

K-16015/07/2017-AMRUT-1B
Government of India
Ministry of Housing & Urban Affairs
AMRUT-I Division

Nirman Bhawan, New Delhi
Dated: 28th May, 2018

To,

The Pay & Accounts Officer (Sectt.)
Ministry of Housing & Urban Affairs
Nirman Bhawan, New Delhi.

Subject: Release of part payment of Rs. 544,01,04,000/- to Government of Karnataka against the second instalment of total committed Central Assistance (CA) (40% of the total committed Central Assistance of Rs. 2318.79 Crore for Karnataka) against SAAPs - I, II & III for the entire Mission period, i.e., 2015-2020 under Atal Mission for Rejuvenation and Urban Transformation (AMRUT).

Sir,

I am directed to convey the sanction of the competent authority for the release of an amount of Rs. 544,01,04,000/- (Rupees Five Hundred Forty-Four Crore One Lakh and Four Thousand only) to Government of Karnataka. This amount is being released as part payment towards the 2nd instalment being 40% of the total committed Central Assistance of Rs. 2318.79 Crore for the entire Mission period under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) as project funds for implementation of projects related to Water Supply, Sewerage & Septage Management, Storm Water Drainage, Urban transport (Non-Motorized) and Parks/Green spaces approved for the entire Mission in State Annual Action Plan (SAAPs) I, II & III. The total size of the SAAPs of Karnataka is Rs. 4952.87 Crore and the maximum commitment of Government of India to Karnataka is Rs. 2318.79 crore for the entire Mission period, i.e., 2015-2020.

2. The 1st instalment of 20% of committed Central Assistance against individual SAAPs was released on the basis of estimated project cost. Further, the instant part-payment against the 2nd instalment is being released on the basis of estimated cost for certain projects and approved cost for the remaining projects. Any excess or shortfall in the funds released as Central Assistance shall be adjusted while releasing the remaining part of 2nd instalment and /or the 3rd instalment of Central Assistance. The approved cost is the appraised cost or the tendered cost of the project (whichever is less) and has to be taken into account by the SHPSC.

3. Earlier, Rs. 134,10,96,000/- has been released to the State Government in two tranches vide sanction orders of even no. dated 22.03.2018 and 30.03.2018 for Rs. 88,08,20,000/- and Rs. 46,02,76,000/- respectively against part-payment towards 2nd instalment of committed Central Assistance. Meanwhile, State Government, vide letter no. 23742 DMA 184 DEVT 2017-18 dated 09.04.2018, has submitted that out of Rs. 23,04,14,125/- earned as interest on AMRUT funds up to 31.12.2017, only Rs. 16,15,00,000/- is the interest earned on Central Assistance. Further, the penal interest to be levied on account of delay in transfer of funds to the nodal account of State Mission Director (AMRUT) has also been recalculated as per the formula used for other States/UTs. Accordingly, the revised penal amount to be deducted due to delay



in transfer of funds is Rs. 1,37,67,324/-. Therefore, the amount of Rs. 544,01,04,000/- being released currently as part payment against 2nd instalment of committed Central Assistance may be read as under:

All amounts in Rupees

2 nd instalment (40%) of committed CA (a)	Penal amount to be deducted due to delay in transfer of funds (b)	Interest earned/ accrued up to 31.12.2017 on CA released to be deducted (c)	Eligible amount for release as 2 nd instalment of committed CA (d) = (a) - (b) - (c)	Amount approved by Hon'ble MoS (I/C) to be released at present* (e)	Part-payment already released against (e) vide sanction orders of even no. dated 22.03.2018 & 30.03.2018 (f)	Part-payment currently being released against (f)
927,52,00,000	1,37,67,324	16,15,00,000	909,99,32,676	678,12,00,000	134,10,96,000	544,01,04,000

*-Remaining payment against eligible amount will be released after receipt of report of IRMA appointed for the State.

4. Diversion of Central Grants for purposes other than the Mission projects is not allowed and shall entail levy of penal interest on the amount and any other action by the Apex Committee and may include adverse effect on release of grants.

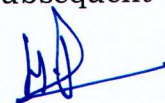
5. As per the provision of the Mission's Guidelines, State Government is required to release the Central Assistance funds along with State share to the nodal account of the State Mission Director within one month of release of Central share by the Ministry otherwise interest at the rate specified by the Ministry of Finance shall be levied on the State for delay and appropriate deductions made from future instalments.

6. This release will be governed in terms of provisions of GFR. The amount of Central Assistance should be kept in separate account and be open to inspection/Audit as per provisions.

7. State Government may take necessary action in respect of observations/comments made by Apex Committee and recorded in the minutes of 5th, 12th & 16th meetings of Apex Committee.

8. As per the provision of the Mission Guidelines, State will become eligible for release of subsequent instalments after utilization of at least 75% of the Central Assistance already released to it along with at least 75% of matching State share. State Government, vide UC dated 03.03.2018, has submitted that Rs. 353.23 crore, i.e., 76.16% of Rs. 463.76 crore released as 1st instalment of committed CA against all 3 SAAPs has been utilized by it. Further, Rs. 401.25 crore, i.e., 76.17% of the matching State + ULB + Other's share has also been utilized by the State as per UCs dated 03.03.2018.

9. State Government will be required to submit the certification report by the Independent Review and Monitoring Agency (IRMA) appointed for Karnataka that the service level benchmarks, as assured in the roadmap contained in the SAAPs, have been achieved. State Government will also be required to submit the action taken report on the observations of IRMA against individual projects. As IRMA has already been selected for the State, these reports may be submitted by the State Government within 90 days of the issue of this sanction order and subsequent funds will be released thereafter only.



10. The sanction has been entered at Sl. No. 05 of the appropriate head of the sanction register maintained in AMRUT-1B section for the FY 2018-19.

11. The expenditure involved is debitible to the Budget Head 3601.06.101.24.01.35 under Grant No. 56 - Ministry of Housing & Urban Affairs for the year 2018-19 (Plan).

12. The amount of Rs. 544,01,04,000/- will be credited to the State Government's account to RBI as per procedure laid down by Ministry of Finance, Department Expenditure vide OM No. F-II (45/76/SC) dated 22.02.1977.

13. This issues with the concurrence of Integrated Finance Division vide file no. E-3128163 dated 28.05.2018 and approval of competent authority.

Yours faithfully



(Harish Chandra Prasad)
Under Secretary (AMRUT-IIB)
Tel: 011-23063488

एच. सी. प्रसाद/H.C. PRASAD
अवर सचिव/Under Secretary
आवासन और शहरी कार्य मंत्रालय
Ministry of Housing And Urban Affairs
भारत सरकार/Govt. of India
निर्माण भवन, नई दिल्ली
Nirman Bhawan, New Delhi

Copy to: -

1. Secretary, Housing and Urban Development Department, Government of Karnataka. The amount released should be utilised for the purpose for which it has been sanctioned and **utilization Certificate may be furnished within six months.**
2. The Accountant General (A&E), Karnataka, Bengaluru.
3. Budget and Account Section, Ministry of Housing & Urban Affairs.
4. The Principal Director of Audit, Economic & Service Ministries, AGCR Building, I.P. Estate, New Delhi-110002.
5. Integrated Finance Division, MoHUA.
6. Guard File of the Section.



(Harish Chandra Prasad)
Under Secretary (AMRUT-IIB)
Tel: 011-23063488

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