



## ABSTRACT

Rural Development and Panchayat Raj Department – Grants – Award under Fifteenth Central Finance Commission – Release of Rs.828.30 crore towards second installment of Tied Grant for the year 2022-23 to Rural Local Bodies – Sanction – Orders – Issued.

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

G.O. (Ms) No.57

Dated: 10.04.2023

சுபகிருது, பங்குனி 27

திருவள்ளூர் ஆண்டு 2054

Read:

1. G.O. (Ms) No.18, Rural Development and Panchayat Raj (PR-1) Department, dated 03.02.2021.
2. G.O. (Ms) No.83, Rural Development and Panchayat Raj (PR-1) Dept. dated: 08.07.2022.
3. From the Government of India, Ministry of Finance, Department of Expenditure, (Finance Commission Division) Release order No. F-15(4)FC-XV/FCD/ 2020-25, dated 31.03.2023.
4. From the Commissioner of Rural Development and Panchayat Raj, Letter Roc.No.46209/2021/PRI 2-1, dated 01.04.2023.

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### ORDER:

In the Government Order first read above, the Government have approved the guidelines for the utilization of the grants under 15<sup>th</sup> Central Finance Commission Grant to Rural Local Bodies.

2. In the Government Order second read above, the Government have released for a sum of Rs.828,30,00,000/- towards first installment of Tied Grant for the year 2022-23 as recommended by the Fifteenth Central Finance Commission.

3. In the letter third read above, the Ministry of Finance, Department of Expenditure, Government of India, has released a sum of Rs.828.30 crore towards second installment of Tied Grant for the year 2022-23 recommended by the Fifteenth Central Finance Commission.

4. In the letter fourth read above, the Commissioner of Rural Development and Panchayat Raj has stated that the Fifteenth Finance Commission in its report (Para 7.84) has recommended that the Grants for Rural Local Bodies (RLBs) are in two parts, namely, Basic and Tied Grants, in the ratio of 40:60.

- i. 40 per cent of the total grants to be disbursed to rural local bodies shall be untied and can be used by them for felt needs except for salaries and other establishment costs. The expenditure required for auditing of accounts by external agencies approved by the State Government, however, may be borne from this grant.
- ii. 30 per cent of the total grants to be disbursed to rural local bodies shall be earmarked for drinking water, rainwater harvesting and water recycling.
- iii. 30 per cent of the total grants to be disbursed to rural local bodies shall be earmarked for sanitation and maintenance of ODF status, and this should include management and treatment of household waste, and human excreta and faecal sludge management in particular.

### **Tied Grant: (60%)**

Tied Grant is to be used for the basic services of a) Sanitation and maintenance of open defecation free (ODF) status and b) Supply of drinking water, Rain water harvesting and recycling. The Local bodies shall, as far as possible earmark one half of these tied grants each to these two critical services. However, if any local body has fully saturated the needs of one category, it can utilize the funds for the other category.

### **Allocation:**

The XV Finance Commission Grant of Rs.828.30 Crore has already been released as first installment of Tied Grant for the Financial Year 2022-23 to the State of Tamil Nadu vide G.O. (Ms) No.83, Rural Development and Panchayat Raj (PR-1) Dept. dated: 08.07.2022.

The Fifteenth Finance Commission has also recommended that its Grant, Basic and Tied, should be distributed to all the tiers of the Panchayats of the State on the basis of the accepted recommendation of the Sixth State Finance Commission (SFC) and also in conformity to the bands recommended by XV FC.

- The Vertical Sharing ratio among three tiers of Rural Local Bodies will be 5:15:80 for District Panchayats, Panchayat Unions and Village Panchayats respectively.
- Horizontal Distribution of Fifteenth Finance Commission Grant within three tiers will be as per the Multiplier factor recommended by Sixth State Finance Commission.

5. He also stated that, now the Ministry of Finance, Government of India in its release order dated 31.03.2023 has released an amount of Rs.828.30 Crore towards Second installment of Tied Grant for the year 2022-23 under the 15<sup>th</sup> Finance Commission Grant.

6. The Commissioner of Rural Development and Panchayat Raj has therefore requested the Government to issue orders for the sanction and release an amount of Rs.828,30,00,000/- (Rupees Eight Hundred and Twenty eight crore and Thirty Lakh only) towards second installment of Tied Grant for 12,525 Village Panchayats and 388 Panchayat Unions and 36 District Panchayats for the year 2022-23.

7. The Government after careful examination of the proposal of the Commissioner of Rural Development and Panchayat Raj accord sanction for an amount of Rs.828,30,00,000/- (Rupees Eight Hundred and Twenty eight crore and Thirty Lakh only) towards second installment of Tied Grant for the year 2022-23 as recommended by Fifteenth Central Finance Commission for 12,525 Village Panchayats and 388 Panchayat Unions and 36 District Panchayats.

8. The expenditure sanctioned at para 7 shall be debited to the following heads of account:-

(in Rupees)	
Heads of Account	Second installment to be released
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 196 Assistance to Zilla Parishads/District level Panchayats – Central Sector Schemes – SB Tied/ Performance Grants to District Panchayat as per the recommendations of the 15 <sup>th</sup> Finance Commission - 309 Grants-in-aid – 03 Grants for Specific Schemes <b>IFHRMS(DPC 3604-00-196-SB-30903)</b>	<b>41,41,50,000</b>
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 197 Assistance to Block Panchayats/Intermediate Level Panchayats - Central Sector Schemes – SB Tied/Performance Grants to Block Panchayats as per the recommendations of the 15 <sup>th</sup> Finance Commission - 309 Grants-in-aid – 03 Grants for Specific Schemes <b>IFHRMS (DPC 3604-00-197-SB-30903)</b>	<b>124,24,50,000</b>
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 198 Assistance to Gram Panchayats - Central Sector Schemes - SD Tied/Performance Grants to Village Panchayats as per the recommendations of the 15 <sup>th</sup> Finance Commission - 309 Grants-in-aid – 03 Grants for Specific Schemes <b>IFHRMS (DPC 3604-00-198-SD-30903)</b>	<b>662,64,00,000</b>
<b>Total</b>	<b>Rs.828,30,00,000/-</b>

9. The Commissioner of Rural Development and Panchayat Raj is authorized to draw and disburse the amount sanctioned at para 7 above immediately to the 12,525 Village Panchayats and 388 Panchayat Unions and 36 District Panchayats without any delay so as to avoid penal interest.

10. The detailed state specific guidelines issued to utilise the grant vide G.O. (Ms) No.18, Rural Development and Panchayat Raj (PR-1) Department, dated 03.02.2021 should be followed scrupulously for both tied and untied components.

11. This order issues with the concurrence of Finance Department vide its U.O. No.45/DS(RR)/2023, dated 10.04.2023.

(By Order of the Governor)

**P. AMUDHA,**  
Principal Secretary to Government.


To

The Commissioner of Rural Development and Panchayat Raj, Chennai – 15.  
The Director General, Rural Development and Panchayat (Training), Chennai – 15.  
All District Collectors,  
All Project Directors, District Rural Development Agency.  
(through Commissioner of Rural Development and Panchayat Raj, Chennai-15)  
All District Treasury Officers.  
The Director of Treasuries and Accounts, Chennai-15.  
The Director of Local Fund Audit, Chennai -15.  
The Pay and Account Officer (South) Chennai-35

**Copy to:**

The Special Personal Assistant to Hon'ble Minister (Rural Development), Chennai-9.  
The Principal Private Secretary to Principal Secretary to Government,  
Rural Development and Panchayat Raj Department, Chennai-9  
The Secretary to Government of India, Ministry of Panchayat Raj,  
Krishi Bhawan, Dr.Rajendra Prasad Road, New Delhi-110 001.  
The Director, Finance Commission Division, Ministry of Finance, Department  
of Expenditure, CGO Complex, Lodhi Road, New Delhi 110003  
The Finance (RD/FC.I/SFC-MC/FC.II) Department, Chennai -9  
The Rural Development and Panchayat Raj (B&C/OP II/PR-3/SGS-2) Department,  
Chennai-9  
The Director, State Institute of Rural Development, Maraimalai Nagar,  
Chengalpattu District.  
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// Forwarded by Order //

  
10/4/2023  
Under Secretary to Government

  
10/4/23