

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

F.No. 9(3)/FCD/2024-26  
 Government of India  
 Ministry of Finance  
 Department of Expenditure  
 (Finance Commission Division)

Block No. XI, 5th Floor,  
 CGO Complex,  
 New Delhi-110003.  
 Dated: -05-03-2025.

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 (Untied Basic grant)** as recommended by the Fifteenth Finance Commission (FC-XV).

Sir,

The undersigned is directed to convey the approval of the Competent Authority in the Department of Expenditure, Ministry of Finance, Government of India for release of **Rs. 3461.98 lakh** (Rupees Thirty-Four Crore, Sixty-One Lakh and Ninety-Eight Thousand only) to the State Government(s) as per details given below;

Sl. No.	Name of the State	Amount (Rs. in lakh)	Grant component	Installment	Year
1.	<b>Himachal Pradesh</b>	<b>3461.98*</b>	<i>Non-Million Plus cities untied Basic Grant</i>	<b>1<sup>st</sup></b>	<b>2024-25</b>
<b>x</b>	<b>Total</b>	<b>3461.98</b>	<b>x</b>	<b>x</b>	<b>x</b>

\*For 56 eligible ULBs out of 66 ULBs (NMPCs).

2. The State Governments while allocating grants to each ULB in **Non-Million Plus cities**, should also make allotment of grants on population basis for the Cantonment Boards within their territories as per the list at Annex 7.7(Volume-II), of the FC-XV Report for the period 2021-26. For urban local bodies other than Million-Plus cities, the grants should be distributed to all urban local bodies on the basis of accepted recommendations of the latest State Finance Commission (SFC) suitably modified to accommodate the Cantonment Boards. In case of non-availability of SFC recommendation for distribution within a particular category, the allocations should be done on the basis of population Census, 2011 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. The State Governments (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.

4. Any delay beyond ten working days will require the State Governments to release the same with interest as per the weighted average of the effective rate of interest on market borrowings/State Development Loans (SDLs) for the previous year.

5. These basic grants are untied and can be used by the local bodies for location-specific felt needs, except for salary or other establishment expenditure.

Contd. on next page-2.

6. 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.

7. The State Governments/Urban Local bodies shall have to ensure that a separate Account of each ULB has been opened in any Scheduled Commercial Bank for FC-XV grant, linked it with PFMS and maintained for every transaction for the full award period.

8. 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 to the accounts of the respective State Government(s).

9. The payments are adjustable in the accounts of the Ministry of Finance in Demand Grant No. **042** - Transfers to State Government(s) **for the year 2024-25** under Function Head 3601071030100, Object Head 31, Scheme code 2085 as Grants for Local Bodies(4.02 Urban Bodies).

  
5/3/25

(Kandarp Vajubhai Patel)  
Deputy Secretary (FCD)

Copy to:-

Sl. No.	Name
1	Reserve Bank of India, 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 Accountant General(A&E), concerned State Government(s).
6	The Accountant General(Audit), concerned State Government(s).
7	The Secretary (Finance), concerned State Government(s).
8	The Secretary(Urban Department), concerned State Government(s).
9	Hindi Section, Department of Expenditure (for Hindi translation).
10	Guard File.

  
5/3/25

(Kandarp Vajubhai Patel)  
Deputy Secretary (FCD)