

**OFFICE OF THE COMMISSIONER OF MUNICIPAL ADMINISTRATION,
CHENNAI 600 005**

ROC.NO.15832/2007/P2

DATED.21 -3-2007

CIRCULAR

SUB: Grants - XII Central Finance Commission Grants - Released to ULBs - Diversion of funds from one component to another component - Instructions – issued.

REF: 1. G.O (D) No.26, MA & WS (MA-II)Deptt dt 27.1.2006
2. This office Circular Roc.No.42936/05/P2 dt 2.3.2006
3. G.O (D) No.97 , MA & WS (MA-II)Deptt dt 20.3.2006
4. This office Circular No. CMA/ITC/074674/05 Dt.9.6.2006

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Attention is invited to the references cited.

On the basis of recommendations of XII Finance Commission, Government have released grants to the ULBs from the year 2005-06 onwards in two instalments.

The grant amounts was distributed proportionately to the various components like Solid Waste Management (50 %), Maintenance of Roads and storm water drains (25 %), for Creation of Data base and payment of electricity charges (25 %). Detailed guidelines and instructions were already issued to ULBs for utilization of grants in this office letter second cited.

The Municipal Commissioner, Nagercoil has requested permission to divert the funds allotted during 2005-06 from the head of creation and database and electricity charges head to Solid Waste Management head. There is no bar in using this amount for other important

statutory works of the ULBs. This provision for using 25 % amount for creation of data base, payment of electricity charges etc was made to ensure that Municipalities are not defaulting in payment of electricity charges and municipality should pay proper attention towards e-governance activities. It was noticed that certain Municipalities were not paying attention towards both e-governance activities as well as for payment of dues to EB charges and due to that reason this provision has been given. If there is no arrears of EB charges and ULB is paying proper attention in creation of Data base then only this component may be utilized for performing any other statutory responsibilities of the Municipalities.

The receipt of this Circular should be acknowledged by return of post.

Sd/- Niranjan Mardi,
COMMISSIONER OF
MUNICIPAL ADMINISTRATION

TO

All Commissioners of Corporation
All Executive authorities of Municipalities
Including Third Grade MLTs.

All Regional Directors of Municipal Administration

Copy to: The Financial Advisor of this office

The Manure Officer

The Superintending Engineer

The Information Technology (Specialist) TNUDP III

The Superintendent, P / E Sections

P4 / P2 SF / spares

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Superintendent.