

## **ABSTRACT**

Rural Development and Panchayat Raj Department – 6<sup>th</sup> State Finance Commission Grant – Revised sanction and release of Rs.941,00,00,000/- towards Capital Grant for the year 2022-23 as per the Sixth State Finance Commission Recommendation - Orders - Issued.

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

**G.O. (Ms) No.45**

**Dated: 28.03.2023**

**சுபகிருது, பங்குனி 14**

**திருவள்ளூர் ஆண்டு 2054**

**Read:**

1. G.O. (Ms) No.139, Rural Development and Panchayat Raj (PR-1) Department, dated 20.12.2022.
2. From the Commissioner of Rural Development and Panchayat Raj No.34760/2022/PRI 2-2, dated 27.12.2022.
3. Government letter No.18664/PR-1(2)/2022-1, Rural Development and Panchayat Raj Department, dated 13.02.2023.
4. G.O. (Ms) No.34, Rural Development and Panchayat Raj (SGS-2) Department, dated 18.03.2023.
5. From the Commissioner of Rural Development and Panchayat Raj letter No.34760/2022/PRI 2-2, dated 20.03.2023.

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### **ORDER:**

In the Government Order 1<sup>st</sup> read above, the Government have sanctioned a sum of Rs.1,451,67,84,000/- as Capital Grant Fund under the State Finance Commission Devolution Grant and release the first installment of Rs.725,83,92,000/- as 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 6<sup>th</sup> State Finance Commission Recommendations, once it is finalized.

2. In the letter 2<sup>nd</sup> read above, the Commissioner of Rural Development and Panchayat Raj has requested the Government to sanction and to release the second installment of Rs.725,83,92,000/- as being the remaining 50% of total Grant under the Capital Grant Fund for the year 2022-23.

3. In the Government letter 3<sup>rd</sup> read above, the Commissioner of Rural Development and Panchayat Raj has been requested to send the revised proposal to Government based on the Sixth State Finance Commission Recommendation for release the Capital Grant Fund for the year 2022-23.

4. In the letter 5<sup>th</sup> read above, the Commissioner of Rural Development and Panchayat Raj has stated that in G.O. (Ms) No.139, Rural Development and Panchayat Raj (PR-1) Department, dated 20.12.2022, the Government issued a

order by sanctioning an amount of Rs.1451,67,84,000/- under Capital Grant Fund for the year 2022-23 and ordered for release of Rs.725,83,92,000/- as first installment by following the recommendations of Fifth State Finance Commission. But in due course of the drawl, the Government withheld the release of Rs.725,83,92,200/- citing the reason of adoption of Sixth State Finance Commission's devolution pattern for the current year. The Sixth State Finance Commission constituted by the Government has submitted its recommendations with reference to funds, functions and functionaries of Local Bodies. Based on which, the Government has accepted majority of the recommendations. In Continuation of this, the Government has issued a letter 3<sup>rd</sup> read above, by intimating component wise Revised allocation for the year 2022-23 under Sixth State Finance Commission after duly considering the grant sanctioned under the Fifth State Finance Commission.

5. He has also stated that the Government in its letter 3<sup>rd</sup> read above, has informed that "as per the 6<sup>th</sup> State Finance Commission (SFC) Recommendations, the Capital Grant Funding to Rural Local Bodies, has been changed vastly. As far as its impact on the Budget is concerned, the following provisions have been made in the RE 2022-23 under the new heads of account". Further the Government has intimated the following new heads of account with proportionate fund allocation against them in the following table:-

(Rs.in thousands)	
Heads of Account	RE 2022-23
<b>3604 00 200 BT</b> State Level Capital Grant Fund (CGF) – Rural Infrastructure	600,00,00
<b>3604 00 200 BU</b> State Level Capital Grant Fund (CGF) – ODR Conversion	120,00,00
<b>3604 00 200 BV</b> State Level Capital Grant Fund (CGF) – Rural Regional Training Institute	1,00,00
<b>3604 00 200 BW</b> State Level Capital Grant Fund (CGF) – Schools	140,00,00
<b>3604 00 200 BX</b> District Level - Capital Grant Fund (CGF)	200,00,00
<b>Total - CGF</b>	<b>1061,00,00</b>

As per the Government letter 3<sup>rd</sup> read above, a sum of Rs.725,83,92,000 has already been sanctioned vide G.O. (Ms) No.139, Rural Development and Panchayat Raj Department, dated 20.12.2022, (under the head 3604 00 200 BP) may be quashed. In lieu of that a new Government order is requested by following the Sixth State Finance Commission recommendations.

6. He has further stated that, Rural road components of Rs.120 crore, and a balance amount of Rs.941 crore has been distributed across the heads grouped under Capital Grant Funding Considering the award period of 2022-23 represented now as per the RE 2022-23 provisions and the provisions already made under 3604 00 200 BP to the tune of Rs.1451,67,84,000 in BE 2022-23 is nullified in

RE 2022-23 is proposed. The Government in its schematic devolution has dovetailed the grant for implementation of the schemes as detailed below:-

Component	Head of Account	Total amount Allocated Rs.in Crore	Amount and the scheme to be utilized Rs.in Crore
State Level Capital Grant Fund – Rural Infrastructure	3604 00 200 BT State Level Capital Grant Fund (CGF) – Rural Infrastructure	600	Rs.300 Crore to MGSMT Scheme (for Rural Roads) for the year 2022-23 as ordered in Government Order 4 <sup>th</sup> read above.
			Rs.300 crore to AGAMT 2.0 Scheme
District Level – Capital Grant Fund	3604 00 200 BX District Level - Capital Grant Fund (CGF)	200	Rs.200 Crore to MGSMT Scheme (for Rural Roads) for the year 2022-23 as ordered in Government Order 4 <sup>th</sup> read above.

As mentioned above, the Government has dovetailed an amount of Rs.500 crore for implementation of the Scheme MGSMT from Capital Grant Fund and Rs.300 Crore for implementation of AGAMT 2.0 Scheme vide letter 3<sup>rd</sup> read above.

7. The Commissioner of Rural Development and Panchayat Raj has further requested the Government to issue orders on the following:-

- (i) To quash the G.O. (Ms) No.139, Rural Development and Panchayat Raj Department, dated 20.12.2022, (under the head 3604 00 200 BP) issued in respect of Capital Grant Fund.
- (ii) To issue orders for the sanction and release of a total sum of **Rs.1061,00,00,000/- (Rupees One thousand sixty one crore only)** towards Capital Grant for the year 2022-23 as per the Sixth State Finance Commission recommendations.
- (iii) to authorize the Commissioner of Rural Development and Panchayat Raj to draw the amount of **Rs.1061,00,00,000/- (Rupees One thousand sixty one crore only)** towards Capital Grant for the year 2022-23.
- (iv) To issue orders to dovetail an amount of Rs.500 crore for implementation of the Scheme MGSMT from Capital Grant Fund and Rs.300 Crore for implementation of AGAMT 2.0 Scheme as per the table mentioned above.

- (v) To release the grant to the respective scheme nodal accounts of the Department / Sections to undertake the works as per the respective scheme guidelines.

8. The Government have carefully examined the proposal of the Commissioner of Rural Development and Panchayat Raj in detail and decided to accept the same and issue the following orders:-

- a) G.O. 1<sup>st</sup> read above is superseded, since the 6<sup>th</sup> State Finance Commission has recommended to adopt the new devolution pattern.
- b) Sanction is accorded to release **Rs.941,00,00,000/- (Rupees Nine hundred and forty one crore only)** towards Capital Grant for the year 2022-23 as per the Sixth State Finance Commission recommendations.
- c) Permission is given to dovetail an amount of Rs.500 crore for implementation of the Scheme MGSMT as ordered in Government Order 4<sup>th</sup> read above from Capital Grant Fund and Rs.300 Crore for implementation of AGAMT 2.0 Scheme as per the table mentioned at para 6 above.
- d) Permission is given to release the grant to the respective scheme nodal accounts of the Department / Sections to undertake the works as per the respective scheme guidelines.

9. The amount sanctioned in para '8' above shall be debited under the following heads of account:-

<b>Heads of Account</b>	<b>Sanction and release of amount requested</b>
<b>3604 00 200 BT</b> State Level Capital Grant Fund (CGF) – Rural Infrastructure	<b>Rs.600,00,00,000/-</b>
<b>3604 00 200 BV</b> State Level Capital Grant Fund (CGF) – Rural Regional Training Institute	<b>Rs.1,00,00,000/-</b>
<b>3604 00 200 BW</b> State Level Capital Grant Fund (CGF) – Schools	<b>Rs.140,00,00,000/-</b>
<b>3604 00 200 BX</b> District Level - Capital Grant Fund (CGF)	<b>Rs.200,00,00,000/-</b>
<b>Total</b>	<b>Rs.941,00,00,000/-</b>

10. The Commissioner of Rural Development and Panchayat Raj is hereby authorized to draw and disburse the amount sanctioned in para 8 above.

11. The Commissioner of Rural Development and Panchayat Raj is instructed to furnish necessary certificate towards the utilization of the Capital Grant Fund for the year 2022-23 sanctioned in para 8 above.

12. This order issues with the concurrence of Finance Department vide its U.O. No.31/DS(RR)/2023, dated 27.03.2023.

(By Order of the Governor)

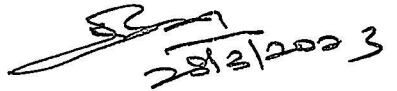
**P. AMUDHA,**  
**Principal Secretary to Government.**

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-I/  
SGS-II/SGS-III/PR-III) Department, Chennai-9  
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// Forwarded by Order //

  
28/3/2023  
Under Secretary to Government

1/11/22  
28/3/23