

Rural Development and Panchayat Raj Department – State Finance Commission Grant – Release of grants to Village Panchayats, Panchayat Unions and District Panchayats for April, 2009 to January 2010.

Rural Development and Panchayat Raj (PRI) Department

G.O.(Ms.) No.57

Dated 10.7.2009

Read:

1. G.O.Ms.No.199, Finance (FC.IV) Department, dated 25.5.2007.
2. G.O.Ms.No.95, Rural Development and Panchayat Raj Department, dated 6.6.2008.
3. G.O.Ms.No.11, Rural Development and Panchayat Raj Department, dated 29.1.2009.
4. G.O.Ms.No.19, Rural Development and Panchayat Raj Department, dated 2.3.2009.
5. G.O.Ms.No.199, Finance (FC.IV) Department, dated 21.5.2009.
6. From the Commissioner of Rural Development and Panchayat Raj, Chennai-15, Letter Rc.No.34196/2009/PRI.II-2, dated 30.6.2009.

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 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.

2. During the announcement 2008-2009, the Hon'ble Minister for Rural Development and Local Administration has announced that a minimum grant of Rs.30 lakhs will be provided to each Panchayat Union as a measure of equalization and the balance amount shall be distributed based on population, out of the funds allotted to the Panchayat Unions.

3. Based on the announcement, the Commissioner of Rural Development and Panchayat Raj has sent proposal in which he has stated that a sum of Rs.206533.03 lakhs has been provided in Budget Estimate 2009-2010 for Rural Local Bodies as State Finance Commission Grant. He has also stated that out of the Village Panchayats' share of devolution funds, a minimum grant of Rs.3 lakhs has to be provided to each Village Panchayat and the balance amount shall be distributed among the Village Panchayats based on population. Out of the Panchayat Unions' share of devolution, a minimum grant of Rs.30 lakhs has to be given to each

Panchayat Union as a measure of equalization and the balance amount be apportioned to the Panchayat Unions in proportion to population.

4. The Government have carefully examined the proposal of the Commissioner of Rural Development and Panchayat Raj in the light of the orders issued in the Government Order first read above and Budget provision of Rs.206533.03 lakhs and decided that the State finance Commission Grant shall be distributed as follows:

	Budget provision for the year 2009-2010	:	Rs.206533.03 lakhs
	Ratio of distribution between Village Panchayat, Panchayat Unions and District Panchayats	:	60:32:8
	i.e.	:	Rs.123919.82: 66090.57: 16522.64 lakhs respectively.
(a)	<u>Village Panchayats:-</u>		
	60% of State Finance Commission Grant to Village Panchayats	:	Rs.123919.82 lakhs
	Out of this 5% Infrastructure Gap Filling Fund	:	Rs.10326.65 lakhs
	55% State Finance Commission Grants to Village Panchayats	:	Rs.113593.17 lakhs
	Minimum Grant (Rs.3 lakhs x 12,618 Village Panchayats) from the share of State Finance Commission Grant to Village Panchayats	:	Rs.37854.00 lakhs
	Balance State Finance Commission Grant to Village Panchayats based on population (14 instalments)	:	Rs.75739.17 lakhs
(b)	<u>Panchayat Unions:</u>		
	32% of State Finance Commission Grants to Panchayat Unions	:	66090.57 lakhs
	Minimum Grant (Rs.30 lakhs x 385 Panchayat Unions) from the share of State Finance Commission Grant to Panchayat Unions.	:	11550.00 lakhs
	Balance State Finance Commission Grant to Panchayat Unions based on population (14 instalments)	:	54540.57 lakhs
(c)	<u>District Panchayats:</u>	:	
	8% of State Finance Commission Grants to District Panchayats (14 instalments)	:	16522.64 lakhs

5. The Government sanction a minimum grant of Rs.3.00 lakhs (Rupees Three lakhs only) at the rate of Rs.25,000/- per month to each Village Panchayat in 12 monthly instalments. The Government also sanction the State Finance Commission grant for 10 months from April 2009 to January 2010 to Rural Local Bodies on the basis of 2001 population as detailed below:

i)	Minimum grant to Village Panchayats from April 2009 to March 2010 (Rs.25,000 x 12 x 12,618)	:	Rs.37854 lakhs (Rupees thirty seven thousands eight hundred and fifty four lakhs only)
ii)	State Finance Commission devolution grant from April 2009 to January 2010.	:	
(a)	District Panchayats (to be released in 10 instalments)	:	Rs.11801.88 lakhs (Rupees Eleven thousand eight hundred and one lakhs and eighty eight thousands only)
(b)	Panchayat Unions (to be released in 10 instalments) (afte deducting the minimum grants of Rs.30 lakhs to each Panchayat Union)	:	Rs.38957.55 lakhs (Rupees Thirty eight thousand nine hundred fifty seven lakhs and fifty five thousands only)
(c)	Village Panchayats (to be released in 10 insalments) (after deducting minimum grant of Rs.3 lakhs to each Village Panchayat)	:	Rs.54099.41 lakhs (Rupees Fifty four thousands ninety nine lakhs and forty one thousands only)

6. (a) The Government have also decided and sanction a minimum grant of Rs.30.00 lakhs (Rupees Thirty lakhs only) at the rate of Rs.2.50 lakhs (Rupees Two lakhs and fifty thousand only) per month to each Panchayat Union in 12 monthly instalments as a measure of equalization to the Panchayat Unions as detailed below:

32% of State Finance Commission Grant to Panchayat Union	:	Rs.66090.57 lakhs
Minimum Grant to Panchayat Unions from April 2009 to March 2010 (Rs.2,50,000 x 12 x 385 Panchayat Unions) from the share of State Finance Commission Grant to Panchayat Unions.	:	Rs.11550.00 lakhs (Rupees Eleven thousand five hundred and fifty lakhs only)

7. Infrastructure Gap Filling Fund:

The Government have decided and sanction the amount from Infrastructure Gap Filling Fund as detailed below:

5% Infrastructure Gap Filling Fund released now	:	Rs.10326.65 lakhs
Allocation for Anaithu Grama Anna Marumalarchi Thittam	:	Rs.4961.20 lakhs
Balance Infrastructure Gap Filling Fund	:	Rs.5365.45 lakhs
25% of balance amount to be retained by Commissioner of Rural Development and Panchayat Raj for providing basic amenities in the Districts.	:	Rs.1341.36 lakhs
75% of balance amount to be allocated to District Collectors based on population and the Collectors to utilize the funds for the purpose mentioned in the Government Order third read above	:	Rs.4024.09 lakhs

8. The amount sanctioned in para 5 and 6 shall be debited to the following head of account:

3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 196. Assistance to Zilla Parishads/District Level Panchayat - I. Non-Plan - AA. Grants to District Panchayat 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.11801.88 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 Union 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.38957.55 lakhs and Rs.11550.00 lakhs towards minimum grant.

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.54099.41 lakhs and Rs.37854.00 lakhs towards minimum grant.

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.10326.65 lakhs

9. The Commissioner of Rural Development and Panchayat is authorized to draw and disburse the amount sanctioned in para 5, 6 and 7 above.

10. The Commissioner of Rural Development and Panchayat Raj is also requested to make necessary adjustments / deductions for committed expenditure such as pension commitment excess devolution made to Rural Local Bodies from

the devolution meant for the respective Local Bodies instead of respective tiers, while distributing the State Finance Commission devolution grant sanctioned above to the concerned Rural Local Bodies following the orders issued in this regard by the Government after duly reconciling the amount to be deducted with concerned Local Bodies / Heads of Department. The minimum grant sanctioned to Village Panchayats shall be used for payment of Electricity consumption and Water charges so that these services do not suffer.

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.154/DS(B)/RD/2009, dated 9.7.2009.

(BY ORDER OF THE GOVERNOR)

K. ASHOK VARDHAN SHETTY,
PRINCIPAL SECRETARY TO GOVERNMENT.