



## ABSTRACT

Rural Development and Panchayat Raj Department - Fifth State Finance Commission Grant – Pooled Fund for Deficit Rural Local Bodies – Sanction and release of Rs.212,93,74,800/- for the year 2020-21 - Orders - Issued.

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

**G.O. (Ms) No.54**

**Dated: 30.03.2021**

**சார்வரி, பங்குனி 17**

**திருவள்ளூர் ஆண்டு 2052**

**Read:**

- 1) G.O. 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) G.O. (Ms.) No.48, Rural Development and Panchayat Raj (PR-1) Department, dated 23.03.2021.
- 4) From the Commissioner of Rural Development and Panchayat Raj Letter No.43822/2020/PRI 2-2, dated 24.03.2021.

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### ORDER:

In the Government Order first read above, as per the recommendations of Fifth State Finance Commission, the Government have created the Pooled Fund for Deficit Rural Local Bodies with 10% of the overall devolution intended for RLBs be credited into a Pooled Fund for Deficit Rural Local Bodies.

2. In the Government Order 2<sup>nd</sup> 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 RLBs 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 i.e.2% of the RLBs devolution grant shall be provided to TWAD to meet the deficit on Combined Water Supply Schemes.

(P.T.O)

3. In the letter 4<sup>th</sup> read above, the Commissioner of Rural Development and Panchayat Raj has stated that in FMA for the year 2020-21, an amount of Rs.532,34,37,000/- is provided under the Head of Account 3604-00-200-BQ-30902 pertaining to Pooled Fund for Deficit Rural Local Bodies for the year 2020-21. Accordingly, an amount of Rs.532,34,37,000/- is calculated under the following components of Pooled Fund for Deficit Rural Local Bodies for the year 2020-21.

(in Rupees)

Category	Total allocation as per FMA 2020-21
40% for Deficit RLBs	212,93,74,800
20% vested with DRD&PR	106,46,87,400
20% vested with District Collectors	106,46,87,400
20% for TWAD to meet Deficit on CWSSs	106,46,87,400
<b>Total</b>	<b>532,34,37,000</b>

4. The Commissioner of Rural Development and Panchayat Raj has also stated that in G.O. (Ms) No.48, Rural Development and Panchayat Raj (PR-1) Department, dated 23.03.2021, the Government have issued orders by sanctioning an amount of Rs.319,40,62,200/- out of the above mentioned allocation as detailed below:

- (a) Rs.212,93,75,200 as one-time settlement of Current Consumption Charges dues to TANGEDCO and water charges to TWAD by utilizing the amount earmarked for deficit Rural Local Bodies (RLBs).
- (b) Rs.106,46,87,000 being 20 % for TWAD to meet Deficit on Combined Water Supply Schemes (CWSS) to Tamil Nadu Water Supply and Drainage Board (TWAD Board).

5. The Commissioner of Rural Development and Panchayat Raj has further stated that the Government has not sanctioned Rs.106,46,87,400/- (Rupees one hundred and six crore and forty-six lakh eighty seven thousand four hundred only) under the Pooled fund for Deficit Local Bodies vested with Director of Rural Development and Panchayat Raj and Rs.106,46,87,400/- (Rupees one hundred and six crore and forty-six lakh eighty-seven thousand four hundred only) under the Pooled fund for Deficit Local Bodies vested with District Collectors.

6. The Commissioner of Rural Development and Panchayat Raj has further stated that in G.O. (Ms) No.35, Rural Development and Panchayat Raj (PR-1) Department, dated 26.02.2021 the Government has sanctioned an amount of Rs.363.19 Crore as a special Grant to undertake the repair works for water supply and street light maintenance in rural areas. But the proposal has been sent to Government to settle the committed liability ie. works taken up during the year 2019-20. Hence the Commissioner of Rural Development and Panchayat Raj has

(Contd..)

stated that the above sanctioned special Grant of Rs.363.19 Crore is not yet drawn. In a meeting held on 18-03-2021 the Additional Chief Secretary to Government, Finance Department has stated that the fund appropriated in the FMA 2020-21 under Pooled Fund for Deficit Rural Local Bodies can be claimed by the department and advised to utilize the above Grant for one time settlement of current consumption charges to TANGEDCO and water charges to TWAD. Accordingly, as per the G.O. (Ms) No.48, Rural Development and Panchayat Raj (PR-1) dated 23.03.2021, an amount of Rs.212.93 Crores has been set apart for one time settlement of Current Consumption charges to TANGEDCO and water charges to TWAD Board and an amount of Rs.106.46 Crore to TWAD to meet deficit on CWSS. Hence based on the above, a proposal has been submitted for claiming balance portion of Pooled Fund for Deficit RLBs.

7. The Commissioner of Rural Development and Panchayat Raj has therefore requested the Government to issue orders by sanctioning an amount of Rs.Rs.212,93,74,800 (Rupees Two hundred and twelve crore ninety three lakh seventy four thousand and eight hundred only) to settle the committed liabilities i.e. the works taken up during the year 2019-20 and to authorize the Commissioner of Rural Development and Panchayat Raj, Chennai to draw the amount and disburse it later to the concerned components.

8. The Government after careful examination of the proposal of the Commissioner of Rural Development and Panchayat Raj issue the following orders:

- (i) accord sanction for a sum of Rs.212,93,74,800/- (Rupees Two hundred and twelve Crore and ninety three lakh seventy four thousand and eight hundred only) towards Pooled Fund for Deficit Rural Local Bodies Grant for the year 2020-21 of which
  - (a) accord permission for the release of **Rs.106,46,87,400/-**(Rupees One hundred and six crore fourty six lakh eighty seven thousand and four hundred only) being 20% for Pooled Fund for Deficit RLBs vested with DRD &PR to Director of Rural Development and Panchayat Raj to settle the bills of RCSIDS 2020-21 and committed liabilities for the year 2019-20 i.e. works taken up during the year 2019-20 .
  - (b) accord permission for the release of **Rs.106,46,87,400/-**(Rupees One hundred and six crore fourty six lakh eighty seven thousand and four hundred only) being 20% for Pooled Fund for Deficit RLBs vested with District Collectors to settle the committed liabilities for the year 2019-20 i.e. works taken up during the year 2019-20.

9. The Government authorize the Commissioner of Rural Development and Panchayat Raj to draw the amount sanctioned in para 8 above and disburse the grant as per the component mentioned above under the following Head of Account for the year 2020-21.

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

(DPC 3604-00-200-BQ-30902)

(P.T.O)

10. This order issues with the concurrence of Finance Department vide its U.O.15980/Fin(RD)/2021, dated 29.03.2021.

(By Order of the Governor)

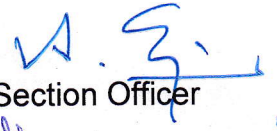
HANS RAJ VERMA  
Additional Chief Secretary to Government.

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 Account Officer (South) Chennai-35.

**Copy to:**

The Special Personal Assistant to Hon'ble Minister (Municipal Administration and Rural Development, Implementation of Special Programme), Chennai -9.  
The Principal Private Secretary, Additional Chief Secretary to Government, Rural Development and Panchayat Raj Department, Chennai-9.  
The Finance (RD/FC.II/W&M.I/ BG.I/BG.II) 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 //

  
Section Officer  
30/03/2021