



ABSTRACT

Rural Development and Panchayat Raj Department - State Finance Commission – Capital Grant Fund – Sanction of Rs.1,451,67,84,000/- for the year 2022-23 and Release the first installment of Rs.725,83,92,200/- being the 50% of total grant under the Capital Grant Fund for the year 2022-23 - Orders – Issued.

Rural Development and Panchayat Raj (PR-1(2)) Department

G.O. (Ms) No.139

Dated: 20.12.2022

சுபகிருஷ்ண மாரகழி - 5

திருவள்ளூர் ஆண்டு 2053

Read:

1. G.O. (Ms) No.84, Finance(FC-IV) Department, Dated: 31.03.2017.
2. G.O. (Ms) No.108, Rural Development and Panchayat Raj (PR-1) Department, dated 21.09.2017.
3. From the Commissioner of Rural Development and Panchayat Raj letter No.34760/2022/PR1 2-2, dated 31.10.2022.

ORDER:

In the Government Order first read above, as per the recommendations of Fifth State Finance Commission, the Government have decided to continue the devolution of 10% of the net State's Own Tax Revenue (SOTR) to Local Bodies from 2017-18 to 2021-22 and the vertical sharing ratio for devolution of State Finance Commission Grant to rural and urban local bodies shall be in the ratio of 56:44. It has also been ordered that the vertical sharing ratio among the three tiers of Rural Local Bodies shall be 8:37:55 for District Panchayats, Panchayat Unions and Village Panchayats respectively and the horizontal distribution of the State Finance Commission devolution to Rural Local Bodies should be done on the basis of the following formula:-

a)	Total population (2011 Census)	60%
b)	SC/ST population	15%
c)	Area	15%
d)	Per capita consumption expenditure distance	10%

2. In the above said Government Order, the Government has established a Capital Grant Fund with following criteria:-

- i. Capital Grant Fund shall be established to replace the Infrastructure Gap Filling Fund (IGFF) and 20% of the aggregate devolution intended for Rural Local Bodies shall be paid into this fund.
- ii. Out of this fund, 20% should be reserved for taking up projects which are deemed to be of importance at State level. These works should be identified and approved by a Committee comprising the Secretary to Government, Rural Development and Panchayat Raj Department, the Director of Rural Development and Panchayat Raj, a representative of the Finance Department and Member Secretary, State Planning Commission.
- iii. The Balance 80% of the funds should be distributed district wise, based on the formula adopted for horizontal distribution amongst District Panchayats. The allocation of the funds project wise should be decided by the District Planning Committee based on detailed guidelines issued by the Rural Development and Panchayat Raj Department.

3. In the Government Order 2nd read above, the Government have approved the Guidelines for the utilization of funds released under Capital Grant Fund under Fifth State Finance Commission.

4. In the letter 3rd read above, the Commissioner of Rural Development and Panchayat Raj has requested the Government to issue orders for the sanction of Rs.1,451,67,84,000/- (Rupees One thousand four hundred and fifty one crore sixty seven lakh and eighty four thousand only) and release the first installment of Rs.725,83,92,000/- (Rupees Seven hundred and twenty five crore eighty three lakh and ninety two thousand only) being the 50% of total grant under Capital Grant Fund for the year 2022-23 as mentioned below:-

(in Rupees)

Category	Total allocation for the year 2022-23	Release of 1 st installment
20%- Capital Grant Fund	290,33,56,800	145,16,78,400
80% - Capital Grant Fund	1,161,34,27,200	580,67,13,600
Total	1,451,67,84,000	725,83,92,000

5. The Government after careful examination of the proposal of the Commissioner of Rural Development and Panchayat Raj and accord sanction for a sum of Rs.1,451,67,84,000/- (Rupees One thousand four hundred and fifty one crore sixty seven lakh and eighty four thousand only) towards Capital Grant Fund for the year 2022-23 and release the first installment of Rs.725,83,92,000/- (Rupees Seven hundred and twenty five crore eighty three lakh and ninety two thousand only) being the 50% of total grant under Capital Grant Fund for the year 2022-23. Subject to the condition that the present release will be adjusted as per 6th State Finance Commission Recommendations, once it is finalized.

6. The expenditure sanctioned in para '5' above shall be debited under the following head of account:-

Head of account	Amount in Rs.
3604-00-COMPENSATION AND ASSIGNMENTS TO LOCAL BODIES AND PANCHAYAT RAJ INSTITUTIONS – 200 – Other Miscellaneous Compensations and Assignments – State's Expenditure – BP – Capital Grant Fund for Rural Local Bodies – 309 - Grants-in-Aid – 02 - Grants for Creation of Capital Assets. (DPC 3604-00-200-BP-30902)	Rs.725,83,92,000/-

7. The Commissioner of Rural Development and Panchayat Raj is hereby authorized to draw and disburse the amount sanctioned in para 7 above being the first instalment for the year 2022-23.

8. The guidelines issued in the Government Order second read above, shall be followed for utilizing the fund under Capital Grant Fund for the year 2022-23.

9. This order issues with the concurrence of Finance Department vide its U.O.No.37/DS(RR)/Fin(RD)/2022, dated 19.12.2022.

(By Order of the Governor)

P.AMUDHA
Principal Secretary to Government

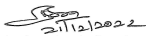
To

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 (Rural Development), Chennai-9.
The Principal Private Secretary to Principal 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 //


21/12/2022
Under Secretary to Government


21/12/22