the Zila Parishad and Panchayat Samiti Members would be almost negligible.			
3	Punjab	<u>Existing system of indirect election is more democratic because the Chairpersons remains answerable to other members of the Block Panchayat (Panchayat Samiti) and District Panchayats (Zila Parishad).</u>	<u>No. The present system of direct elections is working well.</u>	The present system of direct elections to the posts of chairpersons of Panchayat Samitis and Zila Parishads is working well and the Panchayat Samitis and Zila Parishads are also working efficiently and lawfully.	Relevant provisions of the Punjab Panchayati Raj Act 1994 provide for indirect election to posts of Chairpersons in BP and DP.
4	Jharkhand	Direct election for the post of Chairpersons of Block Panchayat and District Panchayat will reduce corruption in election process. Whereas Constituencies of the Block Panchayat and District Panchayat might become bigger than MLA and MPs Constituencies. Direct Election for the post of Chairpersons of Block Panchayat and District Panchayat will be better in the interest of Grass Root Democracy.	Yes	As stated above.	<p>Section 39 of Jharkhand Panchayat Raj Act, 2001 deals with election of Pramukh and UP-Pramukh/Block Panchayat which is as under:-</p> <p>“The prescribed Authority as soon as practicable after election of members of the Panchayat Samiti, shall convene a meeting of elected and nominated members of the Panchayat Samiti to elect a Pramukh and an UP-Pramukh”</p> <p>Section 54 of Jharkhand</p>

					<p>Panchayat Raj Act, 2001 deals with election of Adhyaksha and Upadhyaksha Zila Parishad/District Panchayats which is as under:-</p> <p>“The prescribed Authority as soon as possible after the election of the members of the Zila Parishad shall convene a meeting of the elected and nominated members of the Parishad to elect its Adhyaksha and Upadhyaksha”</p>
5	Chandigarh (UT)	<p>i) Chairperson of the Block Panchayats or District Panchayats shall be directly responsible to the electorate and it will work as easy access of the voter to the Chairperson.</p> <p>ii) Reduction in horse-trading, role/money and muscle power.</p> <p>iii) Reduction in the number of incident of No Confidence Motion against the Chairperson of Block Panchayats or District Panchayats.</p> <p>iv) The tenure of Chairperson of Block Panchayat</p>	<p><u>Yes, in favour of Constitutional Amendment of Article 243C(5)(b) to make direct election to Chairpersons in Block and District Panchayats, mandatory.</u></p>	<p>No, in view of reasons/position indicated at Column I.</p>	<p>The relevant provisions of Punjab Panchayati Raj Act, 1994 (as applicable to U.T., Chandigarh) and the Chandigarh Panchayat Election Rules 1994 provide for indirect election of Chairpersons of ZP and IP.</p>

		<p>and District Panchayat starts from the date of first meeting of the concerned Panchayat, which is called and presided over by the Chairperson. It has been noted that after their election as Chairperson by indirect election, the Chairpersons take months together in calling the first meeting of Block Panchayat and District Panchayat and delay and bottlenecks are faced in the next election of the Block Panchayat and District Panchayat. Thus the direct election of Chairperson of Block Panchayat and District Panchayat will smoothen the election process also which will lead to strengthen the democratic setup at the grass-root level.</p>			
6	Andaman & Nicobar Islands (UT)	<p>Merits of holding direct election</p> <p>a) This will remove personal influences and indifferent opinion of the Members elected by direct election among whom the Chairperson is elected that is by indirect election. Panchayati Raj Department of Andaman & Nicobar</p>	<p><u>Yes, this UT administration is in favour of Constitutional Amendment in the Article 243(C)(5)(b) to make direct election to the posts of Chairpersons in Block Panchayats and District Panchayats mandatory.</u></p>	<p>Since this UT administration is in favour of Constitutional Amendment in the Article 243(C)(b) to make direct election to the posts of Chairpersons in Block Panchayats and District Panchayats mandatory, point</p>	<p><u>For Block Panchayat-</u> Section 112 of A&N Islands (Panchayats) Regulation, 1994, and</p> <p><u>For District Panchayat-</u> Section 150 of the A&N Islands (Panchayats) Regulation, 1994,</p>

		<p>Islands Administration is repeatedly receiving suggestions from the PRI members for 'hand raising'/ 'hand showing' instead of using ballot boxes for the election of Chairpersons of District Panchayats (Zilla Parishad) and Block Panchayats (Panchayat Samiti). The demand of PRI members will automatically be resolved with the procedure of direct election.</p> <p>b) This will take away money and muscle power of the members participate in the indirect election.</p> <p>c) The tenure of the Chairpersons of Block Panchayats shall automatically be expanded for five years instead of the prevailing tenure (one year) which will enable their institution to execute the planned schemes/works within their tenure. The same is the long pending demand of elected representatives.</p>		no. (iii) is not applicable.	provide for indirect election to posts of Chairpersons in ZP and BP.
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**ELEVENTH SCHEDULE
(Article 243G)**

1. Agriculture, including agricultural extension.
2. Land improvement, implementation of land reforms, land consolidation and soil conservation.
3. Minor irrigation, water management and watershed development.
4. Animal husbandry, dairying and poultry.
5. Fisheries.
6. Social forestry and farm forestry.
7. Minor forest produce.
8. Small scale industries, including food processing industries.
9. Khadi, village and cottage industries.
10. Rural housing.
11. Drinking water.
12. Fuel and fodder.
13. Roads, culverts, bridges, ferries, waterways and other means of communication.
14. Rural electrification, including distribution of electricity.
15. Non-conventional energy sources.
16. Poverty alleviation programme.
17. Education, including primary and secondary schools.
18. Technical training and vocational education.
19. Adult and non-formal education.
20. Libraries.
21. Cultural activities.
22. Markets and fairs.
23. Health and sanitation, including hospitals, primary health centers and dispensaries.
24. Family welfare.
25. Women and child development.
26. Social welfare, including welfare of the handicapped and mentally retarded.
27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
28. Public distribution system.
29. Maintenance of community assets.

**Status of devolution of departments/subjects with funds, functions and functionaries
to the PRIs by States/UTs**

Sl. No	State/UT	No. and names of the Departments/subjects Transferred to Panchayats with respect to		
		Funds	Functions	Functionaries
1	Andaman & Nicobar Islands	Grant-in-aid is released to PRI's to discharge their functions	All the functions (29 subjects) have been transferred to the PRIs	639 functionaries of various departments have been transferred to the PRIs.
2	Andhra Pradesh	Only Gram Panchayats (GPs) are empowered to collect taxes. Governments Orders (GOs) issued for devolving funds of 10 departments.	22 GOs issued during 1997-2002. Further, 10 line departments have devolved certain powers to PRIs.	Functionaries are under the administrative control of their respective line departments but they are partially accountable to PRIs.
3	Arunachal Pradesh	PRIs do not collect taxes. Transfer of funds by departments has not taken place.	29 subjects have been devolved. GOs covering 20 departments have been issued, but not yet implemented. PRIs can exercise the powers of supervision and monitoring the implementation of plans in respect of all subjects coming under their respective jurisdiction.	Functionaries have not been transferred.
4	Assam	PRIs are empowered to collect taxes but cannot enforce. Main source of revenue is lease rent from markets, river banks and ponds.	Activity-mapping done for 23 subjects. But GOs have been issued only for 7 subjects by 6 departments.	There has been very minimal devolution of functionaries. Officials continue to report to departments.
5	Bihar	No taxes are collected by PRIs.	Activity Mapping of 20 Departments have been completed regarding the 29 subjects listed in the 11 th Schedule of the Constitution and accordingly, all concerned Departments have issued orders delegating powers to the Panchayats.	Departmental staff is answerable to departments. Angandwadi workers, teachers and health workers are appointed by PRIs.

Sl. No	State/UT	No. and names of the Departments/subjects Transferred to Panchayats with respect to		
		Funds	Functions	Functionaries
6	Chhattisgarh	GP is authorized to collect various types of taxes. Funds for 12 departments have been devolved.	Activity Mapping of 27 matters has been undertaken. GOs not issued.	Panchayat make recruitments for 9 departments.
7	Goa	Panchayats levy 11 types of taxes. Untied funds are given to Panchayats.	18 matters are devolved to GPs, while 6 are devolved to ZPs.	PRIs have their own core staff for the execution of works.
8	Gujarat	8 major taxes are collected by PRIs. In 2008-09, 13 departments allocated funds to PRIs.	14 functions have been completely devolved and 5 are partially devolved.	GOs have been issued for devolution of functionaries for 14 functions.
9	Haryana	GPs generate revenue from lease of Panchayat land, liquor cess and rental of Panchayat premises.	Panchayati Raj Act devolves 29 functions. GOs have been issued for 10 deptts.	There is no significant devolution of functionaries.
10	Himachal Pradesh	Only GP is empowered to levy taxes. Funds have not been transferred.	27 out of 29 subjects have been devolved to PRIs.	Functionaries have not been transferred to PRIs.
11	J&K	State Govt. has issued GO notifying activity mapping. Funds have been devolved in a limited sense. Functionaries have been identified in the Activity Mapping document who will assist Panchayats in carrying out assigned functions but have not been transferred.		
12	Jharkhand	Elections to PRIs were held in November- December 2010 for the first time since 73 rd CAA came into force. Three departments, namely, Agriculture, Social Welfare and Primary Education have devolved functions to PRIs by Departmental Notification.		
13	Karnataka	PRIs collect 7 types of taxes. Panchayati Raj Act provides the mandatory transfer for untied funds to PRIs.	Karnataka has delegated all 29 subjects to PRI by notifying Activity Mapping.	All Panchayat employees function under dual control of the Deptts concerned and the PRIs.
14	Kerala	GPs have tax domain of 9 types of taxes. Untied funds and funds for specific purposes by deptts are given to PRIs.	Activity mapping for all 29 functions done and activities devolved to Panchayats.	PRIs have full managerial and part disciplinary control over transferred functionaries.

Sl. No	State/UT	No. and names of the Departments/subjects Transferred to Panchayats with respect to		
		Funds	Functions	Functionaries
15	Madhya Pradesh	GPs are empowered to collect taxes. Funds for 13 departments covering 19 matters are released to PRIs.	GOs containing the Activity Mapping in respect of 25 matters pertaining to 22 depts. have been issued.	Functionaries for 13 departments have been transferred to the PRIs. There is a State Panchayat Service.
16	Maharashtra	ZP and GP collect taxes. Grants for 11 departments are transferred to PRIs.	11 subjects have been fully devolved. For 18 subjects, schemes are implemented by PRIs.	Class III and Class IV employees at all levels are Zilla Parishad employees.
17	Manipur	Five Departments have issued GOs transferring funds to PRIs.	GOs have been issued devolving functions related to 22 departments.	5 Departments have issued GOs transferring functionaries to PRIs.
18	Orissa	PRIs collect 6 types of taxes. There is no clear devolution of untied funds.	11 departments have devolved 21 subjects.	Officials of 11 departments are accountable to PRIs.
19	Punjab	Main source of income of GP is from auction of Panchayat land. There is no clear devolution of funds.	The devolution of 7 key departments relating to 13 subjects approved.	No functionaries have been transferred to PRI by line departments.
20	Rajasthan	5 departments have issued GOs transferring funds to PRIs up to district level. 10% untied fund to PRIs.	Five Departments have transferred all functions up to district level to PRIs. Fresh Activity Mapping of above 5 Departments has been done.	5 departments have transferred all functionaries upto district level to PRIs.
21	Sikkim	PRIs do not collect taxes. Funds are being transferred by 17 departments. 10% of total fund of each department is given to Panchayats. Untied funds are given to PRIs.	All 29 subjects are devolved as per legislation. Activity Mapping has been conducted for 20 subjects covering 16 departments.	Employees are under the control of PRIs, but Panchayats exercise limited control over them.

Sl. No	State/UT	No. and names of the Departments/subjects Transferred to Panchayats with respect to		
		Funds	Functions	Functionaries
22	Tamil Nadu	Only village Panchayats have the power to levy taxes. 9% of the States own tax revenue devolved to Local Bodies, of which rural local bodies will receive 58% share.	Government of Tamil Nadu has delegated supervision and monitoring powers of 29 subject to PRIs	There is no significant devolution of functionaries.
23	Telengana	Certain Powers have been delegated to PRIs in respect of 10 Departments namely: Agriculture & Agriculture Extension, Animal Husbandry Dairy & Poultry, Fisheries, Rural Development, Drinking Water & Sanitation, Primary Secondary & Adult Education, Health PHC Dispensaries & Family Welfare, Social Welfare, Backward Class Welfare and Women & Child Development.		
24	Tripura	Part funds related to PWD Department, primary schools and Social Welfare and social education department and pension funds have been transferred to the Panchayats. Untied funds are also transferred to PRIs.	So far GOs have been issued devolving irrigation schemes, primary schools and activities related to adult and non-formal education, women and child development and social welfare.	Functionaries of 5 subjects for which functions have devolved, have been transferred to Panchayats.
25	Uttar Pradesh	All 3 tiers have the power to collect taxes.	16 subjects relating to 12 departments have been devolved to PRIs.	PRIs do not have control over functionaries.
26	Uttarakhand	Only ZPs collect taxes. Funds are made available to PRIs for activities for only 3 functions.	Master GO on transferring financial and administrative powers on 14 subjects has been issued in 2003.	Supervisory role over functionaries related to 14 subjects.
27	West Bengal	GPs can impose and realize taxes. Untied funds are allocated under the TFC grant as well as SFC grant. 5 departments have opened Panchayat Window in their budgets.	State Govt. agrees with transfer of these 28 subjects. 14 departments have so far issued matching GOs transferring 27 subjects.	The Panchayat employees have been made into different district cadres. Other than the posts created in the Panchayat bodies, 7 departments of the State Govt. have devolved functionaries

SI. No	State/UT	No. and names of the Departments/subjects Transferred to Panchayats with respect to		
		Funds	Functions	Functionaries
28	Daman & Diu	Not available	12 subjects are fully devolved and 10 subjects are partially devolved.	Functionaries for 13 departments have been transferred to PRIs.
29	Puducherry	Panchayats collect taxes and receive funds from the state budget under the community development sector.	22 functions have been devolved to the PRI.	Devolution of functionaries has not been done yet.
30	Lakshadweep	Entire Plan and Non Plan budget required for Schemes and Programs being implemented by 5 departments viz Education, Medical & Health Services, Fisheries, Animal Husbandry, and Agriculture is transferred to the District Panchayat and Village (Dweep) Panchayats.	All Schemes and programmes being implemented by five major departments, viz Education, Medical & Health Services, Fisheries, Animal Husbandry, and Agriculture have been transferred to the PRIs w.e.f 1 st April 2010.	Entire establishments of five major departments, viz Education, Medical & Health Services, Fisheries, Animal Husbandry, and Agriculture except Director and few staff have been transferred to District Panchayat and Village (Dweep) Panchayats.
31	Chandigarh		A committee constituted by the Chandigarh Administration recommended transfer of some functions of 12 Departments. However, the State Govt. felt that such an exercise of devolving the functions to PRIs would only be an interim measure because fast urbanization would result in villages becoming part of Municipal Corporation in near future.	

Note: Mizoram, Meghalaya and Nagaland are exempt.

- ☐ Delhi has no Panchayats.
- ☐ Information is not available for UT of Dadra & Nagar Haveli.

MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE ON ESTIMATES (2017-18)

The Committee sat on Tuesday, the 8th August, 2017 from 1500 hrs. to 1640 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Dr. Murli Manohar Joshi – Chairperson

Members

- 2 Shri George Baker
- 3 Shri Ashwini Kumar Choubey
- 4 Shri Dushyant Chautala
- 5 Shri Ram Tahal Choudhary
- 6 Col. (Retd.) Sona Ram Choudhary
- 7 Shri Ramen Deka
- 8 Shri Sanjay Dhotre
- 9 Shri P.C. Gaddigoudar
- 10 Smt. Raksha Khadse
- 11 Dr. Sanjay Jaiswal
- 12 Shri Rajesh Pandey
- 13 Shri Ravindra Kumar Pandey
- 14 Shri Nanabhau Falgunrao Patole
- 15 Dr. Bhagirath Prasad
- 16 Shri Y.V. Subba Reddy
- 17 Shri Janardhan Singh Sigrwal
- 18 Shri Jugal Kishore Sharma
- 19 Shri Ganjendra Singh Shekhawat

SECRETARIAT

1. Smt Sudesh Luthra - Additional Secretary
2. Shri N. C Gupta - Joint Secretary
3. Shri Vipin Kumar - Director

1.2 At the outset, the Chairperson welcomed the Members to the sitting of the Committee.

3. The Committee then took up for consideration the following draft Reports:-

(i) *** *** *** *** *** ***

(ii). *** *** *** *** *** ***

(iii). Draft Report on the Action Taken by the Government on the observations/recommendations contained in the 18th Report of the Committee on Estimates (2016-17) on the subject 'Panchayati Raj' pertaining of Ministry of Panchayati Raj.

4. *** *** *** *** *** ***

5. With regard to Draft Action Taken Report on (iii) 'Panchayati Raj' while the Committee agreed to comments/categorization of Action Taken replies, with regard recommendation at Para no. 7 of the original (18th) Report, it was decided to hear the views of the Niti Aayog in the context of award of Grants to Panchayats by Fourteenth Finance Commission.

The Committee then adjourned with vote of thanks to the Chair.

MINUTES OF 15th SITTING OF THE COMMITTEE ON ESTIMATES (2017-18)

The Committee sat on Tuesday, the 10th October, 2017 from 1500 hrs. to 1615 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Dr. Murli Manohar Joshi – Chairperson

MEMBERS

2. Shri George Baker
3. Shri Ram Tahal Choudhary
4. Col. Sonaram Choudhary
5. Shri Sanjay Dhotre
6. Shri P.C. Gaddigoudar
7. Smt. Raksha Khadse
8. Dr. Sanjay Jaiswal
9. Shri P. Kumar
10. Shri Rajesh Pandey
11. Shri Ravindra Kumar Pandey
12. Shri Nanabhau Falgunrao Patole
13. Dr. Bhagirath Prasad
14. Shri Y.V. Subba Reddy
15. Shri Arvind Ganpat Sawant
16. Shri Janardan Singh Sigriwal
17. Shri Jugal Kishore Sharma

SECRETARIAT

- | | | | |
|----|--------------------|---|----------------------|
| 1. | Smt. Sudesh Luthra | – | Additional Secretary |
| 2. | Shri N.C. Gupta | – | Joint Secretary |
| 3. | Shri Vipin Kumar | – | Director |

WITNESSES

NITI AAYOG

- | | | | |
|----|-----------------------------|---|-----------------|
| 1. | Shri Amitabh Kant | - | C.E.O. |
| 2. | Shri Rameshwar Prasad Gupta | - | Addl. Secretary |
| 3. | Shri Vikram Singh Gaur | - | Joint Secretary |
| 4. | Smt. Deepika Lohia Aran | - | Director (DP) |
| 5. | Shri Rakesh Ranjan | - | Sr. Consultant |

2. At the outset, the Chairperson welcomed the Members and apprised them about the agenda for the sitting of the Committee i.e. to take evidence of the representatives of Niti Aayog on the Action Taken Replies of the Ministry of Panchayati Raj at Para No. 7 relating to Award of Grants by Fourteenth Finance Commission and xxx xxx xxx xxx xxx. After a brief internal discussion, the representatives of Niti Aayog were called in.

3. The Chairperson welcomed the witnesses and drew their attention to Direction 55(1) of 'Directions by the Speaker, Lok Sabha' about the confidentiality of the proceedings of the Committee.

4. The Chairperson directed Shri Amitabh Kant, C.E.O. Niti Aayog to elucidate on the recommendation of Fourteenth Finance Commission (FFC) for devolving funds to Gram Panchayats without any share of funds to intermediary i.e. Block and District Panchayats. The Committee pointed out that final grants to Panchayati Raj Institutions by Fourteenth Finance Commission has created pitiable situation for Block and District Panchayats as compared to award of grants by the previous Finance Commissions. Shri Kant concurred with the views of Committee that the financial needs of the Block and District Panchayats need to be readdressed and strengthened. He also put forth his views that the State Governments need to be encouraged to provide adequate budgetary support to all levels of Panchayati Raj Institutions.

The Committee also emphasized on the importance of Gram and District Panchayats in achieving the goal of transforming of rural areas into smart villages and the need to provide adequate budgetary support as per provisions of Constitution mandated to Panchayati Raj Institutions.

5. The Members raised queries and sought clarifications from the witnesses to which they duly responded.

The points on which the representatives could not readily respond, the Chairperson directed that written replies be furnished within a week.

The Committee then adjourned.

6. A verbatim record of the proceedings has been kept.

xxx Matter not related to this Report

MINUTES OF 17th SITTING OF THE COMMITTEE ON ESTIMATES (2017-18)

The Committee sat on Wednesday, the 01 November, 2017 from 1500 hrs. to 1625 hrs. in Committee Room '53', Parliament House, New Delhi.

PRESENT

Dr. Murli Manohar Joshi – Chairperson

MEMBERS

2. Shri A. Arunmozhithevan
3. Shri George Baker
4. Col. Sonaram Choudhary
5. Shri Sanjay Dhotre
6. Shri P.C. Gaddigoudar
7. Smt. Kavitha Kalvakuntala
8. Shri P. Kumar
9. Shri Ravindra Kumar Pandey
10. Shri Nanabhau Falgunrao Patole
11. Shri Y.V. Subba Reddy
12. Shri Arjun Charan Sethi
13. Shri Janardan Singh Sigriwal
14. Shri Jay Prakash Narayan Yadav

SECRETARIAT

- | | | | |
|----|--------------------|---|----------------------|
| 1. | Smt. Sudesh Luthra | – | Additional Secretary |
| 2. | Shri N.C. Gupta | – | Joint Secretary |
| 3. | Shri Vipin Kumar | – | Director |

2. The Hon'ble Chairperson welcomed the members to the sitting of the Committee convened to consider and adopt two reports viz. xxx xxx xxx xxx xxx and ATR on 'Panchayati Raj'.

3. *** *** *** *** *** ***

4. *** *** *** *** *** ***

5. The Committee then took up for consideration the draft Action Taken Report on the observations/recommendations contained in the 18th Report of the Committee on Estimates (2016-17) on 'Panchayati Raj'. The Hon'ble Chairperson apprised that Committee at their sitting held on 08 August, 2017 while considering the draft Report had decided to take evidence of NITI Aayog in the context of need for allocating 14th Finance Commission Grants to all the three tiers of Panchayats in respect of Para 7 of original report of the Committee. The Committee in this regard have taken evidence of NITI Aayog at their sitting held on 10 October, 2017 whereby CEO, NITI Aayog concurred with the views of the Committee that 14th Finance Commission allocations which are made only to Gram Panchayats, should also be made to middle level of Panchayats also. The Hon'ble Chairperson then stated that Para No. 7 has accordingly been categorised under not accepted category and comments incorporated in the Report. The Committee then adopted the report without any modification. The Committee authorised the Chairperson to finalise the above said two reports.

The Committee then adjourned.

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE TWENTHY-FIFTH REPORT OF THE COMMITTEE ON ESTIMATES (SIXTEENTH LOK SABHA)

(i)	Total number of recommendations/observations	11
(ii)	Recommendations/Observations which have been accepted by the Government (Sl. Nos. 9 and 10)	2
	Percentage of total recommendations	18.18%
(iii)	Recommendation/Observation which the Committee do not desire to pursue in view of the Government's reply Percentage of total recommendations (Sl. No. 3,5 and 8)	3
	Percentage of total recommendations	27.27%
(iv)	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee (Sl. Nos. 1, 2, 4, 6, 7 and 11)	06
	Percentage of total recommendations	54.55%
(v)	Recommendation/Observation in respect of which final replies of Government is still awaited.	Nil
	Percentage of total recommendations	Nil