



ABSTRACT

Rural Development and Panchayat Raj Department – Pooled Assigned Revenue to Rural Local Bodies – Pooling of Assigned Revenues at State Level for the year 2016-17 – Release of Rs.666,45,16,857/- – Sanction – Orders – Issued.

Rural Development and Panchayat Raj (PR-1) Department

G.O.(Ms) No.109

Dated: 19.09.2016

Read:

1. G.O.(Ms) No.168, Rural Development and Panchayat Raj (C4) Department, dated 4.10.2007.
2. G.O.(Ms) No.191, Rural Development and Panchayat Raj (C4) Department, dated 22.11.2007.
3. G.O.(Ms) No.142, Rural Development and Panchayat Raj (PR-1) Department, dated 23.10.2015.
4. From the Office of the Accountant General (A&E), Chennai-18, letter No.AG (A&E)/Book-I/G1/2016-17/14502, dated 24.05.2016.
5. Government letter No.35700/Fin(RD)/2016-1, dated 23.06.2016.
6. From the Director of Rural Development and Panchayat Raj letter No.24707/2016/PR-1 2.2, dated 18.07.2016.

ORDER:

In the order first read above, the Government had issued orders for pooling of the Assigned Revenues due to Rural Local Bodies from the proceeds of Local Cess, Local Cess Surcharge, Surcharge on Stamp Duty and Entertainment Tax (except Social Forestry receipts and income from Mines and Minerals) at the State Level and apportioning the same to the Rural Local Bodies. The levy of Local Cess and Local Cess Surcharge had been dispensed with by Government since 2009-10. In the order second read above, a fund known as "Fund for Priority Schemes in Rural Areas" was constituted and orders for its utilization of the said fund were also issued.

2. In the order third read above, the Government had sanctioned a sum of Rs.713,01,38,789/- as assigned revenue due to Rural Local Bodies from the proceeds of Surcharge on Stamp Duty and Entertainment Tax for the year 2015-16.

3. In the letter fourth read above, the Accountant General (A&E) has made an observation that the transfer of receipt to the funds should be effected through the operation of the designated minor head "797 – Transfers to Reserve Fund / Deposits Accounts" under the relevant major head only and suggested to amend the Government Orders. Based on the Accountant General's suggestion, a new head of account "3604 00 797 AC 30" "Inter – Account Transfer" instead of "3604 00 102 AB 1001" & "3604 00 103 AE 1001" has been opened vide Government letter fifth read above to transfer the receipts to the fund account and given effect from RBE 16-17.

from the
(i.e Rs.749,
collection c
Surcharge
(Rs.707,64

Entertainm

Ten
worked ou
has sent
as Rs.4,
Rs.4,68,17
the year 2
will be Rs

Thus the I

4. The Director of Rural Development and Panchayat Raj in his letter sixth read above has sent necessary proposals on Pooled Assigned Revenue to Rural Local Bodies for the year 2016-17, wherein he has stated that to calculate the amount of Assigned Revenues, the procedure as prescribed in G.O.(Ms.) No.168, Rural Development and Panchayat Raj Department, dated 4.10.2007 and G.O.(Ms.) No.191, Rural Development and Panchayat Raj (C4) Department, dated 22.11.2007 may be followed. Further the Government have ordered that the difference between tentative allocation and the actual collection will be adjusted in the succeeding financial year. As was done for the years 2007-08 to 2015-16, the apportionment of Assigned Revenues to Rural Local Bodies and contribution to the fund for priority schemes may be done based on the actual amount due to the Rural Local Bodies in 2015-16. Also the additional / shortfall in collection during 2015-16 viz-a-viz the components of pooled Assigned Revenues as ordered in the G.O.(Ms.) No.168, Rural Development and Panchayat Raj Department, dated 4.10.2007 should be adjusted accordingly in 2016-17. Therefore, the tentative allocation for the year 2016-17 shall be the actual collection made in the year 2015-16 after making necessary adjustments.

5. The Director of Rural Development and Panchayat Raj has also stated that the actual collection details have been received from the Commissioner of Commercial Taxes and the Inspector General of Registration in respect of Entertainment Tax and Surcharge on Stamp Duty for the year 2015-16 are as below:

Surcharge on Stamp Duty	Rs.	707,64,46,857/-
Entertainment Tax	Rs.	4,68,17,397/-
Total	Rs.	712,32,64,254/-

Surcharge on Stamp Duty:

In respect of Surcharge on Stamp Duty, Rs.749,69,19,045/- had been taken as tentative allocation for the year 2015-16, whereas the Inspector General of Registration has reported that the actual collection for the year 2015-16 is Rs.707,64,46,857/- (Rupees Seven hundred and seven crore sixty four lakh forty six thousand and eight hundred and fifty seven only). As per the G.O.(Ms.) No.168, Rural Development and Panchayat Raj Department, dated 4.10.2007, the difference in actual collection and tentative allocation for the year 2015-16 should be deducted/additionally be claimed

6:
was assi
pooled i
credited
propose
Unions ;
taking in

7
allocatic
67:33 to
12 to 2
assigne
apportio
Govern
Comm
Pancha

the Po
Unions

the allocation for the year 2016-17. As such, Rs.42,04,72,188/- (Rs.749,69,19,045/- minus Rs.707,64,46,857/-) has to be deducted from the actual collection of Rs.707,64,46,857/- for the year 2015-16. Hence, the allocation under Surcharge on Stamp Duty for the year 2016-17 will be Rs.665,59,74,669/- (Rs.707,64,46,857/- minus Rs.42,04,72,188/-).

Entertainment Tax:

Tentative allocation for the year 2015-16 in respect of Entertainment Tax was worked out as Rs.8,50,92,606/-. The Commissioner of Commercial Taxes, Chennai has sent the actual collection of Entertainment tax for the year 2015-16 as Rs.4,68,17,397/-. As such, Rs.3,82,75,209/- (i.e. Rs.8,50,92,606/- minus Rs.4,68,17,397/-) has to be deducted from the actual collection of Rs.4,68,17,397/- for the year 2015-16. Hence, the allocation under Entertainment Tax for the year 2016-17 will be Rs.85,42,188/- (Rs.4,68,17,397/- minus Rs.3,82,75,209/-).

Thus the Pooled Assigned Revenue for the year 2016-17 has been arrived as below:-

Surcharge on Stamp Duty	Rs.	665,59,74,669/-
Entertainment Tax	Rs.	85,42,188/-
Total	Rs.	666,45,16,857/-

6. Further he has stated that during the year 2009-10, 50% of the total revenue was assigned to the Village Panchayats and Panchayat Unions from out of the amount pooled in respect of Rural Local Bodies at State level and the balance 50% was credited to the Fund for Priority Schemes in rural areas. On the same line, it is proposed to assign 50% of the amount to the Village Panchayats and Panchayat Unions and the balance amount for priority schemes in rural areas in the year 2016-17 taking into account of the infrastructure requirements in rural areas.

7. The Director of Rural Development and Panchayat Raj has also stated that the allocation of funds under Pooled Assigned Revenue was apportioned in the ratio of 67:33 to Village Panchayats and Panchayat Unions respectively during the years 2011-12 to 2015-16. The Fourth State Finance Commission has recommended that the assigned revenue need not be released to District Panchayats and recommended to apportion the amount to Village Panchayats and Panchayats Unions only. The Government also have accepted the recommendations of the State Finance Commission. Hence the existing ratio of 67:33 may be continued for Village Panchayats and Panchayat Unions in the year 2016-17 also.

8. The Director of Rural Development and Panchayat Raj has stated that 50% of the Pooled Assigned Revenue to be released to the Village Panchayats and Panchayat Unions may be done based on the rural population as per 2011 census on quarterly

basis and the balance 50% of the pooled amount may be credited to the Scheme Component Fund for implementing priority works in rural areas on half yearly basis as per the guidelines. Details of amount to be released under Pooled Assigned Revenue to Rural Local Bodies for the year 2016-17 are as follows:-

Amount to be released to the Rural Local Bodies based on the rural population as per 2011 census (50% of Rs.666,45,16,857/-)	Rs. 333,22,58,429/-
Amount to be retained by the Director of Rural Development and Panchayat Raj for Scheme Component. (50% of Rs.666,45,16,857/-)	Rs. 333,22,58,428/-

9. The Government after careful examination of the proposal of Director of Rural Development and Panchayat Raj has decided to accept the proposal and accordingly sanction and release a sum of Rs.666,45,16,857/- (Rupees Six hundred and sixty six crores forty five lakhs sixteen thousand eight hundred and fifty seven only) being the assigned revenue due to Rural Local Bodies from the proceeds of Surcharge on Stamp Duty and Entertainment Tax for the year 2016-17. The Government also order the following:

- i. The assigned revenue due to the Rural Local Bodies from the proceeds of the Surcharge on Stamp Duty and Entertainment Tax shall continue to be pooled out at the State level.
- ii. 50% of the total revenue i.e. Rs.333,22,58,429/- out of Rs.666,45,16,857/- to be assigned to the Rural Local Bodies from out of the amount pooled at State level shall be apportioned to Village Panchayats and Panchayat Unions in the ratio 67:33. The actual amount due to the respective Village Panchayats and Panchayat Unions from out of the share allocated to each tier shall be in proportion to the rural population of the Local Body as per 2011 Census. This amount shall be released to the Rural Local Bodies by the Director of Rural Development and Panchayat Raj on quarterly basis.
- iii. Out of the balance 50% amount of the pooled amount i.e. Rs.333,22,58,428/- an amount of Rs.166,61,29,214/- is earmarked for Tamil Nadu Village Habitation Improvement Scheme (THAI) and the remaining amount i.e. Rs.166,61,29,214/- shall be credited to the Fund for Priority Schemes in Rural Areas on half yearly basis.

iv.

v.

vi.

vii.

50%
relea
popu
(50%Out
Rev
Pan
THA
(50%Ren
Dev
for
are
(Rs

Accou

v. The quantum of the pooled amount shall tentatively be fixed on the basis of the collection of taxes during the previous year for making necessary budgetary allocation.

vi. The apportionment of assigned revenue to Rural Local Bodies and contribution to the fund shall initially be done to the level of tentative allocation for the pooled amount in the budget and finally adjusted in the next financial year after determining the entitlement of the Rural Local Bodies.

vii. The system of adjustment of assigned revenues from the Entertainment Tax and Surcharge on Stamp Duty to Local Bodies directly from the revenue receipt heads by the Commercial Taxes Department and Registration Department respectively shall be restricted only to Urban Local Bodies.

viii. The amount released to Rural Local Bodies, amount earmarked for Tamil Nadu Village Habitation Improvement Scheme (THAI) and amount to be credited to the Fund for Priority Schemes in Rural Areas (ordered in G.O.(Ms.) No.191, Rural Development and Panchayat Raj Department, dated 22.11.2007) are indicated below:-

50% amount out of total Pooled Assigned Revenue to be released to the Rural Local Bodies based on the rural population as per 2011 census (50% of Rs.666,45,16,857/-)	Rs.333,22,58,429/-
Out of the balance 50% amount of total Pooled Assigned Revenue retained by Director of Rural Development and Panchayat Raj for Scheme Component, fund earmarked for THAI scheme. (50% of Rs.666,45,16,857/- is Rs.333,22,58,428/-)	Rs.166,61,29,214/-
Remaining amount to be retained by Director of Rural Development and Panchayat Raj for Scheme Component for regular use i.e., Fund for Priority Schemes in Rural areas. (Rs.332,22,58,428/- minus Rs.166,61,29,214/-)	Rs.166,61,29,214/-
Total	Rs.666,45,16,857/-

10. The amount sanctioned in para 9 shall be debited to the following Heads of Account under demand 42 of Rural Development and Panchayat Raj:-

Sl. No.	Head of Account	Amount (in Rs.)
	Assigned Revenue to VP & BP	
1	(i) Surcharge on Stamp Duty (RLB) 3604 00 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions-102 Stamp Duty-I Non-Plan-AA Assignment under Global Sharing of Assigned Revenue to Rural Local Bodies -Stamp Duty-09 Grants-in-Aid-09 Others (DPC 3604 00 102 AA 0991)	332,79,87,335
	(ii) Entertainment Tax (RLB) 3604-00-Compensation and Assignments to Local Bodies and Panchayat Raj Institutions-103 -Entertainment Tax-I.Non-Plan AD - Assignment under Global Sharing of Assigned Revenue to Rural Local Bodies-Entertainment Tax- 09.Grants -in-Aid-09 Others (DPC 3604 00 103 AD 0993)	42,71,094
2	Funds for Priority Scheme Component 2515 00 Other Rural Development Programmes - 102 Community Development - I Non Plan - AE Provision of Basic Infrastructure facilities in Rural Areas - Expenditure - met from the fund for priority scheme - 09 Grants-in-Aid - 03 Grants for Specific Schemes (DPC 2515 00 102 AE 0939)	333,22,58,428
	Total	666,45,16,857/-

The amount sanctioned in the above table in Sl.No. 2 shall be adjusted to the fund account by contra credit to the following head of account:

2515-00-Other Rural Development Programmes - 902 Deduct - Amount met from Reserve Fund - I Non Plan - AA Deduct - Amount met from the Fund for the Priority Schemes in Rural Areas - 30 Inter - Account Transfers (DPC-2515-00-902-AA-3009)

and debi
account:-

J.

(b)

82

Fu

(D

11

hundred

twenty ei

the Acco

Rural De

debiting t

"3

Pa

Ac

Sc

79

and cont

The Gov
necessar
book adj

int
s.)

,87,335

,71,094

,58,428

16,857/-

Adjusted to the

Amount
from the
Account

and debited to the Fund in Part III Public Account of the State under the head of account:-

J. Reserve Fund

(b) Reserve funds not bearing interest

8229-00 Development and Welfare funds – 200 Other Development and Welfare Funds – AY Fund for Priority schemes in Rural Areas.

(DPC 8229-00-200-AY-0007) (Outgo)

11. The Government, direct that a sum of Rs.333,22,58,428/- (Rupees three hundred and thirty three crores twenty two lakhs, fifty eight thousand four hundred and twenty eight only) be transferred to the Fund for Priority Schemes in Rural Areas by the Accountant General (A&E), Chennai-18 based on the request of the Director of Rural Development and Panchayat Raj being the Fund Administrator for the said Fund debiting the following head of accounts:

3604 – 00 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions – 797 Transfer to Reserve Fund and Deposit Account – I. Non – Plan – AC Transfer of amount to Fund for Priority Schemes in Rural Areas – 30 Inter – Account Transfers (DPC 3604 00 797 AC 3000) towards

(a) Stamp Duty	Rs.	332,79,87,334/-
(b) Entertainment Tax	Rs.	42,71,094/-
Total	Rs.	333,23,58,428/-

and contra credit to:

J. Reserve Fund

(b) Reserve funds not bearing interest

8229 00 Development and Welfare funds

200 other Development and Welfare funds

AY Fund for priority schemes in Rural Areas

(DPC 8229 00 200 AY -000D) (Receipts)

The Government direct the Director of Rural Development and Panchayat Raj to send necessary request to the Principal Accountant General (A&E) for making the above said book adjustments immediately.

12. Now the Government authorize the Director of Rural Development and Panchayat Raj to draw and disburse the amount sanctioned in para 9 above and utilize the same as ordered in para 9 above for implementation of specific development scheme in rural areas. He is also authorized to allocate Rs.166,61,29,214/- earmarked to Tamil Nadu Village Habitation Improvement Scheme (THAI) and utilize the same as per the guidelines of the scheme.

13. The guidelines for sanctioning expenditure under the Fund for Priority Schemes in Rural Areas and list of items not allowed under the Fund for Priority Schemes in Rural Areas are annexed to this order and it shall be scrupulously followed while implementing the schemes.

14. This order issues with the concurrence of Finance Department vide its U.O.No.50788/RD/16, dated 19.09.2016.

(By Order of the Governor)

HANS RAJ VERMA,
Principal Secretary to Government.

To

The Director of Rural Development and Panchayat Raj, Chennai-15.

The Commissioner of Commercial Taxes, Chennai-5.

The Inspector General of Registration, Chennai-28.

The Commissioner of Treasuries and Accounts, Chennai-15.

All District Collectors (except Chennai)

The Pay and Accounts Officer, Chennai-35.

The Principal Accountant General (G&SSA), Chennai-18.

The Rural Development and Panchayat Raj (SGS.I /SGS.II/ B&C / OPII)
Department, Chennai-9.

Copy to:

The Hon'ble Chief Minister's office, Chennai -9.

The Special Personal Assistant to Minister (Municipal
Administration & Rural Development, Implementation of Special Programme),
Chennai -9.

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

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

The Finance (RD / B.G.I / B.G II / Resources-I) Department, Chennai-9.
SF / SC.

// Forwarded by Order //

P. L. Verma
15-9-16.

(Under Secretary to Government)
Rural Development and Panchayat Raj Department

gamb
17/9

(An)

Guide

(i)

(ii)

(iii)

(iv)

(v)

(vi)

Annexure I

(Annexure to G.O. (Ms) No.109, Rural Development and Panchayat Raj (PR1) Department, dated 19.09.2016

Guidelines for Sanctioning Expenditure under the Fund for Priority Schemes in Rural Areas

(i)	Objective of the Fund	The Fund shall be utilized for executing works towards creation of basic infrastructure in rural areas.
(ii)	Sanctioning Authority	A Committee comprising the Principal Secretary to Government, Rural Development and Panchayat Raj Department, Director of Rural Development and Panchayat Raj and Superintending Engineer (Rural Development) shall scrutinize the proposals forwarded by District Collectors and accord approval for expenditure under the Fund. The Director of Rural Development and Panchayat Raj shall issue sanction order based on the approval of the Committee subject to availability of adequate budget provision to meet the expenditure initially under Revenue Account.
(iii)	Details of work admissible under the Fund	Any type of work except those shown in Annexure II.
(iv)	Proposals for schemes	The District Collectors shall forward proposals along with detailed estimates for works and a certificate to the effect that sufficient land is available to execute work.
(v)	Executing Agency	The execution of work shall be entrusted to the District Collectors. The District Collectors may execute the works through District Rural Development Agency (DRDA), Block Development Officers and Village Panchayat concerned as deemed fit.
(vi)	Executing Agencies not allowed	No work shall be entrusted to line departments such as Public Works, Highways and Minor Ports, Agricultural Engineering and Tamil Nadu Water Supply and Drainage (TWAD) Board for execution. However, the installation of street lights may be entrusted to the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO).

2
s-16.
ment)
Raj Depart

(vii)	Implementation of special schemes	The above Committee may also formulate certain schemes and allocate funds to Districts for implementation. In such cases, the District Collectors shall accord administrative sanction as per guidelines of such schemes.
(viii)	Award of works	The Tender procedures and Procurement guidelines applicable to Government Departments shall be followed while awarding works.
(ix)	Drawal and release of funds	The Director of Rural Development and Panchayat Raj shall be authorized to draw and release the funds to District Collectors.
(x)	Modification in the guidelines	The Principal Secretary to Government, Rural Development and Panchayat Raj shall modify any of the above guidelines in consultation with the Director of Rural Development and Panchayat Raj based on exigencies that may arise from time to time.

// True Copy //

P. Subramanian
Section Officer.

12/11/19
19/9

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.

Annexure II

(Annexure to G.O. (Ms) No.109, Rural Development and Panchayat Raj (PR1)
Department, dated 19.09.2016

List of Expenditure Items Not allowed under the Fund for Priority Schemes in
Rural Areas

1.	Construction of office and residential buildings for the Central and State Governments, their departments, Government Agencies/Organizations and Public Sector Undertakings other than the office buildings of Panchayat Raj Institutions and officers providing technical support to Panchayat Raj Institutions;
2.	Construction of office and residential buildings for private, co-operative and commercial organizations;
3.	All works involving commercial establishments/units;
4.	All maintenance, repairs and renovation works of any type
5.	Payment of grants, loans and contribution to any Central and State/Union Territory relief funds;
6.	Creation of assets in the name of any person;
7.	Purchase of all movable items except equipments for Panchayat Raj Institutions and vehicles for Panchayat Union Chairpersons, Block Development Officers, Assistant Director (Panchayats) and Assistant Director (Audit), Executive Engineers (RD) and Assistant Executive Engineer (RD), Personal Assistant (Development) to Collector and Directorate officials for supervision and monitoring of works of Panchayat Raj Institutions.
8.	Acquisition of land or payment of compensation for land acquired;
9.	Reimbursement of expenditure on completed or partly completed works;
10.	Any revenue or recurring expenditure;
11.	Execution of work within the places of religious worship and on land belonging to or owned by any religious faith/group;
12.	Construction of monuments, memorials, statues, idols, arch gates/welcome gates; and
13.	De-silting of ponds, tanks, channels and rivers.

// True Copy //

J. Subramani
Section Officer. 19/9/16

19/9/16

formulate
ands to
cases,
accord
lines of

urement
ernment
awarding

ent and
to draw
ectors.

ent, Rural
all modify
nsultation
ment and
that may

J. Subramani
Section Officer.

