

**F.No. 11(9) FCD/2010**  
Ministry of Finance  
Department of Expenditure  
Finance Commission Division

Block No.11, 5th Floor,  
CGO Complex, New Delhi,  
Dated: 5<sup>th</sup> December, 2012

To  
Finance Secretary,  
Government of  
(All State Governments)

**Subject:** Grants recommended by the 13<sup>th</sup> Finance Commission- extent of utilisation of earlier instalments to determine eligibility for release of subsequent instalments-reg.

Sir,/ Madam,

I am directed to refer to this Department's Office Memoranda nos. 11(9)FCD/2010 dated 26.04.2011, 9(1) FCD/2010 dated 7.9.2010, 32(30) FCD/2010 dated 20.9.2010, 23(32) FCD/2010 dated 5.10.2010 and F. No. 34(1) FCD/2010 dated 24.11.2011, forwarding therewith guidelines for release and utilisation of grants for State Specific, Forest sector, Improvement in Justice delivery, Capacity Building for disaster response, and Improvement in Statistical System respectively, recommended by the 13<sup>th</sup> Finance Commission(FC-XIII).

2. One of the requirements for release of grants 2<sup>nd</sup> instalments onward of these grants is the utilisation of instalments already released. However, the extents of utilisations have not been specified in the guidelines. In order to ensure consistency and clarity, the extents of utilisation applicable to these grants are as under:

A. State Specific Grant

Sl. No.	Instalment due for release	Condition of Utilisation of grant to be fulfilled before release of instalment
1	2 <sup>nd</sup> instalment	Atleast 2/3 <sup>rd</sup> utilisation of the 1 <sup>st</sup> instalment.
2	3 <sup>rd</sup> instalment	100% utilisation the 1 <sup>st</sup> instalment and atleast 2/3 <sup>rd</sup> utilisation of the 2 <sup>nd</sup> instalment.
3	4 <sup>th</sup> instalment	4 <sup>th</sup> instalment would be released in two tranches. The first tranche would be released when 90% of the grant amount released so far is certified to have been utilised and second tranche comprising remaining 10% amount would be released when completion certificate is provided by the State, wherever required for construction activity.

Extent of utilisation will be calibrated according to different phasing requested by States.

B. Forest

Sl. No.	Instalment due for release	Condition of Utilisation of grant to be fulfilled before release of instalment i.r.o. of 75% of the Grant.
1	4 <sup>th</sup> instalment	(i) on the basis of approved working plans in the manner mentioned in guidelines and (ii) 100% utilisation of the 1 <sup>st</sup> and 2 <sup>nd</sup> instalments and atleast 2/3 <sup>rd</sup> utilisation of the 3 <sup>rd</sup> instalment.
2	5 <sup>th</sup> Instalment	i. on the basis of approved working plans in the manner mentioned in guidelines and (ii) 100% utilisation of amounts released as 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> instalments and atleast 2/3 <sup>rd</sup> utilisation of the 4 <sup>th</sup> instalment.

C. Capacity building for Disaster Response

Sl. No.	Instalment due for release	Condition of Utilisation of grant to be fulfilled before release of instalment
1	2 <sup>nd</sup> instalment	atleast 2/3 <sup>rd</sup> utilisation of the 1 <sup>st</sup> instalment.
2	3 <sup>rd</sup> instalment	100% utilisation of the 1 <sup>st</sup> instalment and atleast 2/3 <sup>rd</sup> utilisation of the 2 <sup>nd</sup> instalment.
3	4 <sup>th</sup> instalment	100% utilisation of the 1 <sup>st</sup> and 2 <sup>nd</sup> instalments and atleast 2/3 <sup>rd</sup> utilisation of the 3 <sup>rd</sup> instalment.
4	5 <sup>th</sup> Instalment	100% utilisation of 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> instalments and atleast 2/3 <sup>rd</sup> utilisation of the 4 <sup>th</sup> instalment.

D. Improvement in Justice Delivery.

Sl. No.	Instalment due for release	Condition of Utilisation of grant to be fulfilled before release of instalment
1	2 <sup>nd</sup> instalment	State Litigation Policy and HLC approved perspective Plan/ annual plans, and 50% of the 1 <sup>st</sup> instalment.
2	3 <sup>rd</sup> instalment	100% utilisation of the 1 <sup>st</sup> instalment and atleast 60% utilisation of the 2 <sup>nd</sup> instalment.
3	4 <sup>th</sup> instalment	100% utilisation of the 1 <sup>st</sup> and 2 <sup>nd</sup> instalments and atleast 60% utilisation of the 3 <sup>rd</sup> instalment.
4	5 <sup>th</sup> Instalment	100% utilisation of the 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> instalments and atleast 60% utilisation of the 4 <sup>th</sup> instalment.

This grant, which has nine components, UCs will be required separately for two sub-sets: (a) morning/evening/shift/weekend/mobile/special magistrate courts; and (b) remaining eight components.

Improvement in Statistical System

Sl. No.	Instalment due for release	Condition of Utilisation of grant to be fulfilled before release of instalment
1	2 <sup>nd</sup> instalment	atleast 2/3 <sup>rd</sup> utilisation of the 1 <sup>st</sup> instalment.
2	3 <sup>rd</sup> instalment	100% utilisation of the 1 <sup>st</sup> instalment and atleast 2/3 <sup>rd</sup> utilisation of the 2 <sup>nd</sup> instalment.
3	4 <sup>th</sup> instalment	100% utilisation of the 1 <sup>st</sup> and 2 <sup>nd</sup> instalments and atleast 2/3 <sup>rd</sup> utilisation of the 3 <sup>rd</sup> instalment.
4	5 <sup>th</sup> Instalment	100% utilisation of 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> instalments and atleast 2/3 <sup>rd</sup> utilisation of the 4 <sup>th</sup> instalment.

Yours faithfully,

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Copy to:

1. Line Ministries/ Departments concerned.

