**GOVERNMENT OF KERALAM**

Abstract

Finance Department - Budget Estimates 2026-27 – Release of penal interest for the period of delay in transfer of second installment of untied Basic Grant to Rural Local Governments (RLGs) under 15th Finance Commission Award for FY 2025-26 - Sanctioned - orders issued

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**FINANCE (SFC Cell - A) DEPARTMENT**

G.O.(Rt) No.8734/2026/FIN Dated, Thiruvananthapuram, 17-11-2026

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Read: (1) G.O.(Rt) No.2970/2026/Fin dated 18/03/2026
(2) G.O.(Rt) No.8373/2026/Fin dated 02/11/2026
(3) G.O.(Rt) No.8471/2026/Fin dated 04/11/2026
(4) G.O.(Rt) No.8474/2026/Fin dated 04/11/2026
(5) G.O.(Rt) No.8660/2026/Fin dated 12/11/2026

**ORDER**

Government, vide Government order read as 1st paper above had authorized ₹ 260,20,00,000/- (Two hundred and Sixty crore Twenty Lakhs only) to Rural Local Governments as second instalment of untied Basic Grant under XV Finance Commission Award for 2025-26. However some Rural Local Governments were unable to transfer the second instalment of untied Basic Grant under XV Finance Commission Award for 2025-26 to the PFMS accounts opened for this purpose due to technical issues.

2) Accordingly, Government, vide Government orders read as 2nd paper read with 5th paper above reauthorized an amount of Rs. 41,02,34,000/- (Forty One crore Two Lakhs Thirty Four Thousand only) that was authorized to the Rural Local Governments as second instalment of untied Basic Grant under XV

Finance Commission Award for 2025-26 but was not credited to the PFMS accounts of the respective Rural Local Governments.

3) As per FFC Guidelines the State has to release the amount with interest as per the average effective rate of interest on market borrowings/ State Development Loans for the previous year for the delay in crediting the funds to PFMS linked bank account. There was a delay of 220 days in authorizing the second instalment of untied Basic Grant under XV Finance Commission Award for 2025-26 to some Rural Local Governments. The Weighted Average on SDLs raised during FY 2024-25 is 7.22%.

4) Government, after having examined the matter in detail, are pleased to issue the following orders:

a) In view of the administrative delay caused in transfer of funds, Government are pleased to authorize an amount of ₹ 1,78,52,485/- (Rupees One crore Seventy Eight Lakh Fifty Two thousand Four hundred and Eighty Five only) to Rural Local Bodies as penal interest for the period of delay in transfer of second instalment of untied Basic Grant under XV Finance Commission Award for 2025-26 from the new head of account '2049-60-701-99 -04' opened vide Government order read as 3rd paper above and additional authorization provided vide Government order read as 4th paper above.

b) US, Fin (Accounts) is authorized to transfer credit an amount of ₹ 1,78,52,485/- (Rupees One crore Seventy Eight Lakh Fifty Two thousand Four hundred and Eighty Five only) to the PFMS accounts of respective local governments as detailed in Annex I to III.

(By Order of the Governor)
**P GOPAKUMAR**
**Additional Secretary to Government (Finance)**

To

The Principal Accountant General (Audit-II), Kerala, Thiruvananthapuram

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram
The Accountant General (Audit-III), Kerala, Thiruvananthapuram
The Additional Chief Secretary, Local Self Government Department
Concerned Grama Panchayats, Block Panchayats and District Panchayats
The Director of Treasuries, Thiruvananthapuram
The Director, State Audit Department, Thiruvananthapuram
The Director of Panchayats, Thiruvananthapuram
The Commissioner for Rural Development, Thiruvananthapuram
The Executive Director, Information Kerala Mission, Tvpm.
The Director of Information & Public Relations, Thiruvananthapuram
The Local Self Government (FM) Department
The Nodal Officer, Finance *(www.finance.kerala.gov.in)*
The Finance (BW-J/ Dev. Wing/ CSFC-A/Planning-A/ SS) Department
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**Forwarded/ By order**

**Section officer**

**Annex – I District Panchayats**

**Interest for the delay in transfer of Second installment of untied Basic Grant under XV FC Grant to District Panchayats for 2025-26**

| Head of Account to which the expenditure is to be debited: | | | 2049-60-701-99 -04 | | |
|---|---|---|---|---|---|
| **No** | **Code** | **District Panchayat** | **Amount of Interest in ₹** | **Bank Details** | |
| 1 | D010000 | Thiruvananthapuram | 1481607 | Account Number | 13740100091996 |
| | | | | IFSC Code | FDRL0001374 |
| 2 | D020000 | Kollam | 1286082 | Account Number | 626601057495 |
| | | | | IFSC Code | ICIC0006266 |
| 3 | D030000 | Pathanamthitta | 774835 | Account Number | 10390100333866 |
| | | | | IFSC Code | FDRL0001039 |
| 4 | D040000 | Alappuzha | 1118734 | Account Number | 000104024621190002 |
| | | | | IFSC Code | CSBK000001A |
| 5 | D050000 | Kottayam | 1033613 | Account Number | 626701035301 |
| | | | | IFSC Code | ICIC0006267 |
| 6 | D060000 | Idukki | 943792 | Account Number | 074401000700 |
| | | | | IFSC Code | ICIC0000744 |
| 7 | D070000 | Ernakulam | 1272221 | Account Number | 0313053000007580 |
| | | | | IFSC Code | SIBL0000313 |
| 8 | D080000 | Thrissur | 1501234 | Account Number | 0269104000234979 |
| | | | | IFSC Code | IBKL0000269 |
| 9 | D090000 | Palakkad | 1692473 | Account Number | 40495775500 |
| | | | | IFSC Code | SBIN0004925 |
| 10 | D100000 | Malappuram | 1966439 | Account Number | 074901001306 |
| | | | | IFSC Code | ICIC0000749 |
| 11 | D110000 | Kozhikode | 1279598 | Account Number | 22900100018360 |
| | | | | IFSC Code | FDRL0002290 |
| 12 | D120000 | Wayanad | 634033 | Account Number | 075701001718 |
| | | | | IFSC Code | ICIC0000757 |
| 13 | D130000 | Kannur | 1209991 | Account Number | 116801000482 |
| | | | | IFSC Code | ICIC0001168 |
| 14 | D140000 | Kasaragod | 790349 | Account Number | 117001000799 |
| | | | | IFSC Code | ICIC0000220 |
| **Total** | | | **16985001** | | |

**Annex – II Block Panchayats**

| **Interest for the delay in transfer of Second installment of untied Basic Grant under XV FC Grant to BPs for 2025-26** | |
|---|---|
| **Head of Account to which the expenditure is to be debited:** | **2049-60-701-99 -04** |

| No | Code | Block Panchayat | Amount of Interest in ₹ | Bank Details | |
|---|---|---|---|---|---|
| 1 | B060300 | Nedumkandam | 100918 | Account number | 110239366154 |
| | | | | IFSC Code | CNRB0007746 |
| **Total** | | | **100918** | | |

**Annex – III Grama Panchayats**

| Interest for the delay in transfer of Second installment of untied Basic Grant under XV FC Grant to GPs for 2025-26 | |
|---|---|
| **Head of Account to which the expenditure is to be debited:** | **2049-60-701-99 -04** |

| No | Code | Grama Panchayat | Amount of Interest in ₹ | Bank Details | |
|---|---|---|---|---|---|
| 1 | G010405 | Pangode | 86209 | Account number | 17350100093871 |
| | | | | IFSC Code | FDRL0001735 |
| 2 | G030605 | Vallicode | 50959 | Account number | 40085608513 |
| | | | | IFSC Code | SBIN0070957 |
| 3 | G070603 | Mulavucaud | 45715 | Account number | 635101700588 |
| | | | | IFSC Code | ICIC0006351 |
| 4 | G090806 | Thenkurissy | 78811 | Account number | 50100393133881 |
| | | | | IFSC Code | HDFC0001533 |
| 5 | G100302 | Pandikkad | 170829 | Account number | 11200100276503 |
| | | | | IFSC Code | FDRL0001120 |
| 6 | G100402 | Cherukavu | 104813 | Account number | 38444080457 |
| | | | | IFSC Code | SBIN0070443 |
| 7 | G100601 | Anakkayam | 146503 | Account number | 13650100261798 |
| | | | | IFSC Code | FDRL0001365 |
| 8 | G100703 | Melattur | 82727 | Account number | 40625101123867 |
| | | | | IFSC Code | KLGB0040625 |
| **Total** | | | **766566** | | |

Section Officer.