



ABSTRACT

Rural Development and Panchayat Raj Department – Pooled Assigned Revenue to Rural Local Bodies – Pooling of Assigned Revenue at State Level for the year 2019-20 – Sanction of Rs.1053,45,26,000/- Release of Rs.428,10,32,000/- being the available provision in Budget Estimate 2019-20 – Orders – Issued.

Rural Development and Panchayat Raj (PR-1) Department

G.O. (Ms) No.158

Dated: 01.11.2019

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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.160, Rural Development and Panchayat Raj (PR-1) Department, dated 31.10.2018.
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.18017/2019/PRI 2.2, dated 10.07.2019.

ORDER:

In the Government order first read above, the Government had issued orders for pooling of the Assigned Revenue 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 Government 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 Government order third read above, the Government had sanctioned a sum of Rs.407,71,72,046/- as assigned revenue due to Rural Local Bodies from the proceeds of Surcharge on Stamp Duty and Entertainment Tax for the year 2018-19.

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

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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 sixth read above to transfer the receipts to the fund account and given effect from Revised Budget Estimate 2016-17.

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 2019-20, wherein he has stated that in G.O. (Ms) No.168, Rural Development and Panchayat (C4) Department, dated 4.10.2007 the Government have ordered for pooling of Assigned Revenues due to Rural Local Bodies from the proceeds of Surcharge on Stamp Duty and Entertainment Tax at State level and apportioning the same to Rural Local Bodies. He has also stated that the Fifth State Finance Commission in its recommendation No.4.74(ii) has recommended that the pooling of Assigned Revenue viz Surcharge on Stamp Duty and Entertainment Tax must be done away with. The Commission further recommended that the Assigned Revenues should be distributed to the Local bodies based on the place where they actually accrue, after deducting the cost of collection.

5. The Director of Rural Development and Panchayat Raj has further stated that the previous system of assigning revenues to Rural Local Bodies directly through adjustment, leads to considerable delay in transferring funds and also involves a higher degree of paper work disproportionate to the amount involved. To avoid this kind of situations, the Government have decided to pool the Assigned Revenue from Surcharge on Stamp Duty and Entertainment Tax at State Level from 2007-08 to 2017-18 and allocate to Village Panchayats in G.O. (Ms) No.168, Rural Development and Panchayat (C4) Department, dated 4.10.2007. From out of this pooled fund since 2007, the major infrastructures requirement of Rural Local Bodies (RLBs) like Panchayat and Panchayat Union Office buildings, Major Bridges, Roads etc have been created for the benefit of Public. It is also stated that, the announcement made in the Floor of Assembly are being fulfilled using the portion of above revenue. In the year 2017-18, the 1st award year of 5th State Finance Commission, the Government have decided to continue with the practice of pooling of Assigned Revenue and apportioning the same to Rural Local Bodies. Hence, the existing practice of pooling of Assigned Revenue and apportioning the same to Rural Local Bodies may be continued during the current financial year 2019-20 also.

6. The Director of Rural Development and Panchayat Raj has added that the Government have issued the norms and procedure for pooling of Assigned Revenue and allocating them to Rural Local Bodies (RLBs) and undertaking infrastructural facilities in rural area, the same procedure as prescribed in G.O.(Ms) No.168, Rural Development and Panchayat Raj (C4) Department, dated 04.10.2007 and G.O. (Ms) No.191, Rural Development and Panchayat Raj (C4) Department, dated 22.11.2007, may also be followed in 2019-20. 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 previous years from 2007-08 to 2018-19, the apportionment of Assigned Revenues to Rural Local Bodies and contribution to fund for Priority Schemes may be done based on the actual amount due to Rural Local Bodies in the year 2018-19. Accordingly, the addition/ shortfall in collection during the financial year 2018-19 vis-a-vis the components of Pooled Assigned Revenue as ordered in G.O.(Ms) No.168, Rural Development and Panchayat Raj (C4) Department, dated 04.10.2007 should be adjusted in 2019-20. Therefore, the tentative allocation for the year 2019-20 shall be the actual collection made in the year 2018-19, after making necessary adjustments.

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7. The Director of Rural Development and Panchayat Raj has further stated that the Surcharge on Stamp Duty, Rs.407,55,55,414/- had been taken as tentative allocation for the year 2018-19, whereas the Inspector General of Registration has reported that the actual collection of Surcharge on Stamp Duty for the financial year 2018-19 is Rs.730,50,40,472/- (Rupees Seven hundred and thirty crore fifty lakh forty thousand four hundred and seventy two only) in Inspector General of Registration Lr.No.4626/2019/D1, dated. 19.06.2019. As per the G.O.(Ms) No.168, Rural Development and Panchayat Raj (C4) Department, dated 04.10.2007, the difference in actual collection and tentative allocation for the year 2018-19 should be adjusted to the allocation for the year 2019-20. Accordingly, the calculation for the allocation under **Surcharge on Stamp Duty for the financial year 2019-20** is detailed below:

1	Tentative allocation for the year 2018-19 (As fixed in G.O. (Ms) No.160, Rural Development and Panchayat Raj (PR-1) Department, dated:31.10.2018)	Rs.407,55,55,414/-
2	Actual collection for the year 2018-19 as reported by Inspector General of Registration	Rs.730,50,40,472/-
3	Difference between Actual collection and Tentative allocation for the year 2018-19 (i.e. 1-2)	Rs.322,94,85,058/-
4	Tentative allocation for the year 2019-20 (taking up the actual collection for the year 2018-19)	Rs.730,50,40,472/-
5	ADD: Difference amount arrived between Actual collection and Tentative allocation for the year 2018-19 (i.e.3)	Rs.322,94,85,058/-
6	The allocation under Surcharge on Stamp Duty for the year 2019-20 (i.e.4+5)	Rs.1053,45,25,530/-

Thus, the Pooled Assigned Revenue for the year 2019-20 is arrived under **Surcharge on Stamp Duty as Rs.1053,45,26,000/-**

8. The Director of Rural Development and Panchayat Raj has therefore requested the Government to issue necessary orders sanctioning Pooled Assigned Revenue for the year 2019-20 to the tune of Rs.1053,45,26,000/- (Rupees One thousand and fifty three crore forty five lakh and twenty six thousand) and to release a sum of Rs.526,72,63,000/- (Rupees Five hundred and twenty six crore seventy two lakh sixty three thousand) and to approve the guidelines for utilisation of funds under the Priority Scheme Component in rural areas.

9. The Government after careful examination of the proposal of Director of Rural Development and Panchayat Raj has decided to accept the proposal and issue the following orders:-

a) Sanction is accorded for the total sum of Rs.1053,45,26,000/- (Rupees One thousand and fifty three crore forty five lakh and twenty six thousand only) and release a sum of Rs.428,10,32,000/- (Rupees Four hundred and twenty eight crore ten lakh thirty two thousand only) towards pooling of Assigned Revenue from the proceeds of Surcharge on Stamp Duty due to Rural Local Bodies for the year 2019-20.

b) Permission is accorded to assign One-third of the total pooled amount to Village Panchayats and Pañchayat Unions and two-third amount for Priority Schemes in rural areas in the financial year 2019-20 as was done in the year 2018-19 taking into account of the infrastructure requirements in rural areas as mentioned below:-

Amount to be released to Rural Local Bodies based on the rural population as per 2011 Census (1/3 rd of Rs.1053,45,26,000/-)	Rs.351,15,09,000/-
Amount to be retained by the Director of Rural Development and Panchayat Raj for Scheme Component Fund. (2/3 rd of Rs.1053,45,26,000/-)	Rs.702,30,17,000/-

c) The existing ratio of 67:33 for the allocation of funds under Pooled Assigned Revenue Village Panchayats and Panchayat Unions respectively shall be continued in the financial year 2019-20.

d) Permission is accorded for the release of one-third of the Pooled Assigned Revenue to Village Panchayats and Panchayat Unions based on the rural population as per 2011 census on quarterly basis and two-third 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 which is annexed.

e) The amount sanctioned in para 9 (a) shall be debited under the following Heads of Account:-

Sl. No.	Head of Account	Amount (in Rs.)
1	Surcharge on Stamp Duty(RLB) 3604 00 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions - 102 Stamp Duty - State's Expenditure - AA Assignment under Global Sharing of Assigned Revenue to Rural Local Bodies - Stamp Duty - 309 Grants-in-Aid - 09 Others (DPC 3604 00 102 AA 30909)	351,15,09,000
2	Funds for Priority Scheme Component 2515 00 Other Rural Development Programme - 102 Community Development - State's Expenditure - AE Provision of Basic Infrastructure facilities in Rural Areas-met from the Fund for Priority Schemes - 309 Grants-in-Aid - 03 Grants for Specific Schemes (DPC 2515 00 102 AE 30903)	702,30,17,000
	Total	1053,45,26,000

Further, the amount sanctioned in the above table in **Sl. No.2** shall be adjusted to the Fund for Priority Schemes as detailed below:

Head of Account	Amount (in Rs.)
3604 00 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions – 797 Transfer to Reserve Fund and Deposit Account – State's Expenditure – AC – Transfer of amount to Funds for Priority Schemes in Rural Areas - 330 Inter Account Transfers. (DPC 3604-00-797-AC-33000)	702,30,17,000

f) The Director of Rural Development and Panchayat Raj is authorized to draw the above amount and release one third of the allocation to Village Panchayats and Panchayat Unions (in the ratio of 67:33) based on the rural population as per 2011 census and retain the balance two third of the total allocation for implementation of Specific Development Schemes in rural areas as per the guidelines.

g) The released amount under Pooled Assigned Revenue for the year 2019-20 shall be debited under the relevant Head of Accounts as mentioned below:

Head of Account	Amount
Surcharge on Stamp Duty (RLB) 3604 00 102 AA 30909	Rs.142,70,11,000/-
Funds for Priority Scheme Component 2515 00 102 AE 30903	Rs.285,40,21,000/-
Total	Rs.428,10,32,000/-
Inter Account Transfers 3604-00-797-AC-33000	Rs.285,40,21,000/-

h) The guidelines for Utilization of funds under the priority scheme component in rural areas is annexed to this order and it shall be scrupulously followed while implementing the schemes.

10. This order issues with the concurrence of Finance Department vide its U.O. No.53676/RD/2019, dated 31.10.2019.

(By Order of the Governor)

HANS RAJ VERMA
Additional Chief 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 and Rural Development, Implementation of Special Programme), Chennai -9.

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

The Principal Private Secretary to Additional Chief 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.

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S. Thiagarajan
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Annexure I

Annexure to G.O.(Ms) No.158, Rural Development and Panchayat Raj (PR-1)
Department, dated 01.11.2019

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 Additional Chief Secretary to Government, Rural Development and Panchayat Raj Department, Director of Rural Development and Panchayat Raj and Superintendent Engineer (RD) 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 the proposals along with detailed estimates for works and a certificate to the effect that sufficient land is available to execute the 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 (TANGEDCO)
(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.

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(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 Additional Chief Secretary to Government, Rural Development and Panchayat Raj Department 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.

HANS RAJ VERMA
Additional Chief Secretary to Government.

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Annexure II

Annexure to G.O. (Ms) No.158, Rural Development and Panchayat Raj (PR-1)
Department, dated 01.11.2019

List of Expenditure Items Disallowed 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 buildings for Panchayat Raj Institutions, Officers/Institutions of Rural Development and Panchayat Raj Department providing support to Panchayat Raj Institutions and construction of Integrated Rural Development and Panchayat Raj office building in the district
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 and Officers of Rural Development and Panchayat Raj Department at Block level, District level and State level 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.

HANS RAJ VERMA
Additional Chief Secretary to Government.

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S. Thiruganraj
SECTION OFFICER

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