

**AMOUNT TO BE CREDITED IN THE ACCOUNTS OF THE STATE GOVERNMENTS**

F.15(3)FC-XV/FCD/2020-25

Government of India

Ministry of Finance

Department of Expenditure

Finance Commission Division

Block No. XI, 5th Floor,

CGO Complex,

New Delhi-110003.

Dated:21-12-2021

To,

The Accounts Officer (State- Loan),  
O/o the Chief Controller of Accounts,  
Department of Expenditure,  
Ministry of Finance, North Block,  
New Delhi-110001.

Subject: Release of Urban Local bodies grant to the State Government(s) for *Non-Million Plus Cities (tied grant)* as recommended by the Fifteenth Finance Commission.

Sir,

The undersigned is directed to convey the approval of Competent Authority in the Department of Expenditure, Ministry of Finance, Government of India for release of Rs. **4680.00 lakh** (Rupees Forty-Six crore and Eighty Lakh only) to the State Government(s) during 2021-22 as per details given below;

Sl. No.	Name of the State	Amount (Rs. in lakh)	Grant component	Installment	Year
1	Himachal Pradesh	4680.00	<i>Non-Million Plus cities tied Grant</i>	1st	2021-22

2. The grants shall be distributed to each ULB on the basis of accepted recommendations of the latest State Finance Commission (SFC) suitably modified to accommodate the Cantonment Boards within your jurisdiction. The names & other details of Cantonment Boards are provided in Annexure 7.7, Vol.-II of the Final FC-XV Report. In case of non-availability of SFC recommendation for distribution within a particular category, the allocations should be done on the basis of population and area in the ratio of 90:10. Some cities and towns may be part of some urban agglomeration, these grants will also be distributed to such NMPCs.

3. These **tied grants** are to be utilised by the local bodies in equal proportion for (a) drinking water (including rainwater harvesting and recycling) and (b) Solid Waste Management as recommended by FC-XV.

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4. The States (State Finance Department) shall transfer grants-in-aid directly to all urban local bodies within ten working days of receipt from the Union Government without any deduction. Any delay beyond ten working days will require the State Governments to release the same with interest as per the average effective rate of interest on market borrowings/State Development Loans (SDLs) for the previous year.
5. The above local body grant will be governed as per the provisions in the Operational Guidelines issued on the subject by the Department of Expenditure vide letter No. 15(2)FC-XV/FCD/2020-25, dated 28-7-2021 and recommendations contained in chapter 7 of FC-XV Report for the award period 2021-26.
6. The State Governments/Urban Local bodies shall have to ensure that a separate Account of each ULB has been opened for FC-XV grant and the same has to be linked with PFMS during 2021-22 itself and maintained hereafter for every transaction for the full award period.
7. PAO-State Loan, O/o the Chief Controller of Accounts, Department of Expenditure, Ministry of Finance, North Block, New Delhi is requested to advise the Reserve Bank of India, Nagpur to credit the above amount into the account of the respective State Government(s).
8. The payments are adjustable in the accounts of the Ministry of Finance in Demand Grant No. 040 - Transfers to State Government(s) for the year 2021-22 under Function Head 3601071030100, Object Head 31, Scheme code 2085 as Grants for Local Bodies(3.02 Urban Bodies).



( Abhay Kumar)  
Director (FCD)

Copy to:-

Sl. No.	Name
1.	The Secretary, RBI, Central office, Mumbai.
2.	The Secretary, Ministry of Housing & Urban Affairs, Nirman Bhawan, New Delhi.
3.	The Manager, RBI, Central Accounts Section, Nagpur.
4.	The Budget Division (States Section), DEA, North Block, New Delhi.
5.	The PAO-State loan, Department of Expenditure(DOE).
6.	The Accountant General(A&E) / (Audit), concerned State Government(s).
7.	The Secretary (Finance), concerned State Government(s).
8.	The Secretary(Urban Department), concerned State Government(s).
9.	The Assistant Director, Hindi Section, DOE(for Hindi translation).



( Abhay Kumar)  
Director (FCD)