

No. 13(32)FFC/ FCD/2015-16  
Government of India  
Ministry of Finance  
Department of Expenditure  
(Finance Commission Division)

11th Block, 5th Floor,  
CGO Complex, Lodi Road,  
New Delhi- 110003.  
Dated, the 8<sup>th</sup> October, 2015

To

The Chief Secretary,  
Government of .....  
(All State Governments)

Subject Issue of Guidelines for the implementation of recommendation of  
**Fourteenth** Finance Commission (FC-XIV) with regard to Local Bodies  
grant (RLB & ULB) – regarding

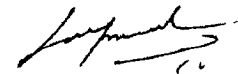
Sir.

The recommendation of **Fourteenth** Finance Commission for the award period 2015-20 include, inter-alia, release of grant-in-aid to State Governments for Rural and Urban Local Bodies

2 Kindly find enclosed herewith a copy of the guidelines for release and utilization of Grants recommended by the **Fourteenth** Finance Commission (FC-XIV) for Rural and Urban Local Bodies (Local Bodies grant) for information and further necessary action. Guidelines are also available on this Ministry's website. <http://www.finmin.nic.in/FFC/guidelines.asp>

Encl : as above

Yours faithfully,



(Gopal Prasad)  
Director (FCD)  
Tel 011-2436 0647  
Fax 011-2436 0174

Copy for information and necessary action to:-

- ✓(i) Secretary, M/o Panchayati Raj, Govt. of India, Krishi Bhavan, New Delhi-110001
- (ii) Secretary, M/o Urban Development, Govt of India, New Delhi
- (iii) Joint Secretary(Budget Division), Department of Economic Affairs, Govt. of India, New Delhi.

No 13(32)FFC/ FCD/2015-16  
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**Guidelines for Release and Utilization of Grant recommended by the Fourteenth Finance Commission (FFC) for Rural and Urban Local Bodies (Local Bodies Grant).**

**Introduction**

1 The Fourteenth Finance Commission (FFC) was constituted by the President on January 2, 2013 to give recommendations on specified aspects of Centre- State fiscal relations during 2015-20. The Commission submitted its Report to the President on December 15, 2014.

2 The FFC was, inter-alia, mandated to recommend measures needed to augment the Consolidated Funds of the States to supplement the resources of the Panchayats and Municipalities based on the recommendations of the respective State Finance Commissions (SFCs).

3 As per the Constitutional provisions, the explanatory memorandum as to the action taken on the recommendations made by the FFC in its report submitted to the President was laid in the Parliament on February 24, 2015. The Government of India accepted the recommendations of the FFC in respect of the Local Bodies.

**Grants recommended**

4. The FFC has recommended assured transfers to the Local bodies for planning and delivering of basic services smoothly and effectively within the functions assigned to them under relevant legislations. It has taken a view that the measures recommended, including the grants to the local bodies, should go towards supporting and strengthening their primary functions to deliver basic services, as improvements in the quality of basic services are likely to lead to an increase in the willingness of citizens to pay for the services. Therefore, it is advised that all expenditure incurred by Panchayats and Municipalities on basic services within the functions devolved to them under the State laws may be incurred after proper plans are prepared by Panchayats and Municipalities, in accordance with the relevant rules, regulations, processes and procedures applicable in the State.



5. The FFC has worked out the total size of the grant to be Rs 2,87,436 crore for the award period of 2015-20. Of this, grant recommended to Panchayats is Rs 200,292.20 crore and to Municipalities is Rs. 87,143.80 crore. The Grant-in-aid recommended is fixed for the Award period. The year-wise and state-wise distribution is given in **Annex-I & II**.

#### **Grant Components**

6 The FFC has recommended Grant-in-aid to duly constituted Panchayats (Rural Local bodies) and Municipalities (Urban Local Bodies) in two parts, namely - (i) a **Basic grant** and (ii) a **Performance Grant**. In case of Gram panchayats, 90% of the Grant will be the Basic Grant and 10% will be the Performance Grant. In case of Municipalities, the division between Basic and Performance Grant will be on 80:20 basis. The shares of the States for these Grants are given in **Annex-I & II**.

*Note: A duly constituted Panchayat or Municipality means a Panchayat or a Municipality as the case may be where elections have been held and an elected body is in place as provided in Part IX and IX A of the Constitution.*

#### **Basic Grant**

7 The FFC has recommended Basic Grant to the Local bodies with the purpose of providing a measure of unconditional support to the Gram Panchayats (GPs) and Municipalities for delivering basic services. The Grants provided are intended to be used to support and strengthen the delivery of basic civic services including water supply, sanitation including septic management, sewage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street-lighting, burial and cremation grounds and any other basic service within the functions assigned to them under relevant legislations. The FFC has not distinguished between O & M and capital expenditure within the components of basic services. However, it is advised that the cost of technical and administrative support towards O&M and capital expenditure should not exceed 10% of the allocation to a Gram Panchayat or Municipality under any circumstance and the expenditure can be incurred only by the local body concerned.

8 It is emphasized that no expenditure will be incurred out of the FFC grants except on basic services as provided in para 7 above.

#### **Basic Grants for Rural Local bodies (Gram Panchayats)**

9 The FFC has recommended a Basic Grant of Rs. 1,80,262.96 crore for the GPs for the period 2015-20. State-wise and year-wise distribution of basic grant is in *Annex-1*. The grant released by the Centre should be distributed among GPs only without any share for other levels. The Basic Grant will be distributed by using the formula prescribed by the respective SFCs for the distribution of resources. However, in case the SFC formula is not available, then the share of each GP as specified above should be distributed across the entities using 2011 population with a weight of 90 per cent for population and a weight of 10 per cent for area.

#### **Basic Grants for Urban Local bodies (Municipalities including Municipal Corporations, Municipal Councils & Nagar Panchayats).**

10. The FFC has recommended a Basic Grant of Rs. 69,715.03 crore for the Municipalities for the period 2015-20. State-wise and year-wise distribution of basic grant is in *Annex 1*. The Basic Grant for Urban Local bodies will be divided into tier-wise shares and distributed across each tier, namely the Municipal Corporations, Municipalities (the tier-II Urban Local Bodies) and the Nagar Panchayats (the tier-III Local Bodies) using the formula given by the respective SFCs. In case the SFC formula is not available in respect of Urban Local bodies, the share of each of the three tiers will be determined on the basis of population of 2011 with a weight of 90 per cent for population and a weight of 10 per cent for area, and then distributed among the entities in each tier in proportion to the population of 2011 and area in the ratio of 90:10.

#### **Performance Grant**

11. The FFC has observed that *"it has been more than twenty years that municipalities and panchayats were sought to be empowered, through a Constitutional amendment, to act as institutions of local self-governance and also to provide certain basic services to citizens. It is inconceivable, and certainly not desirable, that local bodies seek an ever increasing share of public moneys and yet continue to keep themselves beyond the ambit of accountability and responsibility for the public money placed with them."* It has stated that proper accounts are the starting point for financial accountability. Non-maintenance or delayed compilation of annual accounts means compromised accountability and implies that reliable financial data for determining the need for resources for local bodies is not available.



It has also noted that on account of the efforts of the past Finance Commissions, there has been progress in the keeping of accounts and audit under the technical guidance and support of the C&AG but further progress in this regard is needed. Accordingly it is of the opinion that it is necessary to continue the efforts initiated by past Finance Commissions for improving the maintenance of accounts, their audit and disclosure. The Performance Grants are designed to serve the purpose of ensuring reliable audited accounts and data of receipts and expenditure and improvement in own revenues. This will enable initiation of action at the grassroots level for compilation of data so that all stakeholders have access to reliable information for decision making and at the same time, it will enhance accountability of the local self-government institutions to the public

12. The FFC has recommended Performance Grant amounting to Rs.20,029.22 crore for Gram Panchayats and for Municipalities Rs.17,428.76 crore for the period 2015-20 as given in **Annex II**. The performance grants are to address the following issues. (i) making available reliable data on local bodies receipt and expenditure through audited accounts; and (ii) improvement in own revenues. In addition, the urban local bodies will have to measure and publish service level benchmarks for basic services. These grants are to be disbursed from the second year of the Award Period, i. e. 2016-17 onwards, so as to give sufficient time and enable the State Governments and Local bodies to put in place a scheme and mechanism for implementation of the guidelines attached with these grants.

#### **Eligibility for Performance Grant**

13 The FFC has recommended that detailed procedure and the operational criteria, including quantum of incentives to be given, for disbursement of performance grants to Gram Panchayats and Municipalities will be decided by the State Governments concerned, subject to the eligibility conditions as described below

*For Gram Panchayats(GPs):*

- (i) The Gram Panchayats will have to submit audited accounts that relate to year not earlier than two years preceding the year in which the Gram Panchayats seeks to claim the performance grant
- (ii) The Gram Panchayats will have to show an increase in their own revenues over the preceding year as reflected in the audited accounts



*For Municipalities:*

- (i) The Municipality will have to submit audited accounts that relate to year not earlier than two years preceding the year in which the Municipality seeks to claim the performance grant.
- (ii) The Municipality will have to show an increase in its own revenues over the preceding year as reflected in the audited accounts. The improvement in revenues will be determined on the basis of these audited accounts and on no other basis. For computing the increase in own revenues in a particular year, the proceeds from octroi and entry tax must be excluded.
- (iii) The Municipality must measure and publish the Service Level Bench Marks relating to basic urban services each year for the period of the award and make it publically available. The Service Level Bench Mark of the Ministry of Urban Development may be used for this purpose.

**Note:** *For the purpose of determining the eligibility of a Gram Panchayats or Municipality (including Municipal Corporations, Municipal Councils & Nagar Panchayats) to the Performance Grant, the audited accounts required for Performance Grants in 2016-17 will be for the year 2014-15; for Performance Grants in 2017-18, the audited accounts will be for the year 2015-16; for Performance Grants in 2018-19, the audited accounts will be for the year 2016-17 and for Performance Grants in 2019-20, the audited accounts will be for the year 2017-18.*

14. In this regard, the FFC has recommended that books of accounts prepared by the local bodies should distinctly capture income on account of own taxes and non-taxes, assigned taxes, devolution and grants from the State, grants from the Finance Commission and grants for any agency functions assigned by the Union and State Governments. In addition to the above, the State Government must continue with the arrangement of the Technical Guidance and Support by the C&AG and the States should take action to facilitate local bodies to compile accounts and have them audited in time. Accordingly, the State Governments must ensure compliance of the above recommendations by incorporating these features in the procedures and operational guidelines for availing Performance Grants for the Gram Panchayats and Municipalities (including Municipal Corporations, Municipal Councils & Nagar Panchayats):



### **Distribution of undisbursed Performance Grants**

15 In case some amount of Performance Grant remains after disbursement to the eligible Gram Panchayats or Municipalities (as the case may be), this undisbursed amount should be distributed on an equitable basis among all the eligible Gram Panchayats or Municipalities (as the case may be) that had fulfilled the conditions for getting the performance Grant

### **Release of Grants**

16 The grants shall be released in two instalments, in June and October every fiscal year. While 50 per cent of the Basic Grant for the year will be released to the State as the first instalment of the year, the remaining Basic Grant and the full Performance Grant for the year is to be released as the second instalment for the year. However, the Performance Grant will be released from 2016-17 onwards as recommended by the FFC and noted in para 11-12 above.

17. The States should release the Grants to the Gram Panchayats and Municipalities within fifteen days of it being credited to their account by the Union government. There should not be any deductions at source from the grants due to the local bodies. In case of delay, the State Government must release the instalment along with interest at the Bank rate of Reserve Bank of India paid from its own funds and a certification to this effect will be reflected in the Utilization Certificate (UC) to be furnished by the State Government. Release of second and subsequent instalments of grants (both Basic & Performance) will be subject to receipt of UC for the previous installment in the prescribed format given in *Annex-III* and compliance to the stipulated guidelines

18 The Performance Grant due to be released in October 2016 (FY 2016-17) will be considered for release only when the procedures and the operational criteria described in para 12- 13 above are duly received from the State

### **Modalities for release of Grants**

19 The recommendations of the FFC that no additional conditions or directions other than those recommended by them for releasing these grants be imposed either by the Union or the State government is reiterated. However, keeping in view the financial regulations and the need for accountability, the following prerequisites are to be followed for the release of grants to local bodies

- i. First installment of Basic Grant for both duly constituted Gram Panchayats and Municipalities for the year 2015-16 will be released in June, 2015 unconditionally. Further instalments of the grant for duly constituted local bodies would be released by the Finance Commission Division in the Department of Expenditure, Ministry of Finance after receipt of the UC for the previous installment in the prescribed format as provided in *Annex-III*.
- ii. The States will have to design a detailed procedure for disbursal of the Performance Grant (including quantum of incentive to be given and operational criteria) keeping in perspective the parameters and conditions as described in para 11-13 above. The scheme for disbursement of the Performance Grant will be notified by the State Governments latest by March 2016, in order to enable the preparation of the eligibility list of Local bodies entitled to these grants. The concerned line Ministries of the Union Government namely, the Ministry of Urban Development (in respect of Urban Local bodies), the Ministry of Panchayat Raj (in respect of Gram Panchayats) and the Ministry of Finance, Department of Expenditure (Finance Commission Division) will also be informed by the State Government in order to facilitate release of the instalment of Performance Grant.
- iii. Performance Grant for both Gram Panchayats and Municipalities from the year 2016-17 onwards will be released in October, 2016 subject to receipt of the scheme for operationalizing the Performance Grants from the State Governments.
- iv. The Performance grant for the year 2015-16 will be released by the Department of Expenditure in October 2016 on certification of the MoPR/MoUD that the finalized scheme in this regard has been received from the States and it conforms to the recommendations of the FFC Performance grant for the subsequent years of the award period will be released along with the release of the 2<sup>nd</sup> instalment of the basic grant on furnishing of the UC to MoPR/MoUD and to the Department of Expenditure and also furnishing a certificate from the MoPR/MoUD to this effect for release of the installment.

#### **Budget Provision**

20 Ministry of Finance (Department of Expenditure) will make budget provision in Demand No 37 and release grants to eligible States



### **Audit by the Comptroller and Auditor General**

21 The Comptroller and Auditor General of India will audit the release and transfer of the grant-in-aid. C&AG may also conduct audit of expenditure in selected Panchayats and Municipalities in accordance with Technical Guidance and Support(TC&S).

### **Monitoring and concurrent evaluation**

22. The FFC has recommended that no further conditions or directions other than those indicated by the Commission should be imposed either by the Union or the State Government for release of funds. Central to the trust-based approach adopted by the FFC is the understanding that the local bodies will discharge their statutory functions with all due care. The publishing of service level data and preparation and audit of accounts will provide the necessary transparency and accountability in this regard However, the FFC vide para 9.82 of its report has recommended that stern action should be ensured if irregularities in the application of funds are noticed or pointed out for the prevention of which appropriate third party audit mechanism may be put in place by March,2017.

23 The State Governments will develop state-specific, time bound action plans to address the issues highlighted by the FFC for which the States may work closely with Ministry of Panchayati Raj(MoPR) and Ministry of Urban Development (MoUD). The States may constitute a High Level Monitoring Committee headed by the Chief Secretary and including the Finance Secretary and other concerned departmental Secretaries to monitor and carry out concurrent evaluation of the Local bodies receiving the grants to ensure that funds are utilized for the purpose recommended by the FFC

24 At the level of the Union Government two Committees are being constituted, one each under the Ministry of Panchayat Raj and the Ministry of Urban Development to provide guidance and support to the State governments and Local bodies on implementation of the recommendations of the FFC that are listed below:

- 1 Strengthening SFCs which would involve timely constitution, proper administrative support and adequate resources for smooth functioning and timely placement of the SFC report before State legislature, with action taken notes.

- ii. Improve revenues from own sources of local bodies by taking steps as recommended by the respective SFCs and the FFC
- iii. Ensure property tax reforms including objective determination of the base and its regular revision to adjust for inflation, strengthening of mechanisms for assessment, levy and collection and improving billing and collection efficiency; review and amplify existing rules to facilitate the levy of property tax and minimize the granting of exemptions, assessment of properties every four or five years; and introduce the system of self-assessment by urban local bodies.
- iv. Action to be taken by the States to share information regarding property tax among the municipalities, State and Union Governments.
- v. Levy of vacant land tax by peri-urban panchayats and sharing a part of land conversion charges by State Governments with municipalities and panchayats
- vi. Steps to empower local bodies to impose levy of betterment tax and advertisement tax to improve own revenues from these sources
- vii. Review the structure of entertainment tax and take action to increase its scope to cover more and newer forms of entertainment.
- viii. Assignment of productive local assets to the panchayats by States, and putting in place enabling rules for collection and instituting systems so that they can obtain the best returns while leasing or renting common resources
- ix. Rationalise service charges in a way that they are able to at least recover the operation and maintenance cost from the beneficiaries
- x. Sharing of the income from royalties of mines with local body in whose jurisdiction the mining is done to help the local body ameliorate the effects of mining on the local population.
- xi. Compensate local bodies for the civic services provided by them to government properties including enacting suitable legislation, in this regard.
- xii. Empower the local bodies to collect tax and non-tax receipts through necessary legislations as appropriate. In some cases, the State Governments may need to frame rules and fix rates of levy to allow the local bodies to effectively tap the existing sources of revenues. Alternatively, the local bodies may be given powers to decide the rates themselves, subject to a floor and

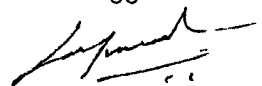


ceiling rate set by the State. Besides, the State Government should not provide exemptions to any entity from the tax and non-tax levies that are in the jurisdiction of local bodies. In cases where the grant of such an exemption becomes necessary, the local bodies should be compensated for the loss.

- xiii. Explore the issuance of municipal bond as a source of finance with suitable support from the Union Government. The States may allow the larger municipal corporations to directly approach the markets while an intermediary could be set up to assist medium and small municipalities who may not have the capacity to access the markets directly.

The composition of the Committees is given at *Annex IV & V*. The Committees which will include representatives of the State Governments will have the following broad terms of reference:

- i. Suggest measures to facilitate that all the recommendations of the 14<sup>th</sup> Finance Commission relating to local bodies are operationalized.
- ii. Sort out operational issues which are brought to the notice of the committees by the State Governments.
- iii. Facilitate inter-ministerial coordination at the Central level.
- iv. Monitor the progress of expenditure of the grants by the local bodies and suggest remedial measures, if needed.



(Gopal Prasad)  
Director (FCD)  
Tel. 011-2436 0647  
Fax 011-2436 0174



S. No.	State	GRANTS TO LOCAL BODIES										Annexure-II (Rs. in crore)			
		STATE-WISE SHARE - PERFORMANCE GRANTS													
		RURAL LOCAL BODIES					URBAN LOCAL BODIES								
2016-17	2017-18	2018-19	2019-20	2016-20	2016-17	2017-18	2018-19	2019-20	2016-20	2016-17	2017-18	2018-19	2019-20	2016-20	
1	Andhra Pradesh	169.70	192.04	218.09	285.57	865.41	142.59	161.36	183.25	239.95	727.16				
2	Arunachal Pradesh	16.08	18.20	20.66	27.06	81.99	9.57	10.83	12.30	16.10	48.81				
3	Assam	106.22	120.20	136.50	178.74	541.66	38.06	43.07	48.92	64.05	194.11				
4	Bihar	412.15	466.41	529.67	693.55	2101.78	104.96	118.78	134.89	176.62	535.25				
5	Chhattisgarh	102.84	116.37	132.16	173.05	524.41	62.28	70.47	80.03	104.80	317.58				
6	Goa	2.62	2.97	3.37	4.41	13.38	8.62	9.76	11.08	14.51	43.97				
7	Gujarat	169.32	191.61	217.60	284.93	863.47	251.29	284.37	322.94	422.87	1281.48				
8	Haryana	76.15	86.18	97.87	128.15	388.35	81.57	92.31	104.83	137.27	415.99				
9	Himachal Pradesh	35.49	40.16	45.61	59.72	180.98	7.91	8.95	10.17	13.32	40.35				
10	Jammu & Kashmir	67.92	76.86	87.29	114.30	346.37	51.21	57.95	65.81	86.17	261.13				
11	Jharkhand	118.57	134.18	152.38	199.53	604.67	75.09	84.97	96.50	126.35	382.91				
12	Karnataka	182.15	206.13	234.08	306.51	928.87	229.70	259.94	295.20	386.54	1171.38				
13	Kerala	78.78	89.16	101.25	132.57	401.76	143.71	162.63	184.69	241.83	732.87				
14	Madhya Pradesh	265.84	300.83	341.63	447.34	1355.64	203.02	229.75	260.91	341.64	1035.32				
15	Maharashtra	294.84	333.66	378.91	496.15	1503.57	486.82	550.91	625.63	819.21	2482.57				
16	Manipur	4.04	4.57	5.19	6.80	20.60	6.77	7.66	8.70	11.40	34.54				
17	Meghalaya	0.00	0.00	0.00	0.00	0.00	1.24	1.40	1.59	2.08	6.30				
18	Mizoram	0.00	0.00	0.00	0.00	0.00	4.71	5.34	6.06	7.93	24.04				
19	Nagaland	0.00	0.00	0.00	0.00	0.00	5.00	5.66	6.43	8.41	25.50				
20	Orissa	173.55	196.40	223.04	292.05	885.03	69.52	78.67	89.34	116.98	354.50				
21	Punjab	80.23	90.79	103.10	135.00	409.11	96.20	108.87	123.63	161.89	490.59				
22	Rajasthan	267.35	302.55	343.58	449.89	1363.36	177.00	200.30	227.47	297.85	902.62				
23	Sikkim	2.91	3.30	3.74	4.90	14.85	1.96	2.21	2.52	3.29	9.98				
24	Tamil Nadu	172.12	194.78	221.20	289.64	877.74	322.87	365.37	414.92	543.31	1646.46				
25	Uttaranchal	105.41	119.28	135.46	177.38	537.53	132.91	150.41	170.81	223.66	677.78				
26	Tripura	6.58	7.45	8.46	11.08	33.57	8.75	9.90	11.24	14.72	44.62				
27	U.P.	701.57	793.92	901.50	1180.57	3577.60	111.97	124.82	141.53	181.42	549.84				
28	West Bengal	36.11	41.78	47.31	62.23	198.27	7.00	7.91	8.92	11.94	37.17				
29	Total	343.43	394.09	444.61	577.37	1847.31	41.41	46.41	53.41	64.41	194.41				
30	Total	343.43	394.09	444.61	577.37	1847.31	41.41	46.41	53.41	64.41	194.41				

**Annex -III**

**UTILISATION CERTIFICATE FOR THE GRANT RECEIVED FOR LOCAL BODIES  
RECOMMENDED BY FOURTEENTH FINANCE COMMISSION DURING ITS AWARD  
PERIOD 2015-2020.**

Name of State :-

Rural Local Body/Urban Local body(\*1)

1.	Whether elections to PRIs/ULBs have been held ? (Yes/No)						
2.	Total no. of Gram Panchayats/ULBs in the State			Remarks(if any):-			
3.	Total no. of Gram Panchayats/ULBs to which elections held			Remarks(if any):-			
4.	Date & year of next elections due to Gram Panchayats/ULBs			Remarks(if any):-			
5.	Details of Basic Grant received	Year	Instalment	Amount (Rs. in lakh)	Date of receipt		
6.	Details of Basic Grant transferred	Year	Instalment	Amount (Rs. in lakh)	Date of Transfer	No. of days of delay	If delayed, amount of interest transferred (with rate of interest)
7.	Details of Performance Grant received :	Grant received for the year.	Amount (Rs. in lakh)	Date of receipt			
8.	Details of Performance Grant transferred:	Year	Amount (Rs. in lakh)	Date of Transfer	No. of days of delay	If delayed, amount of interest transferred (with rate of interest)	

\*1 ~~Strikeout whichever is not applicable~~ \*2. Use separate pages for RLBs & ULBs

3. Certified that the Local Bodies Grants have been electronically transferred to the elected local bodies within 15 days of receipt of grant from the Central Govt.

Signature with seal of  
Secretary *lc*

Countersigned:  
Signature with seal of the Finance Secretary

(Panchayati Raj/Urban Development)

Annex IV

**Committee for Panchayats on Follow up of Recommendations of the Fourteenth Finance Commission**

1. Secretary, Ministry of Panchayati Raj, Government of India.... Chairperson

Government of India

2. Additional Secretary/Joint Secretary, Ministry of Panchayati Raj
3. Secretary, Ministry of Rural Development
4. Secretary, Department of Drinking Water & Sanitation
5. Secretary, Ministry of Urban Development
6. Financial Advisor, Ministry of Panchayati Raj, Government of India
7. Joint Secretary (PF-I), Department of Expenditure, Ministry of Finance

State Governments

8. Secretaries of Panchayati Raj of five State Governments, one each drawn from each zone, by rotation for two years.

Others

9. Representative of Comptroller & Auditor General of India
10. Director General, NIRD & PR, Hyderabad

**Note :** Chairperson may induct Secretaries of Panchayati Raj of a State other than co-opted in the Committee and such experts as considered necessary as Special Invitees from time to time.

Annex V

**Committee for Municipalities on Follow up of Recommendations of the Fourteenth Finance Commission**

1. Secretary, Ministry of Urban Development, Government of India Chairperson

Government of India

2. Additional Secretary/Joint Secretary, Ministry of Urban Development
3. Secretary, Department of Urban Housing & Poverty Alleviation
4. Secretary, Department of Drinking Water & Sanitation
5. Secretary, Ministry of Panchayati Raj
6. Financial Advisor, Ministry of Urban Development, Government of India
7. Joint Secretary (PF-I), Department of Expenditure, Ministry of Finance

State Governments

8. Secretaries of Urban Development of five State Governments, one each drawn from each zone, by rotation for two years.

Others

9. Representative of Comptroller & Auditor General of India
10. Director General, National Institute of Urban Affairs, New Delhi

**Note :** Chairperson may induct Secretaries of Urban Development of a State other than co-opted in the Committee and such experts as considered necessary as Special Invitees from time to time.