



# Revenue Receipts of Panchayats Highest in UP

## Why in News?

The recently released report titled '**Finances of Panchayati Raj Institutions**' by the [Reserve Bank of India \(RBI\)](#) for the fiscal year 2022-23 sheds light on the financial dynamics of [Panchayati Raj Institutions \(PRIs\) in India](#).

## Key Points

- **State Revenue Share and Inter-State Disparities:**
  - Panchayats' share in their respective State's own revenue remains minimal.
    - For example, in **Andhra Pradesh, revenue receipts of panchayats form just 0.1%** of the State's own revenue, while in **Uttar Pradesh, it forms 2.5%, the highest among states.**
  - There are wide variations among states regarding average revenue earned per panchayat.
    - **Kerala and West Bengal lead with average revenues** of over Rs 60 lakh and Rs 57 lakh per panchayat, respectively.
    - The revenue was over Rs 30 lakh per panchayat in Assam, Bihar, Karnataka, Odisha, Sikkim, and Tamil Nadu.
    - States like Andhra Pradesh, Haryana, Mizoram, Punjab, and Uttarakhand have significantly **lower average revenues**, less than Rs 6 lakh per panchayat.
- **Recommendations of RBI:**
  - The RBI suggests promoting **greater decentralization and empowering local leaders and officials**. It advocates for measures to enhance financial autonomy and sustainability of Panchayati Raj.

## Panchayati Raj Institution

- The [73<sup>rd</sup> Constitutional Amendment Act, 1992](#) gave **constitutional status** to the Panchayati Raj Institutions (PRIs) and established a system of uniform structure (three tiers of PRIs), [elections](#), reservation of seats for [Scheduled Caste, Scheduled Tribes](#) and women and **devolution of fund, functions and functionaries to PRIs**.
  - **Panchayats act on three levels:** gram sabhas (village or group of small villages), panchayat samithis (block council), and zila parishads (district).
- The **Ministry of Panchayati Raj** looks into all matters relating to the Panchayati Raj and Panchayati Raj Institutions. It was created in May 2004.
- **Number of Panchayats in UP:** 59, 062
- **Number of Blocks in UP:** 826
- **Number of Districts in UP:** 75

