



## **ABSTRACT**

Grants – Award under 14<sup>th</sup> Central Finance Commission – Release of **Rs.987.85 crore** as first installment of General Basic Grant for the year 2019-2020 to Municipal Corporations, Municipalities and Town Panchayats – Sanctioned - Orders – Issued.

### **MUNICIPAL ADMINISTRATION AND WATER SUPPLY (FC) DEPARTMENT**

**G.O.(D)No.125**

**Dated 24.03.2020**

திருவள்ளூர்வராண்டு, 2051  
விகாரி வருடம், பங்குனி-11

#### **Read:**

1. G.O.(Ms) No.108, Municipal Administration and Water Supply (M.A.II) Department, Dated 24.07.2015.
2. G.O.(Ms)No.84, Finance (FC IV) Department, Dated 31.03.2017.
3. From the Director, Finance Commission Division, Department of Expenditure, Ministry of Finance, Government of India, Letter No.F.13(01)/FCD/ 2019-Vol.I LB Release No. 51/2019-20, Dated 20.03.2020.

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### **ORDER:**

The 14<sup>th</sup> Finance Commission has submitted its report and the recommendations of the Commission have been accepted by the Government of India and communicated to the State Governments. The award period of 14<sup>th</sup> Finance Commission is for the period from the year 2015-2016 to 2019-2020.

**2.** The 14<sup>th</sup> Finance Commission in its report as regards to General Basic Grants to Local Bodies inter-alia has recommended that the Basic Grant for Urban Local Bodies will be divided into tier wise shares and distributed across each tier, namely the Municipal Corporations, the Municipalities (the tier II Urban Local Bodies) and the Nagar Panchayats (the tier III Local Bodies) using the formula given by the respective State Finance Commissions. The State Governments should apply the distribution formula of the most recent State Finance Commission, whose recommendations have been accepted. (Para-9.72)

**3.** The 5<sup>th</sup> State Finance Commission among others at Para 10.74 has recommended that the vertical sharing ratio between the three tiers

of Urban Local Bodies shall be arrived at as 40:29:31 for Municipal Corporations, Municipalities and Town Panchayats respectively.

4. The Government of India, in its release order third read above, has sanctioned and released a sum of Rs.987.85 crore as first installment of General Basic Grant for the year 2019-2020 to Urban Local Bodies under the award of 14<sup>th</sup> Finance Commission.

5. Accordingly, the Government accord sanction and release a sum of **Rs.987,85,00,000/-** (Rupees Nine Hundred and Eighty Seven Crore and Eighty Five Lakh only) as the first installment of General Basic Grant for the year 2019-2020 under the award of 14<sup>th</sup> Central Finance Commission to the Municipal Corporations, Municipalities and Town Panchayats as detailed below:

<b>Urban Local Bodies</b>	<b>Ratio</b>	<b>Amount (in Rs.)</b>
Municipal Corporations	40	<b>395,14,00,000/-</b> (Rupees Three Hundred and Ninety Five Crore and Fourteen Lakh Only)
Municipalities	29	<b>286,47,65,000/-</b> (Rupees Two Hundred and Eighty Six Crore Forty Seven Lakh and Sixty Five Thousand Only)
Town Panchayats	31	<b>306,23,35,000/-</b> (Rupees Three Hundred and Six Crore Twenty Three Lakh and Thirty Five Thousand Only)
<b>Total</b>	<b>100</b>	<b>987,85,00,000/- (Rupees Nine Hundred and Eighty Seven Crore and Eighty Five Lakh only)</b>

The grant released shall be utilised strictly in accordance with the guidelines issued by the Government of India.

6. The amount sanctioned at para 5 above shall be debited under the following heads of account:-

**a. Municipal Corporations – Rs.395,14,00,000/- (Rupees Three Hundred and Ninety Five Crore and Fourteen Lakh Only)**

3604-00. Compensation and Assignments to Local Bodies and Panchayat Raj Institutions – 191. Assistance to Municipal Corporations – Central Sector Schemes – SA. Basic Grants to Municipal Corporations as per the recommendations of 14<sup>th</sup> Finance Commission – Controlled by Commissioner of Municipal Administration – 309. Grants – in – aid-01 – Grants for Current Expenditure  
(D.P.C 3604 – 00 – 191 – SA – 30901)

**b. Municipalities – Rs.286,47,65,000/- (Rupees Two Hundred and Eighty Six Crore Forty Seven Lakh and Sixty Five Thousand Only)**

3604-00. Compensation and Assignments to Local Bodies and Panchayat Raj Institutions – 192 – Assistance to Municipalities / Municipal Councils – Central Sector Schemes – SA. Basic Grants to Municipalities as per the recommendations of 14<sup>th</sup> Finance Commission – Controlled by Commissioner of Municipal Administration – 309. Grants – in- aid – 01 – Grants for Current Expenditure  
(D.P.C 3604-00-192-SA-30901)

**c. Town Panchayats – Rs.306,23,35,000/- (Rupees Three Hundred and Six Crore Twenty Three Lakh and Thirty Five Thousand Only)**

3604-00. Compensation and Assignments to Local Bodies and Panchayat Raj Institutions – 193 – Assistance to Nagar Panchayats /Notified Area Committees or equivalent thereof - Central Sector Schemes – SA. Basic Grants to Town Panchayats as per the recommendations of 14<sup>th</sup> Finance Commission – Controlled by Director of Town Panchayats – 309. – Grants – in- aid – 01 – Grants for Current Expenditure  
(D.P.C 3604-00-193-SA-30901)

**7.** The Commissioner of Municipal Administration and Director of Town Panchayats are authorized to draw the amount sanctioned in para 5 above. The Commissioner of Municipal Administration is authorized to draw the amount as mentioned at paras 6 (a) and 6 (b) above and disburse the same to the Corporations and Municipalities respectively. The Director of Town Panchayats is authorized to draw the amount sanctioned in para 6 (c) above and disburse the same to the Town Panchayats.

**8.** In the Government Order second read above, the Government have ordered that, 10% of the grant pertaining to the Chennai Corporation's share under the 14<sup>th</sup> Central Finance Commission award shall be allocated to Chennai Metropolitan Water Supply and Sewerage Board.

**9.** The Commissioner of Municipal Administration is directed to work out the sum eligible to Chennai Metropolitan Water Supply and Sewerage Board from the Chennai Corporation's share of 14<sup>th</sup> Finance Commission grant in strict accordance with the above orders and credit the same to the Chennai Metropolitan Water Supply and Sewerage Board, as per the due procedure.

**10.** The Commissioner of Municipal Administration and the Director of Town Panchayats are requested to furnish necessary Utilization Certificate towards the Utilization of funds sanctioned at para 5 above in

the prescribed format for forwarding the same to the Government of India, immediately.

**11.** This order issues with the concurrence of Finance Department vide its U.O.No. 1175/FS/P/2020, Dated 24.03.2020.

**(BY ORDER OF THE GOVERNOR)**

**HARMANDER SINGH  
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT**

**To**

The Commissioner of Municipal Administration, Chennai – 28.  
The Commissioner, Greater Chennai Corporation, Chennai – 3.  
The Managing Director, Chennai Metropolitan Water Supply and Sewerage Board, Chennai – 2.  
The Director of Town Panchayats, Chennai – 28.  
The Pay and Accounts Officer (East), Chennai – 8  
The Pay and Accounts Officer (North), Chennai - 1.  
The Accountant General (A&E) Chennai – 18.  
The Accountant General (Audit) Chennai – 18.

**Copy to:-**

The Director, Finance Commission Division,  
Department of Expenditure, Ministry of Finance,  
Government of India, New Delhi -110 003.  
The Ministry of Housing and Urban Affairs,  
Government of India, Nirman Bhawan, New Delhi -110 001.  
The Finance (MAWS/FC-I/FC-II/SFC-MC/W&M-I/BG-M) Department,  
Chennai-9.  
The Municipal Administration and Water Supply (OP.2/ T.P.2/M.C.1/M.W.)  
Department, Chennai-9.

**//FORWARDED BY ORDER//**

*B. Mythili*

**(B.MYTHILI)**

**UNDER SECRETARY TO GOVERNMENT.**

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*24/3/20*