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**LEGISLATION TRACKER**

# 73rd Constitutional Amendment Act, 1992 — Panchayati Raj

27 March 2026

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**ACT NUMBER**
**YEAR ENACTED**
**73rd Amendment Act of 1992 1992**
**REPLACES**
**Non-constitutional Panchayati Raj systems based on Balwant Rai Mehta (1957) and Ashok Mehta (1977) recommendations**
**KEY PROVISIONS**

- 1 Constitutional status to Panchayati Raj Institutions through Part IX (Articles 243-243O)
- 2 Three-tier system: Gram Panchayat, Panchayat Samiti (Block), Zilla Parishad (District) (Article 243B)
- 3 Reservation of one-third seats (now 50% in many states) for women in all three tiers (Article 243D)
- 4 Reservation for SC/ST in proportion to their population (Article 243D)
- 5 Five-year term for Panchayats with elections mandatory before expiry; fresh elections within 6 months of dissolution (Article 243E)
- 6 State Election Commission for conducting Panchayat elections (Article 243K)
- 7 State Finance Commission to review financial position of Panchayats every 5 years (Article 243I)

**BACKGROUND**

The Constitution (Seventy-Third Amendment) Act, 1992 gave constitutional status to Panchayati Raj Institutions (PRIs) — the system of rural local self-government in India. It was enacted on 24 April 1993 (the date it came into force, now celebrated as National Panchayati Raj Day). The amendment added Part IX (Articles 243 to 243O) and the Eleventh Schedule to the Constitution.

The idea of village self-governance has deep roots in India. Mahatma Gandhi envisioned Gram Swaraj — village self-rule — as the foundation of Indian democracy. Article 40 of the Directive Principles of State Policy directs the State to organise village Panchayats and endow them with powers necessary to function as units of self-government. However, for decades after independence, Panchayati Raj remained a state subject with no constitutional backing, leading to uneven implementation.

The Balwant Rai Mehta Committee (1957) recommended a three-tier Panchayati Raj system, which Rajasthan implemented first in October 1959 (Nagaur district). The Ashok Mehta Committee (1977) recommended a two-tier system and suggested constitutional protection for PRIs. The L.M. Singhvi Committee (1986) recommended constitutional recognition of PRIs and constitutional guarantee of regular elections. The 64th Amendment Bill (introduced by Rajiv Gandhi's government in 1989) passed the Lok Sabha but failed in the Rajya Sabha. Finally, the 73rd Amendment, introduced by the P.V. Narasimha Rao government, was passed in December 1992 and came into force on 24 April 1993.

## KEY CONCEPTS

- **Three-Tier Structure (Article 243B):** Gram Panchayat (village level), Panchayat Samiti or Block Panchayat (intermediate level), and Zilla Parishad (district level). States with population below 20 lakh may not have the intermediate tier.
- **Gram Sabha (Article 243A):** The body consisting of all registered voters within the area of a Gram Panchayat. It is the foundation of the Panchayati Raj system — the general assembly of the village. The Gram Sabha exercises powers and performs functions at the village level as determined by the state legislature.
- **Eleventh Schedule (Article 243G):** Lists 29 subjects over which Panchayats may be given powers and responsibilities, including agriculture, land improvement, minor irrigation, animal husbandry, fisheries, social forestry, rural housing, drinking water, roads, education, health, family welfare, women and child development, social welfare, public distribution system, and poverty alleviation.
- **State Election Commission (Article 243K):** A constitutional body responsible for superintendence, direction, and control of the preparation of electoral rolls and the conduct of elections to Panchayats. The State Election Commissioner is appointed by the Governor and can be removed only in the manner and on grounds similar to a High Court judge.
- **State Finance Commission (Article 243I):** The Governor constitutes a Finance Commission every 5 years to review the financial position of Panchayats and recommend: distribution of taxes, duties, tolls, and fees between the state and Panchayats; grants-in-aid from the Consolidated Fund of the State; and measures to improve their financial position.
- **Disqualifications (Article 243F):** A person shall be disqualified for membership of a Panchayat on the same grounds as for the state legislature. Additionally, any person disqualified under any law made by the state legislature is also disqualified. No person shall be disqualified on the ground that they are less than 25 years of age, provided they have attained the age of 21 years.

## IMPORTANT PROVISIONS

- **Article 243B — Constitution of Panchayats:** There shall be constituted Panchayats at the village, intermediate, and district levels in every State. The intermediate level is not required for states with population not exceeding 20 lakh.
- **Article 243C — Composition:** All seats to be filled by direct election from territorial constituencies. Chairperson of each Panchayat elected in the manner provided by the state legislature. State legislature may provide for representation of MPs, MLAs, and MLC members, and Chairpersons of lower-tier Panchayats.
- **Article 243D — Reservation of Seats:** Seats reserved for SC and ST in proportion to their population. Not less than one-third of total seats reserved for women (including within SC/ST reservation). Offices of Chairpersons also reserved for SC, ST, and women. Reservation for backward classes at the discretion of the state legislature.
- **Article 243E — Duration:** Every Panchayat shall continue for 5 years from its first meeting. Elections to constitute a new Panchayat must be completed before expiry of the 5-year term. If dissolved earlier, elections must be held within 6 months of dissolution; the reconstituted Panchayat serves only the remainder of the term.
- **Article 243G — Powers and Functions:** The state legislature may endow Panchayats with powers and authority necessary for functioning as institutions of self-government, including preparation of plans for economic development and social justice, and implementation of schemes entrusted to them — with respect to matters in the Eleventh Schedule.
- **Article 243H — Taxation Powers:** State legislature may authorise Panchayats to levy, collect, and appropriate taxes, duties, tolls, and fees; assign revenue collected by the state to Panchayats; and provide for grants-in-aid from the Consolidated Fund of the State.

## LANDMARK JUDGMENTS

- **K. Krishnamurthy v. Union of India (2010):** The Supreme Court upheld the constitutional validity of provisions relating to OBC reservation in Panchayat elections in Karnataka, holding that the state can provide reservation for backward classes under Article 243D(6), subject to establishing the backwardness through empirical data.
- **Rajbala v. State of Haryana (2016):** The Supreme Court upheld the Haryana Panchayati Raj (Amendment) Act, 2015, which imposed minimum educational qualifications for contesting Panchayat elections (Class 10 for general, Class 8 for SC/ST women, Class 5 for SC/ST men in Scheduled areas). The decision was controversial and criticised for effectively disenfranchising large sections of rural population.

- **State of UP v. Pradhan Sangh Kshetra Samiti (1995):** The Supreme Court held that after the 73rd Amendment, the state government cannot supersede a Panchayat without following due process. The 5-year term guarantee and mandatory re-election within 6 months of dissolution are constitutional mandates that cannot be violated.
- **Surya Pal Singh v. State of UP (2016):** The Allahabad High Court ruled that reservations in Panchayat elections cannot be made on an arbitrary basis and must follow the rotation principle fairly, ensuring all communities get representation over successive election cycles.

## RECENT AMENDMENTS / DEVELOPMENTS

- **Women's Reservation in PRIs (50% in many states):** While the 73rd Amendment mandates a minimum of one-third seats for women, many states have increased this to 50% — including Bihar (2006), Rajasthan (2009), Madhya Pradesh, Chhattisgarh, Jharkhand, Uttarakhand, Kerala, and Maharashtra. This has resulted in over 14 lakh elected women representatives in PRIs — making Indian Panchayati Raj the largest experiment in grassroots democracy worldwide.
- **SVAMITVA Scheme (Survey of Villages Abadi and Mapping with Improved Technology in Village Areas):** Launched on National Panchayati Raj Day (24 April 2020) by the PM, this scheme uses drone technology to create a property card ('Gharauni') for every rural household, empowering Gram Panchayats with clear land records and enabling property tax collection. As of April 2025, approximately 2.42 crore property cards have been created for 1.61 lakh villages; drone surveys completed in 3.20 lakh villages across 31 states/UTs. Total scheme cost: Rs 566.23 crore (FY 2020-21 to FY 2025-26).
- **PESA Act, 1996 (Panchayats Extension to Scheduled Areas):** Extended Panchayati Raj to Fifth Schedule areas (tribal areas) with significant modifications, granting Gram Sabhas powers over land alienation, minor forest produce, minor water bodies, and the right to be consulted before land acquisition.
- **15th Finance Commission Grants (2021-26):** Recommended Rs 4,36,361 crore for local bodies (rural + urban) for 2021-26 period. Tied grants linked to performance criteria including online availability of accounts, provision of drinking water and sanitation, and local body tax collection efficiency.
- **16th Finance Commission Grants (2026-31):** The 16th Finance Commission recommended Rs 7,91,493 crore for rural and urban local bodies for FY 2026-27 to 2030-31 — an 84% increase from the 15th FC. Rural local bodies (PRIs) allocated Rs 4.35 lakh crore; urban local bodies allocated Rs 3.56 lakh crore. Grants are now performance-linked with own-source revenue targets, pushing Panchayats towards greater fiscal autonomy and accountability.

## UPSC RELEVANCE

Article numbers (243-243O); Eleventh Schedule — 29 subjects; minimum age for membership (21 years); term (5 years); Gram Sabha definition; State Election Commission and State Finance Commission (constitutional bodies); PESA Act year (1996); Balwant Rai Mehta and Ashok Mehta Committee recommendations; first state to implement PRI (Rajasthan, 1959); National Panchayati Raj Day (April 24).

**Mains GS-2:** Evaluate the 73rd Amendment's success in deepening democracy and empowering rural self-governance. Has devolution of functions, functionaries, and finances (3Fs) been adequate? Challenges: political interference, lack of capacity, unfunded mandates, proxy representation by women (Sarpanch Pati phenomenon). **Interview:** "India has over 14 lakh elected women representatives in Panchayats. Has this quantitative leap translated into qualitative empowerment? What structural changes would you suggest?"

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