

State Finance Commission Grant – Release of grant to Village Panchayats, Panchayat Unions and District Panchayats - Differential amount between Revised Estimate 2008-2009 and Budget Estimate 2008-2009 – Sanction of additional amount.

Rural Development and Panchayat Raj (PRI) Department

G.O.(Ms.) No.19

Dated 02.03.2009
Read:

1. G.O.Ms.No.199, Finance (FC.IV) Department, dated 25.5.2007.
2. G.O.Ms.No.28, Rural Development and Panchayat Raj Department, dated 25.2.2008.
3. G.O.Ms.No.95, Rural Development and Panchayat Raj Department, dated 6.6.2008.
4. G.O.Ms.No.11, Rural Development and Panchayat Raj Department, dated 29.1.2009.
5. From the Commissioner of Rural Development and Panchayat Raj, Chennai-15, Letter Rc.No.32563/2008/PRI.II-2, dated 28.1.2009 and 18.2.2009.

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ORDER:

In the Government Order first read above, the Government have ordered to apportion the devolution grant for Rural Local Bodies among the Village Panchayats, Panchayat Unions and District Panchayats in the ratio of 60:32:8 respectively. Further, the Government have ordered to reserve 5% from out of 60% of Village Panchayats share of State Finance Commission devolution towards Infrastructure Gap Filling Fund. Out of the above Infrastructure Gap Filling Fund, 50% shall be allocated towards Anaithu Grama Anna Marumalarchi Thittam (AGAMT) programme and out of the balance 50%, 25% of the amount shall be kept with Commissioner of Rural Development and Panchayat Raj for providing basic amenities in the Districts and the rest shall be allocated to the Districts based on the population and the District Collectors shall utilize the funds for the purpose mentioned in the Government Order second read above.

2. In the light of the above Government Order and Budget provision of Rs.161,49.46 lakhs, orders were issued in G.O.Ms.No.95, Rural Development and Panchayat Raj Department, dated 6.6.2008 for distribution of State Finance Commission Grant. In the said orders it was ordered that the minimum grant for 10 months from April 2008 to January 2009 and Infrastructure Gap Filling Fund shall be distributed to Rural Local Bodies on the basis of 2001 population as below:

Sl. No.	Details	Amount (Rs. in lakhs)
1.	Village Panchayats	
	a) State Finance Commission Minimum Grant	378,54.00
	b) Population based State Finance Commission Grant	364,05.29
	c) Infrastructure Gap Filling Fund	80,74.67
	Sub-Total	823,33.96
2.	Panchayat Unions	
	a) State Finance Commission Minimum Grant	115,50.00
	b) State Finance Commission Grant based on population	286,62.79
	Sub-Total	402,12.79
3.	District Panchayats	92,28.19
	Grant Total	1317,74.94

3. Further in G.O.Ms.No.11, Rural Development and Panchayat Raj Department, dated 29.1.2009, orders were issued sanctioning the balance fund under population grant for the months of February and March, 2009 as below:

Name of the Local Body	Amount proposed in Revised Estimate 2008-2009 (Rs. in lakhs)	Funds sanctioned by the Government in G.O.Ms.No.95, RD&PR, dated 6.6.2008. (Rs. in lakhs)	Balance Funds sanctioned by Government under population based grant for February and March 2009. (Rs. in lakhs)
Village Panchayats	968,96.07	823,33.96	145,62.11
Panchayat Unions	516,77.91	402,12.79	114,65.12
District Panchayats	129,19.48	92,28.19	36,91.29
Total	1614,93.46	1317,74.94	297,18.52

4. The Commissioner of Rural Development and Panchayat Raj has submitted proposal for sanction of a sum of Rs.11 crores to pay Interim Arrears to Pensioners/Family Pensioners of Panchayat Unions pending FMA 2008-2009 under the State Finance Commission grant or any other head of account.

5. (i) The Commissioner of Rural Development and Panchayat Raj has reported that Government in Finance have fixed the Revised Estimate 2008-2009 under the following heads of accounts as detailed below:

Sl. No.	Head of Account	R.E.2008-2009 already proposed (Rs. in lakhs)	R.E.2008-2009 now Fixed (Rs. in lakhs)	Difference (+) (Rs. in lakhs)
1.	DPC 3604-00-198-AA-0927 (Village Panchayats)	88821.41	94404.17	5582.76
2.	DPC 3604-00-198-AC-0923 (Infrastructure Gap Filling Fund)	8074.67	8582.20	507.53
3.	DPC 3604-00-196-AA-0921 (Panchayat Union)	51677.91	54926.06	3248.15
4.	DPC 3604-00-197-AA-0929 (District Panchayat)	12919.47	13731.52	812.05
	Total	161493.46	171643.95	10150.49

(ii) The Commissioner of Rural Development and Panchayat Raj has therefore requested the Government to sanction the additional amount of Rs.10150.49 lakhs to the Rural Local Bodies under State Finance Commission grant based on population to the Village Panchayats, Panchayat Unions and District Panchayats for releasing the same to the Rural Local Bodies.

6. The Government have examined the proposal of the Commissioner of Rural Development and Panchayat Raj in detail. The difference between Budget Estimate 2008-2009 and Revised Estimate 2008-2009 is as follows:

(Rs. in lakhs)

Sl. No.	Head of Account	B.E.2008-2009	R.E.2008-2009	Difference (+)
1.	3604-00-196-AA-0921 (District Panchayats)	129,19.48	137,31.52	8,12.04
2.	3604-00-197-AA-0929 (Panchayat Unions)	516,77.91	549,26.06	32,48.15
3.	3604-00-198-AA-0927 (Village Panchayats)	888,21.40	944,04.17	55,82.77
4.	3604-00-198-AC-0923 (Infrastructure Gap Filling Fund)	80,74,67	85,82,20	507,53
	Total	1614,93.46	1716,43.95	101,50.49

7. The Government have decided to sanction the differential amount between Revised Estimate 2008-2009 and Budget Estimate 2008-2009 as additional amount of State Finance Commission Grant to Rural Local Bodies. The Government accordingly sanction an additional amount of Rs.10150.49 lakhs as detailed above.

8. The amount sanctioned in para 6 and 7 shall be debited to the following heads of account:

3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 196. Assistance to Zilla Parishads/District Level Panchayats - I. Non-Plan - AA. Grants to District Panchayats as per the recommendations of State Finance Commission controlled by Director of Rural Development - 09. Grants-in-aid - 02. Grants for Capital Expenditure. (DPC 3604 00 196 AA 0921)	Rs.8,12.04 lakhs
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 197. Assistance to Block Panchayats / Intermediate Level Panchayats - I. Non-Plan - AA. Grants to Panchayat Unions as per the recommendations of State Finance Commission controlled by Director of Rural Development - 09. Grants-in-aid - 02. Grants for Capital Expenditure. (DPC 3604 00 197 AA 0929)	Rs.32,48.15 lakhs
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 198. Assistance to Gram Panchayats I. Non-Plan - AA. Grants to Village Panchayats as per the recommendations of State Finance Commission controlled by Director of Rural Development - 09. Grants-in-aid - 02. Grants for Capital Expenditure. (DPC 3604 00 198 AA 0927)	Rs.55,82.77 lakhs
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 198. Assistance to Gram Panchayats - AC - Infrastructure Gap Filling Fund for Rural Local Bodies - 09. Grants-in-aid - 02. Grants for Capital Expenditure (DPC 3604-00-198-AC-0923)	Rs.507.53 lakhs

9. The Director of Rural Development and Panchayat Raj is authorized to draw and disburse the amount sanctioned in para 6 and 7 above.

10. The Commissioner of Rural Development and Panchayat Raj is also directed to apportion a sum of Rs.1100 lakhs (Rupees One thousand and one hundred lakhs only) towards payment of Interim Arrears to Pensioners/Family Pensioners under the Panchayat Union head of account.

11. The Pay and Accounts Officer / Treasury Officers concerned are requested to admit and honour the bills as and when presented by the Commissioner of Rural Development and Panchayat Raj, if they are found otherwise in order.

12. This order issues with the concurrence of Finance Department vide its U.O. No.57/DS(B)/2009, dated 02.03.2009.

(BY ORDER OF THE GOVERNOR)

K. ASHOK VARDHAN SHETTY,
PRINCIPAL SECRETARY TO GOVERNMENT.