ABSTRACT

Rural Development and Panchayat Raj Department – Grants – Award under Fifteenth Finance Commission – Basic Grant for 2020-21 - Release of second instalment of Rs.353.27 crore to Rural Local Bodies for the year 2020-21 – Sanction – Orders – Issued.

Rural Development and Panchayat Raj (PR-1) Department

G.O. (Ms) No.59 **Dated: 09.04.2021**
சார்வரி, பங்குனி 27
திருவள்ளுவர் ஆண்டு 2052

Read:

1) G.O. (Ms) No.116, Rural Development and Panchayat Raj (PR-1) Department, Dated: 25.06.2020.
2) G.O. (Ms) No.18, Rural Development and Panchayat Raj (PR-1) Department, Dated: 03.02.2021.
3) Fund release order from the Director (FCD), Department of Expenditure, Ministry of Finance, Letter No.15(4)FC-XV/FCD/ 2020-25, dated 31.03.2021.
4) From the Commissioner of Rural Development and Panchayat Raj Letter No.21496/2020/PRI 2-1, Dated: 05.04.2021.

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ORDER:

In the letter 3rd read above, the Ministry of Finance, Government of India in its letter dated 31.03.2021 has stated that a sum of Rs.353.27 crore has been released as second installment of Basic Grant to Rural Local Bodies as recommended by the 15th Central Finance Commission for the year 2020-21.

2. The Commissioner of Rural Development and Panchayat Raj in the letter 4th read above, has stated that the Ministry of Finance, Government of India in its letter dated 31.03.2021 has stated that a sum of Rs.353.27 crore has been released as second installment of Basic Grant- untied component under 15th Central Finance Commission Grant for the year 2020-21 to Tamil Nadu.

3. He has also stated that in the Budget Estimate-Final Modified Appropriation for the year 2020-21, the following provisions have been made under the head of accounts pertaining to 15th CFC Grant for Rural Local Bodies for the year 2020-21.

Component	Provision made in FMA 2020-21 (In Rupees)
District Panchayats (DPC 3604-00-196-SA-30901)	180,35,00,000
Panchayat Unions (DPC 3604-00-197-SA -30901)	360,70,00,000
Village Panchayats (DPC 3604-00-198-SC-30901)	1262,45,00,000
Total	**1803,50,00,000**

(P.T.O)

4. The Commissioner of Rural Development and Panchayat Raj has further stated that the Fifteenth Finance Commission has recommended that the Grants for Rural Local Bodies (RLBs) are in two parts, namely, Basic and Tied Grants, in the ratio of 50:50. Now, this release of second installment of Basic Grants is untied and can be used by RLBs for location-specific felt needs, except for salary or other established expenditure.

5. The Commissioner of Rural Development and Panchayat Raj has also stated that the Fifteenth Finance Commission has also recommended that its Grant, Basic and Tied, should be distributed to all the tiers of the Panchayats in the States on the basis of the accepted recommendation of the latest State Finance Commission (SFC) and also in conformity to the bands recommended by XV FC.

In this context, the following sharing/ Distribution formula have been approved by the Government in respect Rural Local Bodies in Tamil Nadu.

- 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 the tier will be as per the Horizontal Distribution formula as recommended by Fifth State Finance Commission formula given below:

a)	Population as per 2011 census	: 60%
b)	Area	: 15%
c)	SC/ST population	: 15%
d)	Per capita consumption Expenditure Distance	: 10%

6. The Commissioner of Rural Development and Panchayat Raj has also stated that the Government has issued orders accepting the recommendations of the Fifth State Finance Commission in which horizontal sharing ratio among the Village panchayats, Panchayat unions, District panchayats is prescribed. He has therefore requested the Government to release an amount of **Rs.353.27 Crore** (Rupees Three Hundred and fifty three crore and twenty seven lakh only) as second instalment of Basic Grant-Untied fund for the year 2020-21 under Fifteenth Finance Commission and to authorize him to draw and disburse the above amount to 12,525 Village Panchayats and 388 Panchayat Unions and 36 District Panchayats. The utilisation of the above Grant should be made as per the state specific guidelines issued comprehensively for both tied and untied components of 15th Central Finance Commission Grant in G.O. (Ms) No.18, Rural Development and Panchayat Raj (PR-1) Department, Dated: 03.02.2021.

7. The Government after careful examination of the proposal of the Commissioner of Rural Development and Panchayat Raj at para 6 above accord sanction for sum of **Rs.353.27 Crore-** (Rupees Three Hundred and fifty three crore and twenty seven lakh only) as 2nd instalment of General Basic Grant under Fifteenth Central Finance Commission for the year 2020-21 by relaxing Quarterly Control of Appropriation system for which orders were issued in the Government letter No.15417/Finance (BG-I) Dept./2021-1, dated 30.03.2021. Further, this Quarterly Control of Appropriation exemption is included in the online Quarterly

Control of Appropriation module of IFHRMS also to facilitate drawal of bills under IFHRMS as well.

8. The expenditure sanctioned in para 7 above shall be debited to the following Head of Accounts.

Head of Account	Release of amount requested (In Rs)
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 198 Assistance to Gram Panchayats – Central Sector Schemes - SC Basic Grants to Village Panchayats as per the recommendations of the 15th Finance Commission - 309 Grants-in-aid – 01 Grants for Current Expenditure **(DPC 3604-00-198-SC-30901)**	**Rs. 282,61,60,000/-**
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions- 197 Assistance to Block Panchayats/Intermediate Level Panchayats - Central Sector Schemes - SA Basic Grants to Block Panchayats as per the recommendations of the 15th Finance Commission - 309 Grants-in-aid – 01 Grants for Current Expenditure **(DPC 3604-00-197-SA-30901)**	**Rs. 52,99,05,000/-**
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 196 Assistance to Zilla Parishads/District level Panchayats - Central Sector Schemes - SA Basic Grants to District Panchayat as per the recommendations of the 15th Finance Commission - 309 Grants-in-aid – 01 Grants for Current Expenditure **(DPC 3604-00-196-SA-30901)**	**Rs. 17,66,35,000/-**
Total	**Rs. 353,27,00,000/-**

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. This order issues with the concurrence of Finance Department vide its U.O. No.17283/Fin(RD)/2021, dated 09.04.2021.

(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 Director General, Rural Development and Panchayat (Training), Chennai – 15.
All District Collectors,
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.

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Copy to:

The Special Personal Assistant to Hon'ble Minister (Municipal Administration and Rural Development, Implementation of Special Programme), Chennai -9.
The Principal Private Secretary, Additional Chief 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/W&M.I) Department, Chennai -9
Rural Development and Panchayat Raj (B&C/OP II) Department, Chennai-9
The Planning Development and Special Initiatives (B&C) Department, Chennai-9.
The Director, State Institute of Rural Development, Maraimalai Nagar, Kancheepuram District.
Stock File / Spare Copy.

// Forwarded by Order //

S.Narayani 09/04/2021
(S.NARAYANI)
UNDER SECRETARY TO GOVERNMENT.
9.04.2021

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