



Abstract

Thirteenth Finance Commission – Local Bodies Grants – Release of General Performance Grant to Urban Local Bodies – Sanction of payment of interest at the rate of 8.5% to ULBs in lieu of delay in release of grants – Orders – Issued.

FINANCE (FC-II) DEPARTMENT

G.O.Ms.No.166

Dated 22nd May 2013

Vaikasi 8,
Thiruvalluvar Aandu 2044

07983

Read the following:-

- 1) Government of India, Ministry of Finance, Department of Expenditure, Finance Commission Division Local Bodies Grant Release No.56/2012-13, No.F-12(3)/FCD/2010 dated 23.09.2010.
- 2) Local Bodies Grant Release No.56 / 2012-13, No. F-12(3) / FCD / 2010, Government of India, Ministry of Finance, Department of Expenditure, Finance Commission Division, dated 30.03.2013.
- 3) G.O.(D) No.193, Municipal Administration and Water Supply (MA.2) Department, dated 12-04.2013
- 4) G.O.(D) No.194, Municipal Administration and Water Supply (TP.2) Department, dated 12-04.2013

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ORDER:

In the letter first read above, the Government of India have issued guidelines towards the utilization of grants recommended by the Thirteenth Finance Commission for Rural and Urban Local Bodies.

2) In the references second read above, Government of India have released a sum of Rs.3204.51 lakhs to urban local bodies as General Performance Grants forfeited by non-performing States for the year 2012-13 as per recommendation of Thirteenth Finance Commission.

3) In the references third and fourth read above, the State Government have released the General Performance Grants to Municipal Corporations, Municipalities, Grade-III municipalities and Town Panchayats under the Thirteenth Finance Commission for the year 2012-13 as detailed below:

1	Municipal Corporations	Rs.9,93,39,810/-
2	Municipalities	Rs.10,89,53,340/-
3	Grade – III Municipalities	Rs.2,22,33,852/-
4	Town Panchayats	Rs. 8,99,23,998/-
	Total	Rs. 32, 04, 51,000/-

4) As per the guidelines issued by Government of India in the letter first read above, among other things, the Local Body Grant must be transferred within the stipulated number of days i.e. five days of receipt from the Central Government in case of States with easily accessible banking infrastructure and ten days in case of States with inaccessible banking infrastructure. Any delay will require the State Government to release the instalment with interest, at the Bank rate of Reserve Bank of India for the number of days of delay. This would be applicable from the second instalment of 2010-11 onwards.

5) Based on the Government of India's guidelines and release of grant made by Government of India, the State Government have released funds to the local bodies and interest to be paid for delayed payment of grant to local bodies, are tabulated below:-

	Government of India release for 2012-13		State Government Release for 2012-13		Delay in release by State Government	Head of Department	Rate of Interest @ 8.5% (in Rs.)
	Amount (Rs.)	Date	Amount (Rs.)	Date			
General Performance Grant							
Urban Local Bodies	32,04,51,000	30.03.2013	9,93,39,810	12.04.2013	9 days	Commissioner of Municipal Administration (Corporations)	2,08,205
			10,89,53,340	12.04.2013	9 days	Commissioner of Municipal Administration (Municipalities)	2,28,354
			2,22,33,852	12.04.2013	9 days	Commissioner of Municipal Administration (Grade III Municipalities)	46,600
			8,99,23,998	12.04.2013	9 days	Director of Town Panchayats	1,88,471
Total	32,04,51,000		32,04,51,000				6,71,630

6) Government after careful consideration, have decided to accord sanction and release a sum of Rs.6,71,630/- (Rupees six lakhs seventy one thousand six hundred and thirty only) to the Heads of Departments as detailed below towards payment of interest to the respective local bodies at the rate of 8.5% in lieu of delay in release of balance amount of second instalment of General Basic Grant for the year 2012-13

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|-----|--|---------------|
| i) | Commissioner of Municipal Administration | Rs.4,83,159/- |
| ii) | Director of Town Panchayats | Rs.1,88,471/- |

7) The expenditure sanctioned in paragraph 6 above shall be debited to the following head of account.

"2049. Interest Payments – 60. Interest on Other Obligations – 800. Other Expenditure – AA. Interest on Finance Commission Transfers to Local Bodies – 25. Interest (DPC 2049 60 800 AA 2509) (Charged)"

8) Necessary funds will be provided in RE / FMA 2013-14. Pending provision of funds in RE / FMA 2012-13, the Pay and Accounts Officer (Secretariat) is requested to admit the bills as and when presented, if otherwise found in order.

9) The Section Officer (Bills), Finance Department is authorized to draw and disburse the amount sanctioned in paragraph 6 above to the concerned head of departments by account payee cheque.

10) The Commissioner of Municipal Administration is requested to disburse the amount to Corporation, Municipalities and Erstwhile Grade – III Municipalities as per the amount mentioned in paragraph 6 above.

11) This order issues with the Additional Sanction Ledger No.258 (Two hundred and fifty eight)

(By order of the Governor)

K SHANMUGAM
Principal Secretary to Government

To
The Secretary to Government, Municipal Administration and
Water Supply Department, Chennai – 9.
The Commissioner of Municipal Administration, Chennai – 600 005.
The Director of Town Panchayats, Chennai – 600 108.
The Pay and Accounts Officer (Secretariat), Chennai – 600 009.
The Accountant General, Chennai – 600 009 / 600 018.
The Director, Finance Commission Division, Ministry of Finance,
Department of Expenditure, Block No.11, 5th Floor, CGO Complex,
Lodhi Road, New Delhi – 110 003.
The Finance (Bills) Department, Chennai – 600 009 (2 Copies).
The Finance (RD / MAWS / W&M – I & II / BG.II) Department, Chennai-9.
Stock File / Spare Copies.

(Forwarded / By order)


SECTION OFFICER

