## ABSTRACT

Grants – Fifth State Finance Commission Grants for the year 2020-21 – Release of Rs.1236,98,00,000/- towards Fifth State Finance Commission Grant to the Village Panchayats, Panchayat Unions and District Panchayats for the months of February and March, 2021 – Orders – Issued.

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

**G.O. (Ms) No.39** **Dated: 26.02.2021.**
**சார்வரி, மாசி 14**
**திருவள்ளுவர் ஆண்டு 2052**

**Read:**

1 G.O. (Ms) No.84, Finance (FC-IV) Department, dated 31.03.2017.
2 G.O. (D) No.223, Municipal Administration and Water Supply (FC) Department, dated 29.06.2020.
3 G.O. (Ms) No.137, Rural Development and Panchayat Raj Department (PR1) Department, dated 12.08.2020.
4 G.O. (Ms) No.169, Rural Development and Panchayat Raj (PR-1) Department, dated: 27.10.2020.
5 G.O. (Ms) No.7, Rural Development and Panchayat Raj (PR-1) Department, dated: 20.01.2021.
6 From the Commissioner of Rural Development and Panchayat Raj Letter No. 18405/2020/PRI 2-2, dated 25.02.2021.

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**ORDER**:-

In the Government Order first read above, as per the recommendations of Fifth State Finance Commission, the Government have ordered to apportion the devolution grant of the Rural Local Bodies among the Village Panchayats, Panchayat Unions and District Panchayats in the ratio of 55:37:8 and this grant has to be released to Rural Local Bodies as per the horizontal distribution of SFC devolution as mentioned below:

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

2. The Commissioner of Rural Development and Panchayat Raj in the letter 6th read above has stated that in Budget Estimate 2020-21, a total amount of Rs.4728,00,74,000/- has been provided as SFC Devolution Grant for three tiers of Panchayats and later it has been reduced to Rs.3858,06,60,000/- in Revised Budget for the year 2020-21 and earmarked to RLBs as mentioned below:

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(in Rupees)

| Component | BE 2020-21 | RE 2020-21 | Minimum Grant | Population Grant |
|---|---|---|---|---|
| Village Panchayats (DPC 3604-00-198-AA-30902) | 2,600,40,41,000 | 2600,40,41,000 | 876,75,00,000 @Rs.7,00,000/- per annum | 1723,65,41,000 |
| Panchayat Unions (DPC 3604-00-197-AA-30902) | 1,749,36,27,000 | 1034,07,75,000 | 93,12,00,000 @Rs.24,00,000/- per annum | 940,95,75,000 |
| District Panchayats (DPC 3604-00-196-AA-30902) | 378,24,06,000 | 223,58,44,000 | -- | 223,58,44,000 |
| **Total** | **4,728,00,74,000** | **3858,06,60,000** | **969,87,00,000** | **2888,19,60,000** |

3. The Commissioner of Rural Development and Panchayat Raj has further stated that in the reference G.O (Ms) No. 137, Rural Development and Panchayat Raj (PR-1) Department, dated: 12.08.2020, G.O. (Ms) No. 169, Rural Development and Panchayat Raj (PR-1) Department, dated: 27.10.2020 and G.O.(Ms) No.7, Rural Development and Panchayat Raj (PR-1) Department, dated: 20.01.2021, the Government have issued orders for the release of total amount of **Rs.1629,08,00,790/- (Rupees One Thousand Six Hundred and Twenty Nine Crore Eight Lakh Seven Hundred and Ninety only)** from April to December, 2020 (for 9 months) towards Minimum Grant and Population Grant to Village Panchayats, Panchayat Unions and District Panchayats under Fifth State Finance Commission Grant for the year 2020-21 and the same have been drawn and disbursed to concerned RLBs in Director of Rural Development and Panchayat Raj Proceedings dated 27.08.2020, 31.10.2020 and 25.01.2021 are as mentioned below:

(in Rupees)

| Category | | Total Allocation as per RE 2020-21 | G.O (Ms) No.137, RD & PR(PR-1) Dept., dt: 12.08.2020 (for April & May, 2020) | G.O(Ms)No .169, RD & PR(PR-1) Dept., dt: 27.10.2020 (for June to Sep, 2020) | G.O(Ms)No.7, RD & PR(PR-1) Dept., dt: 20.01.2021 (for Oct to Dec, 2020) | Total amount released up to Dec, 2020 | Proposal already sent for the month of January 2021 | Fund yet o be sanctioned for the month of Feb and March 2021 based on RE 2022-21 |
|---|---|---|---|---|---|---|---|---|
| Village Panchayats 12525 | Minimum Grant (@Rs.7.00 Lakh per annum) | 876,75,00,000 | 75,15,00,000 | 150,30,00,000 | 225,45,00,000 | 4,50,90,00,000 | 300,60,00,000 | 125,25,00,000 |
| | Population Grant | 1723,65,41,000 | 80,87,42,460 | 161,74,84,920 | 361,10,44,500 | 6,03,72,71,880 | 223,98,53,824 | 895,94,15,296 |
| | **Total** | 2600,40,41,000 | 156,02,42,460 | 312,04,84,920 | 586,55,44,500 | 1054,62,71,880 | 524,58,53,824 | 1021,19,15,296 |
| Panchayat Unions 388 | Minimum Grant (@Rs.24.00 Lakh per annum) | 93,12,00,000 | 15,52,00,000 | 31,04,00,000 | 23,28,00,000 | 69,84,00,000 | 7,76,00,000 | 15,52,00,000 |
| | Population Grant | 940,95,75,000 | 89,44,17,620 | 178,88,35,240 | 134,16,26,430 | 402,48,79,290 | 107,69,39,142 | 430,77,56,568 |
| | **Total** | 1034,07,75,000 | 104,96,17,620 | 209,92,35,240 | 157,44,26,430 | 472,32,79,290 | 115,45,39,142 | 446,29,56,568 |
| District Panchayats 36 | Population Grant | 223,58,44,000 | 22,69,44,360 | 45,38,88,720 | 34,04,16,540 | 102,12,49,620 | 24,29,18,876 | 97,16,75,504 |
| **Total** | | 3858,06,60,000 | 283,68,04,440 | 567,36,08,880 | 778,03,87,470 | 1629,08,00,790 | 664,33,11,842 | 1564,65,47,368 |

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a) **Village Panchayat:**

**Minimum Grant:** Out of Rs.2600,40,41,000/- earmarked as Village Panchayat share as per RE 2020-21, an amount Rs.876,75,00,000/- has to be released to 12,525 Village Panchayats as Minimum Lump sum Grant @Rs.7.00 lakh per Village Panchayat per annum as per the Fifth State Finance Commission recommendations i.e.,@Rs.60,000/- per month per Village Panchayat from April 2020 to January 2021 (10 months) and Rs.50,000/- per month per Village Panchayat for February and March, 2021 (2 months).

Accordingly, a total amount of Rs.450,90,00,000/- has been released to 12,525 Village Panchayats @Rs.60,000/- per month per Village Panchayat as Minimum Lump sum Grant up to December, 2020.

**Population Grant:** In respect of Population Grant, the balance amount of Rs.1723,65,41,000/- is earmarked for the year 2020-21 has to be released to 12,525 Village Panchayats on the horizontal sharing ratio. Accordingly, a sum of Rs.603,72,71,880/- has been released to 12,525 Village Panchayats for 9 months from April to December, 2020.

b) **Panchayat Union:**

**Minimum Grant:** Out of Rs.1034,07,75,000/- earmarked as Panchayat Union share as per RE 2020-21, an amount of Rs.93,12,00,000/- has to be released to 388 Panchayat Unions as Minimum Lump sum Grant @ Rs.24.00 lakh per annum per Panchayat Union (i.e., Rs.2,00,000/- x 388 x 12 months) from April, 2020 to March, 2021 as per the Fifth State Finance Commission recommendations. Accordingly, a sum of Rs.69,84,00,000/- has been released for 9 months from April to December, 2020 (i.e., Rs.2,00,000/- x 388 x 9 months).

**Population Grant:** In respect of Population Grant, the balance amount of Rs.940,95,75,000/- is earmarked for the year 2020-21 has to be released to 388 Panchayat Unions on the horizontal sharing ratio. Accordingly, a sum of Rs.402,48,79,290/- has been released to 388 Panchayat Unions for 9 months from April to December, 2020.

c) **District Panchayat - Population Grant:**

A total amount of Rs.223,58,44,000/- is earmarked as Population Grant to 36 District Panchayats, out of which a sum of Rs.102,12,49,620/- has been released to 36 District Panchayats on the horizontal sharing ratio for 9 months from April to December, 2020.

4. The Commissioner of Rural Development and Panchayat Raj has also stated that the balance amount available in RE for the year 2020-21 an amount of **Rs.1564.65 Crore** has to be released for the months of February and March 2021.

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5. The Commissioner of Rural Development and Panchayat Raj has requested the Government to issue orders for the sanction and release for the total amount of **Rs.1564,65,47,368 (Rupees One thousand five hundred and sixty four crore sixty five Lakh forty seven Thousand three Hundred and sixty eight only)** towards Minimum Grant for 12,525 Village Panchayats and 388 Panchayat Unions and Population Grant for all the three tiers of Panchayats for the months of February and March, 2021.

6. The Government after careful examination of the proposal of the Commissioner of Rural Development and Panchayat Raj accord sanction for a sum of Rs.1236,98,00,000/- (Rupees One thousand two hundred and thirty six crore and ninety eight lakh only) towards State Finance Commission Grant for Village Panchayats, Panchayat Unions and District Panchayats for the month of February and March, 2021.

7. The amount sanctioned in para 6 above shall be debited to the following Head of Accounts:-

(Amount in Rs.)

| **Head of Account** | **Sanction of amount requested for the months of February and March, 2021** |
|---|---|
| 3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 198 Assistance to Gram Panchayats – States 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 Assets. **(DPC 3604-00-198-AA-30902)** | Minimum Grant **Rs.125,25,00,000/-** |
| | Population Grant **Rs.379,36,40,000/-** |
| 3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 197 Assistance to Block Panchayats/Intermediate level Panchayats - States 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 Assets. **(DPC 3604-00-197-AA -30902)** | Minimum Grant **Rs.54,32,00,000/-** |
| | Population Grant **Rs.547,38,80,000/-** |
| 3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 196 Assistance to Zilla Parishads/District level Panchayats - States 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 Assets. **(DPC 3604-00-196-AA-30902)** | Population Grant **Rs.130,65,80,000/-** |
| **Total** | **Rs.1236,98,00,000/-** |

8. The Commissioner of Rural Development and Panchayat Raj is authorized to draw the amount of Rs.1236,98,00,000/- (Rupees One thousand two hundred and thirty six crore and ninety eight lakh only) sanctioned in para 6 above for the months of February and March, 2021 from the above mentioned Head of Accounts and to disburse the amount to three tiers of Panchayat Raj Institutions and also to make necessary deductions for committed expenditure such as Pension Contribution and other deductions specifically authorized by the Government orders.

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9. The Pay and Accounts Officer / Treasury Officers concerned are requested to admit and honour the bills as and when presented by the Commissioner of Rural Development and Panchayat Raj, if they are found otherwise in order.

10. This order is issued with the concurrence of Finance Department vide its U.O.1053/Fin(RD)/2021, dated 26.02.2021.

(By Order of the Governor)

HANS RAJ VERMA
Additional Chief 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 Director, State Institute of Rural Development, Maraimalai Nagar,
Kancheepuram 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 (Municipal Administration and Rural Development, Implementation of Special Programme) Chennai-9.
The Finance (RD/FC.IV/BGI / BG II /W&M) Department, Chennai-9.
The Principal Private Secretary to the Additional Chief 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.
Stock File / Spare Copy.

// Forwarded by Order //

26/2/2021
Section Officer
26/02/2021

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