



ABSTRACT

Grant – Third State Finance Commission Devolution Grant to Municipalities and Municipal Corporations for the year 2010-11 – Release of funds for the months of April 2010 to Jan 2011 - Orders – Issued.

MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA2) DEPARTMENT

G.O.(D).No.257

Dated: 26 .05.2010

Read:

1. G.O.No.199,Finance (FC-IV) Department, dated 25.5.2007.
2. G.O.(D) No. 233, Municipal Administration and Water Supply Department, dated 4.6.2009.
3. From the Director of Municipal Administration Lr.No.10100/2010/LA3, dated: 16.04.2010.

ORDER:

In the letter third read above, the Director of Municipal Administration has stated that in the Budget Estimate for the year 2010-11, provisions have been made under the following heads of account for the sanction of grants to the Urban Local Bodies as per the recommendations of the Third State Finance Commission:

Urban Local Bodies	Head of Account	Total allocation (In Rupees)
1) Municipal Corporations (including Chennai Corporation)	3604-00 Compensation and Assignments to Local bodies and Panchayat Raj Institutions – 191 Assistance to Municipal Corporations. I. Non – Plan – AA Grants to Municipal Corporations as per the recommendation of State Finance Commission – Controlled by Commissioner of Municipal Administration – 09 Grants – in – Aid 02 Grants for Capital Expenditure (D.P. Code 3604-00-191-AA-0921)	Rs. 483,24,07,000

2) Municipalities (including 3 rd Gr. Municipalities]	3604-00 Compensation and Assignments to Local bodies and Panchayat Raj Institutions – 192 Assistance to Municipalities / Municipal Councils. I. Non – Plan – AA Grants to Municipalities as per the recommendations of State Finance Commission – Controlled by Commissioner of Municipal Administration – 09 Grants – in – Aid 02 Grants for Capital Expenditure (D.P. Code 3604-00-192-AA-0929)	Rs. 660,42,89,000
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2. In the G.O. first read above among others, Government have ordered that the State Finance Commission recommended grants for the Urban Local Bodies would be released in 10 monthly instalments based on the Budget Estimate provisions and the balance would be based on the Revised Estimate provisions. Accordingly, in the previous year, i.e. for the year 2009-10, the State Finance Commission recommended grants had been released in the G.O. second cited.

3. The Director of Municipal Administration has therefore requested to issue orders for release of State Finance Commission recommended grants for the year 2010-2011 in 10 monthly instalments for the period from April 2010 to January 2011 based on the allocation made in the B.E 2010-2011. The quantum of amount to be devolved based on the B.E. 2010-2011 in 10 monthly instalments is as indicated below:-

I. Municipal Corporations: Rs. 483,24,07,000/- = 34,51,71,929 X 10 = 345,17,19,290/-
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II. Municipalities : Rs. 660,42,89,000/- = 47,17,34,929 X 10 = 471,73,49,290/-
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4. The Director of Municipal Administration has therefore requested the Government to release the Third State Finance Commission recommended devolution grants to the Municipalities and Municipal Corporations for the year April 2010 to January 2011 as indicated in para 3 above.

5. The Government after careful consideration, accord sanction for the release of State Finance Commission recommended devolution grants to

the Urban Local Bodies in 10 equal monthly instalment from April 2010 to January 2011 as indicated below:-

Municipal Corporations - **Rs. 34,51,71,929/- per month** (Rupees thirty four crore fifty one lakh seventy one thousand nine hundred and twenty nine only)

Municipalities - **Rs. 47,17,34,929/- per month** (Rupees forty seven crore seventeen lakh thirty four thousand nine hundred and twenty nine only)

6. The Director of Municipal Administration is authorized to draw and disburse the amount sanctioned in para 5 above to the Municipal Corporations/Municipalities concerned on the basis of 2001 Census population.

7. The Director of Municipal Administration is authorized and permitted to present bill and draw the amount in periodical instalments.

8. The Director of Municipal Administration is authorized to effect recoveries of loans or other charges as per schedule from the said State Finance Commission recommended devolution of funds.

9. As per the G.O. first read above, the Director of Municipal Administration is also requested to pursue necessary action to distribute 10% of the devolution share of Chennai Corporation to Chennai Metropolitan Water Supply and Sewerage Board. The amount devolved to the Board shall be spent on development schemes only.

10. The Pension commitment of local body pensioners shall be deducted from the devolution amount for the respective local bodies instead of respective tiers.

11. The amount sanctioned in para 5 above shall be debited to the following heads of account-

Municipal Corporations: (Rs. 34,51,71,929/- per month)

3604-00 Compensation and Assignments to Local bodies and Panchayat Raj Institutions – 191 Assistance to Municipal Corporations-I. Non – Plan – AA Grants to Municipal Corporation as per the recommendation of State Finance Commission – Controlled by Commissioner of Municipal Administration – 09 Grants – in – Aid 02 Grants for Capital Expenditure (D.P. Code 3604-00-191-AA-0921)

Municipalities: (Rs. 47,17,34,929/- per month)

3604-00 Compensation and Assignments to Local bodies and Panchayat Raj Institutions – 192 Assistance to Municipalities / Municipal Councils-I. Non – Plan – AA Grants to Municipalities as per the recommendation of State Finance Commission – Controlled by Commissioner of Municipal Administration – 09 Grants – in – Aid -02 Grants for Capital Expenditure (D.P. Code 3604-00-192-AA-0929)

12. This order issues with the concurrence of Finance Department vide its U.O. No. 22935/ MAWS/ 2010, dated 18.5.2010.

(BY ORDER OF THE GOVERNOR)

**NIRANJAN MARDI,
PRINCIPAL SECRETARY TO GOVERNMENT.**

To

The Director of Municipal Administration, Chennai – 5.

The Commissioner, Corporation of Chennai, Chennai – 3.

The Managing Director, Chennai Metro Water Supply and Sewerage Board, Chennai – 2.

The Commissioner, Corporation of Chennai, Chennai – 3.

The Chairman and Managing Director, TUFIDCO, Chennai – 35.

The Pay and Accounts Officer (East), Chennai – 5 (2 Copies)

The Accountant General, Chennai – 18.

The Accountant General Chennai – 35.

Copy to ; The Finance (MAWS/FC-IV/W&MI) Department, Chennai-9.

The MAWS (OP 2 / Budget) Department, Chennai-9.

The Private Secretary to Principal Secretary to Government, Municipal Administration and Water Supply Department, Chennai – 9.

/ Forwarded by Order/

SECTION OFFICER

