

ABSTRACT

Grants – State Finance Commission Grants for the year 2019-20 – Release of Rs.3,581,28,34,999/- to Village Panchayats, Panchayat Unions and District Panchayats from April 2019 to January 2020 – Orders – Issued.

Rural Development and Panchayat Raj (PR-1) Department

G.O. (Ms) No.63

Dated: 29.05.2019.

விகாரி, வைகாசி 15

திருவள்ளூர் ஆண்டு 2050

Read:

1. G.O.Ms.No.84, Finance (FC-IV) Department, dated 31.03.2017.
2. From the Director of Rural Development and Panchayat Raj Department letter No. 18276/2019/PRI 2.2, dated 20.04.2019.

ORDER:-

In the Government order first read above, as per the recommendations of Fifth State Finance Commission, the Government have decided to continue the devolution of 10% of the net State's Own Tax Revenue (SoTR) to Local Bodies based on the recommendations of Fifth State Finance Commission. As per the recommendations of Fifth State Finance Commission, the Government have ordered that the vertical sharing ratio for devolution of State Finance Commission Grant to Rural and Urban Local Bodies will be 56:44 for the Fifth State Finance Commission Award period from 2017-18 to 2021-22.

2) The Director of Rural Development and Panchayat Raj in his letter second read above has sent proposals for the release of State Finance Commission Grant to Rural Local Bodies for the year 2019-20 as stated below:-

i) The State Government have made provision in the Budget Estimate for Rs.6,573,60,70,000/- for the year 2019-20 as detailed below:-

Component	Provision made in BE 2019-20 (In Rupees)
District Panchayats (DPC 3604-00-196-AA-30902)	368,12,20,000
Panchayat Unions (DPC 3604-00-197-AA -30902)	1,702,56,42,000
Village Panchayats (DPC 3604-00-198-AA-30902)	2,530,83,87,000

Capital Grant Fund (DPC 3604-00-200-BP-30902)	1,314,72,14,000
Pooled Fund Deficit (DPC 3604-00-200-BQ-30902)	657,36,07,000
Total	6,573,60,70,000

ii) Village Panchayat - Minimum Grant & Population Grant: As per the Fifth State Finance Commission recommendations, the Government have issued orders for the release of Minimum Lump sum Grant of Rs.7.00 lakh per Village Panchayat per annum and this amount will be deducted from the share of State Finance Commission devolution earmarked for Village Panchayats as the first charge and distributed to all Village Panchayats on monthly basis. The balance remaining amount out of the share of Village Panchayats under State Finance Commission devolution will be distributed on the horizontal sharing ratio as mentioned below:-

a)	Total population (2011 Census)	60%
b)	SC/ST population	15%
c)	Area	15%
d)	Per capita consumption expenditure distance	10%

iii) Panchayat Union - Minimum Grant & Population Grant: As per the Fifth State Finance Commission recommendations, the Government have issued orders and release of Lump sum Grant of Rs.40.00 lakh per annum per Panchayat Union and this amount will be deducted from the balance share of State Finance Commission devolution grant earmarked for Panchayat Unions as first charge and distributed to all Panchayat Unions on monthly basis as per the above formula. The balance amount from out of the share of Panchayat Unions under State Finance Commission devolution will be distributed on the horizontal sharing ratio as mentioned at para (ii) above as population grant.

(iv) District Panchayat - Population Grant: As per the Fifth State Finance Commission recommendations, the amount earmarked for District Panchayats will be distributed on the basis of sharing mechanism.

(v) Capital Grant Fund and Pooled Fund for Deficit Rural Local Bodies: Regarding Capital Grant Fund and Pooled Fund for Deficit Rural Local Bodies, detailed proposals will be sent to the Government separately by the Director of Rural Development and Panchayat Raj.

3. The Director of Rural Development and Panchayat Raj has requested the Government to issue orders for release of the share of Devolution Grant to Village Panchayats, Panchayat Unions and District Panchayats in monthly installments from April 2019 to January 2020 as detailed below:

(In Rupees)

a)	Village Panchayats	
1	State Finance Commission Grant to Village Panchayats	2,530,83,87,000
2	Minimum Grant: Minimum Grant of (Rs.7,00,000/- per year x 12,524) from the share of State Finance Commission Grant to Village Panchayats i.e., i) Rs.60,000/- per month from April 2019 to January 2020 (10 months) and ii) Rs.50,000/- per month for February and March 2020 (2 months)	876,68,00,000
3	Population Grant: State Finance Commission Balance Grant to Village Panchayats based on population (14 installments) i.e., Sl. No. 1-2	1,654,15,87,000
4	Out of 14 installments (as in Sl.No.3), 10 installments for the period from April 2019 to January 2020 to be released now	1,181,54,19,285
5	Balance of 4 installments for the months of February and March 2020 to be released later, based on Revised Estimate (i.e., Sl.No.3-4)	472,61,67,715
b)	Panchayat Unions	
1	State Finance Commission Grant to Panchayat Unions	1,702,56,42,000
2	Minimum Grant: Minimum Grant of Rs.40,00,000/- per year x 385 from the share of State Finance Commission to Panchayat Unions. i.e., i) Rs.3,00,000/- April 2019 to January 2020 (10 months) & ii) Rs.5,00,000/- per month for February and March 2020 (2 months)	154,00,00,000
3	Population Grant: State Finance Commission Balance Grant to Panchayat Unions based on population (14 instalments) i.e., Sl.No.1-2	1,548,56,42,000
4	Out of 14 instalments as in Sl.No.3, 10 instalments for the period from April 2019 to January 2020 to be released now	1,106,11,72,857

		(In Rupees)
5	Balance of 4 instalments for the months of February and March 2020 to be released later, based on Revised Estimate (i.e., Sl.No.3-4)	442,44,69,143
c) District Panchayats		
1	Population Grant: State Finance Commission Grant to District Panchayats based on population (14 instalments)	368,12,20,000
2	Out of 14 instalments, 10 instalments for the period from April 2019 to January 2020 to be released now	262,94,42,857
3	Balance of 4 instalments for the months of February and March 2020 to be released later, based on Revised Estimate (i.e., Sl.No.1-2)	105,17,77,143

4. The Director of Rural Development and Panchayat Raj has also requested the Government to issue orders for the sanction of Minimum Grant of Rs.876,68,00,000/- (Rupees Eight hundred and seventy six crore and sixty eight lakh only) at the rate of Rs.7.00 lakh per year to each Village Panchayat. In respect of Village Panchayats, the minimum grant may be released @ Rs.60,000/- per month from April 2019 to January 2020 for 10 Months and Rs.50,000/- per month for February and March 2020. An amount of Rs.154,00,00,000/- (Rupees One hundred and fifty four crore only) at the rate of Rs.40.00 lakh per year may be released to Panchayat Union. This minimum grant to Panchayat Unions will be released @ Rs.3,00,000/- per month for 10 months from April 2019 to January 2020 and Rs.5,00,000/- per month for February and March as per the recommendations of Fifth State Finance Commission.

5. He has also requested that in respect of Village Panchayats, for the Population Grant of Rs.1,181,54,19,285/- (Rupees One thousand one hundred and eighty one crore fifty four lakh nineteen thousand two hundred and eighty five only) and ten months Population Grant to the Panchayat Unions amounting to Rs.1,106,11,72,857/- (Rupees One thousand one hundred and six crore eleven lakh seventy two thousand eight hundred and fifty seven only) and ten months Population grant to the District Panchayats amounting to Rs.262,94,42,857/- (Rupees two hundred and sixty two crore ninety four lakh forty two thousand eight hundred and fifty seven only) and totally **Rs.2,550,60,34,999/- towards the Population Grant** for all the three tiers of Panchayats from April 2019 to January 2020 may be sanctioned. Totally, an amount of **Rs.3,581,28,34,999/-** (Rupees Three thousand five hundred and eighty one crore twenty eight lakh thirty four thousand nine hundred and ninety nine only) for the Minimum Grant for three tier Panchayats for 12 months and Population Grant for three tier Panchayats for 10 months may be sanctioned.

6. The Director of Rural Development and Panchayat Raj has also requested the Government to issue orders authorizing him to draw and disburse the amount to the three tiers of Panchayat Raj Institutions and also to make necessary adjustments/deductions for committed expenditure such as pension commitment.

7. The Government have carefully examined the proposal of the Director of Rural Development and Panchayat Raj in the light of the orders issued in the Government order first read above and decided to release a sum of **Rs.3,581,28,34,999/-** (Rupees Three thousand five hundred and eighty one crore twenty eight lakh thirty four thousand nine hundred and ninety nine only) as State Finance Commission Grant to Village Panchayats, Panchayat Unions and District Panchayats for the month of April 2019 to January 2020 out of total allocation of State Finance Commission Grant of Rs.6,573,60,70,000/- for the year 2019-20 as follows:-

		(Amount in Rupees)
a)	Village Panchayats:- (Total allocation)	
1	State Finance Commission Grant to Village Panchayats	2,530,83,87,000
2	Minimum Grant Minimum Grant (Rs.7,00,000/- per year x 12,524) from the share of State Finance Commission Grant to Village Panchayats (Rs.60,000/- per month from April 2019 to January 2020 - 10 months and Rs.50,000/- per month for February and March 2020 (2 months)	876,68,00,000
3	Population Grant Out of the State Finance Commission grant of Rs. 2,530,83,87,000/- to Village Panchayats to be distributed in 14 instalments based on population, 10 instalments for the period from April 2019 to January 2020 released now (2,530,83,87,000-876,68,00,000 = 1,654,15,87,000/14X10)= 1,181,54,19,285	1,181,54,19,285
	Sub Total	2,058,22,19,285
b)	Panchayat Unions: (Total allocation)	1,702,56,42,000
1	Minimum Grant Minimum Grant (Rs.40,00,000/- per year x 385) from the share of State Finance Commission Balance Grant to Panchayat Unions. (Rs.3,00,000/- April 2019 to January 2020 – 10 months and Rs.5,00,000/- per month for February and March 2020 (2 months).	154,00,00,000
2	Population Grant Out of the balance grant of Rs. 1,702,56,42,000/- to Panchayat Unions to be distributed in 14 instalments based on population, 10 instalments for the period from April 2019 to January 2020 released now (1,702,56,42,000-154,00,00,000 =1,548,56,42,000/14x10)=1,106,11,72,857/-	1,106,11,72,857
	Sub Total	1,260,11,72,857

c)	District Panchayats: (Total allocation)	368,12,20,000
	<u>Population Grant</u> Out of the State Finance Commission Grant of Rs.368,12,20,000/- to District Panchayats, to be distributed in 14 instalments based on population, 10 instalments for the period from April 2019 to January 2020 released now.	262,94,42,857
	Grand Total (a+b+c)	Rs.3,581,28,34,999

8. The amount sanctioned in para 7 above shall be debited to the following respective Heads of Accounts.

Head of Account	Sanction of amount requested
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 198 Assistance to Gram Panchayats – State's Expenditure AA. Grants to Village Panchayats as per the recommendations of State Finance Commission controlled by Director of Rural Development - 309 Grants-in-aid-02-Grants for creation of Capital Assets. New (DPC 3604-00-198-AA-30902) Old (DPC 3604-00-198-AA-0927)	Minimum Grant for 12 months Rs.876,68,00,000/-
	Population Grant for 10 months Rs.1,181,54,19,285/-
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions- 197 Assistance to Block Panchayats/Intermediate level Panchayats - State's Expenditure AA Grants to Panchayat Unions as per the recommendation of State Finance Commission controlled by Director of Rural Development 309 Grants-in-aid-02-Grants for creation of Capital Assets. New(DPC 3604-00-197-AA -30902) Old(DPC 3604-00-197-AA -0929)	Minimum Grant for 12 months Rs.154,00,00,000/-
	Population Grant for 10 months Rs.1,106,11,72,857/-
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions- 196 Assistance to Zilla Parishads/District level Panchayats- State's Expenditure - AA- Grants to	Population Grant for 10 months Rs.262,94,42,857/-

District Panchayats as per the recommendation of State Finance Commission controlled by Director of Rural Development 309 Grants-in-aid-02-Grants for creation of Capital Assets. New(DPC 3604-00-196-AA-30902) Old(DPC 3604-00-196-AA-0921)	
Total	Rs.3,581,28,34,999/-

9. The Director of Rural Development and Panchayat Raj is authorized to draw and disburse the amount sanctioned in para 7 above as per the recommendations of the Fifth State Finance Commission issued in the Government order first read above. The Director of Rural Development and Panchayat Raj is authorised to disburse the minimum grant of Rs.7.00 lakh per year at the rate of Rs.60,000/- per month from April 2019 to January 2020 (10 months) and Rs.50,000/- per month for February and March 2020 (2 months) to each village panchayat and Rs.40 lakh per year at the rate of Rs.3.00 lakh per month from April 2019 to January 2020 (10 months) and Rs.5.00 lakh per month for February and March 2020 (2 months) per month to each Block Panchayats on monthly basis as per the recommendations of Fifth State Finance Commission.

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

11. This order issues with the concurrence of Finance Department vide its U.O.19922/Fin(RD)/2019, dated 15.05.2019.

(By Order of the Governor)

HANS RAJ VERMA
Additional Chief Secretary to Government

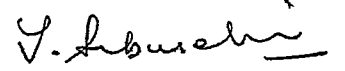
To
The Director of Rural Development and Panchayat Raj, Chennai-15.
The Additional Chief Secretary / Director General
Rural Development and Panchayat Raj (Training), Chennai-15.
All District Collectors (Except Chennai)
The Director, State Institute of Rural Development, Maraimalai Nagar,
Kancheepuram District.
All Project Directors, District Rural Development Agencies.
The Pay and Accounts Officer (South), Chennai-35.
The Principal Accountant General (G&SSA) / (A&E) / (E&RSA), Chennai – 18.
The Principal Accountant General, Chennai – 9.
The Pay and Accounts Officer, Madurai.
All District Treasury Officers.

Copy to:

The Special Personal Assistant to Hon'ble Minister (Municipal Administration and Rural Development, Implementation of Special Programme) Chennai-9.

The Finance (RD/FC.IV/BGI / BG II /W&M) Department, Chennai-9.
The Senior Principal Private Secretary to the Additional Chief Secretary to Government,
Rural Development and Panchayat Raj Department, Chennai-9.
The Rural Development and Panchayat Raj (B&C / SGS.1/SGS.2/
SGS.3/SGS.4 / PR.3/OP.II) Department, Chennai-9.
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Section Officer.