

Most Immediate
ULB Release No. 8/2021-22

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:-16-06-2021

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 (FC-XV).

Sir,

The undersigned is directed to convey the approval of Competent Authority in the Government of India for release of Rs.5175.00 lakh (Rupees Fifty-One crore and Seventy Five lakh 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.	Himachal Pradesh	5175.00	<i>Non-Million Plus cities tied Grant</i>	2nd	2020-21
x	Total	5175.00	x	x	x

2. The States while allocating grants to ULBs 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 5.4. of the FC-XV Report for the year 2020-21. 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) recommendations suitably modified to accommodate the Cantonment Boards. In case of non-availability of SFC recommendation for distribution within a particular category, the allocation should be on the basis of population Census 2011 and area in the ratio of 90:10.

3. 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.

Contd. on next page-2.

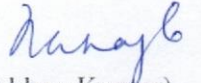
4. These tied grants are to be utilised by the local bodies for **(a) drinking water (including rainwater harvesting and recycling) and (b) Solid Waste Management as recommended by FC-XV.**

5. The above local body grant will be governed as per the provisions in the Operational Guidelines issued on the subject vide OM No. F.15(2)FC-XV/FCD/2020-25, dated 01-06-2020 and recommendations contained in chapter 5 of FC-XV Report for the year 2020-21 on the subject.

6. 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).

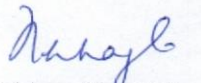
7. The payments are adjustable in the accounts of the Ministry of Finance in Demand Grant No. 040 - Transfers to State Government(s) for the year 2021-22 under Function Head 3601071030100, Object Head 31, Scheme code 2085 as Grants for Local Bodies(3.02 Urban Bodies).

8. The action taken in the matter may be intimated to this Division.


(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), concerned State Government(s).
7	The Accountant General(Audit), concerned State Government(s).
8	The Secretary (Finance), concerned State Government(s).
9	The Secretary(Urban Department), concerned State Government(s).
10	The Assistant Director, Hindi Section, Department of Expenditure(for Hindi translation)


(Abhay Kumar)
Director (FCD)