



PR II 2

ABSTRACT

Grants – State Finance Commission Grants – Release of grants to Village Panchayats, Panchayat Unions and Districts Panchayats from the month of April 2012 to January 2013 – Orders issued.

Rural Development and Panchayat Raj (PR.1) Department

G.O. (Ms.) No.42

Dated 07.06.2012

திருவள்ளூர் ஆண்டு 2043 வைகாசி 25ந் தேதி

Read:

1. G.O. Ms. No.199, Finance (FC.IV) Department dated 25.5.2007.
2. G.O. Ms. No.153, Rural Development and Panchayat Raj (C2) Department, dated 29.08.2007.
3. G.O. Ms. No.182 Rural Development and Panchayat Raj (C2) Department dated 2.11.2007.
4. G.O. Ms. No.164, Finance (FC.IV) Department, dated 10.6.2010
5. G.O. Ms. No.42 Rural Development and Panchayat Raj (PR.1) Department dated 17.5.2010.
6. G.O.Ms. No.99 Rural Development and Panchayat Raj (PR.1) Department dated 2.12.2011.
7. G.O.Ms. No.7 Rural Development and Panchayat Raj (PR.1) Department dated 15.2.2012.
8. From the Commissioner of Rural Development and Panchayat Raj Letter Rc. No. 29933/2012/PRI.II-2, dated 21.04.2012.

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 and to reserve 5% from out of 60% share of Village Panchayats from 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 and out of the balance 50%, of the fund, a part of the amount shall be allocated to the Director of Rural Development for providing basic amenities in the Districts and the rest shall be allocated to the Districts based on population and the District Collectors shall utilize the funds for the same purpose. It was also ordered therein that a minimum grant of Rs.3 lakhs to each Village Panchayat shall be provided as a measure of equalization, from out of the Village Panchayats share of 55%. The balance amount shall be distributed based on population.

2. In the Government Order second read above, guidelines have been issued for utilizing the Infrastructure Gap Filling Fund as follows:

- 50% of Infrastructure Gap Filling Fund allocation to Anaithu Grama Anna Marumalarchi Thittam.
- Balance 50% of Infrastructure Gap Filling Fund,
 - 25% of balance amount to be retained by Director of Rural Development and Panchayat Raj for providing basic amenities in the Districts.
 - 75% of balance 50% Infrastructure Gap Filling Fund amount to be allocated to District Collectors based on population and the Collectors to utilize the funds for the same purpose.

3. In the Government Order fifth read above, the Government have issued orders 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. In the Government Order sixth read above, the Government have issued orders for apportioning the Infrastructure Gap Filling Fund as follows:

- 50% of Infrastructure Gap Filling Fund allocation to Tamil Nadu Village Habitation Improvement (THAI) Scheme
- Out of the Balance 50% of Infrastructure Gap Filling Fund Rs.21,1025 crores has been allocated for Solar Powered Street light and the remaining amount has been apportioned as follows:
 - 25% of balance amount to be retained by Director of Rural Development and Panchayat Raj for providing basic amenities in the Districts.
 - 75% of balance 50% Infrastructure Gap Filling Fund amount to be allocated to District Collectors based on population and the Collectors to utilize the funds for the same purpose.

4. The Commissioner of Rural Development Panchayat Raj in his letter eighth read above has sent the proposal in which he has stated that a sum of Rs.4068,13,23,000/- has been provided in the Budget Estimate for 2012-2013 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 as a measure of equalization and the balance amount shall be distributed among the Village Panchayats based on the 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 equalisation and the balance amount be apportioned to the Panchayat Unions in proportion to population.

5. 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 Estimate of Rs.4068,13,23,000/- for 2012-13 and decided that the State Finance Commission Grant shall be distributed as follows:

| | | | |
|-----|--|---|--------------------|
| | Budget Estimate for the year 2012-2013 | : | Rs. 4068,13,23,000 |
| | Ratio of distribution between Village Panchayats, Panchayat Unions and District Panchayats | : | 60:32:8 |
| | i.e. Village Panchayat | : | Rs.2440,87,94,000 |
| | Panchayat Unions | : | Rs.1301,80,23,000 |
| | District Panchayats | : | Rs. 325,45,06,000 |
| | Total | : | Rs.4068,13,23,000 |
| a) | Village Panchayats | : | |
| (1) | 60% of State Finance Commission Grant to Village Panchayats | : | Rs.2440,87,94,000 |
| (2) | Out of this, 5% Infrastructure Gap Filling Fund on the total allocation | : | Rs. 203,40,66,000 |
| (3) | Out of 60% of State Finance Commission, Balance Grant to Village Panchayats | : | Rs.2237,47,28,000 |
| (4) | (i) Minimum Grant (Rs.3 lakhs x 12,524 Village Panchayats) from the share of State Finance Commission Grant to Village Panchayats | : | Rs. 375,72,00,000 |
| | (i) State Finance Commission Balance Grant to Village Panchayats based on population - (Coln.3 – Coln.4) (14 instalments) | : | Rs.1861,75,28,000 |
| (b) | Panchayat Unions: | | |
| (1) | 32% of State Finance Commission Grant to Panchayat Unions | : | Rs.1301,80,23,000 |
| (2) | (i) Minimum Grant (Rs.30 lakhs per annum x 385 Panchayat Unions) from the share of State Finance Commission Balance Grant to Panchayat Unions. | : | Rs. 115,50,00,000 |
| | (ii) State Finance Commission Balance Grant to Panchayat Unions based on population (Coln.1 – Coln.2) (14 instalments) | : | Rs.1186,30,23,000 |

| | | |
|-----|---|-------------------|
| (c) | District Panchayats: | |
| | 8% of State Finance Commission Grant to District Panchayats. (14 instalments) | Rs. 325,45,06,000 |

6. 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 2012 to January 2013 to Rural Local Bodies on the basis of 2001 population.

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| i) | Minimum grant to Village Panchayats from April 2012 to March 2013 (Rs.25,000 x 12 x 12,524) | Rs.375,72,00,000 (Rupees Three hundred and seventy five crores and seventy two lakhs only) |
| ii) | State Finance Commission devolution grant from April 2012 to January 2013 | |
| (a) | District Panchayats (to be released in 10 instalments @ Rs.23,24,64,714/-) | Rs.232,46,47,140 (Rupees Two hundred and thirty two crores forty six lakhs forty seven thousand one hundred and forty only) |
| (b) | Panchayat Unions (to be released in 10 instalments @ Rs.84,73,58,786/-) (after deducting the minimum grants of Rs.30 lakhs to each Panchayat Union) | Rs.847,35,87,860 (Rupees Eight hundred and forty seven crores thirty five lakhs eighty seven thousand eight hundred and sixty only) |
| (c) | Village Panchayats (to be released in 10 instalments @ Rs.132,98,23,429/-) after deducting the minimum grant of Rs.3 lakhs to each Village Panchayat. | Rs.1329,82,34,290 (Rupees One thousand three hundred and twenty nine crores eighty two lakhs thirty four thousand two hundred and ninety only) |

7. 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 and the balance amount shall be distributed on the basis of 2001 population out of funds allotted to the Panchayat Unions as detailed below:

| | | |
|---|---|---|
| 32% of State Finance Commission Grant to Panchayat Union | : | Rs.1301,80,23,000 (Rupees One thousand three hundred one crores and eighty lakhs twenty three thousand only) |
| Minimum Grant to Panchayat Unions from April 2012 to March 2013 (Rs.2,50,000 x 12 x 385 Panchayat Unions) from the share of State Finance Commission Grant to Panchayat Unions. | : | Rs.115,50,00,000 (Rupees One hundred fifteen crores and fifty lakhs only) |

Infrastructure Gap Filling Fund:

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

| | | | |
|--|---|------------------|------------------|
| 5% Infrastructure Gap Filling Fund released now | : | | Rs.203,40,66,000 |
| Out of the above 5% Infrastructure Gap Filling Fund, 50% allocation for Tamil Nadu Village Habitation Improvement (THAI) Scheme | : | Rs.101,70,33,000 | |
| Balance Infrastructure Gap Filling Fund including funding for undertaking major repair works in 5324 Anganwadi Centres in rural areas @ Rs.3298.97 lakhs and the schemes which are sanctioned under Infrastructure Gap Filling Fund and the balance amount shall be apportioned as per ratio. | | Rs.101,70,33,000 | |
| (a) Out of the above Balance Infrastructure Gap Filling fund, 25% of amount to be retained by the Commissioner of Rural Development and Panchayat Raj for providing basic amenities in the Districts. | : | Rs.17,17,84,000 | |
| (b) 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 second read above | : | Rs.51,53,52,000 | |

9. The Commissioner of Rural Development and Panchayat Raj is also informed that after finalization of the Action Taken Report on the recommendations of the Fourth State Finance Commission, the adjustments in the ratio of State Finance Commission devolution if any, will be made in the future releases to local bodies.

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

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| 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 Panchayat as per the recommendation 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.232,46,47,140 |
| 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 recommendation 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.847,35,87,860 and Rs.115,50,00,000 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 Panchayat as per the recommendation 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.1329,82,34,290 and Rs.375,72,00,000 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.203,40,66,000 |

11. The Commissioner of Rural Development and Panchayat Raj is authorized to draw and disburse the amount sanctioned in paras 6, 7 and 8 above.

12. 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 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.

13. 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.

14. This order issues with the concurrence of Finance Department vide its U.O. No.25710/RD/2012, dated 24.5.2012.

(BY ORDER OF THE GOVERNOR)

N.S.PALANIAPPAN,
Principal Secretary to Government.

To
The Commissioner of Rural Development and Panchayat Raj, Chennai-15.
All District Collectors (Except Chennai)
The Chairman, Tamil Nadu Electricity Board, Chennai-2.
The Commissioner of Rural Development and Panchayat Raj (Training), Chennai – 15.
The Director, State Institute of Rural Development, Maraimalai Nagar,
Kancheepuram District.
All Project Directors, District Rural Development Agencies.
The Pay and Accounts Officer (South), Chennai-35.
The Accountant General, Chennai-18/9.
The Pay and Accounts Officer, Madurai.
All District Treasury Officers.

Copy to:

The Finance (RD/FC.I/FC.IV/W&M) Department, Chennai-9.
The Personal Secretary to the Principal Secretary to Government,
Rural Development and Panchayat Raj Department, Chennai-9.
The Rural Development and Panchayat Raj (B&C /SGS.1/ SGS.2/SGS.4) Department,
Chennai-9.

// Forwarded / By Order //


(V.PITCHUMANI)

Under Secretary to Government.

9/11/12