



ABSTRACT

Rural Development and Panchayat Raj Department – Sixth State Finance Commission Grants for the year 2023-24 – Sanction and release a sum of Rs.1387,80,14,000/- towards Minimum Grant for 12,525 Village Panchayats and 388 Panchayat Unions and Population Grant for all three tiers of Panchayats for two months of February 2024 and March 2024 - Orders – Issued.

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

G.O. (Ms) No.53

Dated: 12.03.2024

சோபகிருது, மாசி - 29

திருவள்ளூர் ஆண்டு 2055

Read:

- 1 G.O. (Ms) No.60, Finance (SFC–MC) Department, dated 28.02.2023.
- 2 Budget Estimate for the year 2023-24 under Rural Development and Panchayat Raj Department.
- 3 G.O. (Ms) No.117, Rural Development and Panchayat Raj (PR-1(2)) Department, dated 28.10.2022.
- 4 G.O. (Ms) No.89, Rural Development and Panchayat Raj (PR-1(2)) Department, dated 26.06.2023.
- 5 Revised Budget Estimate for the year 2023-24 under Rural Development and Panchayat Raj Department.
- 6 From the Director of Rural Development and Panchayat Raj Letter No.17942/2023/PRI 1-3, dated 27.02.2024.

ORDER:

In the Government Order 1st 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 2022-23 to 2026-27.

2. In Government Order 4th cited, the Government accord sanction for total sum of Rs.4829,79,00,000/- towards Minimum Grant for 12,525 Village Panchayats and 388 Panchayat Unions for 10 months from April 2023 to January 2024 and Population Grant for all three tiers of Panchayats for 10 months from April 2023 to January 2024.

(P.T.O)

3. In the letter 6th read above, the Director of Rural Development and Panchayat Raj in his letter dated 27.02.2024 has stated that in the Government Order 1st 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 2022-23 to 2026-27. 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 55:39:6 respectively. As per the Sixth SFC recommendations, the horizontal distribution of SFC devolution to Rural Local Bodies should be done on the basis of multiplier formula given by the Sixth State Finance Commission. In Budget Estimate 2023-24, the following provisions have been made under the head of accounts pertaining to SFC Devolution Grant for Rural Local Bodies for the year 2023-24 in the Budget Estimate for the year 2023-24:-

Component	Provision made in BE 2023-24 (In Rupees)
District Panchayats (DPC 3604-00-196-AA-30902)	394,71,58,000
Panchayat Unions (DPC 3604-00-197-AA -30902)	2565,65,24,000
Village Panchayats (DPC 3604-00-198-AA-30902)	3618,22,78,000
Total	6578,59,60,000

4. In Revised Estimate 2023-24, the following provisions have been made under the head of accounts pertaining to SFC Devolution Grant for Rural Local Bodies for the year 2023-24.

Component	Provision made in RE 2023-24 (In Rupees)
District Panchayats (DPC 3604-00-196-AA-30902)	373,05,55,000
Panchayat Unions (DPC 3604-00-197-AA -30902)	2424,86,06,000
Village Panchayats (DPC 3604-00-198-AA-30902)	3419,67,53,000
Total	6217,59,14 ,000

5. The Director 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 month of February 2024 and March 2024 as detailed below:-

(In Rupees)

Total share of Devolution Grant under SFC to three tiers of Panchayats for the year 2023-24 (as per RE)		- 6217,59,14 ,000
a)	Village Panchayats	
1.	State Finance Commission Grant to Village Panchayats	3618,22,78,000 (as per BE) 3419,67,53,000 (as per RE)
2.	Minimum Grant: Minimum Grant of Rs.7,00,000/-per year x 12,525 Village Panchayats from the share of State Finance Commission Grant to Village Panchayats i.e., i) Rs.60,000/- per month from April 2023 to January 2024 (10 months) and ii) Rs.50,000/- per month for February and March 2024 (2months)	876,75,00,000
3.	Amount released as Minimum Grant for the months of April 2023 to January 2024 (10 months). (Rs.60,000 x 12,525 VPs x 10 months)	751,50,00,000
4.	Now, Amount to be released as Minimum Grant for the months of February 2024 and March 2024 (2 months). (Rs.50,000 x 12,525 VPs x 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	2741,47,78,000 (as per BE) 2542,92,53,000 (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 2023 to January 2024 is released.	1958,19,84,286
7.	Balance of 4 installments for the months of February and March 2024 to be released later, based on Revised Estimate i.e., Sl. No.5-6	783,27,93,714 (as per BE) 584,72,68,714 (as per RE)
8.	Now, Amount to be released as 4 installments for the months of February 2024 and March 2024	584,72,68,714

b)	Panchayat Unions	
1.	State Finance Commission Grant to Panchayat Unions	2565,65,24,000 (as per BE) 2424,86,06,000 (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 2023 to January 2024 (10 months) & ii) Rs.5,00,000/- per month for February and March 2024 (2 months)	155,20,00,000
3.	Amount released as Minimum Grant for the months from April 2023 to January 2024 (10 months). (Rs.3,00,000 x 388 PUs x 10 months)	116,40,00,000
4.	Now, Amount to be released as Minimum Grant for the months of February 2024 and March 2024 (2 months). (Rs.5,00,000 x 388 PUs x 2 months)	38,80,00,000
5.	Population Grant: State Finance Commission Devolution Grant to Panchayat Unions i.e., SI.No.1-2	2410,45,24,000 (as per BE) 2269,66,06,000 (as per RE)
6.	Out of the total amount which is entitled for 14 installments as in SI.No.5, 10 installments for the period from April 2023 to January 2024 released.	1958,19,84,286
7.	Balance of 4 installments for the months of February and March 2024 to be released, based on Revised Estimate i.e., SI.No.5-6	783,27,93,714 (as per BE) 584,72,68,714 (as per RE)
8.	Now, Amount to be released 4 installments for the months of February and March 2024.	584,72,68,714

c)	District Panchayats	
1.	Population Grant: State Finance Commission Grant to District Panchayats based on population	394,71,58,000 (as per BE)
		373,05,55,000 (as per RE)
2.	Out of the total amount which is earmarked for 14 installments, 10 installments for the period from April 2023 to January 2024 is released.	281,93,98,571
3.	Balance of 4 installments for the months of February and March 2024 to be released, based on Revised Estimate i.e., Sl.No.1-2	91,11,56,429
4.	Now, Amount to be released as population Grant for the months February 2024 and March 2024	91,11,56,429
Sanction requested for the total amount for 2 months (a8+b8+c4) + (a4+b4)		1387,80,14,000
Monthly release requested		693,90,07,000

6. The Director of Rural Development and Panchayat Raj has 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 2024 and March 2024 for 2 months as detailed below:-

- 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 2024 and March 2024 (2 months).
- Thus a total sum of Rs.164,05,00,000/- (Rupees One hundred 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 2024 and March 2024 for 2 months under State Finance Commission Grant for the year 2023- 24. Similarly, sanction is requested for Population Grant for two months **February 2024 and March 2024.**
- Rs.584,72,68,714/- (Rupees Five hundred and eighty four crore seventy two lakh sixty eight thousand seven hundred and fourteen only) to Village Panchayats.

- Rs.547,90,88,857/-(Rupees Five hundred and forty seven crore ninety lakh eighty eight thousand eight hundred and fifty seven only) to Panchayat Unions and
- Rs.91,11,56,429/- (Rupees Ninety one crore eleven lakh fifty six thousand four hundred and twenty nine only) to District Panchayats.
- Total sum of Rs.1223,75,14,000/- (Rupees One thousand two hundred and twenty three crore seventy five lakh and fourteen thousand only) is to be sanctioned towards the Population Grant for all the three tiers of Panchayats for the months of February 2024 and March 2024 under State Finance Commission Grant for the year 2023-24.

7. The Government after careful examination of the proposal of the Director of Rural Development and Panchayat Raj have decided to accept the same and to accord sanction and release of share of Devolution Grant to Village Panchayats, Panchayat Unions and District Panchayats of a sum of Rs.1387,80,14,000/- (Rupees One thousand three hundred and eighty seven crore eighty lakh and fourteen thousand only) for the months of February 2024 and March 2024 under the Sixth State Finance Commission Grant for the year 2023- 24.

8. The expenditure sanctioned in para '7' 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/-
	Population Grant for 2 months Rs.584,72,68,714/-
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.547,90,88,857/-
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 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.91,11,56,429/-
Total	Rs.1387,80,14,000/-

9. The Director 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 Finance Department vide its U.O. No.832/Fin(Infra-IV)/2024, dated 08.03.2024.

(By Order of the Governor)

P. SENTHILKUMAR,
Principal Secretary to Government.

To

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

All Project Directors, District Rural Development Agency.

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.

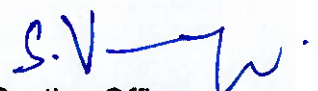
The Senior Private Secretary to the Principal Secretary to Government,
Rural Development and Panchayat Raj Department, Chennai-9.

The Finance (RD/FC.IV) 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.

✓ Stock File / Spare Copy.

// Forwarded by Order //

S.V. 
Section Officer


13/3/24