



ABSTRACT

Rural Development and Panchayat Raj Department - State Finance Commission Grant – Pooled Fund for Deficit Rural Local Bodies - Sanction of Rs.725,83,92,000/- for the year 2022-23 and Release the first installment of Rs.362,91,96,000/- being the 50% of total grant - Orders - Issued.

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

G.O. (Ms) No.126

Dated: 24.11.2022

சுபகிருது, கார்த்திகை - 8

திருவள்ளூர் ஆண்டு 2053

Read:

1. G.O. (Ms) No.84, Finance (Finance Commission-IV) Department, Dated: 31.03.2017.
2. G.O. (Ms) No.94, Rural Development and Panchayat Raj (PR-1) Department, dated 23.08.2017.
3. From the Commissioner of Rural Development and Panchayat Raj Letter No.55903/2022/PRI 2-2, dated 31.10.2022.

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ORDER:

In the Government Order 1st read above, as per the recommendations of Fifth State Finance Commission, the Government have 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 will be distributed as follows:-

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

2. The Government have also ordered that the horizontal distribution of the SFC 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%

3. In the Government Order 2nd read above, the Government have created the Pooled Fund for Deficit Rural Local Bodies and distributed to deficit panchayats with following criteria:

- i) Out of fund earmarked, 40% of the amount available in this Fund, shall be released to deficit Panchayat Unions and Village Panchayats.
- ii) 40% of the Pooled Fund for Deficit Rural Local Bodies should be allocated with 20% retained by the DRD&PR and 20% distributed amongst the District Collectors based on the horizontal District Panchayat wise share.
- iii) 20% of the Pooled Fund for Deficit Rural Local Bodies shall be provided to TWAD to meet the deficit on Combined Water Supply Schemes.

4. In the letter 3rd read above, the Commissioner of Rural Development and Panchayat Raj has stated that in Budget Estimate for the year 2022-23, an amount of Rs.725,83,92,000/- (Rupees Seven hundred and twenty five crore eighty three lakh and ninety two thousand only) is provided under the Head of Account 3604-00-200-BQ-30902 pertaining to Pooled Fund for Deficit Rural Local Bodies for the year 2022-23 which includes of the following components:

- a) To distribute (40%) an amount of Rs.290,33,56,800/- (Rupees Two hundred and ninety crore thirty three lakh fifty six thousand and eight hundred only)for the deficit 127 Panchayat Unions and 3921 Village Panchayats. The deficit RLBs data given by SFC will be adopted for the year 2022-23 also.
- b) To retain (20%) an amount of Rs.145,16,78,400/- (Rupees One hundred and forty five crore sixteen lakh seventy eight thousand and four hundred only)by the Director of Rural Development and Panchayat Raj and utilize the same to provide grants to those Village Panchayats and Panchayat Unions who have special problems which cannot be addressed under any of the existing transfer mechanisms or schemes.
- c) Distribute(20%) an amount of Rs.145,16,78,400/- (Rupees One hundred and forty five crore sixteen lakh seventy eight thousand and four hundred only)to District Collectors based on the horizontal District Panchayat wise share to provide grants to those Village Panchayats and Panchayat Unions for addressing special problems which cannot be addressed under any of the existing schemes.
- d) To release (20%) a total amount of Rs.145,16,78,400/- (Rupees One hundred and forty five crore sixteen lakh seventy eight thousand and four hundred only)to TWAD to meet the deficit on CWSSs in addition to the water charges levied and collected from Rural Local Bodies.

5. The Commissioner of Rural Development and Panchayat Raj has requested the Government to issue orders for the sanction of Pooled Fund for Deficit Rural Local Bodies Rs.725,83,92,000/-(Rupees Seven hundred and twenty five crore eighty three lakh and ninety two thousand only) for the year 2022-23 and to release the first installment of Rs.362,91,96,000/- (Rupees Three hundred and sixty two crore ninety one lakh and ninety six thousand only) being the 50% of total grant under Pooled Fund for Deficit Rural Local Bodies for the year 2022-23 as mentioned below:-

(in Rupees)

Category	Total allocation for the year 2022-23	Release of 1 st installment
40% for Deficit RLBs	290,33,56,800	145,16,78,400
20% vested with DRD & PR	145,16,78,400	72,58,39,200
20% vested with District Collectors	145,16,78,400	72,58,39,200
20% for TWAD to meet Deficit on CWSSs	145,16,78,400	72,58,39,200
Total	725,83,92,000	362,91,96,000

6. The Government after careful examination of the proposal of the Commissioner of Rural Development and Panchayat Raj and accord sanction for a sum of Rs.725,83,92,000/- (Rupees Seven hundred and twenty five crore eighty three lakh and ninety two thousand only) towards Pooled Fund for Deficit Rural Local Bodies Grant for the year 2022-23 and release the first installment for a sum of Rs.362,91,96,000/- (Rupees Three hundred and sixty two crore ninety one lakh and ninety six thousand only) being the 50% of total grant under Pooled Fund for Deficit Rural Local Bodies for the year 2022-23.

7. The Government authorize the Commissioner of Rural Development and Panchayat Raj, Chennai-15 to draw the amount in PFMS Account maintained at the Directorate of Rural Development and Panchayat Raj and disburse the grant as per above mentioned components under the following Head of Account:-

Head of Account	Amount in Rupees
3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions – 200 – Other Miscellaneous Compensations and Assignments – State's Expenditure – BQ Pooled Fund Deficit - Rural Local Bodies – 309 Grants in Aid – 02-Grants for Creation of Capital Assets	Rs.362,91,96,000/-
IFHRMS (DPC 3604-00-200-BQ-30902)	
Total	Rs.362,91,96,000/-

8. The Guidelines issued in the Government Order 2nd read above the utilization of funds under the Pooled Fund for Deficit Rural Local Bodies shall be adopted for the year 2022-23.

9. This order issues with the concurrence of Finance Department vide its U.O.49128/Fin(RD)/2022, dated 24.11.2022.

(By Order of the Governor)

P. AMUDHA,
Principal Secretary to Government.

To

- ✓ The Commissioner of Rural Development and Panchayat Raj, Chennai – 15.
All District Collectors,
All District Treasury Officers.
The Director of Treasuries and Accounts, Chennai-35.
The Director of Local Fund Audit, Chennai -35.
The Pay and Accounts Officer (South) Chennai -35.

Copy to:

- The Special Personal Assistant to Hon'ble Minister (Rural Development), Chennai-9.
The Principal Private Secretary to Principal Secretary to Government,
Rural Development and Panchayat Raj Department, Chennai-9.
The Finance (RD/SFC-MC) Department, Chennai -9.
The Rural Development and Panchayat Raj (B&C/OP II/SGS-II/SGS-III) Department,
Chennai-9.
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// Forwarded by Order //

Shanmuga
25/11/22
Section Officer

ASAP
25/11/22