



## **ABSTRACT**

State Finance Commission Devolution (5th SFC) – Grants to Municipal Corporations and Municipalities for the year 2021-2022 – Release of Grant for the month of April, May and June 2021- Orders – Issued.

-----

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

**G.O.(D)No.188**

**Dated: 20.05.2021**

திருவள்ளூர்வராண்டு, 2051

சார்வரி வருடம்-வைகாசி-6

**Read:**

1. G.O.(Ms)No.84, Finance (FC-IV) Department, dated 31.03.2017.
  2. G.O.(D)No. 416, Municipal Administration and Water Supply (FC) Department, dated 13.10.2017.
  3. G.O.(D)No. 498, Municipal Administration and Water Supply (FC) Department, dated 18.12.2019.
  4. G.O.(D)No. 119, Municipal Administration and Water Supply (FC) Department, dated 23.03.2020.
  5. G.O.(D)No. 223, Municipal Administration and Water Supply (FC) Department, dated 29.06.2021.
  6. G.O.(D)No. 125, Municipal Administration and Water Supply (FC) Department, dated 26.02.2021.
  7. From the Commissioner of Municipal Administration Letter Roc.No.8626/2021/ LA3, dated 19.04.2021.
- 

### **ORDER:**

Based on the recommendations of the Fifth State Finance Commission, vide the Government Order first read above, it has been ordered that the grant for the Urban Local Bodies shall be released in 10 monthly instalments (from April to January) based on the Budget Estimate and the balance based on the Revised Estimate Provisions.

2. In the Government Order second read above, orders were issued for sanction of Interest Free Ways and Means Advance to Greater Chennai Corporation, Coimbatore and Salem Corporations.



3. In the Government Order third read above, orders were issued permitting Commissioner of Municipal Administration to defer the recovery of Ways and Means advances from Chennai, Coimbatore and Salem Corporations from State Finance Commission devolution for first two quarters for 2019-2020.

4. In the Government Order fourth read above, orders were issued permitting the recovery to defer the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2019-2020 for Greater Chennai Corporation.

5. In the Government Order fifth read above, the repayment of Ways and Means advance was deferred till 31.03.2021 for Greater Chennai Corporation, Coimbatore and Salem Corporations.

6. In the Government Order sixth read above, orders were issued among others that the advance payment sanctioned to the Coimbatore, Salem, Madurai and Dindugal Corporations shall be adjusted from out of their share under State Finance Commission grant for the year 2020-2021.

7. In the letter seventh read above, the Commissioner of Municipal Administration has stated that the Urban Local Bodies are depending on the State Finance Commission grant for the disbursement of monthly salary to their employees and Municipal pensioner's pension contribution to be released to Director of Local Fund Audit from State Finance Commission Grant Devolution. In the context of surging Covid 19 second wave, the Chennai, Coimbatore, Salem and Dindugal Corporations, have taking various works and they have to remit the loan annuities against the outstanding loan arrears in respect of various scheme works. It is also seen that the own funds of the above corporations have dried up and tax collections have fallen. Additional expenditure have to be incurred for anti Covid measures. Considering the above financial crunch faced by the above four Municipal Corporations, the Commissioner of Municipal Administration has requested orders of the Government to defer the recovery of interest free Ways and Means advance sanctioned to the above three Corporations (Viz. Chennai, Coimbatore & Salem) during the year 2017-2018 and the balance amount to be recovered for the three Corporations (viz. Coimbatore, Salem & Dindugal) sanctioned as advance during the year 2020-2021 for a period of one year till 31.03.2022.

8. The Commissioner of Municipal Administration has therefore requested the Government to release Devolution Fund as per the recommendation of the Fifth State Finance Commission to the 12 Municipal Corporations (including Greater Chennai Corporation) and 124 Municipalities in 10 installments on monthly basis from April 2021 to



January 2022 fully as per the provisions made in the Budget Estimate for the year 2021-2022 without any deduction and he has also requested to authorize him to draw and disburse the amount to Urban Local Bodies.

9. The Government after careful examination of the proposal of the Commissioner of Municipal Administration at para 7 and 8 above, accord sanction for release of Rs.345,36,68,143/- (Rupees three hundred and forty five crore thirty six lakh sixty eight thousands one hundred and forty three only) to 12 Municipal Corporations (including Greater Chennai Corporation) and a sum of Rs. 250,39,09,286/- (Rupees two hundred and fifty crore thirty nine lakh nine thousand two hundred and eighty six only) to 124 Municipalities for the months of April, May and June 2021.

10. The Government also direct that the repayment of interest free Ways and Means advance sanctioned to the Greater Chennai Corporation, Coimbatore and Salem Corporations during the year 2017-2018 and the advance payment sanctioned to Coimbatore, Salem and Dindigul Corporations during the year 2020-2021 be deferred till 30.06.2021.

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

**Municipal Corporations: Rs. 345,36,68,143/-** (for the month of April, May and June 2021)

**3604-00** Compensation and Assignments to Local bodies and Panchayat Raj Institutions – 191 Assistance to Municipal Corporations. State's Expenditure – AA Grants to Municipal Corporations as per the recommendation of State Finance Commission – Controlled by Commissioner of Municipal Administration – 309 Grants – in – Aid -02 Grants for Creation of Capital Assets.

**(IFHRMS D.P.Code 3604-00-191-AA-30902)**

**(Old D.P.Code 3604-00-191-AA-0921)**

**Municipalities: Rs. 250,39,09,286/-** (for the month of April, May and June 2021)

**3604-00** Compensation and Assignments to Local bodies and Panchayat Raj Institutions – 192 Assistance to Municipalities / Municipal Councils. State's Expenditure – AA Grants to Municipalities as per the recommendation of State Finance Commission - Controlled by Commissioner of Municipal Administration – 309 Grants – in – Aid -02 Grants for Creation of Capital Assets.

**(IFHRMS D.P.Code 3604-00-192-AA-30902)**

**(Old D.P.Code 3604-00-192-AA-0929)**



12. The Commissioner of Municipal Administration is authorized to draw the amount sanctioned in para 9 above and disburse to the concerned Urban Local Bodies.

13. This order issues with the concurrence of Finance Department vide its U.O.No. 22392/Fin(MAWS)/2021, dated 20.05.2021.

**(BY ORDER OF THE GOVERNOR)**

**HARMANDER SINGH**  
**ADDITIONAL CHIEF SECRETARY TO GOVERNMENT**

**To**

The Commissioner of Municipal Administration, Chennai – 28.

The Principal Secretary/Commissioner, Greater Chennai Corporation, Chennai– 3.

✓ The Pay and Accounts Officer (East), Chennai–8. (4 copies)

The Accountant General (GSSA) Chennai–18.

The Accountant General (Audit) Chennai–18.

**Copy to**

The Senior Private Secretary to the Additional Chief Secretary to Government, Municipal Administration and Water Supply Department, Chennai-9.


The Finance (MAWS/SFC-MC/W&M I) Department, Chennai-9.

The Municipal Administration and Water Supply Department (OP-2) Department, Chennai-9.

Stock File/Spare Copy

  
(R.MURALI)

**UNDER SECRETARY TO GOVERNMENT**

  
2015/2021

4/5