



ABSTRACT

Rural Development and Panchayat Raj Department – 5th State Finance Commission Grants for the year 2021-22 – Sanction and release a sum of Rs.609,43,59,714/- towards Minimum Grant for Village Panchayats, Panchayat Unions and Population Grant for all three tiers of Panchayats for two months from November 2021 to December 2021 - Orders – Issued.

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

G.O. (Ms) No.149

Dated: 14.12.2021.

பிலவ, கார்த்திகை 28

திருவள்ளூர் ஆண்டு 2052

Read:

1. G.O.Ms.No.84, Finance (FC-IV) Department, dated 31.03.2017.
2. G.O. (Ms) No.66, Rural Development and Panchayat Raj (PR-I) Department, dated 12.05.2021.
3. G.O. (Ms) No.101, Rural Development and Panchayat Raj (PR-I) Department, dated 10.08.2021.
4. G.O. (Ms) No.130, Rural Development and Panchayat Raj (PR-I(2)) Department, dated 02.11.2021.
5. From the Director of Rural Development and Panchayat Raj Letter No.21291/2021/PRI 2-2, dated 22.11.2021.

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 horizontal 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 Government have also ordered to apportion the Devolution Grant of Rural Local Bodies among the Village Panchayats, Panchayat Unions and District Panchayats in the ratio of 55:37:8 and stated that the funds of Rural Local Bodies under Fifth State Finance Commission will be distributed as follows:

i)	Capital Grant Fund	20%
ii)	Pooled Fund for Deficit Rural Local Bodies	10%
iii)	Devolution Grant	70%

3. As per the Fifth State Finance Commission recommendations, the horizontal distribution of State Finance Commission devolution to Rural Local Bodies should be done on the basis of following formula:

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

(P.T.O)

4. In the letter 5th read above, the Director of Rural Development and Panchayat Raj has stated that the following provisions have made under the head of accounts pertaining to State Finance Commission Devolution Grant for Rural Local Bodies for the year 2021-22 in Revised Budget Estimate for the year 2021-22, Demand No.42 of Rural Development and Panchayat Raj Department.

Component	Provision made in IBE 2021-22 (In Rupees)	Revised BE Allocation 2021-22 (In Rupees)
District Panchayats (DPC 3604-00-196-AA-30902)	372,64,06,000	308,19,73,000
Panchayat Unions (DPC 3604-00-197-AA -30902)	1,723,46,27,000	1,425,41,25,000
Village Panchayats (DPC 3604-00-198-AA-30902)	2,561,90,41,000	2,118,85,66,000
Total	4,658,00,74,000	3,852,46,64,000

- (i) **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 SFC devolution will be distributed on the horizontal sharing ratio as mentioned in para 3 above.
- (ii) **Panchayat Union - Minimum Grant & Population Grant:** As per the Fifth SFC recommendations, the Government have issued orders and release of Minimum Lump sum Grant 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 on monthly basis. The balance remaining amount out of the share of Panchayat Unions under SFC devolution will be distributed on the horizontal sharing ratio as mentioned in para 3 above.
- (iii) **District Panchayat - Population Grant:** As per the Fifth SFC recommendations, the amount earmarked for District Panchayats will be distributed on the basis of sharing mechanism as mentioned in para 3 above.

5. In the Government Order Second read above, the Government accorded sanction for the release of a sum of Rs.1037,38,23,000/- (Rupees One thousand thirty seven crore thirty eight lakh and twenty three thousand only) as State Finance Commission Grant to Village Panchayats, Panchayat Unions and District Panchayats for the month of April 2021 to June 2021 out of total allocation of State Finance Commission Grant of Rs.6654,29,62,000/- in Interim Budget Estimate for the year 2021-22.

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6. In the Government Order third read above, the Government accorded sanction for the release of a sum of Rs.691,58,82,000/- (Rupees Six ninety one crore fifty eight lakh and eighty two thousand only) as State Finance Commission Grant to Village Panchayats, Panchayat Unions and District Panchayats for the months of July 2021 and August 2021 out of total allocation of State Finance Commission Grant of Rs.6,654,29,62,000/- in Interim Budget Estimate for the year 2021-22.

7. In the Government Order fourth read above, the Government accorded sanction for the release of a sum of Rs.609,43,59,714/- (Rupees Six hundred and nine crore forty three lakh fifty nine thousand seven hundred and fourteen only) as State Finance Commission Grant to Village Panchayats, Panchayat Unions and District Panchayats for the months of September 2021 and October 2021 out of total allocation of State Finance Commission Grant of Rs.3,852,46,64,000/- in Budget Estimate for the year 2021-22.

8. The Director of Rural Development and Panchayat Raj has now sent a proposal for release of 5th State Finance Commission Grants for the months of November 2021 and December 2021 as follows:-

		Amount to be released (Amount in Rupees)	
Total share of Devolution Grant under SFC to three tiers of Panchayats for the year 2021-22		3,852,46,64,000	
a)	Village Panchayats		
1	State Finance Commission Grant to Village Panchayats	2,118,85,66,000	
2	Minimum Grant: Minimum Grant of Rs.7,00,000/- per year x 12,525 V.Pts. from the share of State Finance Commission Grant to Village Panchayats i.e., i) Rs.60,000/- per month from April 2021 to January 2022 (10 months) and ii) Rs.50,000/- per month for February and March 2022 (2 months)	876,75,00,000	
3	Amount to be released as Minimum Grant for the month of November and December 2021 Rs.60,000/- per month for November and December 2021 (2 months) 12,525 Village Panchayats x Rs.60,000 x 2 Months		150,30,00,000
4	Population Grant: State Finance Commission Devolution Grant to Village Panchayats based on population (14 installments) i.e., Sl. No. 1-2	1242,10,66,000	
5	Out of total amount which is entitled for 12 installments as in Sl.No.4, Population Grant has been released from April to August @ Rs.120,36,81,500 per month (5 Months).	601,84,07,500	

6	Population Grant has been released for the months of September and October @ Rs.91,46,65,500 per month (2 Months).	182,93,31,000	
7	Amount released as Population Grant upto the month of October 2021 (Sl.no.5+6)	784,77,38,500	
8	Balance for the month from November 2021 to March 2022 five instalments @ Rs.91,46,65,500/- per month (Sl.no.4-7)	457,33,27,500	
9	Amount to be released as Population Grant for the months of November and December 2021 @ Rs.91,46,65,500/- per month		182,93,31,000
b) Panchayat Unions			
1	State Finance Commission Grant to Panchayat Unions	1,425,41,25,000	
2	Minimum Grant: Minimum Grant of Rs.40,00,000/- per year x 388 Pt. Unions from the share of State Finance Commission to Panchayat Unions. i.e., i) Rs.3,00,000/- April 2021 to January 2022 (10 months) & ii) Rs.5,00,000/- per month for February and March 2022 (2 months)	155,20,00,000	
3	Amount to be released as Minimum Grant for the month of November and December 2021 Rs.3,00,000/- per month from November to December 2021 (2 months) 388 Pt. Unions x Rs.3,00,000 x 2 Months		23,28,00,000
4	Population Grant: State Finance Commission Devolution Grant to Panchayat Unions based on population i.e., Sl.No.1-2	1,270,21,25,000	
5	Out of total amount which is entitled for 12 installments as in Sl.No.4, Population Grant has been released from April to August @ Rs.112,01,87,643/- per month (5 Months).	560,09,38,215	
6	Population Grant has been released for the months of September and October @ Rs.101,44,55,255/- per month (2 Months).	202,89,10,510	
7	Amount released as Population Grant upto the month October 2021 (Sl.No.5+6)	762,98,48,725	

8	Balance Population Grant for 5 installments for the months from November 2021 to March 2022 is to be released @ 101,44,55,255/- per month (Sl.No.4-7)	507,22,76,275	
9	Amount to be released as Population Grant for the month of November and December 2021 @ 101,44,55,255/- per month		202,89,10,510
c) District Panchayats			
1	Population Grant: State Finance Commission Grant to District Panchayats based on population	308,19,73,000	
2	Out of total amount which is entitled for 12 installments as in Sl.No.1, Population Grant has been released from April to August @ Rs.26,61,71,857/- per month (5 Months).	133,08,59,285	
3	Population Grant has been released for the months of September and October @ Rs.25,01,59,102/- per month (2 Months).	50,03,18,204	
4	Amount released as Population Grant upto the month of October 2021 (Sl.No.2+3)	183,11,77,489	
5	Balance Population Grant for 5 installments for the months from November 2021 to March 2022 is to be released @ Rs.25,01,59,102/- per month (Sl.No.1-4)	125,07,95,511	
6	Amount to be released as Population Grant for the month of November and December 2021 @ Rs.25,01,59,102/- per month		50,03,18,204
Grant Total			609,43,59,714

9. The Director of Rural Development and Panchayat Raj has therefore requested the Government to issue orders for the sanction and release of a total sum of Rs.609,43,59,714/- (Rupees Six hundred and nine crore forty three lakh fifty nine thousand seven hundred and fourteen only) towards Minimum Gant 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 November 2021 and December 2021.

10. The Government after careful examination of the proposal of the Director of Rural Development and Panchayat Raj hereby accord sanction for the release a sum of Rs.609,43,59,714/- (Rupees Six hundred and nine crore forty three lakh fifty nine thousand seven hundred and fourteen only) as 5th State Finance Commission Grant to Village Panchayats, Panchayat Unions and District Panchayats for the months of November 2021 and December 2021 out of total allocation of 5th State Finance Commission Grant of Rs.3,852,46,64,000/- for the year 2021-22.

11. The amount sanctioned in para 10 above shall be debited to the following respective Heads of Accounts:-

Head of Account	Grant	Amount in Rupees
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 recommendation of State Finance Commission Controlled by Director of Rural Development - 309 Grants-in-aid-02-Grants for creation of Capital Assets. (IFHRMS - DPC 3604-00-198-AA-30902)	Minimum Grant for 2 months	Rs.150,30,00,000/-
	Population Grant for 2 months	Rs.182,93,31,000/-
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 State Finance Commission Controlled by Director of Rural Development 309 Grants-in-aid-02-Grants for creation of Capital Assets. (IFHRMS - DPC 3604-00-197-AA - 30902)	Minimum Grant for 2 months	Rs.23,28,00,000/-
	Population Grant for 2 months	Rs.202,89,10,510/-
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 State Finance Commission Controlled by Director of Rural Development 309 Grants-in-aid-02-Grants for creation of Capital Assets. (IFHRMS - DPC 3604-00-196-AA-30902)	Population Grant for 2 months	Rs.50,03,18,204/-
Grand Total		Rs. 609,43,59,714/-

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12. The Director of Rural Development and Panchayat Raj is authorized to draw the amount sanctioned in para 10 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.

13. This order issues with the concurrence of Finance Department vide its U.O. No.53152/Fin(RD)/2021, dated 14.12.2021.

(By Order of the Governor)

P. AMUDHA,
Principal 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,
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 (RD/FC.IV/BGI/BG II/W&M) 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/SGS.4/PR.3/OP.II) Department, Chennai-9.

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[Signature]
14/12/2021
Section Officer

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14/12/21