



ABSTRACT

Rural Development and Panchayat Raj Department – Sixth State Finance Commission Grants for the year 2024-2025 – Sanction and release a sum of **Rs.1841,37,95,143/-** towards Minimum Grant for 12,525 Village Panchayats and 388 Panchayat Unions for 2 months and Population Grant for all three tiers of Panchayats for two months of February 2025 and March 2025 - Orders – Issued.

Rural Development and Panchayat Raj (PR-1(2)) Department

G.O. (Ms) No.30

Dated: 05.03.2025

குரோதி, மாசி - 21

திருவள்ளூர் ஆண்டு 2056

Read:

- 1 G.O. (Ms) No.60, Finance (SFC–MC) Department, dated 28.02.2023.
- 2 Budget Estimate for the year 2024-25 under Rural Development and Panchayat Raj Department.
- 3 Revised Estimate for the year 2024-2025 under Rural Development and Panchayat Raj Department.
- 4 In G.O. (Ms) No.95, Rural Development and Panchayat Raj (PR-1(2)) Department, dated: 29.05.2024.
- 5 From the Commissioner of Rural Development and Panchayat Raj Letter No.31879/2024/PRI 1-3, dated 22.02.2025.

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ORDER:

In the Government Order first read above, the Government have ordered that the vertical sharing ratio for devolution of State Finance Commission Grant to Rural and Urban Local Bodies will be 51:49 for the Sixth State Finance Commission Award period from 2022-2023 to 2026-2027.

2. In Government Order fourth cited, the Government accord sanction and release a total sum of Rs.5061,22,37,857/- (Rupees Five thousand sixty one crore twenty two lakh thirty seven thousand eight hundred and fifty seven only) towards Minimum Grant for 12,525 Village Panchayats and 388 Panchayat Unions and Population Grant for all three tiers of Panchayats for 10 months from April 2024 to January 2025.

(P.T.O)

3. In the letter fifth read above, dated 22.02.2025 has stated as follows:-

- In G.O.(Ms)No.60, Finance (SFC–MC) Department, dated 28.02.2023, the Government have ordered that the vertical sharing ratio for devolution of State Finance Commission Grant to Rural and Urban Local Bodies will be 51:49 for the Sixth State Finance Commission Award period from 2022-2023 to 2026-2027.
- The Government has also ordered to apportion the Devolution Grant of Rural Local Bodies among the Village Panchayats, Panchayat Unions and District Panchayats in the ratio of 55:39:6 respectively.
- As per the Sixth State Finance Commission recommendations, the horizontal distribution of State Finance Commission devolution to Rural Local Bodies should be done on the basis of multiplier formula given by the sixth State Finance Commission.
- In Budget Estimate 2024-2025, the following provisions have been made under the head of accounts pertaining to State Finance Commission Devolution Grant for Rural Local Bodies for the year 2024-2025 in the Budget Estimate for the year 2024-2025.

Component	Provision made in BE 2024-2025 (In Rupees)
District Panchayats (DPC 3604-00-196-AA-30902)	414,15,62,000
Panchayat Unions (DPC 3604-00-197-AA -30902)	2692,01,53,000
Village Panchayats (DPC 3604-00-198-AA-30902)	3796,43,18,000
Total	6902,60,33,000

- In G.O. (Ms) No.95, Rural Development and Panchayat Raj (PR-1(2)) Department, dated: 29.05.2024, Sixth State Finance Commission Grants for the year 2024-2025, the Government have ordered to Sanction of Rs.5061,22,37,857/- towards Minimum Grant for 12,525 Village Panchayats and 388 Panchayat Unions and Population Grant for all three tiers of Panchayats for 10 months from April 2024 to January 2025.
- In G.O. (Ms) No.60, Finance (SFC–MC) Department, dated 28.02.2023, the modality of disbursement of State Finance Commission funds in installments have been discussed under para 4(I)(9) under Finance Department, according to which the first ten installments be released on fixed dates as per the Budget Estimates. The last four installments are released once the Revised Estimates have been finalized.

4. In Revised Estimate 2024-2025, the following provisions have been made under the head of accounts pertaining to State Finance Commission Devolution Grant for Rural Local Bodies for the year 2024-2025.

Component	Provision made in RE 2024-2025 (In Rupees)
District Panchayats (DPC 3604-00-196-AA-30902)	414,15,62,000
Panchayat Unions (DPC 3604-00-197-AA -30902)	2692,01,53,000
Village Panchayats (DPC 3604-00-198-AA-30902)	3796,43,18,000
Total	6902,60,33,000

5. 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 in monthly installments of **February and March 2025** as detailed below:-

		(In Rupees)
Total share of Devolution Grant under State Finance Commission to three tiers of Panchayats for the year 2024-2025 (as per RE)		6902,60,33,000
a)	Village Panchayats	
1	State Finance Commission Grant to Village Panchayats	3796,43,18,000 (as per BE) 3796,43,18,000 (as per RE)
2	Minimum Grant: Minimum Grant of Rs.7,00,000/- per year from the share of State Finance Commission Grant to Village Panchayats i.e., i) Rs.60,000/- per month from April 2024 to January 2025 (10 months) and ii) Rs.50,000/- per month for February and March 2025 (2 months)	876,75,00,000
3	Amount released as Minimum Grant for the months of April 2024 to January 2025(10 months).	751,50,00,000

4	Now, Amount to be released as Minimum Grant for the months of February and March 2025 (2 months).	125,25,00,000
5	Population Grant: State Finance Commission Devolution Grant to Village Panchayats (14 installments) i.e., Sl. No. 1-2	2919,68,18,000 (as per BE) 2919,68,18,000 (as per RE)
6	Out of total amount which is entitled for 14 installments as in Sl.No.5, 10 installments for the period from April 2024 to January 2025 released.	2085,48,70,000
7	Balance of 4 installments for the months of February and March 2025 to be released later, based on Revised Estimate i.e., Sl.No.5-6	834,19,48,000 (as per BE) 834,19,48,000 (as per RE)
8	Now, Amount to be released as 4 installments for the months of February and March 2025	834,19,48,000
b)	Panchayat Unions	
1	State Finance Commission Grant to Panchayat Unions	2692,01,53,000 (as per BE) 2692,01,53,000 (as per RE)
2	Minimum Grant: Minimum Grant of Rs.40,00,000/- per year x 388 Panchayat Unions from the share of State Finance Commission to Panchayat Unions. i.e., i) Rs.3,00,000/- per month from April 2024 to January 2025 (10 months) & ii) Rs.5,00,000/- per month for February and March 2025 (2 months)	155,20,00,000
3	Amount released as Minimum Grant for the months from April 2024 to January 2025 (10 months). (Rs.3,00,000 x 388 Panchayat Unions x 10 months)	116,40,00,000
4	Now, Amount to be released as Minimum Grant for the months from February and March 2025 (2 months).	38,80,00,000

5	Population Grant: State Finance Commission Devolution Grant to Panchayat Unions i.e., Sl.No.1-2	2536,81,53,000 (as per BE) 2536,81,53,000 (as per RE)
6	Out of the total amount which is entitled for 14 installments as in Sl.No.5, 10 installments for the period from April 2024 to January 2025 released.	1812,01,09,286
7	Balance of 4 installments for the months of February and March 2025 to be released, based on Revised Estimate i.e., Sl.No.5-6	724,80,43,714
8	Now, Amount to be released 4 installments for the months of February and March 2025.	724,80,43,714
c)	District Panchayats	
1	Population Grant: State Finance Commission Grant to District Panchayats based on population	414,15,62,000 (as per BE) 414,15,62,000 (as per RE)
2	Out of the total amount which is earmarked for 14 installments, 10 installments for the period from April 2024 to January 2025 is released.	295,82,58,571
3	Balance of 4 installments for the months of February and March 2025 to be released, based on Revised Estimate i.e., Sl.No.1-2	118,33,03,429
4	Now, Amount to be released as population Grant for the months February and March 2025	118,33,03,429
Sanction requested for the total amount for 2 months (a8+b8+c4) + (a4+b4)		1841,37,95,143
Monthly Release Requested		920,68,97,572

6. The Commissioner of Rural Development and Panchayat Raj has also requested the Government 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 month of **February and March 2025** for 2 months.

- 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 is to be released for the month of **February and March 2025** (2 months).

- Thus a total sum of **Rs.164,05,00,000/- (Rupees One hundred and sixty four crore and five lakh only)** is to be sanctioned towards the Minimum Grant for Village Panchayats and Panchayat Unions for the months of **February and March 2025** for 2 months under State Finance Commission Grant for the year 2024-2025.
- Also, sanction is requested for Population Grant for ten months from **February and March 2025**.
- a) **Rs.834,19,48,000/-**(Rupees Eight hundred and thirty four crore nineteen lakh forty eight thousand only) to Village Panchayats,
- b) **Rs.724,80,43,714/-** (Rupees seven hundred and twenty four crore eighty lakh forty three thousand seven hundred and fourteen only) to Panchayat Unions and
- c) **Rs.118,33,03,429/-** (Rupees one hundred and eighteen crore thirty three lakh three thousand four hundred and twenty nine only) to District Panchayats.
- d) Total sum of **Rs.1677,32,95,143/- (Rupees One thousand six hundred and seventy seven crore thirty two lakh ninety five thousand one hundred and forty three only)** is to be sanctioned towards the Population Grant for all the three tiers of Panchayats from **February and March 2025** for two months under State Finance Commission Grant for the year 2024-2025.

7. 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:-

- 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 is to be released for the month of **February and March 2025** (2 months).
- Thus a total sum of **Rs.164,05,00,000/- (Rupees One hundred and sixty four crore and five lakh only)** is to be sanctioned towards the Minimum Grant for Village Panchayats and Panchayat Unions for the months of **February and March 2025** for 2 months under State Finance Commission Grant for the year 2024-2025.
- Also, sanction is requested for Population Grant for ten months from **February and March 2025**.
- a) **Rs.834,19,48,000/-** (Rupees Eight hundred and thirty four crore nineteen lakh forty eight thousand only) to Village Panchayats,

- b) **Rs.724,80,43,714/-** (Rupees seven hundred and twenty four crore eighty lakh forty three thousand seven hundred and fourteen only) to Panchayat Unions and
- c) **Rs.118,33,03,429/-** (Rupees one hundred and eighteen crore thirty three lakh three thousand four hundred and twenty nine only) to District Panchayats.
- d) Total sum of **Rs.1677,32,95,143/-** (Rupees One thousand six hundred and seventy seven crore thirty two lakh ninety five thousand one hundred and forty three only) is to be sanctioned towards the Population Grant for all the three tiers of Panchayats from **February and March 2025** for two months under State Finance Commission Grant for the year 2024-2025.

8. The expenditure sanctioned in para '7' above shall be debited under the following head of account:-

Head of Account	Sanction of amount
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/-
	Population Grant for 2 months Rs.834,19,48,000/-
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 2 months Rs.38,80,00,000/-
	Population Grant for 2 months Rs.724,80,43,714/-
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)	Population Grant for 2 months Rs.118,33,03,429/-
Total	Rs.1841,37,95,143/-

9. The Commissioner of Rural Development and Panchayat Raj is authorized to draw the amount sanctioned in para 7 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.

10. This order issues with the concurrence of the Finance Department vide its U.O. No.1339/Fin(RD)/2025, dated 04.03.2025.

(By Order of the Governor)

GAGANDEEP SINGH BEDI,
Additional Chief Secretary to Government.

To

The Commissioner of Rural Development and Panchayat Raj, Chennai-15.

The Commissioner of 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 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 (Rural Development), Chennai-9.

The Finance (Infra-IV/RD&LE/SFC-MC) Department, Chennai-9.

The Senior Private Secretary to Additional Chief Secretary to Government,

Rural Development and Panchayat Raj Department, Chennai-9

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Under Secretary to Government

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05/3/25

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