



Government of Jammu & Kashmir
Department of Rural Development & Panchayati Raj
Civil Secretariat, Jammu/Srinagar

Subject: Guidelines for incurring expenditure from Own Source Revenue, by Halqa Panchayats, Block Development Council(s) and District Development Council(s) of UT of J&K.

Reference: U.O No. FD-Code/469/2022 1819 Dated: 05.12.2022 of the Finance Department.

Government Order No:388-RD&PR of 2023

Dated:24.07.2023

Whereas, Section 13 of the J&K Panchayati Raj Act, 1989 gives the detail of the assets which constitute the property of a Halqa Panchayat and from which the Halqa Panchayat can earn revenue; and

Whereas, a Halqa Panchayat may levy such fee as may be determined by it on the items given in Section 15 of the J&K Panchayati Raj Act. Section 14 of the Act *ibid* provides that Halqa Panchayat shall have a fund to be called "Halqa Panchayat Fund", comprising among other things, user charges, fees levied by the Panchayat, Proceeds from the property and enterprises run by Halqa Panchayat, Court Fee, fines and compensation to the Halqa Panchayat etc. which constitute 'Own Source Revenue'; and

Whereas, this Halqa Panchayat Fund, including the Own Source Revenue, is to be operated by the Secretary Panchayat and Sarpanch as per the procedure to be notified by the Department of Rural Development & Panchayati Raj; and

Now, therefore, in exercise of powers conferred by the Section 14 of J&K Panchayati Raj Act, 1989, the following procedure is hereby notified for operating upon the Own Source Revenue of the Halqa Panchayat Fund, by Halqa Panchayats, Block Development council(s) and District Development Council(s), which shall be applicable from the date of its issuance:

- i. Every Panchayat shall maintain a separate account for each scheme under which funds are transferred to it and also maintain separate books of accounts, including cash book, for each scheme under double entry system of accounts.
- ii. There shall be a separate account of Own Source Revenue Fund and its books of accounts shall be maintained separately. Transfer from U.T Government or Central Government shall not be deposited in this account under any circumstances.
- iii. The Own Source Revenue Fund shall be utilized as per a separate budget, to be prepared in accordance with provisions of Section 21 of the J&K Panchayati Raj Act, 1989 and Chapter VI of the J&K Panchayati Raj Rules, 1996 and after approval in Gram Sabha. The procedure for calling a meeting of Gram Sabha shall be as prescribed under the J&K Panchayati Raj Act, 1989 and Rules thereunder, with a minimum quorum of 1/10 of total electorates of the Halqa Panchayat.

- iv. The option of GIS planning, available under e-Gram Swaraj Portal, shall be utilized for planning activities.
- v. The annual budget for Own Source Revenue shall also form a part of the Gram Panchayat Development Plan.
- vi. The Gram Sabha/Halqa Panchayat shall accord priority to:
- a. SC/ST, Women/Minority welfare programmes/schemes and income enhancing and livelihood support activities like agriculture, horticulture, animal/sheep husbandry, fisheries etc.
 - b. Addressing critical gaps identified during Mission Antyodaya Survey.
 - c. Repair of Government/community assets and any serious educational/health issue facing the Panchayat.
 - d. Critical gap funding/bridge financing for different Centrally Sponsored Schemes and UT Government Schemes where funds are inadequate for completion of a project.
 - e. Such new constructions, which are for community benefit and aim at civic amenities creation and revenue generation.
 - f. Any scheme being implemented on priority by the Government.
- vii. In case of any exigency, any other activity, which does not form a part of the annual budget, can be taken up for which the Halqa Panchayat shall call a special meeting of the Gram Sabha and get the activity approved.
- viii. The Government may notify priority areas from time to time for incurring expenditure out of the Own Source Revenue Fund.
- ix. The Halqa Panchayats may incur expenditure on any of the subjects transferred to them under Schedule-I (A) of the J&K Panchayati Raj Act, 1989 after approval of the Gram Sabha, as per the priorities notified and as per Rule 49 of the J&K Panchayati Raj Rules, 1996.
- x. The Panchayats shall exercise all financial prudence and follow GFR while spending the Own Source Revenue Fund. Under no circumstances shall the Private Assets be repaired/constructed out of Own Source Revenue Fund.
- xi. No donation/Charity work/social assistance etc. can be made/carried out of the Own Source Revenue Fund.
- xii. The Halqa Panchayats shall maintain a separate file for every work taken up for execution from Own Source Revenue Fund, which shall, among other things, include pre, during and, post execution photographs. A single PDF file containing all the above documents shall also be maintained for each work.
- xiii. The Halqa Panchayats shall be assisted by the officials of the Rural Engineering Wing (REW) of the Department of Rural Development & Panchayati Raj in preparing the estimates for tendering activities and preparing bills for the activities under Own Source Revenue, the procedure for which shall be the same as prescribed for other works of the Rural Development Department. The Rural Engineering Wing shall ensure that estimates of all the works are prepared before the preparation of Annual Budget.
- xiv. If the activities are taken up by the Halqa Panchayats in convergence with any government schemes like MGNREGA, Finance Commission Grants or any other scheme, the guidelines of the relevant scheme shall apply *mutatis mutandis* in so far as incurring of expenditure from Own Source Revenue Fund is concerned.

xv. For undertaking any activity(ies) exclusively out of Own Source Revenue Fund, the following criteria shall apply:

a. For Administrative Approval

S. No.	Nature of Power	To whom delegated	Extent	Remarks
1.	To accord Administrative Approval	Zila Parishad/DDC	Up to Rs 1.00 Crore	Subject to the condition that: a. Funds are available b. GFR-2017 shall be followed. c. There shall be no distinction between capital and revenue expenditure d. For works beyond 1.00 crore, S.O 15 dated 09.01.2020 shall be followed.
		Block Samiti/BDC	Up to Rs 20.00 lakhs	
		Gram Panchayat/Halqa Panchayat	Up to Rs 5.00 lakhs	

b. For Technical Sanction

S.No.	Nature of Power	To whom delegated	Extent	Remarks
1.	To accord Technical Sanction	Assistant Executive Engineer	Up to Rs.5.00 lakh	Subject to the condition that: a. Estimated cost technically sanctioned does not exceed the corresponding administratively approved cost b. Work has been approved in Capex/Revenue component of Budget and funds are available For incurring expenditure from own resources GFR-2017 shall be followed. There shall be no distinction between capital and revenue expenditure.
		Assistant Engineer	Up to Rs.3.00 Lakh	
		Junior Engineer	Up to Rs.1.00 Lakh	

In absence of a duly constituted Panchayat, OSR will not be spent in the concerned Halqa Panchayat. In absence of BDC/Block Samiti and DDC/Zila Prashad, the Administrative Approval and Technical Sanction above Rs 20.00 lacs shall be accorded as per the guidelines of the Finance Department in vogue.

- xvi. Only the activities forming a part of the annual plan duly approved by Gram Sabha shall be taken up. All files for Administrative Approval at Panchayat level shall be processed by the Secretary Panchayat through the Panchayat Accounts Assistant, whereas, the files for Administrative Approval at Block Level shall be processed through the office of BDO and the files for Administrative Approval at District Development Council level shall be processed through the office of CEO, District Development Council. At all levels, the powers shall be exercised as per the provisions of J&K Panchayat Raj Act, 1989 and Rules thereunder and the instructions issued by the Government from time to time.
- xvii. The Halqa Panchayat shall frame a social audit committee in presence of the Inspector Panchayat or any other official nominated by the Block Development Officer for conduct of Social Audit of the activities being undertaken out of Own Source Revenue Fund. At the end of every quarter, the Halqa Panchayat shall submit a quarterly report of activities undertaken under OSR, along with a copy of the social audit report, to the Gram Sabha. The Bio-Diversity Management Committees framed at Panchayat level shall also monitor the activities taken under the OSR Fund, to ensure that they are environment friendly, sustainable and NGT compliant. A copy of the quarterly report/social audit report and Bio-Diversity Management Committee report shall be forwarded to the Block Development Officer, Assistant Commissioner Panchayat and the CEO of the District Development Council as well.
- xviii. Every Halqa Panchayat shall contribute five percent and twenty percent of its Own Source Revenue to the District Development Council Fund and Block Development Council Fund respectively, on annual basis.

By order of the Government of Jammu & Kashmir.



(Khalid Majeed) JKAS
Director Panchayati Raj, J&K
(ex-officio Special Secretary to the Government)
Dated:24.07.2023

No. RDD-Pnch/8/2021

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