



ABSTRACT

Rural Development and Panchayat Raj Department – State Finance Commission Grants for the year 2022-23 – Sanction and release a sum of Rs.1833,20,32,715/- towards Minimum Grant for Village Panchayats, Panchayat Unions and Population Grant for all three tiers of Panchayats for two months of February 2023 and March 2023 - Orders – Issued.

Rural Development and Panchayat Raj (PR-1(1)) Department

G.O. (Ms) No.38

Dated: 24.03.2023

சுபகிருது, பங்குனி 10

திருவள்ளூர் ஆண்டு 2054

Read:

- 1 G.O. (Ms) No.85, Rural Development and Panchayat Raj (PR-1(2)) Department, dated 14.07.2022.
- 2 G.O. (Ms) No.95, Rural Development and Panchayat Raj (PR-1(2)) Department, dated 22.08.2022.
- 3 G.O. (Ms) No.119, Rural Development and Panchayat Raj (PR-1(2)) Department, dated 01.11.2022.
- 4 G.O. (Ms) No.2, Rural Development and Panchayat Raj (PR-1(2)) Department, dated 12.01.2023.
- 5 G.O. (Ms) No.117, Rural Development and Panchayat Raj (PR-1(2)) Department, dated 28.10.2022.
- 6 Government letter No.18663/PR-1/2022-1, Rural Development and Panchayat Raj Department, dated 13.02.2023.
- 7 Government letter No.18664/PR-1/2022-1, Rural Development and Panchayat Raj Department, dated 13.02.2023.
- 8 From the Commissioner of Rural Development and Panchayat Raj Letter No.25804/2022/PRI 2-2, dated 09.03.2023.

* * * *

ORDER:

In the Government Orders 1st, 2nd, 3rd and 4th read above, the Government have issued orders for Minimum Grant and Population Grant for all the three tiers of Panchayats for the months from April 2022 to January 2023 under the State Finance Commission.

2. In the letter 6th read above, the Commissioner of Rural Development and Panchayat Raj has been requested to send the revised proposal to Government based on the Sixth State Finance Commission Recommendation for release the second installment under the Pooled Fund for Deficit Rural Local Bodies for the year 2022-23.

3. In the letter 7th read above, the Commissioner of Rural Development and Panchayat Raj has been requested to send the revised proposal to Government based on the Sixth State Finance Commission Recommendation for release the second installment under the Capital Grant Fund for the year 2022-23.

(P.T.O)

4. In the letter 8th read above, the Commissioner of Rural Development and Panchayat Raj has stated that in G.O.(Ms) No.85, Rural Development and Panchayat Raj (PR-1(2)) Department, dated: 14.07.2022, G.O.(Ms) No.95, Rural Development and Panchayat Raj (PR-1(2)) Department, dated: 22.08.2022, G.O.(Ms) No.119, Rural Development and Panchayat Raj (PR-1(2)) Department, dated: 01.11.2022 and G.O. (Ms) No.2, Rural Development and Panchayat Raj (PR-1(2)) Department, dated 12.01.2023 the Government have issued orders by releasing the State Finance Commission grant for the months from April 2022 to January 2023 pertaining to the year 2022-23. By these orders, an amount of Rs.3759,98,89,285/- has been drawn and disbursed to the concerned Rural Local Bodies and Local Fund Audit Department towards pension contribution of employees as per the Fifth State Finance Commission recommendations accepted by the Government. During the time of State Finance Commission Grant releases, the recommendations of Sixth State Finance Commission were under the consideration of the Government. And it is ascertained that Sixth State Finance Commission recommendations have been accepted by the Government and the Action taken report are being under process.

5. He has also stated that, now in the Government letter dated 13.02.2023 the Government have communicated the allocation under Special Grants i.e Capital Grant Fund and Operations, Maintenance and Deficit Grant Fund as per the Sixth State Finance Commission recommendations. Hence, the proposal is being submitted to the Government following the recommendations of the Sixth State Finance Commission Grant. Hence, it is requested that the Government may modify the proposal as per the accepted recommendations of the Sixth State Finance Commission Grant. The proposal is submitted as per the Revised Budget Estimate intimated by the Government.

6. He has further stated that, the State Finance Commission (SFC) has recommended to apportion the Devolution Grant of Rural Local Bodies among the Village Panchayats, Panchayat Unions and District Panchayats in the ratio of 56:37:7 respectively. As per the Sixth State Finance Commission recommendations, the apportioned amount to three tiers will be distributed by following multiplier factor intimated by the recommendations of Sixth State Finance Commission. In Revised Budget Estimate 2022-23, the following provisions have been made under the head of accounts pertaining to SFC Devolution Grant for Rural Local Bodies for the year 2022-23 under Rural Development and Panchayat Raj Department:-

| Component | Provision made in BE 2022-23 (In Rupees) | Provision made in RE (In Rupees) | Amount already drawn (in Rs.) | Now balance amount requested (in Rs.) |
|--|--|----------------------------------|-------------------------------|---------------------------------------|
| District Panchayats (DPC 3604-00-196-AA-30902) | 406,46,99,000 | 335,59,15,000 | 290,33,56,428 | 45,25,58,572 |
| Panchayat Unions (DPC 3604-00-197-AA -30902) | 1879,92,36,000 | 2181,34,50,000 | 1348,34,54,286 | 832,99,95,714 |
| Village Panchayats (DPC 3604-00-198-AA-30902) | 2794,48,10,000 | 3076,25,57,000 | 2121,30,78,571 | 954,94,78,429 |
| Total | 5080,87,45,000 | 5593,19,22,000 | 3759,98,89,285 | 1833,20,32,715 |

- (i) **Village Panchayat - Minimum Grant & the remaining Grant:** Sixth State Finance Commission recommended that Minimum Grant of Rs.7.00 lakh per Village Panchayat per annum is allocated and the same 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 and the remaining amount will be distributed to all Village Panchayats as per the multiplier factor recommended by the Sixth State Finance Commission.
- (ii) **Panchayat Union - Minimum Grant & the remaining Grant:** Sixth State Finance Commission recommended that an amount of Rs.40.00 lakh per annum per Panchayat Union and this amount will be deducted from the share of State Finance Commission devolution grant earmarked for Panchayat Unions as first charge and distributed to all Panchayat Unions. The balance remaining amount out of the share of Panchayat Unions under State Finance Commission devolution will be distributed as per the multiplier factor recommended by the Sixth State Finance Commission.
- (iii) **District Panchayat –SFC Grant:** As per the Sixth State Finance Commission recommendations, the amount earmarked for District Panchayats, will be distributed on the basis of multiplier factor recommended by the Sixth State Finance Commission.

7. The Commissioner of Rural Development and Panchayat Raj has requested the Government to issue orders for the release of share of Devolution Grant to Village Panchayats, Panchayat Unions and District Panchayats for the months of February and March 2023 as detailed below:-

- i) Sanction is requested to release the remaining amount of Rs.1833,20,32,715 (mentioned in the RE, 2022-23) for the months of February 2023 and March 2023.
- ii) Out of the above, to issue orders for the sanction of Minimum Grant of Rs.125,25,00,000/- (Rupees One hundred and twenty five crore and twenty five lakh only) at the rate of Rs.50,000/- per month to each Village Panchayat for the months of February 2023 and March 2023.
- iii) To release an amount of Rs.38,80,00,000/- (Rupees Thirty eight crore and eighty lakh only) at the rate of Rs.5,00,000/- per month to each Panchayat Union as Minimum Grant for the months of February 2023 and March 2023.
- iv) To permit to deduct necessary deductions for committed expenditure such as pension commitment, honorarium to Thooimai Kavalars working in the Village Panchayats. And if any Government orders issued with the concurrence of Finance department to deduct the State Finance Commission Grant from the source before devolving it to the Rural Local Bodies for the implementation of schemes.
- v) To release the fund to **State Nodal Account** created vide G.O. (Ms) No.117, Rural Development and Panchayat Raj (PR-1(2)) Department, Dated: 28.10.2022 and to implement as per the **Guidelines** mentioned in the **Government order**.

8. The Government after careful examination of the proposal of the Commissioner of Rural Development and Panchayat Raj have decided to accept the same and issue orders as follows:-

- i) Sanction is accorded to release of share of Devolution Grant to Village Panchayats, Panchayat Unions and District Panchayats of a sum of Rs.1833,20,32,715 (Rupees One thousand eight hundred and thirty three crore twenty lakh thirty two thousand seven hundred and fifteen only) for the months of February 2023 and March 2023.
- ii) Out of the above, to issue orders for the sanction of Minimum Grant of Rs.125,25,00,000/- (Rupees One hundred and twenty five crore and twenty five lakh only) at the rate of Rs.50,000/- per month to each Village Panchayat for the months of February 2023 and March 2023.
- iii) Sanction is accorded to release an amount of Rs.38,80,00,000/- (Rupees Thirty eight crore and eighty lakh only) at the rate of Rs.5,00,000/- per month to each Panchayat Union as Minimum Grant for the months of February 2023 and March 2023.
- iv) Permission is given to deduct necessary deductions for committed expenditure such as pension commitment, honorarium to Thooimai Kavalars working in the Village Panchayats. And if any Government orders issued with the concurrence of Finance department to deduct the State Finance Commission Grant from the source before devolving it to the Rural Local Bodies for the implementation of schemes.
- v) Sanction is accorded to **release the fund to State Nodal Account** created vide G.O. (Ms) No.117, Rural Development and Panchayat Raj (PR-1(2)) Department, Dated: 28.10.2022 and **to implement as per the Guidelines mentioned in the Government order.**

9. The expenditure sanctioned in para '8' above shall be debited under the following head of account:-

| 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 SFC controlled by Director of Rural Development - 309 Grants-in-aid-02-Grants for Capital Expenditure (DPC 3604-00-198-AA-30902) | Minimum Grant for 2 months Rs.125,25,00,000/- |
| | Remaining Grant for 2 months Rs. 829,69,78,429/- |
| 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 SFC controlled by Director of Rural Development 309 Grants-in-aid-02-Grants for Capital Expenditure (DPC 3604-00-197-AA -30902) | Minimum Grant for 2months Rs.38,80,00,000/- |
| | Remaining Grant for 2 months Rs.794,19,95,714 /- |

| Head of Account | Sanction of amount requested |
|--|--|
| 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 District Panchayats as per the recommendation of SFC controlled by Director of Rural Development 309 Grants-in-aid-02-Grants for Capital Expenditure (DPC 3604-00-196-AA-30902) | Grant for 2 months Rs.45,25,58,572/- |
| Total | Rs 1833,20,32,715/- |

10. The Commissioner of Rural Development and Panchayat Raj is authorized to draw the amount sanctioned in para 8 above from the above mentioned Head of Accounts and to disburse the same to the three tiers of Panchayat Raj Institutions after making necessary deductions for committed expenditure such as Pension Contribution and other deductions specifically authorised by the Government Orders.

11. This order issues with the concurrence of the Finance Department vide its U.O. No.25/DS(RR)/2023, dated 24.03.2023.

(By Order of the Governor)

P. AMUDHA,
Principal Secretary to Government.

To

The Commissioner 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 Commissioner, State Institute of Rural Development,
Maraimalai Nagar, Chengalpattu District.

All Project Directors, District Rural Development Agency.

(Through Commissioner of Rural Development and Panchayat Raj, Chennai-15)

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 (Rural Development), Chennai-9.

The Finance (RD/FC.IV) Department, Chennai-9.

The Principal Private 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.3/PR.3/OP.II) Department, Chennai-9.

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// Forwarded by Order //


24/3/2023
Under Secretary to Government
