



## ABSTRACT

Rural Development and Panchayat Raj Department – Pooled Assigned Revenue to Rural Local Bodies – Pooling of Assigned Revenue at State Level for the year 2020-21 – Allocation of Rs.850,37,21,990/- - Sanction and release of Rs.850,37,21,990/- in a single instalment under Pooled Assigned Revenue for the year 2021-22 – Orders – Issued.

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

G.O. (Ms) No.46

Dated: 30.03.2022

பிலவ, பங்குனி-16

திருவள்ளூர் ஆண்டு 2053

Read:

1. G.O. (Ms) No.168, Rural Development and Panchayat Raj (C4) Department, dated: 04.10.2007.
2. G.O. (Ms) No.191, Rural Development and Panchayat Raj (C4) Department, dated: 22.11.2007.
3. From the Director of Rural Development and Panchayat Raj Letter Rc. No.21611/2021/PRI.2.2, dated 14.09.2021, 30.11.2021 and 16.02.2022.

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### ORDER:

In the Government order first read above, the Government 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 letter dated 14.09.2022 third read above, the Director of Rural Development and Panchayat Raj has sent a proposal for Pooled Assigned Revenue for the year 2021-2022 and requested the Government to issue necessary orders for the following:-

- (a) To accord sanction for the total sum of **Rs.850,37,21,990/- (Rupees Eight hundred and fifty crore thirty seven lakh twenty one thousand nine hundred and ninety only)** towards pooling of Assigned Revenue from the proceeds of Surcharge on Stamp Duty due to Rural Local Bodies for the year 2021-22.

(P.T.O)

- (b) To assign one-third of the total pooled amount to Village Panchayats and Panchayat Unions and two-third amount for Priority Schemes in rural areas in the financial year 2021-22 as was done in the year 2020-21 taking into account of the infrastructure requirements in rural areas as mentioned below:-

1)	Amount to be earmarked for One Time Settlement to TANGEDCO to settle the long time pendency (1/3 <sup>rd</sup> of Rs.850,37,21,990/-)	Rs.283,45,73,996/-
2)	Amount to be retained by the Director of Rural Development and Panchayat Raj for Scheme Component Fund. (2/3 <sup>rd</sup> of Rs.850,37,21,990/-)	Rs.566,91,47,994/-

- (c) The Chairman and Managing Director, TANGEDCO through email has stated that there is an amount of Rs. 558.98 Crore outstanding from Village Panchayats in respect of current consumption and other charges. It is to state that an amount of Rs. 7 Lakh from the State Finance Commission Grant has been earmarked as Minimum Grant to settle Current Consumption charges to TANGEDCO and water charges to TWAD. In this regard, during this covid-19 pandemic situation the timely release of SFC Grant and the Village Panchayats are struggling to pay the current charges due to heavy expenditure on prevention and control of Covid-19 activities. Hence the amount pertaining to Rural Local Bodies i.e. Rs. 283,45,73,996 may be utilised for One Time settlement of Current Consumption charges to TANGEDCO. The list of Village Panchayats has high pendency considering various own sources of revenues and grants of the particular Panchayats and other criteria deems fit will be arrived by the District Collectors and the same will be scrutinised by the Director of Rural Development and Panchayat Raj and the Pendency will be cleared as One Time Settlement (OTS) to TANGEDCO.

Hence, to accord permission for the sanction of one-third portion of the Pooled Assigned Revenue to Village Panchayats and Panchayat Unions to settle the long pending dues of current consumption charges to TANGEDCO as one time settlement 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 enclosed in the proposal.

- (d) The Director of Rural Development and Panchayat Raj may be authorized to draw the above amount and release of entire one third of the total allocation i.e. Rs.283,45,73,996/- to settle the long pending dues of TANGEDCO.
- (e) The funds earmarked under two third of the Pooled Assigned Revenue i.e **Rs.566,91,47,994/-** may be permitted to utilise for the state level schemes such as Samathuvapuram, Anaithu Grama Anna Marumalartchi Thittam (AGAMT), strengthening of Rural Libraries etc, as

announced in the floor of the assembly during the year 2021-22. Hence, 50% of the total sanction under Funds for Priority Scheme Component amount under Pooled Assigned Revenue for the year 2021-22.

3. Further in the letter dated 16.02.2022 the Director of Rural Development and Panchayat Raj has sent a revised proposal with revised distribution as follows:-

**Revised distribution ratio proposed:**

<b>Total Amount allocated under Pooled Assigned Revenue for the year 2021-22.</b>	<b>Rs.850,37,21,990/-</b>
<b>2/3 of the total allocation earmarked to undertake state schemes and priority works.</b>	<b>Rs.566,91,47,994/-</b>
<b>1/3 of total allocated for Rural Local Body portion (1/3<sup>rd</sup> of Rs.850,37,21,990/-)</b>	<b>Rs.283,45,73,996/-</b>
<b>Amount to be released to Rural Local Bodies (1/3rd of Rs. 283,45,73,996)</b>	<b>Rs.94,48,57,999/-</b>
<b>Amount to be utilised for one time settlement of Current Consumption charges of RLBs to TANGEDCO (2/3rd of Rs. 283,45,73,996)</b>	<b>Rs.188,97,15,997/-</b>

4. The Director of Rural Development and Panchayat Raj has further stated that the share of Rural Local Bodies fixed as 67:33 between Village Panchayats and Panchayat Unions respectively as per the fifth State Finance Commission recommendations. The distribution to the Rural Local Bodies may be done as per the horizontal formula given by the 5<sup>th</sup> State Finance Commission.

5. The Director of Rural Development and Panchayat Raj has also stated that during the meeting convened by the Additional Chief Secretary to Government, Finance Department, the following schemes/ Projects have been converged with scheme component of Pooled Assigned Revenue for the year 2021-22 and there is no additional fund to earmark for the payment to TANGEDCO from the 2/3 component of Pooled Assigned Revenue:-

Rs. in Crore	
Provision in RBE -2021-22 for SCPAR (2/3 of Pooled Assigned Revenue)	<b>566.91</b>
Construction of Panchayat Union office Building	<b>231.20</b>
Anaithu Grama Anna Marumalartchi Thittam -II	<b>245.34</b>
Construction of NABARD Bridges	<b>59.72</b>
Formation of Gasifier Crematorium	<b>22.50</b>
Procurement of Vehicles for officials	<b>8.15</b>
<b>Total Amount Converged</b>	<b>566.91</b>
Balance amount available in the Scheme component	<b>-0-</b>

6. Therefore, the Director of Rural Development and Panchayat Raj has requested the Government to issue necessary orders by approving the above ratio mentioned in table at para 3 above for the current year 2021-22 and to release entire amount of Rs.850,37,21,990/- in a single instalment under Pooled Assigned Revenue for the year 2021-22 and to approve the guidelines for utilisation of funds under the Priority Scheme Component in rural areas.

7. The Government after careful examination of the proposal of the Director of Rural Development and Panchayat Raj accord sanction and release a sum of Rs.850,37,21,990/- (Rupees Eight hundred and fifty crore thirty seven lakh twenty one thousand and nine hundred and ninety only) in a single instalment under Pooled Assigned Revenue for the year 2021-22.

8. The amount sanctioned in para 7 above shall be debited to the following heads of account:-

Sl. No.	Head of Account	Amount (In Rupees)
1	<b>Surcharge on Stamp Duty(RLB)</b> 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 <b>(DPC 3604 00 102 AA 30909)</b>	Rs.283,45,73,996/-
2	<b>Funds for Priority Scheme Component</b> 2515 00 Other Rural Development Programmes – 102 Community Development – State’s Expenditure - AE Provision of Basic Infrastructure facilities in Rural Areas–met from the Fund for Priority Scheme – 309 Grants-in-Aid – 03 Grants for Specific Schemes <b>(DPC 2515 00 102 AE 30903)</b>	Rs.566,91,47,994/-
	<b>Total</b>	<b>Rs.850,37,21,990/-</b>

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 Rupees)
360400Compensation 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 <b>(DPC 3604-00-797-AC-33000)</b>	Rs.566,91,47,994/-

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.

9. The amount sanctioned in the above table in Sl. No.2 of Para 8 for Rs.566,91,47,994/- shall be adjusted to the fund for Priority Schemes account by contra credit to the following head of account:

2515-00 Other Rural Development Programmes – 902 -  
Deduct-Amount met from Reserve Fund-State Expenditure –  
AA - Deduct amount met from the Fund for the Priority  
Scheme in Rural Areas-330-Inter-Accounts Transfer-01 Inter  
Account Transfers

**IFHRMS (DPC: 2515 00 902 AA 33001)**  
**OLD (DPC: 2515 00 902 AA 3009)**

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-Rural Development and Welfare Funds – 200 -  
Other Development and Welfare Funds – AY - Fund for  
Priority Schemes in Rural areas – 802 Outgo – 02 Not  
Bearing Interest

**IFHRMS (DPC: 8229-00-200-AY-80202) (Outgo)**  
**OLD (DPC: 8229-00-200-AY-0007)**

10. The Government, direct that a sum of Rs.566,91,47,994/- 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 Administration for the said Fund debiting the following head of accounts:

3604 - 00 - Compensation and Assignment to Local Bodies  
and Panchayat Raj Institutions - 797- Transfer to Reserve  
Fund and Deposit Account - State Expenditure – AC -  
Transfer of amount to Fund for Priority Schemes in Rural  
Areas – 330 – Inter-Account Transfers – 01 - Inter-Account  
Transfer.

**IFHRMS (DPC: 3604 00 797 AC 33001)**  
**OLD (DPC: 3604 00 797 AC 3000)**

and contra credit to:

J. Reserve Fund  
b) Reserve Funds not bearing Interest

8229-00-Rural Development and Welfare Funds – 200 - Other  
Development and Welfare Funds – AY - Fund for Priority  
Schemes in Rural areas – 801 – Receipts – 02 – Not Bearing  
Interest

**IFHRMS (DPC 8229-00-200-AY-80102) (Receipts)**  
**OLD (DPC: 8229-00-200-AY-000D)**

The Principal Accountant General (A&E) is requested to make the above said book adjustments immediately and issue necessary Certificate to that effect.

11. 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 to settle the current consumption charges and retain the balance two third of the total allocation for implementation of Specific Development Schemes in rural areas as per the guidelines.

12. This order issues with the concurrence of Finance Department vide its U.O. No.16410/Fin(RD)/2022, dated 30.03.2022.

(By Order of the Governor)

**P. AMUDHA,**  
**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 Chairman cum Managing Director,  
Tamil Nadu Generation and Distribution Corporation Limited,  
Chennai-600 002.

**Copy to:**

The Hon'ble Chief Minister's Office, Chennai -9.  
The Special Personal Assistant to Hon'ble Minister (Rural Development), Chennai -9.  
The Director, State Institute of Rural Development,  
Maraimalai Nagar, Kancheepuram District.  
The Principal 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.  
The Rural Development and Panchayat Raj (SGS.I/SGS.II/  
SGS.III/SGS.IV/PR.III/B&C/OPII) Department, Chennai-9.  
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Under Secretary to Government  


**Annexure - I**

**Annexure to G.O. (Ms) No.46, Rural Development and Panchayat Raj (PR.1(1))  
Department, dated 30.03.2022**


**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 Chief 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 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.
(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.
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**P. AMUDHA,**  
**Principal Secretary to Government.**

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Section Officer 30.3.22  
30.3.22



**Annexure - II**

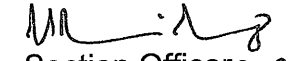
**Annexure to G.O. (Ms) No.46, Rural Development and Panchayat Raj (PR.1(1))  
Department, dated 30.03.2022**

**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, vehicles for Officers and the elected political executive head at the 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.

**P. AMUDHA,  
Principal Secretary to Government.**

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Section Officer 30-3-22  
30/3/22