



U.S. Special  
Order

### ABSTRACT

Rural Development and Panchayat Raj Department – Pooled Assigned Revenue to Rural Local Bodies for the year 2022-23 – Sanction of **Rs.1003,00,46,610/-** for the year 2022-23 and Release the first instalment of **Rs.501,50,23,305/-** being the 50% of total grant – Orders – Issued.

### Rural Development and Panchayat Raj (PR-1(1)) Department .

G.O. (Ms) No.5

Dated: 02.02.2023

சுபகிருஷ்ண சாலை 19

திருவள்ளூர் ஆண்டு 2054

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.50072/2022/PRI.2.2, dated 08.10.2022.

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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 third read above, the Commissioner of Rural Development and Panchayat Raj has sent a proposal for Pooled Assigned Revenue for the year 2022-2023 and requested the Government to issue necessary orders for the following:-

- (a) To accord sanction for the total sum of **Rs.1003,00,46,610/-** (Rupees One thousand and three crore forty six thousand six hundred and ten only) towards Pooling of Assigned Revenue for the year 2022-23 and release the first instalment of **Rs.501,50,23,305/-** (Rupees Five hundred and one crore fifty lakh twenty three thousand three hundred and five only) being the 50% of Total Grant under Pooling of Assigned Revenue for the year 2022-23.

- (b) To assign one-third of the total Pooled Assigned Revenue between the Village Panchayats and Panchayat Unions and two-third amount for Priority Schemes in rural areas in the financial year 2022-23 as was done in the year 2021-22 taking into account of the infrastructure requirements in rural areas as mentioned below:

Amount to be released to Rural Local Bodies (1/3 <sup>rd</sup> of Rs.1003,00,46,610/-)	Rs.334,33,48,870/-
Amount to be retained by the Commissioner of Rural Development and Panchayat Raj for Scheme Component Fund. (2/3 <sup>rd</sup> of Rs.1003,00,46,610/-)	Rs.668,66,97,740/-

- (c) To continue the existing ratio of 67:33 for the allocation of funds under Pooled Assigned Revenue between the Village Panchayats and Panchayat Unions respectively in the financial year 2022-23.
- (d) To accord permission for the release of one-third of the Pooled Assigned Revenue between the Village Panchayats and Panchayat Unions based on the latest SFC formula and two-third of the pooled amount may be credited to the Scheme Component Fund for implementing priority works in rural areas.
- (e) The amount sanctioned in para (a) may be debited under the relevant Head of Accounts as mentioned below:

Sl. No.	Head of Account	Amount (in Rs.)
1.	(DPC 3604 00 102 AA 30909) <b>Surcharge on Stamp Duty (RLB)</b>	Rs.334,33,48,870/-
2.	(DPC 2515 00 102 AE 30903) <b>Funds for Priority Scheme Component</b>	Rs.668,66,97,740/-
	<b>Total</b>	Rs.1003,00,46,610/-

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.)
(DPC 3604-00-797-AC-33000) <b>(Inter Account Transfers)</b>	Rs.668,66,97,740/-

- (f) The Commissioner of Rural Development and Panchayat Raj may be authorized to draw the above amount and release of entire one third of the allocation between the Village Panchayats and Panchayat Unions in the ratio of 67:33 based on the latest SFC formula and retain the balance two third of the total allocation for implementation of Specific Development Schemes in rural areas as per the guidelines.

- (g) To approve the revised guidelines for utilisation of funds under the Priority Scheme Component in rural areas.

3. The Government after careful examination on the proposal of the Commissioner of Rural Development and Panchayat Raj for the Pooled Assigned Revenue for the year 2022-23 in detail and decided to accept the same and issue the following orders:-

- (i) Sanction is accorded for a sum of **Rs.1003,00,46,610/-** (Rupees One thousand and three crore forty six thousand six hundred and ten only) towards Pooling of Assigned Revenue for the year 2022-23.
- (ii) Sanction is accorded for release the first instalment of **Rs.501,50,23,305/-** (Rupees Five hundred and one crore fifty lakh twenty three thousand three hundred and five only) being the 50% of Total Grant under Pooling of Assigned Revenue for the year 2022-23.
- (iii) Adjustments, if any, shall be made after award of 6<sup>th</sup> State Finance Commission.
- (iv) The guidelines for Sanctioning Expenditure under the Fund for priority schemes in Rural Areas are annexed to this order.

4. The amount sanctioned in para 3 above shall be debited to the following head of account:-

Sl. No.	Head of Account	Total Administrative Sanction (In Rupees)	Financial Sanction (In Rupees)
(1)	(2)	(3)	(4)
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>	<b>Rs.334,33,48,870/-</b>	<b>Rs.167,16,74,435/-</b>
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 Schemes - 309 Grants-in-Aid - 03 Grants for Specific Schemes <b>(DPC 2515 00 102 AE 30903)</b>	<b>Rs.668,66,97,740/-</b>	<b>Rs.334,33,48,870/-</b>
	<b>Total</b>	<b>Rs.1003,00,46,610/-</b>	<b>Rs.501,50,23,305/-</b>

Further, the amount sanctioned in the above table in Sl. No.2, at column (4) shall be adjusted to the Fund for Priority Schemes as detailed below:

Head of Account	Amount (In Rupees)
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)	<b>Rs.334,33,48,870/-</b>

5. The amount sanctioned in the above table in Sl. No.2 at column 4 of Para 4 for Rs.334,33,48,870/- 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's Expenditure – AA - Deduct amount met from the Fund for the Priority Schemes in Rural Areas-330-Inter-Accounts Transfers - 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)**

6. The Government, direct that a sum of Rs.334,33,48,870/- 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 Commissioner 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's Expenditure - AC - Transfer of amount to Fund for Priority Schemes in Rural Areas - 330 - Inter-Account Transfers - 01 - Inter-Account Transfers.

**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.

7. The Commissioner of Rural Development and Panchayat Raj is authorized to draw the above amount and release of entire one third of the allocation between the Village Panchayats and Panchayat Unions in the ratio of 67:33 based on the latest SFC formula and retain the balance two third of the total allocation for implementation of Specific Development Schemes in rural areas as per the guidelines.

8. This order issues with the concurrence of Finance Department vide its U.O. No.53342/Fin(RD)/2022, dated 27.12.2022.

(By Order of the Governor)

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

To

The Commissioner 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.

**Copy to:**

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

The Special Personal Assistant to Minister (Rural Development), Chennai -9.

The Director, State Institute of Rural Development,  
Maraimalai Nagar, Chengalpattu 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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*[Handwritten Signature]*  
3/12/2023

Under Secretary to Government

*[Handwritten Signature]*  
3/12/23

**Annexure - I**

**Annexure to G.O. (Ms) No.5, Rural Development and Panchayat Raj (PR.1(1))  
Department, dated 02.02.2023**

**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 and <b>it may be utilized to system modernization.</b>
(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. <b>In case, it is related to modernization of existing system, it will be done by Director of Rural Development and Panchayat Raj.</b>
(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). <b>In case of IT related modernization of the System, it may be entrusted to ELCOT, NIC, TNeGA or any others as it deems fit.</b>
(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. <b>In case of</b>

		<b>modernization of works, the fund will be allocated by the Committee and the implementation agency will be decided by the committee.</b>
(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 <b>or to the concerned.</b>
(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.

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

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Section Officer 28.2.23  
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31/2/23



**Annexure - II**

**Annexure to G.O. (Ms) No.5, Rural Development and Panchayat Raj (PR.1(1))  
Department, dated 02.02.2023**

**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 <b>except infrastructure facilities to be created in the Mahakavi Bharathiyar Livelihood Park for Self Help Groups</b>
4.	All maintenance, repairs and renovation works of any type <b>except repair and renovation work for Panchayat Union Office Buildings and for District Rural Development Agency (DRDA) Office Buildings (constructed / owned by Rural Development and Panchayat Raj Department)</b>
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 and <b>Regional Institute of Rural Development (RIRD) for conducting field visit to the officials / elected representatives of Panchayat Raj Institutions;</b>
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 <b>except in such cases where there is a modernization of existing system involved to ensure efficiency of the system and to ensure better citizen grievances redressal mechanism by involving hiring of professionals.</b>
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

  
3/1/23

