

No.-M-11015/130/2017-FD

Ministry of Panchayati Raj

Government of India

11th Floor, Jeevan Prakash Building,

K.G. Marg, New Delhi – 110001.

Dated 19<sup>th</sup> May, 2023

To,

Addl.Chief Secretary /Principal Secretary / Secretary  
Panchayati Raj Department  
All States

**Subject:- Regarding Utilisation of Unspent balance of Fourteenth Finance Commission Grants (XIV FC) to Gram Panchayats beyond 31<sup>st</sup> March, 2023**

Sir /Madam,

I am directed to refer to OM No. 15(1)- FC XV/FCD/2020-25 dated 11<sup>th</sup> May, 2023 from Ministry of Finance (MoF), Govt of India on the above subject. (Copy Enclosed). In the reference OM, it has been confirmed that the rural local bodies in the State may utilise unspent balance of XIV FC grants as per guidelines on the subject. However, to avoid parking of funds, Ministry of Panchayati Raj (MoPR) has been advised not to recommend release of grants to those local bodies who have unspent balance of XIV FC exceeding 10 % of the instalment under consideration for release.

2. In order to facilitate making recommendation for release of subsequent instalment of Fifteenth Finance Commission (XV FC) Grants' instalment to the States in compliance to the above stipulation of MoF, States are required to submit along with their claim for subsequent instalment of XV FC Grants, a certificate, that the Rural Local Bodies (RLBs) in the State do not have unspent balance of XIV FC Grants exceeding 10 % of the instalment under consideration. This would be an additional requirement to the already existing eligibility conditions for release of XV FC Grants.

This issues with the approval of Secretary, Panchayati Raj.

Encl:a/a

Yours faithfully,

  
(K.S.Parthsarathi)

Under Secretary to the Govt. of India

Copy to

1.The Ministry of Finance,  
Department of Expenditure,  
[Attn. Shri Anil Gairola, Dy. Secretary- FCD],  
Block-11, 5th floor, CGO Complex,  
Lodhi Road, New Delhi-110003

2.Ministry of Jal Shakti,  
Department of Drinking Water and Sanitation  
(Kind Attn: Shri Karanjit Singh, Joint Director)  
4th Floor, Pandit DeenDayal Antyodaya Bhawan,  
CGO Complex, Lodhi Road,  
New Delhi-110003.

F. No. 15(1)FC-XV/FCD/ 2020-25

Govt. of India  
Ministry of Finance  
Department of Expenditure  
(Finance Commission Division)

11th Block, 5th Floor,  
CGO Complex, Lodi Road,  
New Delhi- 110003,  
Dated:-11-05-2023.

Office Memorandum

Subject:- Utilisation of unspent Fourteenth Finance Commission (14<sup>th</sup> F. C.) Grants  
By Local bodies - regarding.

In continuation with Department of Expenditure's Office Memorandum of even number dated 30-05-2022 regarding the above mentioned subject, the matter has been reconsidered in the light of a request received from the Ministry of Panchayati Raj. It has been decided that the local bodies may utilize unspent balance of the 14<sup>th</sup> Finance Commission grants as per the guidelines on the subject. However, to avoid parking of funds, Ministry of Panchayati Raj (MoPR) and the Ministry of Housing & Urban Affairs are advised not to recommend release of grants to those local bodies who have an unspent balance of the 14<sup>th</sup> Finance Commission exceeding 10% of the installment under consideration for release.

2. This issues with the approval of the Competent Authority.
3. These directions will come into effect from the date of issue of this Office Memorandum.

  
(Anil Gairola)

Deputy Secretary to the Government of India

To

- (i) The Secretary, Ministry of Panchayati Raj  
Krishi Bhawan, New Delhi-110001.
- (ii) The Secretary, Ministry of Housing & Urban Affairs,  
Nirman Bhawan, New Delhi-110001.

Issued on 11/05/23  
Finance Commission