

REPORT
OF
THE SEVENTH ASSAM STATE FINANCE COMMISSION
(2026-31)

VOLUME- I, II, III & IV

Lieutenant General Rana Pratap Kalita
PVSM, UYSM, AVSM, SM, VSM (Retd.)
CHAIRMAN
SEVENTH ASSAM STATE FINANCE COMMISSION
OCTOBER, 2025



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PREFACE

Grassroot Governance in India was promoted by the 73rd and 74th amendments to the constitution in 1992 which aimed to empower the Panchayati Raj Institutions (PRIs) and the Urban Local Bodies (ULBs), by devolution of assigned functions. The local democracy sought enhanced participation, greater public accountability, effective programmes of poverty alleviation and even reducing social and economic inequalities. The important constitutional provisions also include setting up of a State Finance Commission (SFC) for every state after every five years with the primary task of suggesting ways and means of strengthening the institutions of local governance. The SFC is mandated to recommend principles and methodology regarding devolution of funds to PRIs and ULBs.

Accordingly, the Seventh Assam State Finance Commission was constituted by the Government of Assam vide notification No. FEA (SFC) 31/2023/138 dated 1st July, 2024 under Article 243-I and Article 243-Y of the Constitution of India. Initial tenure of the commission was upto 16th December, 2024 but due to ongoing delimitation of the Panchayats the tenure was extended twice, first till 16th June, 2025 by notification No. FEA(SFC) 31/2023/154 dated 10th December, 2024 and then upto 16th October, 2025 by No. FEA (SFC) 31/2023/236 dated 4th June, 2025. The Commission would firstly like to express its gratitude to the Government of Assam for according the privilege of preparing the report of Seventh Assam State Finance Commission. Since the commission is formed every five years, the task before the commission was challenging in terms of taking stock of new developments and policy changes, and collecting the enormous amount of data required for preparing the report. The Commission reached out to all the stakeholders for interactions and sought data through preparation of detailed questionnaires. The commission also visited the districts extensively to interact with Zila Parishads, Anchalik Panchayats, Gaon Panchayats and Municipality Boards, and get an insight into the extent of devolution and autonomy at the PRIs and ULBs levels as envisaged in the 73rd and 74th amendments to the constitution. The Commission also met the common people as well as the elected representatives to obtain feedback on the functioning of the local governments and to get their recommendations to make the local governments more responsive to the needs of the people.

The Commission had the benefits of knowledge and administrative experience of the members Shri B. Kalyan Chakraborty, IAS, Addl. Chief Secretary, Panchayat & Rural Development Department, and his predecessor Dr. J.B. Ekka, IAS, Shri Jayant Narlikar, IAS, Commissioner and Secretary, Finance Department, Smt. Kavitha Padmanabhan, IAS, Commissioner and Secretary, Department of Housing & Urban Affairs, Shri Debeswar Malakar, IAS (Retd.) and Prof. Mrinal Kanti Dutta, Economist, IIT Guwahati, who immensely contributed to the working of the Commission. A special mention is made of contributions by Shri Hemanta Kumar Dewri, Special Secretary, Finance Department, who as the Member Secretary anchored the commission in its pursuit for fulfilling the mandate. The Commission also acknowledges the cooperation and contributions of the Panchayat & Rural Development Department, the Department of Housing & Urban Affairs, the Directorate of Municipal Administration, the Public Health Engineering Department, the Hill Areas Department, the Welfare of Bodoland Department, the Public Works Department, the State Pollution Control Board, the Directorate of Economics and Statistics, the Directorate of Audit (Local Fund), the Accountant General, State Institute of Rural Development and Panchayati Raj for their active support and valuable inputs in preparing the report. A special mention is made about the contributions of the officers & officials of Finance (Economic Affairs) Department for their coordination in all activities and for providing the secretarial support to the Commission.

The Commission also places on record its appreciation of the contributions of the Chief Executive Members and Principal Secretaries of the three Autonomous Councils under the Sixth Schedule Areas, the Chairpersons and Chief Executive Officers of the Zila Parishads, Officials of Blocks, Anchalik Panchayats and Gaon Panchayats, Mayor and Commissioner of Guwahati Municipal Corporations, Mayor of Dibrugarh Municipal Corporation, Chairpersons of Municipal Boards who provided valuable insights into the functioning of their organizations and offered their recommendations for improved efficiency and service delivery.

The Commission also gratefully acknowledges the contribution and hard work of the three Senior Consultants Shri S.K. Dutta, Dr. Kanak Haloi and Col. Buddhindra Lahkar (Retd.). Their institutional knowledge, dedication and hard work have been solely responsible in collecting, collating and sifting of data leading to informed preparation of this report. The Commission acknowledges the contributions of Shri Mati Lal Sarkar, Director, Finance (Economic Affairs) Department and his team for their untiring efforts in ensuring smooth functioning of the commission by coordinating the activities and providing the logistics support. Last but not the least, the commission also acknowledges the contributions of support staff positioned at the office of the Chairman.

The Commission worked diligently to analyze the practical issues and challenges faced in functioning of the local bodies in the state to formulate its recommendations, and sincerely hopes that this report would be able to contribute towards strengthening the finances of the local bodies and improving the quality of delivery of services.



Lieutenant General Rana Pratap Kalita
PVSM, UYSM, AVSM, SM, VSM (Retd.)
Chairman

The Seventh Assam State Finance Commission consisting of the Chairman and Members have prepared the report focusing on comprehensive empowerment of Panchayati Raj Institution and Urban Local Bodies. The Commission has held extensive deliberations with elected representatives of these institutions, senior functionaries of concerned departments and all the stakeholders. The report is signed by: -

Lt Gen. Rana Pratap Kalita
PVSM, UYSM, AVSM, SM, VSM (Retd.)
Chairman,
7th Assam State Finance Commission

Shri B. Kalyan Chakraborty, IAS
Additional Chief Secretary to the Govt. of Assam,
Panchayat & Rural Development Deptt. &
Member, 7th Assam State Finance Commission

Shri Jayant Narlikar, IAS
Comm. & Secy. to the Govt. of Assam,
Finance Deptt. & Member,
7th Assam State Finance Commission

Smti. Kavitha Padmanabhan, IAS
Comm. & Secy. to the Govt. of Assam,
Deptt. of Housing & Urban Affairs &
Member, 7th Assam State Finance Commission

Shri Debeswar Malakar, IAS (Retd.)
Member,
7th Assam State Finance Commission

Prof. Mrinal Kanti Dutta,
Economist, IIT-G & Member
7th Assam State Finance Commission

Shri Hemanta Kumar Dewri
Special. Secretary, Finance (EA) Deptt.
& Member - Secretary,
7th Assam State Finance Commission

Guwahati, 16th October, 2025

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CHAPTER- 1
Introduction

1.1 Assam, the gateway to the strategically important Northeast Region is the largest by population and second largest by area in the region. Buoyed by return of peace and normalcy, the state is seeing significant development of infrastructure and investments. Assam is rich in mineral resources and possesses a skilled work force which is driving the state economy. Assam has a heterogeneous population with social, cultural and ethnic diversity. The state is divided into 35 districts and several Autonomous Councils reflecting its cultural and ethnic diversity. As per 2011 census, Assam had a population of 31.2 million, of which SC and ST populations account for 7.15% and 12.45% respectively. The population is projected to have grown to 35.3 million by 2022. The state's population density stood at 398 persons per square kilometer with a rapidly rising urban population. As per 2011 census 86% of the population is in rural areas and 14% are in urban areas.

1.2 Assam, however is faced with some unique challenges owing to its geographic location and heterogeneous population. Balancing ecological preservation with infrastructure development poses significant challenges in achieving sustainable growth. Located in a high to very high seismic hazard region, Assam witnesses extensive flooding and landslides, rock falls, ground subsidence and changes in river courses which impact livelihood of the people as well as causes major damage to life and property. While Assam's economy has been growing consistently, the growth has not been rapid enough to transform the economic base of the state which continues to be an overwhelmingly subsidence agrarian economy with limited industrial base. Assam is recognized as a Special Category State since 1969 due to its unique challenges and continues to face substantial developmental goals. Historically, the state has relied heavily on Central Grants and its share of central Taxes, with its own revenue contributing only about 34% of total revenues in 2022-23. The state has undertaken numerous measures to improve the socio-economic parameters despite the challenges, and has focused on restoring a stable and improved law and order situation enabling overall development of the region.

Background of Local Governance

1.3 Article 40, incorporated in the Constitution of India in Part IV on Directive Principles of State Policy, envisages organizing village panchayats and endowing them with powers and authority to enable them to function as units of self government. To implement these directive principles the 73rd and 74th Constitution Amendment Acts were made that conferred Constitutional status to the Panchayats and Municipalities and recognized them as the third tier of government. The salient features of the Amendment were:

- Establishment of a three tier structure of Panchayats and Municipalities.
- Regular elections to Panchayats and Municipalities at the expiration of every fifth year.

- Reservation of seats and offices of Chairpersons for SC, ST and Women in proportion to their population. Constitution of State Election Commission at the expiration of every fifth year.
- Constitution of State Finance Commission at the expiration of every fifth year.

1.4 In terms of the aforesaid Amendments, a new Article 243 was inserted in the Constitution of which Article 243-I and 243-Y require that a State Finance Commission shall be appointed at the expiration of every fifth year to recommend measures needed to improve the finances of Panchayats and Municipalities respectively. Simultaneously, two new clauses were added to the existing Article 280, viz. Article 280(b) and Article 280(c). The added clauses required the National Finance Commission to recommend measures to augment the Consolidated Fund of the State to supplement the resources of Panchayats and Municipalities in the State based on the recommendations of the State Finance Commission. Another salient feature of the Amendment as incorporated under Article 243-M and 243-ZC was that nothing in this Part shall apply to Sixth Schedule areas and treated them as Excluded for the purpose of Finance Commission award.

1.5 In keeping with the provisions of 73rd and 74th Amendments, the States have enacted relevant legislations to install rural and urban local bodies in their respective States. Accordingly, in Assam a three tier Panchayat Raj System was established in conformity with the Assam Panchayat Act, 1994. At the base level is the Gaon Panchayat (GP) consisting of a cluster of villages. At the intermediate level is the Anchalik Panchayat (AP) coterminous with the Sub-Division. At the apex level there is the Zilla Parishad (ZP) coterminous with the District. The Assam Panchayat (Amendment) Act 2023 introduced a significant amendment to the Assam Panchayat Act 1994 by creating District Delimitation Commission to delimit and determine the boundaries and size of constituencies for GP, AP and ZP. Post the delimitation exercise carried out by the Commission; there are 2192 GPs, 182 APs and 27 ZPs. Similarly, for the urban areas, a three tier Urban Local Bodies (ULB) system was introduced with a Municipal Corporation for larger urban areas, a Municipal Board (MB) for a comparatively large urban area and a Town Committee for transitional and emerging township. However, Government of Assam, of late, has decided to convert all the TCs into MBs and grouped them into five categories based on size of population. Category I includes MBs having population above one lakh, population ranging between 50,001 to 1,00,000 Category II, between 20,001 to 50,000 Category III, 10,001 to 20,000 Category IV and upto 10000 Category V. At present there are 3 Municipal Corporations at Guwahati, Dibrugarh, Silchar and 125 MBs, 80 in General Areas and 45 in Sixth Schedule Areas.

1.6 It may be mentioned that in the Sixth Schedule Areas of Dima Hasao & KAAC, PRIs never existed. However, in Bodoland Territorial Area District (BTAD), PRIs existed before the creation of Bodoland Territorial Council (BTC). Along with the creation of BTC, these institutions were gradually dismantled. The Autonomous Councils (AC) in the Sixth Schedule Areas of Assam felt the necessity of having some grass-root level organization to carry forward the process of decentralized administration. Accordingly, BTC has constituted 415 Village Council Development Committee

(VCDC) and Karbi-Anglong Autonomous Council (KAAC) has constituted 843 rural local bodies comprising called as Tribal Village Development Council (TVDC). Dima Hasao Autonomous Council (DHAC) has constituted 28 Constituency Development Committee (CDC). The Village Councils are analogous to the GPs in General Areas.

1.7 In the pre-Amendment period, the ULBs were functioning in the Sixth Schedule Areas in the same way as they did in General Areas. The only difference being that the Assam Municipal Act. 1956 as Amended was not applicable to them. The MBs in Sixth Schedule Areas are governed by the Rules framed by the respective ACs from time to time. At present there are 45 MBs in the Sixth Schedule Areas, 16 in BTC, 22 in KAAC and 7 in DHAC.

1.8 As per Constitutional provisions, the Panchayats and Municipalities are endowed with wide powers, authority and responsibilities including raising of revenue so as to enable them to function as institutions of self government. The devolution of powers and responsibilities involve preparation of plans for economic development and social justice and its implementation including 29 subjects listed in the Eleventh Schedule for the Panchayats and 18 subjects listed in the Twelfth Schedule for the Municipalities. Since then, nearly three decades have elapsed and during that period the Panchayats and Municipalities of Assam had benefitted from the award of Sixth State Finance Commissions and 15th Central Finance Commissions. Nevertheless, there seems to be no perceptible improvement in the ground reality. Panchayats and Municipalities are still languishing in a sad state of existence. This is so because no meaningful devolution of functions and functionaries has taken place as yet. For a positive turnaround of this deplorable scenario, what is needed is devolution of 3Fs in letter and spirit rather than on paper.

Constitution of 7th Assam SFC

1.9 In terms of Article 243-I and 243-Y of the Constitution read with Section 2(I) of the Assam State Finance Commission (Misc Provision) Act 1995, the Governor of Assam vide Notification No FEA (SFC) 31/2023/138 dated 1st July, 2024, attached as **Annexure 1.1,** constituted the Seventh Assam State Finance Commission appointing Lt Gen Rana Pratap Kalita, PVSM, UYSM, AVSM, SM, VSM (Retd) as the Chairman with following other Members:

I.	The Senior Most Secretary, Finance Department	Member
II.	The Senior Most Secretary, P&RD Department	Member
III.	The Senior Most Secretary, DoHUA	Member
IV.	Shri Debeshwar Malakar, IAS (Retd)	Member
V.	Prof. Mrinal Kanti Dutta, Economist, IIT-G	Member (Expert)
VI.	The Special Secretary, Finance Department	Member Secretary

1.10 The Commission was tasked to submit the report by 16th December 2024 but due to delayed delimitation process of PRIs and conduct of Panchayat elections, the term of the Commission was extended twice, First, upto 16th June, 2025 vide Notification No FEA (SFC) 31/2023/154 dated 10th December, 2024 and then upto 16th October, 2025 vide Notification No FEA (SFC) 31/2023/236 dated 4th June, 2025. The Report of the Commission as per the initial Notification was to cover the period of five years

commencing on the 1st April, 2025. However, due to extension of the date of submission of the report to 16th October, 2025, the report of the Commission was mandated to now cover the period of five years from 1st April, 2026 to 31st March, 2031 and the period for implementation of recommendations of Sixth SFC were extended up to 31st March, 2026 vide Notification No FEA (SFC) 31/2023/223 dated 4th June, 2025, attached as **Annexure 1.2**. The composition of the Commission as given above implies that other than the Chairman all members including the Member Secretary are State Government officials with primary responsibilities in the department being headed by them. Shri Debeshwar Malakar and Shri Mrinal Kanti Dutta were designated as non-official members with terms and conditions given in Annexure 1 and were available only for about 15 meetings because of capping of Rs 2.00 Lakh as reimbursement per member. This put additional loads on the Chairman and the Member Secretary. It is desirable that the Finance Commission be composed of the Chairman, two full time members and the Member Secretary from Finance Department to ensure their availability and to do justice to the mandate given to the Commission. These full-time members can be retired Government officials, Eminent Personalities and State Government Employees with experiences in Local governance and Finance. The commission was given three qualified consultants who were the mainstay in preparing the report and same is recommended to be continued:

I. Shri S.K. Datta
II. Shri Kanak Haloi
III. Col. Buddhindra Lahkar (Retd.)

Terms of Reference

1.11 As per the Terms and Conditions laid down in the Notification (attached as **Annexure 1.1**), the Commission shall make recommendation as to the following matters:-

a) The principles, which should govern-
   i. the distribution between the State of Assam and the Panchayats and Municipalities of the net proceeds of the taxes and duties, levied and collected by the State;
   ii. the determination of the taxes, duties, tolls and fees, which may be assigned to, or appropriated by, the Panchayats and Municipalities;
   iii. the grants-in-aid to the Panchayats/ Municipalities from the Consolidated Fund of the State;

b) The measures needed to improve the financial position of the Panchayats and Municipalities with special references to:-
   i. The potential for Local Governments to raise funds from financial institutions and the market, and to suggest a mechanism and framework for realizing the potential;
   ii. improving the quality of upkeep of assets owned by Local Governments as well as those transferred to Local Governments;

iii. improving the financial position of the Panchayats and Municipalities with special emphasis on rationalization of taxes and revenues and user charges collected by Local Governments with innovative methods;
iv. achieving economy and efficiency in expenditure by Local Governments;
v. providing incentives for higher mobilization of own resources by the Local Governments;
vi. maintaining a proper fiscal data base relating to Local Governments;
vii. putting in place measures required for improving the capacity of financial management by Local Governments;
viii. improving monitoring of the fiscal performance of the Local Governments;
ix. Examine the feasibility and make recommendations on creation of urban infrastructure and other civic amenities by the Urban Local Bodies through Public-Private partnership and exploring avenues of viability gap funding.
x. improving the measures for quality of service delivery of Local Governments in respect of State Government as well as Local Government programmes;

c) Any other matter referred to the State Finance Commission by the Governor in the interests of sound financial position of the Panchayats and Municipalities.

1.12 In making its recommendations the Commission shall have regard, among other considerations, to:-

i. the objective of balancing the receipts and expenditure on revenue account of both the Local Bodies as a whole and the State Government and each Local Body;
ii. the objective of balancing the receipts and expenditure on revenue account of both the Local Bodies as a whole and the State Government and each Local Body;
iii. the resources of State Government, the demands thereon, in particular, the expenditure of the State on maintaining law and order, civil administration, pension, debt servicing including the debt servicing on behalf of Local Bodies and other committed expenditure and need to generate adequate surplus on revenue account for capital outlay and the commitment for maintaining fiscal targets as per Assam FRBM (Amendment) Act, 2022;
iv. the revenue of the resources of the Local Bodies for the five years commencing on 1st April, 2025 on the basis of the level of collection made during 2019-20 from taxes, duties, tolls, fees, cess etc. levied by the them;
v. the impact of the GST, including payment of compensation for possible loss of revenue for 5 years and abolition of a number of cess, earmarking thereof for compensation and other structural reforms programme, on the finances of Centre and States;
vi. the commission may consider proposing measurable performance-based incentives for Local Bodies and councils

1.13 In making its recommendations on the various matters aforesaid, the Commission shall adopt the population figures of that Census for which PRI- wise and ULB-wise figures are available in all cases where population is regarded as a factor for determination of devolution of taxes and duties and grants-in-aid. The Commission

shall indicate the basis on which it has arrived at its finding and make available the Local Body wise estimates of receipts and expenditure. The Commission shall prepare its report on the basis of the Templates of the 13th Finance Commission of Government of India, with such modifications as may be necessary. While making assessment of the resources of the Local Governments, the Commission shall also make recommendation on devolution and grant-in-aid for the Local Bodies of the three Autonomous Councils under the Sixth Schedule.

Assam Profile

1.14 In ancient days, Assam was commonly known as Pragjyotisha as well as Kamarupa. It is by these two names that Assam has been referred to both in epigraphs and literature. Prag means former or eastern and jyotisha, a star, astrology, shining. Pragjyotishpura, therefore, mean the "City of Eastern Astrology". Ancient Assam history although covers the period from the days of the Epics (the Ramayana and the Mahabharata), authentic political history of Assam may be said to have begun from the middle of the 4th Century AD due to gradual th expansion of Aryan culture in the land. Since ancient period to the early part of the 13th Century, several dynasties ruled Assam. Reference of non-Aryan kings like Narakasura and Bhagadatta are available in Mahabharata. While Narakasura erected the temple of Goddess Kamakhya on the hills of Nilachal, Bhagadatta took part in the great war of Kurukhetra in the Mahabharata. Among the early sources of history of Assam is the writing of the Chinese pilgrim Hiuen-Tsang, who in 640 AD, attended the court of King Bhaskar Barman of Kamrupa. With the movement of the Ahoms to Assam in the early part of the 13th Century, a new dimension was added to the history of Assam. The Ahoms, a Shan tribe from which the name Assam is probably derived, crossed the Patkai Hills from Burma in 1228 AD and by the sixteenth century had absorbed the Chutiya and Kachari Kingdoms of the Upper Brahmaputra, subdued the neighbouring hill tribes and integrated the Bhuyyans into the administrative apparatus of a feudalistic state. The Chutiyas, the Kacharies, the Kamata Kings and the Koches were contemporary to the Ahoms and had their own identity. This period of Assam history was known for protracted conflict with the Muslim power in India under Turko-Afgans and the Mughals and triumphant victory over the invaders. However, Assam failed to the resist the Burmese incursions in the early part of the 19 Century that led to her annexation to the British Indian Empire in 1826. Since the revolt of 1857, Assam has completely identified herself with the mainstream of Indian culture. Assam is situated in one of the greatest routes of migration of mankind. Historically, Assam has been melting pot of all branches of human race and cultures, the home to people of diverse racial stock viz. Aryan, Mongoloid, Astro-Asiatic, Tibeto-Bumese, and Dravidians etc. In the process of assimilation of the diverse culture of these various races, a composite culture grew up and that culture is the Assamese culture. Assamese culture has therefore a significant Tribal influence.

Geography/Topography:

1.15 Assam, one of the states of North-Eastern India with its capital at Dispur is situated between 24° and 28°18" North latitudes and 89°4" and 96° East longitudes. Bordering seven States-Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Tripura, West Bengal and two countries–Bhutan and Bangladesh, Assam has total geographical area 78,438 Sq. Kms. Assam and its commercial capital Guwahati form the gateway to the North-Eastern States. Assam and the North-Eastern States are connected with the mainland of India through a narrow strip of West Bengal known as the "Chicken Neck". Assam has three distinct physiographic units- the plain, the plateau and the hills. The Brahmaputra and the Barak (a tributary of the Surma river) are the two main rivers in Assam flows majestically through the two valleys named after the two rivers- the Brahmaputra valley and the Barak valley form the alluvial plains of Assam. The Brahmaputra valley separates the sub-Himalayan foothills from Shillong plateau and the Patkai-Naga hills ranges. The Mizo hills and the Barail ranges die cut towards the west and south-west into the Barak Plains, which is a part of Surma-Kusiyara Valley.

Administrative set up:

1.16 Assam, a state situated between in the North-East region of India - bordering seven states namely- Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and West Bengal and two countries, namely Bhutan and Bangladesh. Assam shares about 2.4% of the country's landmass, providing shelter to 2.6% of India's population as per census,2011. For administration and revenue purposes, the State has presently 35 districts, including six newly created districts namely Biswanath, Charaideo, Hojai, South Salmara, West Karbi Anglong, Bajali, Tamulpur and Majuli. In the administrative framework of Assam, the entities functioning at a level below the districts are designated as sub-districts (officially referred to as co-districts). In areas where subdivisions serve as the primary administrative units, terms such as Tehsils or Mandals are used to denote the revenue collection units under the district administration; both are recognized as sub-district entities.

As per the current administrative structure, the state of Assam comprises:

- 81 sub-districts (co-districts) from 2024
- 219 development blocks,
- 154 revenue circles,
- 2,192 Gaon Panchayats,
- 3 Municipal Corporations (viz. GMC, DMC, SMC)
- 125 Municipal Boards.

Demography:

1.17 Assam is a state of heterogeneous population with socio-cultural and ethnic diversity. According to the Census of India, 2011 the population of Assam was 312.05 lakh of which 159.39 lakh were male and 152.66 lakh were female. The number of Scheduled caste and Scheduled Tribe population are 2,231,321 and 38,84,371 respectively. The decadal growth rate of the state population during 2001-2011 was

17.07% against 17.68% growth for the country as a whole. Out of the total population, 86% population lived in rural areas and 14% population in urban areas of the state, while the percentage of rural population of the state was higher than all India average (69%). However, the urban population in the state had increased from 12.9% in 2001 to 14% in 2011.The density of the population of Assam in 2011 was 398 person per sq.km. as compared to 340 persons in 2001.The sex ratio (number of females per thousand male) of Assam had increased to 958 in 2011 from 935 in 2001.

Key Indicators:

1.18 Key Indicators refer to the most important statistical data points or measurable values that provide insights into the overall status, progress, or performance of a region, sector, or system. Here is brief overview of key indicators of Assam.

Table-1.1

Sl. No.	Topic	Year	Assam	India	Unit
1	Geographic Area	Census 2011	78438	3287469	Nos
2	Population	Census 2012	31205576	1210854977	Nos
3	Decadal Growth Rate	Census 2013	17.07	17.7	%
4	Population Density	Census 2014	398	382	per sq. km
5	Urban population%	Census 2015	14.10		%
6	Schedule caste%	Census 2016	7.15	16.64	%
7	Schedule tribe%	Census 2017	12.45	8.62	%
8	Sex Ratio	Census 2018	958	943	Per 1000 male
9	Literacy Rate	Census 2019	72.19	73	%
10	Work population rate				
	Male	2023-24	80.2	76.3	%
	Female	2023-24	48.1	40.3	%
11	Crude Birth Rate	2021	17.1	19.5	Per 1000 population
12	Crude Death Rate	2021	7.2	6	"DO"
13	Infant Mortality Rate	2021	41.5	28	per lakh live birth
14	Maternal Mortality Rate	2021	195	97	per lakh live birth
15	Human development Index	2022	0.615	0.644	Score

Economic Indicators

1.19 As per the advance estimates, the nominal GSDP for Assam at current prices for the FY 2024-25 (AE) is likely to attain a level of ₹6,43,667 crore as against ₹5,70,944 crore in FY 2023-24 (QE) reflecting a growth of 12.74 percent over the preceding year. The real GSDP for Assam at constant prices for the FY 2024-25 is likely to attain a level of ₹3,37,933 crore as against ₹3,13,065 crore in FY 2023-24(QE) reflecting a growth of 7.94 percent over the preceding year. The real GSDP for Assam at constant prices for the FY 2024-25 is likely to attain a level of ₹3,37,790 crore as against ₹3,12,956 crore in FY 2023-24(QE) reflecting a growth of 7.95 percent over the preceding year.

1.20 As per the projected estimate, the state GDP at current prices for the year 2025-26 is expected to reach the level of ₹7.42 lakh crore. The state has improved its share in India's GDP at current prices, recording a rise from 1.65 percent in FY 2016-17 to 1.99 percent in FY 2024-25 (AE) and at constant (2011-12) prices, the contribution of GSDP to GDP'S has increased from 1.64 percent in 2016-17 to 1.83 percent in 2024-25(AE). As per the advance estimates, the Per Capita Income of Assam at current prices for the FY 2024-25 is estimated to be ₹1,55,222 compared to ₹1,39,783 for the FY 2023-24 (QE) registering an increase of 10.33 percent. The Per Capita Income of Assam at constant prices for the FY 2024-25 is estimated to be ₹81,127 compared to ₹75,938 for the FY 2023-24 (QE) registering an increase of 6.83 percent. Agriculture plays a vital role in the economy of the State. Agriculture is the main source of occupation and livelihood support for 70 percent rural population. The contribution of Agriculture (crops + livestock) sector to GSDP at current prices was 17.19% in 2020-21 and it declined to 14.33% in 2024-25 (AE).

Energy:

1.21 The core business of the Assam Electricity Grid Corporation Limited (AEGCL) is to efficiently transport electrical power from electrical power bulk heads to the distribution company networks in the state of Assam. AEGCL has consistently maintained the transmission system availability at over 99% which is at par with other National Transmission Utilities. The Voltage Level Wise Existing Transformation Lines of AEGCL has been increased from 4985.17 Circuit Kilometers in 2022-23 to 5395.49 Circuit Kilometers during the year 2023-24.

1.22 Assam Power Generation Corporation Limited (APGCL) is a fully State Govt. owned company having installed capacity of 404.86 MW during 2023-24. It is a profit-making state GENCO incorporated in 2003. The main objective of Assam Power Generation Corporation Limited (APGCL) to look after the generation of power in the state sector with a responsibility for development of Hydro as well as Gas Power Projects to generate electricity and to meet the energy demands in the state to the possible extent. Rural Electrification Corporation (REC) Ltd. has rated APGCL as A++out of 26 state GENCO, only 5 GENCO got an A++ rating in the year 2022-23. Power Finance Corporation (PFC) also rated APGCL as A++ in the

year 2022-23. Further, due to the energy efficiency measure, APGCL has received an Energy Saving Certificate(s) of 27,386 nos. for PAT cycle-II from the Bureau of Energy Efficiency. APGCL's vision is to expand generation up to 2000 MW by 2030, including power generation from renewable energy sources such as hydro and solar, to cope with the growing energy demand and accelerate economic growth in the state.

Road:

1.23 The state of Assam being the gateway of the North East Region of India, Transport and Communication sector has significant role to provide all round support to the entire region not only the geographical boundaries of the state. Development of Transport and Communication sector in Assam extend supports for overall development of the N.E. Region. Transport and Communication sector has a significant role particularly the surface transport sector to facilitate speedier economic development of the entire region. The road network in Assam comprising total of 65748 km including 3927.24 km national highways and 61820.76 km of roads under PWD in Assam as on 31.03.2023. Out of 61820.76 km of PWD roads State Highway comprises 2540.36 km, Major District Road comprises 4309.93 km, urban road comprises 3182.10 km and rural road comprises 51788.37 km. The number of motor vehicles on road has been increasing rapidly in past few years. The number of vehicles on road in the State is 4581330 during 2022-23 out of the total registered motor vehicle of 5155288. It is seen that the registration of motor vehicle is increased by 47.37% in one year.

Drinking Water:

1.24 In Assam, 3194382 nos. of household having functional household Tap connection according to Statistical Handbook Assam, 2024 in the year 2023.

Education:

1.25 In Assam, the number of Government/ provincialized under department of Elementary in Lower Primary Schools is 33875 of which 32841 are in rural areas and 1034 are in urban areas. Likewise, the total number of Upper Primary schools is 6160 of which 5855 are in rural areas and 305 are in urban areas as per UDISE 2023-24. As per, UDISE 2023-24, the average annual Drop-out Rate in Lower Primary in the State during 2023-24 is 6.90 against 8.49 in 2022-23, while this rate was 6.02 percent in 2021-22. Likewise in the Upper Primary level, the drop-out rate is 9.27 in 2023-24 and it was 10.33 in 2022-23. The drop-out rate registered highest 11.55 percent in West Karbi-Anglong followed by 11.20 in South Salmara in the Lower Primary level while lowest is 2.78 in Jorhat. Similarly, in the upper Primary Level, this rate is highest 16.85 in Dhubri followed by 16.36 in Nagaon and the lowest 0.36 in Dhemaji during the period 2023-24. The Transition Rate from primary to upper primary in the state is 84.1. In 2023-24 total enrolment in lower primary schools is 2073958 and the same for upper primary is 1720130. Further during April, 2023 to December, 2023, the number of Teaching & Non-teaching Staff of Govt.

Colleges/Provincialised Colleges/Govt. Model Colleges of Assam as per Directorate of Higher Education appointed are 1093 and the same for the period Dec./2023 to Jan./2024 is 586.

Medical and Health:

1.26 The status of health infrastructure in Assam has been improving over years. At present in 2023-24, there are 12 Medical Colleges and Hospitals, 21 Civil Hospitals + MMCH (Annex Building of GMCH), 3 Tuberculosis Hospitals, 3 Leprosy Hospitals, 1 Cancer Hospital, 16 Sub-district Hospitals, 1009 PHCs, 13 FRUs, 203 CHCs, 221 State Dispensaries 4731 Sub-centres with 23398 numbers of total beds in the state at the end of 2023-24. 3 Nursing Colleges in Guwahati, Dibrugarh and Silchar with 6 Para-medical institutions, 3 Dental Colleges, 279 Polyclinics and 488 Diagnostics Centres as of December, 2023-24. Referral Hospitals inside the state is 7 and outside the state are 31. Birth & Death registered in 2023 are 599750 & 168201 respectively with highest number of registrations in Birth is 36630 & Death 15090 in Kamrup (Metro).

Major activities of the Commission

1.27 Following the Notification constituting the Commission, the Chairman assumed charge on 3rd July 2024 and first meeting of the Commission was held on 15 July 2024. During the first meeting the Commission was briefed about the terms of references and a presentation was conducted by Finance department on the Recommendations of Sixth Assam State Finance Commission to give an overview of the nature of work involved. The Commission thereafter held numerous meetings to lay down the responsibilities and to evolve the mechanics for fulfilling the mandate. Major activities of the Commission included interactions with all stakeholders, Field visit to various PRI and ULB, visit to Karnataka to study functioning of Finance Commission, Study various publications and reports, interaction with Ministries and Departments. The Commission informed the public through newspaper advertisement regarding the constitution of the Commission and invited views and recommendations relating to the task assigned to the Commission. These activities enabled the Commission to get a 360 degree view of the functioning of local bodies in the state to arrive at cogent recommendations as per the allotted mandate.

Meetings and Interactions

1.28 After the first meeting held on 15 July 2024 number of meetings of the Commission was held from time to time. Additionally, number of meetings and interactions were held with the line departments and other stake holders to ascertain their views on functioning and empowering the local governance. The details of all the meetings and interactions held are given at **Annexure 1.3**

Field Visits and Other State Visits

1.29 The Commission visited majority of the districts in the State including all three sixth Schedule areas to interact with the functionaries and elected representatives of local

bodies to ascertain the factual position with respect to the financial condition, staffing pattern, fund utilization, their priorities and requirements etc. These meetings provided useful insights into the problems and functions of the local bodies. The Commission also visited Karnataka to study functioning of local bodies and identify the best practices that can be emulated in the State. The Commission also interacted with MoPR and DoHUA, Govt. of India to understand the functioning of local bodies at the national level and their focus areas. The details of the field visits and outside visits are attached as **Annexure 1.4**

Data Collection

1.30 During the initial meeting of the Commission, it emerged that collection of authentic data from the Local Bodies as also other stakeholders was key to formulation of the report. It was then decided to evolve relevant questionnaires for all the local bodies and line departments. The formats of the questionnaire were discussed with the Department of P&RD and DoHUA and refined after numerous iterations. The questionnaires were then sent to all ZP, AP, GP and ULB, as also to the relevant departments for collection of data. During the field visits of the Commission the questionnaires were discussed with the local bodies. Regrettably, the data was not forthcoming and despite repeated requests and interactions the data lacked authenticity and were inadequate. Similar opinions regarding poor data submissions have been expressed by the previous Commissions as well. There is a definite need to maintain all relevant data by the local bodies which need to be uploaded periodically on a dashboard recommended to be created separately for Urban and Rural Local Bodies. Regular online data updating will bring in transparency as well as make work of subsequent Commissions easier. Creation of a permanent SFC Cell at the Finance Department, as recommended by previous Commissions will surely assist in ensuring data integrity.

Workshops

1.31 In order to spread awareness about the mandate and requirements of the Commission, workshops were held by the Commission with the concerned stake holders. A Workshop was conducted for all the Chief Executive Officers of Zilla Parishads and all Project Directors of DRDAs at State Institute of Panchayat and Rural Development (SIPRD), Khanapara, Guwahati on 31/07/2024 wherein the questionnaire for data collection from Zilla Parishad, Anchalik Parishad and Gram Panchayat was explained in detail. Similar Training Session regarding the questionnaires of 7th Assam State Finance Commission was held on 02/09/2024 in the PWD Convention Centre, Dispur for the Chairpersons and Chief Executive Officers of the Municipality Boards and Municipality Corporations. The details of deliberations are given in the minutes attached at **Annexure 1.5**.

Suggestions from public and experts

1.32 The Commission sought suggestions/ views on the ToR through a public notice No. FEA (VII-SFC) 1/12/2024 dated Dispur, 23/07/2024 (**Annexure- 1.6**) in newspapers

from the public in the financial conditions and service delivery of the local bodies. The Chairman of the Commission sent D.O. letters to the Ministers of the State Government, all members of parliament from the State, all members of State Legislative Assembly and other stake holders seeking their recommendation on improving basic functioning of local bodies. Responses were received from Shri Gaurav Gogoi, MP Jorhat and Shri Basanta Das, MLA Mangaldoi which are attached at **Annexure 1.7**. Some feedback were also received from public and public organizations. All the inputs received were considered by the Commission and included in the report based on its merit.

Memoranda from various organizations

1.33 During the interactions and field visits, the Departments as well as the local bodies have submitted memoranda listing out their problem areas and assessed needs. Some individuals and organizations of the society also submitted memoranda. The Details of memoranda received are given out in **Annexure 1.8**. All issues raised by the stakeholders and interested parties were considered in its merit by the Commission and relevant recommendations included in the Report.

Administrative/ Financial Autonomy of SFC

1.34 It is worth mentioning that SFC is an ephemeral body constituted once in every five years for a limited duration of at least one to one and half year. Being a temporary body it has to start, immediately on assumption of office, the task of collecting and compiling voluminous data on public finances from numerous entities and stake holders spread over the nook and corner of the states, so as to be able to lay its report timely. The temporary character of SFC necessitates that each time a SFC is constituted; all administrative and infrastructural arrangements such as office accommodation, appointment of personnels, procurement of equipment etc. are made available without delay. This can only happen provided administrative and financial powers are delegated to the SFC.

1.35 In this regard our experience has been that due to lack of financial autonomy of the SFC, all their financial needs have to be cleared by concerned departments of Finance. This results in references and back references, some time among a few departments, leading to delays. Needless to say, the SFC should have necessary powers to engage consultants, set up commission of studies and organize field visits without further reference to Govt. More importantly, in the matter of appointment, right persons can not be attracted essentially for a short period of service with remuneration permissible under the existing rules. SFC being an independent body envisaged under the Constitution, it is imperative that as in that case, High Court/ State Legislative/ APSC etc, the expenditure of SFC should be treated as expenditure "charged" on the Contemporary Fund of the state instead of being treated as 'voted" expenditure. This itself will provide a great deal of autonomy to the functioning of SFC.

1.36 In this context, mention may be made that the 13th FC was delegated the powers of a Department of Central Govt. The Commission was assigned a separate head of

account. This enabled the Commission to function independently. Similar steps may be taken in case of SFC, a separate head of account and Member Secy. declared as DDO.

Design of the report

1.37 The report of the Commission has been designed in the pattern of the templates recommended by the 13th Central Finance Commission in their report with some modifications as deemed appropriate. The template contains 13 chapters and the contents of each chapter have also been specified in 13th CFC recommendations. The template is comprehensive for assessing the financial positions of the local bodies covering all aspects of receipt and expenditures. However, due to non-availability of data and information on a uniform pattern both from the local bodies and the Departments some gaps exist, leading to some modifications to the template in the Report. One additional chapter on Capacity Building has been added to focus on this important aspect concerning the local bodies. The report also contains a technical supplement containing the calculations and data referred to while arriving at the recommendations.

Suggestions and Recommendations

1.38 Devolution of 3Fs; Fund, Functions, and Functionaries need to be carried in spirit of 73rd and 74th Constitutional Amendments. (Para 1.8)

1.39 Assam State Finance Commission is recommended to be constituted with Chairman and two full time members and Member Secretary from Finance Department. Three consultants were due for 7th SFC need to be continued. (Para 1.10)

1.40 Creation of Dashboard separately for RLB and ULB for regular updation of data that are required for State and Central Finance Commission. (Para 1.30)

1.41 Creation of a permanent SFC cell at Finance Department for ensuring follow up on the recommendation and for updation of data on dashboard. (Para 1.30)

1.42 The administrative requirements of the SFC need to be catered for in advance. These include office space, allotment of separate budget with nomination of DDO with autonomy in increasing expenditures. (Para 1.34)

1.43 An additional chapter on capacity building of PRI and ULB functionaries is recommended to be added to the Report. (Para 1.37)

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CHAPTER-2
Approach and Issues

2.1 The fundamental task of the Commission is to fulfill the Constitutional mandate laid down in Articles 243 I and 243 Y, supplemented by its Terms of reference (TOR). Hence, its approach and issues emerge from the relevant provisions of the Constitution as well as its TOR. An important issue before the commission is to lay down the principles for allocation of resources for the local bodies in order to enable them to discharge their duties as enshrined in the Constitution under Article 243 G and Article 243 W towards provision of basic services to the people and formulation and implementation of schemes for collective growth.In other words, they are to be fully equipped with fund, functions, and functionaries. Basically, the 73rd and 74th Constitutional Amendments seek to promote democratic decentralization to the grass root level. In conformity with the vision envisaged in the Constitution, the Commission will strive to ensure fiscal decentralization in a just and equitable manner. In doing so, the approach of the Commission would be to put the local bodies on a firm financial footing in keeping with their enlarged functional canvas as envisaged in Schedules XI and XII respectively for the Panchayats and Municipalities. Simultaneously, due emphasis will be accorded on the financial soundness of the State Government.

2.2 Before proceeding further, it may not be out of place to take a look into the size and dimension of local government as it stands now both in the General and Excluded Areas of Assam. Table 2.1 below, gives a tentative idea about the size and dimension of local government proposed to be covered in our scheme of fiscal decentralization.

Table- 2.1

Profile of PRIs and ULBs in General and Excluded Areas

A. Normal Areas

Name of Tier	No. of Tier	Area (Sq. Km)	Average Area (Sq. Km)	Population (2011 Census) In Lakh	Average Population In Lakh
Z.P.	27	40659.00	1506	237.18	8.78
A.P.	182		223		1.30
G.P.	2192		19		0.11
Municipal Corporation	3	286.40	95	14.08	4.69
Municipal Board	80	560.20	7	20.15	0.25
Total - A	**2484**	**41505.60**	**-**	**271.41**	**-**

B. Excluded Areas

Name of Tier	No. of Tier	Area (Sq. Km)	Average Area (Sq. Km)	Population (2011 Census) In Lakh	Average Population In Lakh
BTC					
VCDC	420	8569.00	20	28.44	0.07

MB	16	225.45	14	3.07	0.19
KAAC					
VCDC	843	10306.00	12	6.95	0.008
MB/TC	9+13=22	128.25	5.8	2.61	0.12
DHAC					
VCDC	28	4842.00	173	1.19	0.04
MB	4+3=7	47.45	6.8	0.95	0.14
Total –B	**1336**	**24118.15**	**-**	**314.62**	**-**

Grand Total (A+B) = 3820

Source: GMC, Director Municipal Administration and respective Autonomous Councils

2.3 The above Table gives a fair idea about the size and dimension of the problems associated with the process of decentralization. The structure and design of transfer mechanism to be put in place has to ensure financial empowerment to 3828 units of local self government covering both Normal and Excluded Areas.

2.4 The approach and issues before the Commission are incumbent upon the tasks mandated to it by the Constitution and the TOR. In this regard, Articles 243 I and 243Y supplemented by the TOR, entrusted the Commission with three major tasks. The first task is to determine the principles governing the distribution between the State and the Panchayat and Municipalities respectively of the net proceeds of taxes collected by the State Govt. The net proceeds so apportioned is commonly termed as the Divisible Pool (DP) which is required to be vertically transferred from the State to local bodies. At the second stage, it is to be horizontally distributed between rural and urban local bodies. At the next stage, it is to be vertically apportioned among different tiers of local bodies like ZP, AP, and GP under Panchayat and Municipal Corporation and Municipal Board in ULBs. Eventually, the share of each tier is required to be horizontally apportioned among individual units of PRIs and ULBs.

2.5 In determining the size of the DP, the Commission has made an in-depth analysis of the fiscal position of the State Govt. with particular reference to its obligatory expenditure and other committed liabilities as well as its own sources of revenue supplemented by flow of funds from the Centre. Simultaneously, an in-depth analysis of the financial position of the local bodies has been undertaken keeping in view their functional canvas as well as the existing sources of revenue allocated to them. The local bodies are primarily concerned to provide core civic services to the citizen like water supply, sanitation, solid waste disposal, street lighting etc. In terms of the Constitution Amendments, the local bodies are entrusted to perform various activities relating to subjects listed in Schedules XI and XII, apart from their traditional civic services. In contrast, the sources of revenue allocated to them are of inadequate growth potential and suffer from extremely low yield. This inherent mis-match between income and expenditure is getting enlarged year on year due to enhanced expectation of a demanding society craving for improved and enlarged civic services. In this regard, the approach of the Commission would be to minimize vertical imbalance as far as practicable.

2.6 In determining the financial position of the PRIs and ULBs, the task of the Commission has been greatly handicapped due to limitation in availability of required data. Unlike the review of State Finances, an analysis of local body finance is fraught with acute data constraint. The Commission has to grapple with the problem in assessment of revenue and expenditure of the local bodies due to non-availability of reliable data. Likewise, lack of reliable data poses serious problem in identifying the gap in delivery of basic civic services by the local bodies. Moreover, in the absence of accepted benchmark the target remains elusive. That apart, data constraint is a major deterrent in estimating the capacity of the local bodies to mobilize internal resources from sources allocated to them. As a matter of fact, the data constraint is so pronounced that in respect of a physical data other than population and density nothing is available. In respect of financial data in particular regarding the PRIs, the segregated figures of tax/ non-tax revenue collection are not available not to speak of tax-wise collection. Similarly, in respect of expenditure the figures reported are mostly clubbed together and do not show purpose-wise classification of expenditure. This makes the task difficult for the Commission in assessing the need and revenue gap of the local bodies. Anyway, wherever necessary the Commission has to apply its discretion to make the available data useful.

2.7 Given the resource gap of the local bodies and their felt need to upgrade the deficiencies in physical infrastructure, the approach of the Commission would be to address the vertical dimension of resource transfer from the State to the local bodies, that is to determination of the size of Divisible Pool (DP). This is, no doubt a difficult task involving a tight rope walking. Because once the scale is tilted in favour of the local bodies, the fiscal soundness of the State is hard hit and the other way round. It would therefore be imperative to maintain a judicious balance between the two. In this regard, the approach of the Commission would be to strike out a healthy equilibrium between the fiscal capacity of the State and the genuine needs of the local bodies so that both layers of the government can function smoothly.

2.8 In this context, another issue that cropped up relates to the treatment of Sixth Schedule Areas. In terms of Article 243M and 243ZC, the Sixth Schedule Areas were kept outside the ambit of the 73rd and 74th Constitutional Amendments and treated as Excluded Areas for the purpose of Finance Commission. Nonetheless, the TOR entrusted this Commission the task of making an assessment of the financial position of local bodies in the Excluded Areas and to recommend devolution and grant-in-aid to them also. The issue that arises following the inclusion of Excluded Areas within the ambit of SFC award, is formulation of an appropriate formula for bifurcation of the Divisible Pool between the General and Excluded Areas and further among the three Autonomous councils in Excluded Areas. In this context, the formula adopted during the Planning Era for distribution of Plan Outlay between General and Excluded Areas stood the test of time and worked satisfactorily over decades. In a nutshell, the formula allocated 80.54 percent and 19.46 percent respectively to the General and Excluded Areas. The Commission is inclined to retain this formula for bifurcation of DP between the Normal and Excluded Areas.

2.9 Given the breakup of allocation between General and Excluded Areas, the next issue before the Commission is to apportion the same between rural and urban local bodies. This is proposed to be done based on population and density at the ratio of 80 percent weightage to population and 20 percent to population density.

2.10 Now that rural-urban bifurcation is available, the rural part of General Areas is vertically distributed among the three tiers of Panchayat viz, ZP, AP and GP. Thereafter, the allocation of each tier is horizontally distributed among individual units of ZP, AP and GP. As stated earlier, the Commission is greatly handicapped due to data constraint and has to rely mainly on three variables viz, population, density and area is so far as PRIS are concerned, as was done by the previous SFC. However, the Commission is inclined to consider additional variables like child marriage, anemia, flood vulnerability of the state that are aligned with the priorities of the State.

2.11 Likewise, the urban part of the DP in General Areas is vertically apportioned between Municipal Corporation and Municipal Board and then horizontally distributed among individual units Corporation and Board. However, in respect of ULBs apart from population and area, additional data like per capita tax collection, and infrastructure like length of roads and drains, number of streetlights etc. are available which the Commission can deploy conveniently.

2.12 In the matter of resource transfer from State to local bodies, the approach of the Commission would be to lay due emphasis on internal revenue mobilization by the local bodies from sources allocated to them. The existing Acts and Rules empower them to levy and collect different types of taxes and duties. It should be their utmost endeavor to exploit the full potential of the sources allocated to them by deepening and broadening the tax base. Invariably, financial autonomy cannot be achieved and sustained merely by depending on external sources of finance. Hence, a determined and sustained effort needs to be made by local bodies to augment their own resources. Internal revenue mobilization is of utmost importance in attaining self reliance. The strength of a government depends on its own financial might. In this context, local bodies need to appreciate that transfer of funds from the State and Central Governments is merely to supplement their resources and not to supplant it.

2.13 In the matter of additional resource mobilization by the local bodies and their compliance with Rules and Regulations, the approach of the Commission would be to incentivize the best performing units. Performance based incentive grants will be provided to best performing units linked with their efficiency in collection of own tax revenue, improvement in quality and quantity of service delivery, preparation of annual budgets and keeping of accounts in the format prescribed by the CAG and timely completion of accounts. The need to adopt e-Governance at grassroots level to increase transparency as well as accountability is another area that requires further focus by the local bodies. However, it may be recalled that previous SFCs and CFCs also awarded performance linked grant but unfortunately none of the local body could avail such grant even though eligibility criteria were not at all harsh.

2.14 The next important task entrusted to the Commission by its TOR as well as Articles 243 I and 234 Y is to determine the principle which should govern the determination of the taxes, duties, tolls and fees, which may be assigned to or appropriated by, the

Panchayats and Municipalities. Assignment of taxes to local bodies can be considered only in respect of origin-based taxes like land revenue, profession tax, entertainment tax and entry tax. In this regard the States where the process of decentralization had started early and the local bodies had been put in place on a firm footing, assignment of taxes to their local bodies can be considered successfully. But it is different in case of Assam. Here, the local bodies particularly the PRIs and the newly created ULBs are still in a fledging state with skeletal staff and inadequate infrastructure. In the existing organizational set up, they are unable even to exploit fully the taxes and dutiesstatutorily allocated to them. In this back drop, assignment of taxes to local bodies will certainly be counter-productive. In the circumstances, it would be beneficial for the local bodies if such taxes are collected by the State and the net proceeds thereof are shared with them under the award of SFC.

2.15 The third task entrusted to the Commission is to recommend grants-in-aid to the Panchayats and the Municipalities from the Consolidated Fund of the State. In this context, the main component of grant is supposed to be revenue deficit grant which is awarded to cover the difference between revenue and expenditure of an organization. However, it would not be possible for the Commission to recommend revenue deficit grant since it is unable to work out unit-wise revenue gap of entities running into several thousands. The approach of the Commission would be to provide sector specific grant to create and upgrade physical infrastructure wherever necessary. For this purpose, the Commission would assess the felt need of thee local bodies so as to determine the required quantum of grant-in-aid.

2.16 The Central and State Finance Commission in past had recommended effective and transparent utilization of funds by the local bodies. These include maintenance of accounts, their timely audit and creation of financial databases. However, the local bodies were found wanting in this aspect. 15th CFC particularly expressed concern over long standing issue of non-availability of accounts and auditing at local bodies level. The Commission emphasized on making the accounts available in public domain on a timely basis. This issue continues to be a major area of concern.

Approach and Methodology:

2.17 **Collection of information/ database**: To fulfil the requisite mandate, the Commission is in need of numerous data regarding the local bodies. These include the population, area, receipts and expenditures, gaps in resources and assessed requirements among others. In order to achieve uniformity in data collection, detailed questionnaires were prepared for PRI, ULB, GMC and other departments, which included all required parameters. The Officials were educated about the questionnaires by conducting training workshops on 31/07/2024 for PRI questionnaires and on 02/09/2024 for ULB questionnaires. However, data collection continued to be a big challenge and adversely impacted progress of the Commission's work. In addition to non availability of timely data, the quality and authenticity of the data provided were causes of concern. In addition to the questionnaires, certain secondary data were also collected from concerned departments of the Government.

2.18 **Suggestions from Public and Experts**: The Commission sought suggestions/ views on the ToR through a public notice No. FEA (VII-SFC) 1/12/2024 dated Dispur, 23/07/2024 (Annexure- 2.1) in newspapers from the public in the financial conditions and service delivery of the local bodies. The Chairman sent D.O. letters to the Ministers of the State Government, all members of parliament from the State, all members of State Legislative Assembly and other stake holders seeking their recommendation on improving basic functioning of local bodies.

2.19 **Field Visits**: The Commission visited majority of the districts in the State including all three sixth Schedule areas to interact with the functionaries and elected representatives of local bodies to ascertain the factual position with respect to the financial condition, staffing pattern, fund utilization, their priorities and requirements etc. These meetings provided useful insights into the problems and functions of the local bodies. The Commission also visited Karnataka to study functioning of local bodies and identify the best practices that can be emulated in the State. The Commission also interacted with MoPR and DoHUA, Govt. of India to understand the functioning of local bodies at the national level and their focus areas.

2.20 **Workshops & Interactions:**

- Details of Interactions with 7th Assam State Finance Commission are attached on Annexure 2.2
- Details of Workshops conducted by 7th Assam State Finance Commission are attached on Annexure 2.3

Synopsis

2.21 The approach of the Commission would be to put the local bodies on a firm financial pooling in keeping with their enlarged functional canvas as envisaged in Schedules XI and XII respectively for the Panchayat and Municipalities (para 2.1)

2.22 The Divisible Pool has been determined keeping in view the fiscal capacity of the state government on the one hand and the need and financial position of the local bodies on the other hand. (para 2.5)

2.23 In analyzing the financial position of the local bodies, the Commission is greatly handicapped due to non-availability of reliable data in the manner required. (para 2.6)

2.24 In addressing the vertical dimension of resource transfer from the State to the local bodies, the Commission endeavored to maintain a healthy equilibrium between the fiscal capacity of the state and the genuine needs of the local bodies (para 2.7)

2.25 The inclusion of the Excluded Areas in the TOR made the task complicated for the Commission. For allocation of divisible pool between Normal and Excluded Areas, the Commission adopted the time-tested formula of allocating plan fund between General and Schedule VI Areas (para 2.8)

2.26 Rural-Urban bifurcation of the divisible pool is proposed to to be done based on population and density (para 2.9)

2.27 Allocation of rural and urban parts among the different tiers of PRIs and ULBs will be as per paras 2.10 and 2.11 respectively.

2.28 The Commission is inclined to consider additional variables like child marriage, anemia, flood vulnerability, which are aligned with State priorities (para 2.10)

2.29 Since financial autonomy cannot be achieved merely by depending on external source of finance, adequate emphasis will be laid on internal revenue mobilization by local bodies (para 2.12)

2.30 The Commission is not inclined to assign any of the state taxes to the local bodies (para 2.14)

2.31 Regarding grant-in-aid, the approach of the Commission would be to provide sector specific grant wherever necessary (para 2.15)

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CHAPTER-3
Status of Implementation of Previous State Finance Commission Recommendations

3.1 The 73rd and 74th Constitutional Amendments inserted Articles 243I and 243Y which enabled the Governor of a State to constitute a Finance Commission at the expiration of every fifth year to review the financial position of the Panchayat and Municipalities respectively. In consonance with the provisions of the aforesaid Articles, read with the provisions of Section 2(1) of the Assam Finance Commission (Miscellaneous Provisions) Act, 1995, the Governor of Assam had, so far, constituted Seven Assam State Finance Commissions including the present one as per details shown at Table - 3.1 below.

Table-3.1
Constitution of ASFC

No of SFC	Date of Constitution	Period Cover	Date of Submission of Report	Date of ATR
First	23-06-1995	1996-97 to 2000-01	29-02-1996	18-03-1996
Second	18-04-2001	2001-02 to 2005-06	18-08-2003	07-02-2006
Third	06-02-2006 Reconstituted 03-07-2006	2006-07 2007-08 2008-09 2010-11	First Report 31-03-2007 Final report 27-03-2008	25-09-2009
Fourth	23-04-2010	2011-12 2012-13 2015-16	25-03-2011 18-02-2012	13-07-2011 07-02-2014
Fifth	05-03-2013 29-10-2015	2016-17 2019-20	30-09-2014 Interim 30-11-2016 Final	22-05-2017
Sixth	09-11-2018	2020-25	29-02-2020	22-04-2020
Seventh	01-07-2024	2026-30	-	-

3.2 It will appear from the above Table that Fifth and Sixth ASFCs were co-terminus with Fourteenth and Fifteenth Finance Commission respectively. This synchronicity was attained after a great deal of endeavor. Unfortunately, the parity has been disturbed once again. Because due to the onset of pandemic, Fifteenth Finance Commission submitted preliminary report for the year 2020-21 and the final report for another five years 2021-26. As a result the award period of Fifteenth Finance Commission was extended to six years 2020-26. In the above table, though the tenure of Sixth and Seventh SFC has been recorded as 2020-25 and 2025-30 respectively but in a subsequent development Govt. of Assam has extended the tenure of Sixth SFC by one year up to 2025-26. Consequently, the tenure of Seventh SFC has been changed to 2026-31. Eventually synchronicity with Sixteenth Central Finance Commission has been restored once again.

3.3 It may be recalled that the status of implementation of previous Finance Commission recommendations upto that of Fifth SFC has been dealt with by the preceding SFCs in their respective reports. Nonetheless, this has been repeated once again for the sake of record.

First SFC

(a) Action Taken on Recommendations Relating to Devolution

3.4 In the matter of tax devolution, First SFC recommended sharing the gross proceeds of certain selected taxes viz, Motor Vehicle Tax, Entertainment Tax and Land Revenue. In terms of their recommendation two percent of the gross proceeds of these taxes were shareable. In addition, they recommended grant of Rs.1000 per local body in the first year and Rs.500 per year for the subsequent years for the purpose of maintenance of records and upkeep of registers.

(b) Action Taken on Other Recommendations

3.5 Other recommendations of the First ASFC included (1) Change in procedure of levying property tax (2) Levy of tax on vacant land, (3) Collection of user changes, (4) Transfer of registration of birth & death to local bodies, (5) Provincialization of ULB staff, (6) Re-constitution of GP on population varying from 6000 to 8000, (7) Setting up of a Tariff Commission, (8) Permanent SFC Cell in Finance Department. and (9) Write-off of outstanding loan to PRIs.

3.6 All the above recommendations of the First SFC were accepted by GOA without any modification and ATR was also tabled before the State Legislature, but not implemented. Anyway, some of these recommendations were subsequently implemented as per recommendation of succeeding SFCs.

Second SFC

(a) Action Taken on Recommendations Relating to Devolution

3.7 In the matter of devolution, the Second SFC, for the first time, deviated from the prevailing practice of sharing the net proceeds of some selected taxes and in its place favored a global sharing of the net proceeds of all taxes and duties levied and collected by the State Govt. Accordingly, they recommended 3.5 per cent of the net proceeds of all taxes and duties levied and collected by the State Govt to be shared with the local bodies. In addition, they recommended grant of Rs 10 Crore annually to the ULBs to compensate the loss due to abolition of check gates and parking slots. Out of the amount, the share of Guwahati Municipal Corporation was Rs 5 Crore and other ULBs Rs 5 Crore per year.

(b) Action Taken on Other Recommendations

3.8 Other recommendations of Second SFC include the following (1) Write-off of outstanding loans to Panchayat, (2) One time settlement of GMC loan from HUDCO, (3) Internal revenue mobilization by PRIs and ULBs, (4) Synchronization of financial year of PRIs with State Govt, (5) Termination of dual authority in the matter of granting building permission by GMC and GMDA, (6) Separate pay structure for local bodies, (7) Separate norms for maintenance of assets by local bodies, (8) Creation of data bank and Creation of a separate SFC Cell in Finance Department.

3.9 All the recommendation of Second SFC were accepted by GOA but not implemented. On the contrary, the existing practice of sharing the net proceeds of some selected taxes continued as usual.

Third SFC

(a) Action taken on Recommendations Relating to Devolution

3.10 The Third SFC submitted an interim report covering the first two years 2006-07 and 2007-08. In the interim report no recommendation was made for 2006-07 as the year came to a close before submission of the report. For the Second year 2007-08, they recommended ten per cent of the net proceeds of all taxes and duties amounting to Rs.363.77 Crore. This was supplemented by specific purpose grant of Rs.81.24 Crore. However, by the time the necessary procedural formalities were completed, the second fiscal 2007-08 also came to a close. Thus, the report for first two years remained unimplemented.

3.11 In its final report covering three years 2008-09 to 2010-11, the Third SFC recommended 25 per cent of the net proceeds of all taxes and duties amounting to Rs.2800.33 Crore to be shared with local bodies. In addition, a sum of Rs.258.26 cr was recommended as additional devolution for merger of Block staff with the APs and DRDA staff with the ZPs. The devolution was supplemented by specifics purpose grant of Rs.512.22 Crore. The final report of TAFC was accepted by GOA without any modification and ATR was tabled in the Assembly on 25-05-2009. But implementation of the recommendations was rather tardy. Against the devolution of Rs.2800.33 Crore an amount of Rs.532.08 Crore was released during three years. The additional devolution of Rs.258.26 Crore was not utilized because the merger did not take effect. Against recommended grant of Rs.512.22 Crore, only Rs.40 Crore were released.

(b) Action Taken on Other Recommendations

3.12 Broadly speaking, notable among other recommendations of TASFC were the following (1) Write-off of outstanding debt of PRIs, (2) Organization of Users Association by PRIs in Irrigation & Water Supply Schemes, (3) Replacement of ARV method by Unit Area method in respect of Property Tax, (4) Fixation of floor rate of taxes instead of higher limit, (5) Abolition of dual authority in granting building permission, (6) Rationalisation of tax exemption under the Assam Municipal Act, 1956, (7) Abolition of the system of provincialisation of local body employees by the state govt. All these recommendations other than deprovincialization of panchayat employees were accepted by GoA, but as usual implementation was far from satisfactory.

Fourth SFC

(a) Action Taken on Recommendations relating to Devolution.

3.13 The Fourth SFC laid its report in two parts, the first part covered the fiscal 2011-12 and the second part covered the remaining four years 2012-16. For the first year 2011-12, it recommended 14 per cent of the net proceeds of taxes and duties amounting to Rs.674.60 Crore. Out of this, an amount of Rs.33.73 Crore was set apart for incentive grant, Rs.334.28 Crore was recommended as specific purpose grant and remaining amount of Rs 306.59 Crore was treated as untied fund.

3.14 All the recommendations of the first report relating to 2011-12, other than the amount of Rs.33.73 Crore representing incentive grant, was accepted by GoA and ATR tabled to Legislative Assembly on 13-07-2011. Against untied fund of Rs.306.59 Crore an amount of Rs.207.08 Crore was released. Against specific purpose grant of Rs.334.28 Crore amount released was Rs.232.55 Crore.

3.15 In the second report covering four years 2012-16, the Commission recommended 15 percent of the net proceeds of all taxes and duties levied and collected by GoA amounting to Rs.4165.62 Crore. Out of this amount, Rs.2173.62 Crore was recommended as specific purpose grant, and the balance amount of Rs.1992 Crore was treated as untied fund.

3.16 The above recommendation contained in the second report pertaining to four years 2012-16 was accepted by GoA and ATR tabled on 07-02-2014. Against untied fund of Rs.1992 Crore amount released was Rs.1051.33 Crore. In respect of specific purpose grant only Rs.127.97 Crore was released against the recommended amount of Rs.2173.62 Crore. The year-wise phasing of the recommended amount with its rural-urban divide is indicated in Table 3.2 below.

Table 3.2
Recommendations of Fourth SFC

(Rs Crore)

Year	**Devolution**			**Grant**		
First Report	Rural	Urban	**Total**	Rural	Urban	**Total**
2011-12	222.94	83.65	**306.59**	120.28	214	**334.28**
Second Report						
2012-13	243.23	91.26	**334.49**	332.94	217.04	**549.98**
2013-14	320.93	120.42	**441.35**	332.94	207.47	**540.41**
2014-15	399.94	150.06	**550**	332.94	206.82	**539.76**
2015-16	484.4	181.76	**666.16**	334.62	208.85	**543.47**
Total (2012-16)	**1448.5**	**543.5**	**1992**	**1333.44**	**840.18**	**2173.62**
Grand Total	**1671.44**	**627.15**	**2298.59**	**1453.72**	**1054.18**	**2507.90**

3.17 In addition to the amount recommended in the above Table the Commission also recommended an additional sum of Rs.264.24 Crore as general purpose grant to the GPs at the rate of Rs.3.00 lakh each per year from 2012-13 to 2015-16

(b) Action taken on Other Recommendation

3.18 Apart from devolution and grant, other recommendation of Fourth SFC consisted of (1) Outstanding loans against PRIs and ULBs to be written off, (2) One time settlement of HUDCO loan outstanding against ULBs, (3) Revised rate of remuneration to elected representatives of PRIs, (4) Transfer of registration of birth and death to local bodies, (5) Revised scales of pay to ULB employees wef 01-04-2009, (7) Creation of permanent SFC Cell in Finance Department, and (8) Synchronization of the award period of Central and State Finance Commission.

3.19 The above recommendation of Fourth SFC were accepted by GoA and some of them have already been implemented.

3.20 The revised rate of remuneration to elected representatives of PRIs has already been finalized. The revised scales of pay to ULB employees were given but with prospective effect. The ULBs are gradually shifting to Unit Area Method in the matter of Property Tax. A temporary SFC Cell has been created in Finance Department which needs to be strengthened.

3.21 In a supplementary report, the Fourth SFC recommended two major issues viz, (I) Appropriate staffing pattern for Panchayat and Municipalities and (II) Provincialisation of Panchayat employees. The recommendations regarding staffing pattern of PRIs and ULBs was accepted by GoA with slight modification. It is partially implemented in Guwahati Municipal Corporation. But it is yet to be implemented in other ULBs and PRIs. In regard to provincialisation, at present a certain number posts in PRIs are provincialised. The posts in ULBs are not provincialized. The Third SFC recommended deprovincialisation of PRI employees. The Fourth SFC also recommended against the existing practice of provincialisation of Panchayat employees on the ground that this would affect the autonomy of the local bodies and that the elected representatives of the Panchayat would have least control over the provincialized staff. However, GoA decided to maintain status quo.

Fifth ASFC

(a) Action Taken on Recommendations Relating to Devolution

3.22 In consonance with its TOR, the Fifth SFC was mandated, for the first time, to make an assessment of the requirements of Excluded Areas and to recommend devolution and grant to them as well. They recommended divisible pool at different rates year to year. On an average, it was 14 percent of the net proceeds of taxes and duties collected by the State Govt during the four year period 2016-20. In terms of their recommendation the total sum deemed to be transferred to both Normal and Excluded Areas amounted to Rs.6679.87 Crore during 2016-20.

3.23 Out of this amount, Rs.4748.70 Crore was allocated to Normal Areas and Rs.1931.17 Crore to the Excluded Areas. The allocation of the Normal Area consisted of Rs.1391.87 Crore as devolution and Rs.3356.83 Crore as grant. The rural-urban divide of the devolution amount was Rs.580.39 Crore and Rs.811.48 Crore respectively. Similarly, the rural-urban divide of the grant amount was Rs.1912.04 Crore and Rs.1444.79 Crore respectively.

3.24 The allocation of Rs.1931.17 Crore for Excluded Area consisted of Rs.50.85 Crore as devolution and Rs.1880.32 Crore as grants. The rural-urban division of the devolution amount was Rs.50.85 Crore for the urban sector only. The rural–urban division of the grant amount was Rs.1504.26 Crore for rural sector and Rs.376.06 Crore for urban sector.

3.25 The year-wise phasing of the recommended amount between the Normal and Excluded Areas and its bifurcation between rural and urban sectors is indicated at the following Table-3.3.

Table-3.3
Devolution and Grant by Fifth SFC

(Rs Crore)

Year	Devolution			Grant		
	Rural	**Urban**	**Total**	**Rural**	**Urban**	**Total**
Normal Areas						
2016-17	135.29	165.46	300.75	493.21	359.78	852.99
2017-18	141.38	188.09	329.47	472.66	362.94	835.60
2018-19	148.13	214.07	362.20	471.46	360.86	832.32
2019-20	155.59	243.86	399.45	474.71	361.21	835.92
Total A	**580.39**	**811.48**	**1391.87**	**1912.04**	**1444.79**	**3356.83**
Excluded Areas						
2016-17		9.93	9.93	376.06	94.01	470.07
2017-18		11.59	11.59	376.06	94.01	470.07
2018-19		13.54	13.54	376.07	94.02	470.09
2019-20		15.79	15.79	376.07	94.02	470.09
Total B		**50.85**	**50.85**	**1504.26**	**376.06**	**1880.32**
Grand Total (A+B)	**580.39**	**862.33**	**1442.72**	**3416.30**	**1820.85**	**5237.15**

3.26 All the above recommendations of Fifth SFC were accepted by GoA and ATR tabled to Legislative Assembly on 22-05-2017. However, the implementation, as usual, was far from satisfactory. Against the recommended amount the release by Govt is much less. And the saddest part of it is that, against the scarce amount released by Govt., the submission of utilization certificates by the local bodies is far less thereby shutting the door for further release by Govt.

3.27 In the above table, the recommended amount for rural sector in Normal Areas, both devolution and grant during the four years 2016-20 was Rs.2492.43 Crore. Against this the amount released by Govt was a meagre sum of Rs.262 Crore and utilization certificates received was only Rs.250 Crore. Similarly, the amount recommended for urban sector was Rs.2256.27 Crore, amount released by Govt was only Rs.422.3 Crore and utilization certificates received for Rs.203.84 Crore.

3.28 The amount recommended for the rural sector of the Excluded Areas for the period 2016-20 was Rs.1504.26 Crore. Against this the amount released by Govt was Rs.440.83 Crore and utilization certificates submitted by local bodies was Rs.351.36 Crore. Similarly, the amount recommended for the urban sector of Excluded Areas was Rs.376.06 Crore, the amount released by Govt. was Rs.16,620 Crore and utilization certificate received for Rs.105.59 Crore.

(b) Action Taken on Other Recommendations

3.29 Other important recommendations of the Fifth SFC are listed below-

i) Setting up of a permanent SFC Cell in Finance Department and similar cells in Panchayat & Rural Development Department and Urban Development Department.

ii) Framing of Financial Rules for Panchayats & Municipalities

iii) Devolution of functions, functionaries and fund to PRIs and ULBs to be completed within 60 days.
iv) Observations made by CAG in the Supplementary Audit regarding maintenance of cash book, asset register, preparation of budget, submission of utilization certificates and internal audit should be strictly followed.
v) Merger of DRDA staff with ZP and Block staff with AP
vi) Allotment of Govt land for office buildings and staff quarters of local bodies.
vii) Written-off of outstanding loans to PRIs
viii) The Assam Panchayat (Financial) Rules to be amended and Bye Laws there under to be framed.
ix) Directorate of Local Fund Audit to be suitably strengthen.
x) Outsourcing and PPP model to be adopted by ULBs for expenditure compression.
xi) The Assam Local Self Government Fiscal Responsibility Act, 2011 to be completed.
xii) Top priority to arrear revenue collection by the ULBs
xiii) Vehicle parking areas to be identified and fees collected by ULBs
xiv) ULBs to be authorized to issue building construction permission
xv) Track rent to be levied by ULBs on all service providers.
xvi) Advertisement & Hoarding tax to be levied by ULBs
xvii) Local Bodies to play pro-active role in controlling menace of illicit liquor.
xviii) Appointment of Ombudsman at district level.
xix) DDOs to be made responsible for submission of UCs.
xx) Nodal department to regularly pursue with local bodies for timely submission of UCs.
xxi) The Finance Accounts compiled by the CAG should contain a Local Body Supplement.
xxii) Local Bodies to prepare their budget in the format prescribed by CAG.
xxiii) Accounting/Auditing norms laid down by CAG shall be followed by the Primary Auditor.
xxiv) Relevant rules to be framed incorporating the provisions of Technical Guidance & Supervision (TG&S) by the CAG
xxv) The Annual Technical Inspection Report of the Director of Audit Local Fund (DALF) should be placed before the Assam Legislative Assembly.

3.30 The above recommendations of Fifth SFC have been accepted by GoA and some of them have been implemented while others are under active consideration.

Sixth SFC

(a) Action Taken on Recommendations Relating to Devolution

3.31 The TOR of the Sixth SFC mandated it to make recommendation regarding transfer of funds to the Local Bodies of Excluded Areas as well. The Commission worked out the divisible pool at different rates year to year. On an average it was pegged at 7.8 percent of taxes and duties collected by the State Govt during the five year period 2020-25. In terms of their recommendation the total amount sought to be transferred

to local bodies of normal and excluded areas amounted to Rs.10,056.82 Crore during 2020-25. This amount included additional grant of Rs.133.16 Crore to meet spill over liabilities of Fifth SFC and also Rs.20 Crore earmarked for creation of a separate SFC Cell in Finance Department.

3.32 Out of the above amount, Rs.7735.96 Crore was allocated to Normal Areas and Rs.2300.86 Crore to the Excluded Areas. The allocation of Normal Area consisted of Rs.2887.64 Crore as devolution and Rs.4848.32 Crore as grant. The rural urban divide of the devolution amount was Rs.2106.36 Crore and Rs.781.28 Crore respectively. The rural urban bifurcation of the grant amount was Rs.338896 Crore and Rs.1459.36 Crore.

3.33 The allocation of Rs.2300.86 Crore for Excluded Areas consisted of Rs.745.85 Crore as devolution and Rs.1555.01 Crore as grant. The rural urban bifurcation of the devolution amount was Rs.507.38 Crore and Rs.238.47 Crore. The rural urban divide of the grant amount was Rs.1256.44 Crore and Rs.298.57 Crore respectively.

3.34 The year-wise phasing of the recommended amount between the Normal and Excluded Areas as well as its bifurcation between the rural and urban sectors is indicated at Table 3.4 below.

Table 3.4
Devolution and Grant by Sixth SFC

(Rs Crore)

Year	Devolution			Grant		
	Rural	**Urban**	**Total**	**Rural**	**Urban**	**Total**
A. Normal Area						
2020-21	325.09	120.58	445.67	606.85	290.25	897.1
2021-22	358.78	133.08	491.86	711.59	301.34	1012.93
2022-23	417.78	154.96	572.74	692.59	285.34	977.73
2023-24	471.97	175.06	647.03	692.59	290.84	983.43
2024-25	532.74	197.6	730.34	685.34	291.59	976.93
Total-A	**2106.36**	**781.28**	**2887.64**	**3388.96**	**1459.36**	**4848.32**
B. Excluded Area						
2020-21	78.3	38.04	116.34	238.34	58.33	296.67
2021-22	86.42	41.90	128.32	266.26	62.76	329.02
2022-23	100.64	47.40	148.04	245.85	57.66	303.51
2023-24	113.69	52.84	166.53	251.95	58.76	310.71
2024-25	128.33	58.29	186.62	254.04	61.06	315.10
Total-B	507.38	238.47	745.85	1256.44	298.57	1555.01
Grand Total (A+B)	**2613.74**	**1019.75**	**3633.49**	**4645.40**	**1752.93**	**6403.33**
C. SFC Cell	**-**	**-**	**-**	**-**	**-**	**20.00**

3.35 The above recommendation of Sixth SFC was considered by Govt. of Assam and ATR tabled to Assam Legislative Assembly on 22-04-2020. Due to delay in finalization of the ATR, it was decided to accept 50 per cent of the monetary recommendation

relating to the first year 2020-21. However, for the remaining four years, all recommendation, both monetary and non-monetary were accepted.

3.36 The recommended amount of devolution and grant for the first year 2020-21 was Rs.1759.78 Crore out of which 50 percent amounting to Rs.879.89 Crore was accepted by Govt. of Assam. Against the accepted amount, release made by Govt. of Assam during the year was Rs.418.68 Crore representing 47.6 percent.

3.37 In the second year 2021-22, the amount recommended by the Sixth SFC was Rs.1,962.13 Crore which was accepted by Govt. of Assam. Against the accepted amount of Rs.1,962.13 Crore release made by GoA was Rs.270.21 Crore representing about 13.8 percent.

3.38 The amount recommended by Sixth SFC for the third year 2022-2023 was Rs.2002.02 Crore which was accepted by GoA, However, release made by GoA was Rs.309.26 Crore which accounted for about 15 percent.

3.39 The recommended amount for the fourth year 2023-24 was Rs.2107.70 Crore. Against the recommended amount, the release made by GoA was a meagre amount of Rs.144.16 Crore representing 6.8 percent. Thus, during the first four years the recommended amount of Sixth- SFC as accepted by GoA was Rs.6951.84 Crore. Against this the amount released by GoA was Rs.1142.31 Crore. This leaves a huge back log of about Rs.5809 Crore. The recommended amount for the fiscal year 2024-25 is Rs.2209 Crore. In the current year 2024-25, no release has been made as yet. Added to the back log of Rs.5809 Crore, the targeted amount for 2024-25 stood at Rs.8018 Crore. Half of the financial year is already over as such it would hardly be possible to utilize the balance amount from the available trend, it seems about 80 percent recommended amount by the Sixth SFC will go by default. Similarly 81 percent of the recommendations of the Fifth SFC could not be utilized.

(b) Action taken on other recommendations

3.40 The other important recommendations of Sixth SFC are listed below:

i) The minimum population of a GP should conform to this prescribed norm of 6000.

ii) It is important of a GP to make the Report of the SFC available to the CFC for their consideration.

iii) It is important to strengthen the nodal Directorates of the Municipal Administration, Panchayat and Rural Development, Director of Audit, Local Fund (DALF) and more importantly SFC Cell in Finance Department.

iv) Time bound steps to be taken by the State Govt for transfer of Fund, Functions and Functionaries to Local Bodies.

v) Local Bodies to maintain prescribed Cash Book, Grant Register, Demand and Collection Register, Stock Register.

vi) Steps to be taken for submission of Annual Administrative Report by the ZP.

vii) To make provision for internal audit of PRIs and ULBs.

viii) Local Bodies should maintain accounts on accrual basis rather than cash basis.

ix) The AG should audit the accounts of all ULBs besides al ZPs and APs.

x) To ensure preparation of annual budget timely on prescribed format by the Local Bodies.

xi) GPs having no land for construction of office building to move Sub-Divisional Land Advisory Committee for allotment of allocated land.

xii) Appointment of full time Executive Officer for ULBs.

xiii) Service Rules of ULB employees to be finalized soon.

xiv) Consequent upon the 74th Amendment, the Town & Country Planning Act, 1959 requires amendment.

xv) PRIs to take steps to take over all completed Water Supply Schemes from the PHE.

xvi) PHE Department to take steps to prevent over extraction of ground water.

xvii) All markets presently managed by Agricultural Marketing Board should be handed over to PRIs.

xviii) PRIs need to identify suitable bond in its localities and approach. Sub-Divisional Land Advisory Bond for allotment of land for cremation and burial grounds.

xix) State Govt. to allot land to those ULBs facing serious crisis in disposal of Solid Waste due to non-availability of dumping grounds.

xx) P &RD to take initiative and assist PRIs in framing Bye Laws by GP, AP, and ZP as required under Rules 41, 42 and 43 respectively of the Assam Panchayat (Financial) Rules, 2002.

xxi) Elected representatives of Local Bodies need to be pro-active in levying and collecting taxes since their reluctance to impose taxes apprehending loss of vote bank is unfounded.

xxii) Wages of casual employees of PRIs engaged after 01-09-2005 and not covered under regularization scheme, should be met by the respective ZPs from the devolution fund.

xxiii) There is urgent need for rationalisation of expenditure by ULBs.

xxiv) The service delivery of ULBs is dismal and requires improvement.

xxv) The ULBs should realize arrear property tax.

xxvi) Large number of ULBs have not taken up revision of property valuation over a long period thereby causing lower yield. Independent Valuation Committee must be constituted where necessary.

xxvii) Rules under the Assam Municipal Act, 1956 may consider registration of Private Schools, Tutorial Institutions, Coaching Centres, Private Hostels, Paying Guest Houses etc.

xxviii) Scope for levy of Sanitary tax must be considered on all Hotels, Restaurants, Private Hospitals, Bus Stand Stalls, Wayside Eateries, Nursing Homes, Recreation Centres, Marriage Halls, Exhibition Fairs etc.

xxix) The staffing pattern of ULBs should be adopted and Service Rules finalized.

xxx) The Commission strongly restricted the recommendation of Fourth SFC regarding creation of a permanent SFC Cell in Finance Department with the staffing pattern as recommended by Fourth SFC.

3.41 The above recommendations of Sixth SFC have been accepted by GOA and the ATR finalized on 22-04-2020. The State Finance Department has issued direction to the concerned line departments to initiate follow up action.

3.42 Taking a close look into the status of implementation of the recommendations of previous SFCs, it will be abundantly clear that speed of implementation leaves much to be desired. For instance, implementation of the recommendations of First and Second SFCs, was zero. In respect of devolution and grant recommended by Third to Sixth SFC, the overall release of fund by the State Govt. was well below 20 percent, other than Fourth SFC which was nearly 34 percent. What is more perplexing is that even the non-monetary recommendations remained unaddressed. This happened because of the absence of any forum to monitor implementation. At present, the only instrument put in place to monitor the implementation of SFCs recommendations is the ATR. However, the ATR once finalized is not regularly followed up with the concerned implementing departments. As a result, most of the issues contained in the ATR remain unaddressed. In order to accelerate the process of implementation, it is first of all necessary to strengthen the SFC Cell in Finance Department with similar Cells in the nodal Departments of Panchayat and Urban Development. They will regularly interact between themselves and liaise with the field level to ensure speedy implementation and collection of utilization certificated.

3.43 In this context, the role of SFC Cell in State Finance Department is of paramount importance that cannot either be underestimated or overlooked.

SFC Cell in Finance Department

3.44 The SFC Cell in Finance Department is supposed to act as the fulcrum in the framework of decentralized governance. As per Constitutional arrangement, SFCs are appointed at a regular interval of five years. In the inter-regnum between two SFCs, it is the SFC Cell that serves as a missing link and ensure continuity in approach and data base. On the other hand, they will follow up and monitor the recommendations of the previous SFCs as well as collect, compile, collate and update relevant data for the ensuing SFC. Moreover, in the wake of Constitutional Amendments, the flow of funds to PRIs and ULBs under the award of both CFCs and SFCs has increased manifold. It will be the primary responsibility of the SFC Cell to disburse these huge funds timely to Panchayats and Municipalities at all levels numbering several thousands and to collect Utilization Certificates (UC) from the recipient bodies, compile it and resubmit to the respective authority. Before release of fund, it is their additional responsibility to ensure compliance of conditionalities attached to these grants. Besides this, when a new SFC is set up, the SFC Cell is supposed to provide logistical support including arrangement of office accommodation, engagement of temporary staff etc. However, the ground reality is that whenever a new SFC is appointed they run from pillar to post in search of a suitable office accommodation for the Chairman and in the process, a good deal of time is wasted. In respect of office accommodation for other office staff including that of Consultants, they simply leave the matter to chance whenever, or wherever available. As a result, the smooth functioning of the Commission is greatly hampered during the initial period. Much of this embarrassing situation can be

averted if the process of arrangement of office accommodation and engagement of staff can be started well before the constitution of the SFC, since the date for constitution of a new SFC, as prescribed in the Constitution is known, well in advance.

3.45 In this backdrop, the need for putting in place a permanent SFC Cell in Finance Department was keenly felt by all the preceding Assam State Finance Commission as well as the Central Finance Commission.

3.46 All the previous SFCs of Assam beginning from First to Sixth unequivocally emphasized the need for a permanent SFC Cell in Finance Department. In this regard, the Fourth ASFC went a step further and allocated a sum of Rs.20 Crores for construction of a building of its own. Further, it recommended a staffing pattern on the model of Maharashtra and Kerala SFC Cell. Since, nothing happened during this period, the Sixth ASFC once again reiterated the recommendations of the Fourth ASFC.

3.47 Similarly, all the CFCs, beginning from the Twelfth stressed the need for creation of a permanent SFC Cell in State Finance Department. Faced with the problem of non-availability of data, the Twelfth Finance Commission mooted the idea of creating a permanent SFC Cell in Finance Department. In this regard, they observed that collection and collation of data need to be done constantly and that data would need to be made available to the SFC as and when it is constituted. Hence, they recommend that a permanent SFC Cell in the Finance Department of each State may be set up. They further observed that this Cell may be headed by a Secretary level officer, who will eventually function as the Secretary of the SFC as and when it is constituted. Thereafter, all the subsequent CFCs have stressed the need for creation of a SFC Cell.

3.48 In spite of overwhelming concern shown by the successive Central and State Finance Commissions, a permanent SFC Cell is yet to be created. As usual a temporary Cell is continuing with a miniscule staff who are also saddled with other duties of the department. As a result, the basic task of updating data remains unaddressed. Consequently, when a new SFC is appointed, it has to pick up the thread from where it was left by the previous Commission. In the process, a lot of time gets wasted. In order to tide over such awkward situation and to maintain continuity of approach, setting up of a permanent SFC Cell in Finance Department is of utmost importance. We therefore, strongly reiterate the recommendations of the previous SFCs for setting up of a permanent SFC Cell in Finance Department adequately staffed as recommended by the Fourth SFC with modifications, if necessary.

3.49 Finally, Articles 280(3)b and (c) mandated the Central Finance Commission to recommend measures needed to augment the Consolidated Fund of the State to supplement the resources of Panchayats and Municipalities of the State, on the basis of the recommendations made by the State Finance Commission. Since the CFC has to make its recommendations based on the findings of the SFC, it is imperative that they should get a copy of the SFC Report before finalization of their recommendations. The State Govt. may take necessary step to make SFC Report available to the XVI-FC, in due time.

Synopsis

3.50 The recommendations of the First SFC were accepted by GoA but not implemented (para 3.6).

3.51 All recommendations of the Second SFC were accepted by GoA but not implemented (para 3.9).

3.52 The recommendations of the Third SFC, in its interim report covering FY 2006-07 and FY 2007-08 was not implemented. (para 3.10)

3.53 The recommendations of the final report for remaining three years were partially implemented (para 3.11)

3.54 The Fourth SFC submitted its report in two parts and its recommendation, other than the recommendations on incentive grant, were accepted by GoA but implemented partially (para 3.13 to 3.16)

3.55 In a supplementary report, the Fourth SFC recommended a staffing pattern for PRIs and ULBs which is partially implemented in GMC. It also recommended against provincialisation of panchayat staff, but it was not accepted (para 3.21)

3.56 The amount recommended by the Fifth SFC for PRIs and ULBs in Normal Areas and the corresponding release made by GoA (para 3.27)

3.57 The amount recommended by Fifth SFC for PRIs and ULB of Excluded Areas and the corresponding release made by GoA (para 3.28)

3.58 The Sixth SFC recommended total transfer of Rs 10,056.82 Crore during 2020-2025 for PRIs and ULBs of both Normal and Excluded Areas as per year-wise phasing at Table 3.4 (para 3.34)

3.59 GoA accepted 50 percent of the monetary recommendations of Sixth SFC for the first year 2020-21 and for the remaining four years all recommendations were accepted (para 3.35)

3.60 Release made by GoA against the recommendations of Sixth SFC (para 3.36 to 3.39)

3.61 The status of implementation of the recommendations of the previous SFCs seems to be far from satisfactory. Even the non-monetary recommendations remained unaddressed (para 3.42)

3.62 The imperative need for creation of a permanent SFC Cell in Finance Department with adequate staff (para 3.44-3.48)

3.63 The Report of the Seventh SFC should invariably be made available to the XVI-CFC (para 3.49)

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CHAPTER- 4
Review of State Finances

4.1 Paragraph 3(I) of the terms of reference (TOR) mandates the Commission to make its recommendations having regard, amongst other considerations, to the resources of the State Government and the demand thereon, in particular, the expenditure of the State on maintenance of law and order, civil administration, pension, debt servicing and other committed expenditures and so on.

4.2 Further, paragraph 6 of the TOR requires the Commission to prepare its report based on the Template suggested by the XIII Central Finance Commission (CFC) with such modifications as may be necessary. In keeping with the above considerations, the Commission has made a review of the State Finances of Assam hereunder. However, our effort will be subject to the availability of relevant data in this regard.

(a) Critical Analysis of State Finances

4.3 Before embarking on a detailed analysis of State Finances, it may not be out of context to have a cursory look at the global and national economic scenario. At the advent of the Covid-19 pandemic the global economic scenario witnessed a severe crisis never seen before India and for that matter, Assam was no exception to that. As reported by the International Monetary Fund (IMF), the growth rate of the global economy decelerated from 3.4percent in 2022 to 3 percent in 2023 and further to 2.9 percent in 2024.

4.4 It is heartening to note, both the National and the State economy recovered from the pandemic induced contraction of the economy at a much faster speed than its global counterparts. Emerging out of the global recession, India held on to a healthy growth rate of its economy. Further, it aspires to create a Viksit Bharat by 2047 and it seems to be on the right path to achieve this goal. This is evident from the movement of some key fiscal indicators like Gross Domestic product (GDP), Gross State Domestic Product (GSDP), Gross Fiscal Deficit (GFD) and Per Capita Income of India and Assam. Table- 4.1 below shows the comparative position of GSDP, Assam vis-à-vis GDP, India.

Table-4.1
GSDP Assam and GDP. All India at Current Prices (Rs. in Crore)

		Assam		India	
Sl. No.	**Year**	**GSDP**	**Growth Rate (%)**	**GDP**	**Growth Rate (%)**
1.	2016-17	2,54,382	11.6	1,53,91,669	11.8
2.	2017-18	2,83,165	11.3	1,70,90,042	11.0
3.	2018-19	3,09,336	9.2	1,88,99,668	10.6
4.	2019-20	3,46,851	12.1	2,01,03,593	6.4
5.	2020-21	3,39,803	(-) 2.0	1,98,54,096	(-) 1.2
6	2021-22	4,10,724	20.9	2,35,97,399	18.8
7.	2022-23(PE)	4,79,390	16.7	2,68,90,473	14.0
8.	2023-24(QE)	5,70,944	19.1	3,01,22,956	12.0

Source: Assam FRBM Statement, 2025-26

PE: Provisional Estimates,QE: Quick Estimates

4.5 It appears from the above Table that State economy has been maintaining a steady growth up to 2019-2020 and the impact of pandemic was not felt in that year. However, the national economy registered a downward growth in 2019-20. The growth rate plummeted to 6.4 percent in 2019-20 against 10.6 percent of the previous year. During the next fiscal 2020-2021 both the national and state economy took a nosedive because of the impact of the pandemic and the growth rate became negative (-)1.2percent in case of India and (-)2 percent for Assam. Both the national and the state economy has been growing at a robust speed in the post-pandemic period and the state economy displayed a much faster growth.

Table- 4.2
Gross Fiscal Deficit Assam & India

(Rs. Crore)

Year	Gross Fiscal Deficit Assam	As % of GSDP	Gross Fiscal Deficit India	As % of GDP
2016-17	6125.77	2.41	535618	3.5
2017-18	9342.21	3.30	591062	3.5
2018-19	4779.06	1.54	649418	3.4
2019-20	14915.80	4.30	933651	4.6
2020-21	11108.03	3.27	1818291	9.2
2021-22	18089.25	4.40	1584521	6.7
2022-23	30204.83	6.30	1737755	6.4
2023-24	20854.69	3.65	1654643	5.6

Source:GFD Assam. Finance Accounts
GFD India, Union Budget

4.6 The next important fiscal indicator is the Fiscal Deficit/ Surplus which is measured considering total revenue receipt plus non debt capital receipt minus total expenditure net of debt repayment. It is indicative of the borrowing need of the government. Table 4.2 above transpires that both Assam and India were continuously having Fiscal Deficit beginning from 2016-17 to 2023-24. Most alarmingly, in some of the years the fiscal deficit has even exceeded the prescribed limit of 3.5 percent of GDP/GSDP. An aberration noted in Table 4.2 is that the fiscal deficit of Assam shot up to 6.30 percent of GSDP during 2022-23. It happened because Govt. of Assam (GoA) intended to provide/ upgrade infrastructure of State Govt departments to give a boost to the sagging post pandemic economy and due to increase in expenditure in keeping with the State's budgetary commitments and committed liabilities. However, the ratio of Fiscal Deficit to GSDP for 2023-24 was registered as 3.65 percent.

The normal mechanism for liquidating fiscal deficit is floating of additional market borrowing coupled with tinkering with the accumulated balances in State Provident Fund. However unbridled borrowing is likely to create a vicious cycle of debt-trap encouraging fresh debt to liquidate past debt. GoA may ensure that borrowing is utilized for creating income generating assets and not for financing consumption expenditure.

Table 4.3
Per Capita Income of Assam and India at Current Prices

Year	Assam (Rs.)	India (Rs.)
2016-17	66,330	1,04,880
2017-18	75,151	1,15,224
2018-19	81,034	1,25,946
2019-20	90,123	1,32,341
2020-21	86,947	1,27,065
2021-22	1,03,370	1,50,906
2022-23	1,19,192	1,69,496
2023-24	1,39,783	1,84,205

Source: Directorate of Economics &Statistics.

4.7 The above Table shows that per capita income of Assam perennially lags behind national average which is contrary to the national goal of inclusive growth. This has happened despite GSDP growth being higher than GDP growth in most of the years and decadal growth of population remaining more or less the same in case of Assam and India. This remains somewhat a conundrum, GoA may take a look into this aspect.

4.8 Given an overview of global and national economy, we may now turn back to the topic of State finances. In this context, it may be worthwhile to revisit the physical and demographic dimensions of the State even at the cost of being repetitive. Assam is the largest state in India's north-east and occupies a position of primus inter pares among the seven state of this region. It is spread over a geographical area of 78,438 Sq. Km with a population of about 32 million. Assam shares inter-state borders measuring about 2743 Km with the six NE States and the neighboring state of West Bengal. That apart, it shares international border of 262 Km with Bangladesh and 271 Km with Bhutan. It proudly hosts three UNESCO World Heritage Sites viz. Kaziranga National Park, Manas Wildlife Sanctuary and Charaideo Maidam. Above all, it serves as the launching pad of the Act East Policy of Government of India (GoI).

4.9 Assam is the melting pot of diverse ethnic groups with their distinct culture, customs, tradition, languages, faith belief and culinary diversity. The presence of such a pluralistic society has created multi- dimensional problems in administration with a great cost to the exchequer.

4.10 With a view to safeguarding the social and economic interest of the marginalized sections of community like the SC/ST/OBC, there are three Autonomous Councils (AC) under the Sixth Schedule of the Constitution. These are Karbi Anglong AC, Dima Hasao AC and Bodoland AC. Karbi Anglong AC consists of two districts viz. Karbi Anglong and West Karbi Anglog. Dima Hasao AC consists of a single district. Bodoland AC consists of districts viz. Kokrajhar, Chirang, Baksa, Udalguri. Recently one new district viz, Tamulpur has been created in BTC taking the number of district to five. By and large, the above eight districts togetherconstitutethe schedule VI areas of Assam.

4.11 Apart from three ACs under the Sixth Schedule, Government of Assam (GoA) was obliged under public demand to create another seven ACs under State Legislation for the Scheduled Tribes dwelling in the Brahmaputra Valley. These are (i) Lalung Tiwa (ii) Missing (iii) Rabha Hajong (iv) Thengal Kachari (v) Deuri (vi) Sonowal Kachari (vii) Bodo Kachari. In addition, three more ACs have been created fornon-tribal people in General Areas that of Moran, Motok and Kamatapur.GoA provides generous amount of budgetary support to these ACs annually. The financial implication of such support for five years 2020-21 to 2024-25 is indicated in Table 4.4 below-

Table-4.4
Tribal Autonomous Councils

(Rs Crore)

Sl. No.	Name of AC	2020-21 Act	2021-22 Act	2022-23 Act	2023-24 Act	2024-25 BE
1	Rabha Hasong	65.54	59.08	62.34	68.34	66.00
2	Missing	85.79	77.21	88.84	97.34	93.50
3	Deuri	25.35	22.08	24.56	26.86	25.30
4	Tiwa	43.84	39.46	41.89	45.89	44.00
5	Sonowal Kachari	39.71	35.75	37.12	40.72	39.60
6	Thengal Kachari	23.67	21.31	22.52	22.52	22.00
7	Bodo Kachari Welfare	-	14.75	14.50	15.85	14.85
Total		**284.00**	**269.64**	**291.77**	**317.52**	**305.25**

Non-Tribal Autonomous Councils

(Rs Crore)

Sl. No.	Name of AC	2020-21 Act	2021-22 Act	2022-23 Act	2023-24 Act	2024-25 BE
1	Moran	-	2.04	1.86	2.86	2.00
2	Matak	-	1.89	1.89	3.02	2.00
3	Kamtapur	-	11.54	12.00	17.00	17.00
Total			**15.47**	**15.75**	**22.88**	**21.00**

4.12 Both the valleys of Assam viz. Brahmaputra and Barak are inhabited by large number of tribes and ethnic groups. All of them have been agitating for autonomy, separate administrative units or even statehood. This has led to the creation of another thirty-four Developmental Councils for each of these ethnic groups listed in Table 4.5 below alongwith annual budgetary support to each for five years 2020-21 to 2024-25.

Table- 4.5
Budgetary Support to Development Council

(Rs. in Crore)

Sl. No.	Name of Development Council	2020-21 Actuals	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 BE
1	Tea & Ex Tea Garden Dev Council	0.25	0.23	0.40	0.50	0.50
2	Bishnupriya Manipuri Dev Council	0.35	0.32	0.28	0.34	0.34
3	Maimal Dev Council	0.35	0.32	0.28	0.34	0.34

4	Moria Dev Council	0.35	0.32	0.28	0.34	0.34
5	Gorkha Dev Council	0.35	0.90	13.50	13.00	13.00
6	Adivasi Dev Council	0.35	0.32	.090	10.00	15.00
7	Koch Rajbongshi Dev Council	0.36	0.32	1.50	1.80	1.80
8	Chutia Dev Council	0.35	0.32	0.90	1.08	1.08
9	Nath Yogi Dev Council	0.35	0.32	0.50	0.60	0.60
10	Tai Ahom Dev Council	0.35	0.32	0.90	1.08	1.08
11	Manipuri Dev. Council	0.35	0.32	0.28	0.34	0.34
12	Sadharan Jati Dev Council	0.35	0.32	0.28	0.34	0.34
13	Sut Dev Council	0.35	0.32	0.28	0.34	0.34
14	Kumar Dev Council	0.35	0.32	0.28	0.34	0.34
15	ChaodangDev.Council	0.35	0.32	0.28	0.34	0.34
16	Hindi Speaking Dev Council	0.35	0.32	0.28	0.34	0.34
17	Bengali Speaking Dev Council	0.35	0.32	0.28	0.34	0.34
18	Kalita Dev Council	0.00	0.30	0.40	0.48	0.48
19	Brahmin Dev Council	0.00	0.30	0.28	0.34	0.34
20	Jolha Dev Council	0.35	0.32	0.28	0.34	0.34
21	Goria Dev Council	0.35	0.32	0.32	0.38	0.38
22	SC Dev Council	0.35	0.32	0.40	0.48	0.48
23	Keot Dev Council	0.00	0.00	0.00	0.34	0.34
24	Mech Kachari Dev Council	0.35	0.32	0.28	0.34	0.34
25	Singpho Dev Council	0.35	0.32	0.28	0.34	0.34
26	Amri Dev Council	0.35	0.32	0.28	0.34	0.34
27	Sarania Kachari Dev Council	0.35	0.32	0.33	0.39	0.39
28	Barak Valley Hills Tribes Dev Council	0.35	0.32	0.28	0.34	0.34
29	Modhai Dev Council	0.35	0.32	0.28	0.34	0.34
30	Hajong Dev Council	0.35	0.32	0.28	0.34	0.34
31	Karbi People outside Karbi Anglong Dev Council	0.35	0.32	0.28	0.34	0.34
32	Barman Dimasa Kachari Dev Council	0.35	0.32	0.28	0.34	0.34
33	Khasi Jaintai Dev Council	0.35	0.00	0.00	0.00	0.34
34	Garo Dev Council	0.35	0.00	0.00	0.34	0.34
Total		**10.78**	**10.25**	**25.65**	**37.19**	**42.52**

Source: Tribal Affairs (plain) Department & Finance (Budget) Department, Government of Assam

4.13 Apart from creating separate administrative units for preservation and promotion of Assam's cultural diversity, the GoA has also created several departments in State Secretariat like (1) Indigenous Tribal Faith & Welfare Department, (ii) Tribal Affairs (Plains) Department (iii) Welfare of Bodoland Department and (iv) Tea Tribes & Adivasi Welfare Department. Thus, in order to fulfill the hopes and aspirations of indigenous people, a larger than required administrative structure had to be set up at a great cost to the State coffer.

4.14 The GoA has been pursuing a comprehensive social security programme for quite sometime. Their flagship programme Orunodoi entered its third edition current year. It is basically a programme to empower women in general. The beneficiaries include destitute women, divyangs, widows, transgender and other vulnerable section of people. Families with income below Rs.2 lakh are eligible to apply. The third edition is expected to cover Rs.37.2 lakh beneficiaries at the rate of Rs.1250 per beneficiary per month. The annual financial impact will be a whopping sum of Rs.5580 Crore. In addition, under the National Food Security Act (NFSA), GoA proposes to distribute ration card to 19,92,167 beneficiaries who will be eligible to avail free food grains every month. The NFSA card holders will be entitled to free treatment under Ayushman Bharat Scheme. The annual financial implication is Rs.5280 Crore at the rate of Rs.440 Crore per month. The GoA further proposes to integrate the Orunodoi Scheme with the ration card scheme, the combined annual financial impact being a substantial amount of Rs.10,860 Crore. The schemes are no doubt laudable, albeit it touches a small segment of the needy population. More importantly, such a huge outgo annually will have disastrous affect on State Finance, since GoA is silent about the modalities of funding it.

4.15 Another notable feature affecting State finances is the gradual decline of its percentage share in the Central Kitty of divisible pool created by the successive CFC. For instance, Assam's share in the divisible pool had been steadily declining from 4.12 percent in the first report of the IX-CFC to 3.128 percent in the second report of the XV-CFC. This has greatly impacted the flow of fund from the Centre in the shape of State's share in Central taxes. For instance, a drop of mere 0.1 percent in the percentage share entails revenue sacrifice of about Rs.758 Crore. Table 4.6 below shows the percentage share of Assam in the divisible pool recommended by the successive CFCs.

Table 4.6
Divisible Pool and Percentage Share of Assam

Sl. No.	Finance Commission	Period Covered	Divisible Pool (%)	Assam's share
1.	IX-CFC First Report	1989-1990	-	4.12
2.	IX-CFC Second Report	1990-1995	-	3.73
3.	X-CFC	1995-2000	-	3.67
4.	XI-CFC	2000-2005	29.5	3.285
5.	XII-CFC	2005-2010	30.5	3.235
6.	XIII-CFC	2010-2015	32.0	3.628
7.	XIV-CFC	2015-2020	42.0	3.311
8.	XV-CFC First Report	2020-2021	41.0	3.131
9.	XV-CFC Second Report	2021-2026	41.0	3.128

4.16 The above Table shows that the percentage share of Assam dropped from 4.12 to 3.128. The Commission urged the XVI-CFC to suitably modify the criteria and weightage so as to benefit the marginalized states like Assam.

4.17 Unlike the previous CFC, the XIV-CFC did not make any recommendation for sector specific and State specific grant. As a result, State like Assam, deficient in physical,

infrastructure and service delivery were hard hit. Fortunately, the XV-CFC again restored State specific and sector specific grants. Assam received Rs.6850 Crore as Sector specific and Rs.1375 crore as State specific grant during its award period 2021-26 Sectors covered include Health, Higher Education, Agriculture, Public Works (Roads), Judiciary and Statistics.

4.18 In the matter of Rural Local Body (RLB) grant, the XIV-CFC make a significant departure from earlier CFCs and make its grant tenable only to the Gram Panchayats (GP) to the exception of Zilla Parishad (ZP) and Anchalik Panchayat (AP). This left the higher two tiers of ZP and AP high and dry and at the mercy of the State Govt. to take care of their needs. Invariably, that threw additional burden on the State. Again, as per recommendation of the XV-CFC, all tiers of RLB are now eligible to CFC grant.

4.19 In terms of the provisions of Article 243 M and 243 ZC in parts IX and IXA respectively of the Constitution, the Schedule VI areas were kept outside the ambit of 73rd and 74th Amendments and such areas were treated as excluded areas for the purpose of Finance Commission grant. However, despite the exclusion factor, both X and XI-CFCs provided grants to these excluded areas with certain observation, the XII-CFC did not indicate separate grants for the normal and excluded areas and left it to the States to distribute the grants between them. The XIII-CFC recommended grants for excluded areas. For the first time the XIV-CFC concluded that they cannot recommend grants to areas where Parts IX and IXA do not apply. This had driven a sharp wedge between the local bodies of normal and excluded areas and the latter felt alienated and deprived. Now that the XV-CFC has again recommended grants to the excluded areas, the feeling of alienation has been assuaged somewhat.

Impact of GST on Finances of State Government

4.20 The Goods and Services Tax (GST) which was introduced from July, 2017 subsumed various State Acts like VAT, CST, Hotel and Luxury Tax, Amusement and Betting Tax and Entry Tax. Due to subsummation of several items of tax having higher rates under State legislation varying between 25 percent to 30 percent under GST with lower rate of 14 percent, the State Government had to undergo a substantial amount of revenue loss. As a result, State Govt. had witnessed a significant drop in collection of sales tax revenue from the year following the implementation of GST. For instance, sales tax collection which was Rs.8752 Crore in 2016-17 dropped to Rs.6373 Crore in 2017-18 and Rs.4699 Crore in 2018-19 and further to Rs.4481 Crore in 2019-20. However, GoI stood committed to compensate the loss for a period of five years with effect from fiscal 2018-19. Accordingly, GoI paid the following sums as grant to compensate revenue loss for GST as shown in Table- 4.7 below.

Table – 4.7
Grant for Revenue Loss against GST

(Rs.Crore)

Particular	2018-19	2019-20	2020-21	2021-22	2022-23
Grant to compensate Revenue Loss for GST	466	879	1370	1014	424

Source: Finance Accounts

4.21 It may be pointed out that the Accountant General (AG) Assam worked out the revenue loss on account of GST during 2017-2018 at Rs.1756 Crore. Since, GST was implemented for nine months during 2017-18, the loss in a full year was estimated at Rs.2341 Crore. However, against the calculation of AG, the amount sanctioned by GOI in the above Table appears to be much less for reason not known. Meanwhile, on completion of five years, GoI has stopped giving compensation grants from fiscal 2023-24. This may be resumed for a further period of 5 years. As of now, both Group of Ministers (GOM) and GST Council are meeting at regular intervals, and the latest position will be made known after their deliberations.

4.22 Given a brief conspectus ofState Finances in the foregoing paragraphs, we now get down to the main task of making a review of State Finances. In this context, the template requires us to make the review over a period of five years. As such, we confine ourselves to the quinquennium2018-19 to 2022-23. In addition, we have also taken up the fiscal 2023-24 being the latest years for which audited figures are available. The overall budgetary position of the State during this period is shown at Annexure-4.1 with further details at Annexure-4.2. However, for the sake of convenience some key fiscal indicators are summarized in Table- 4.8 below-

Table – 4.8
Fiscal Parameters

(Rs. Crore)

Sl. No.	Item	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
1.	GSDP	309336	346851	339803	410724	479390	570944
2.	Revenue Deficit as (-)Surplus (+)	(+)6580	(-)1322	(+)1377	(-)959	(-)12073	(-)2628
3.	Revenue Deficit as % of GSDP	(+) 2.13	(-) 0.38	(+) 0.41	(-)0.23	(-)2.52	(-)0.46
4.	Revenue Deficit as worked out by CFC	(+)1953	(+)3387	(-)7579	(-)6376	(-)4890	(-)2918
5.	Overall Budgetary Deficit (-) Surplus (+)	(-)745	(+)3643	(+)717	(-)5523	(-)102491	(+)451
6.	Fiscal Deficit (-) Surplus (+)	(-)4779	(-)14916	(-)11108	(-)18089	(-)30205	(-)20855
7.	Fiscal Deficit as % of GSDP	(-)1.54	(-)4.30	(-)3.27	(-)4.40	(-)6.30	(-)3.65

Source: Finance Accounts, CFC Report, Directorate of Economics and Statistics, Budget Documents

4.23 In the above Table, purposefully, a comparison is drawn between the revenue deficit as worked out by the Central Finance Commission (SI.No.4) and the revenue deficit that actually occurred (Sl.No.2). Out of the six years under consideration, the CFC assessed Assam as revenue surplus during the first two years. As such, Assam did not receive a revenue deficit grant from the Centre during the first two years. In the remaining four years, Assam was assessed post devolution revenue deficit to the

extent of Rs.21,763 Crore and received equivalent sum as revenue deficit grant from the Centre. As against this, the revenue deficit that actually emerged after finalization of audited accounts for the six years was Rs.11,909 Crore. This left a comfortable surplus of Rs.9854 Crore which provided enough cushion to State Finances spread over this period. This has happened due to better collection of own revenues coupled with compression of revenue expenditure, which is, no doubt, a laudable performance by the State Govt.

4.24 On the contrary, as it appears from Sl.No.7of Table- 4.8 the fiscal deficit as percentage of GSDP has been menacingly growing over the years. More importantly, it has crossed the prescribed limit of 3.5 percent in all the years barring 2018-19. This suggests an unbridled growth of public debt which needs to be contained within the permissible limit of 3.5 percent of GSDP.

4.25 Another distressing feature noticeable from the composition of the state's expenditure pattern is that its capital expenditure has been growing at slow speed and very often fails to keep pace with the- growing public debt. This indicates borrowed funds are being used for non-productive consumption purposes.

4.26 With a view to ascertaining the strength or weakness of state finances, it is imperative to make an estimate of its Balance from Current Revenues (BCR). It indicates excess/less of revenue expenditure over revenue receipts. For estimating the BCR, it is necessary to take a close look at State's own sources of revenue. State's own sources of revenue consist of (I) State Taxes, (II) Non-Tax Revenue, (III) State's share of Central Taxes and (IV) Grants from the Centre.

State Tax Revenue

4.27 By and large, State's tax revenues consist of the following (1)Agricultural Income Tax,(2) Taxes on Profession,(3) Land Revenue (4) Stamps and Registration, (5) State Excise, (6) Sales Tax, (7) Taxes on Vehicles (8) Assam Passengers & Goods Tax, (9) Electricity Duty and (10) Other Taxes & Duties. With the introduction of GST from July, 2017, SGST and IGST have been added to this list.

4.28 The year-wise audited figures of collection against different Taxation Acts From 2018-19 to 2023-24 are recorded at Annexure-4.2. As stated earlier, with the introduction of GST, Sales Tax revenue, which was Rs.8752 crore in 2016-17, witnessed a sharp drop to Rs.6373 crores in 2017-18 and further to Rs.4699 crore in 2018-19. However, from 2022-23 it started picking up again. The Assam Passengers & Goods Tax, which included Entry Tax within its fold, yielded Rs.1070 crore in 2016-17 and Rs.263 crore in 2017-18. However, along with subsummation of Entry Tax with GST, this source has virtually dried up and currently its yield is either nil or negligible. All other taxes are maintaining more or less the usual growth over the years. Nevertheless, the growth trajectory is erratic and does not follow any uniform pattern.

4.29 The aggregate collection from State taxes year-wise from 2018-19 to 2023-24 is summarized at Table-4.9 below showing annual growth over the previous year.

Table-4.9
Collection of State Taxes

(Rs Crore)

Item	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Actual)
Aggregate collection of State Taxes.	15925	16529	17134	19533	24502	28178
Annual growth over previous Year (%)		3.8	3.7	14.0	25.4	15.0

Source: Finance Accounts

4.30 The above Table reveals that year-to-year growth rate of State taxes does not follow any trend. However, the compounded average growth rate over a period of six years is about 13 percent. In this context, the Assam FRBM Act laid before the Assam Legislative Assembly during 2024-25 also observed the compounded average growth rate of State taxes over the last seven years is nearly 13 percent. However, for the purpose of projection of State taxes during the forecast period 2026-2031, we are inclined to adopt 12 percent compounded annual growth rate (CAGR). As regards the base year, the TOR expected us to adopt 2019-20 as the base year. The year suggested has become ancient and will not present the real picture. Since audited figures of receipts and expenditure are available for the year 2023-24, we have adopted this year as the base. Taking the fiscal 2023-24 as the base and adopting CAGR of 12 percent, the projected State taxes for the period 2026-31is indicated at Table-4.10 below.

Table-4.10
Projected State Taxes

(Rs in Crore)

Item	2023-24 Act	2025-26 Est.	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast	2026-31 Total
Aggregate State taxes	28,178	35,346	39,588	44,339	49,659	55,618	62,292	2,51,496

Non-Tax revenue

4.31 The main component of non- tax revenue is royalty on petroleum crude and about 70 percent of the collection from non-tax revenue is attributable to oil royalty. However, its yield is linked to fluctuation in international crude oil prices as well as the quantum of annual extraction of crude oil by the oil companies. This is followed by interest receipts which account for nearly seven to twelve percent of total collection. Next important component of non-tax revenue is forestry and wildlife. With greater emphasis on ecology and the environment, forestry is no longer treated as a source of revenue. Rather its conservation and expansion are more solicited than its exploitation as source of revenue. Nonetheless, it contributes four to eight percent of non-lax revenue from minor forest produce and sand, stone, pebble etc. Apart from these major sources, other non-tax revenue includes departmental receipts collected by various departments of Govt like fees, fines, user charges, disposal of old stock etc.

The audited figures of collection from non-tax revenue from 2018-19 to 2023-24 are summarized in Table- 4.11 below.

Table-4.11
Collection of Non-Tax Revenue

(Rs Crore)

Item	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual
Aggregate Collection of Non-Tax Revenue	8221	5539	2900	3580	5761	5903
Annual Growth over previous year (%)	102	(-)33	(-)48	23	61	2.5

4.32 It is evident from the above Table that the growth rate of non-tax revenue is erratic, and it fluctuates widely between positive to negative. It is difficult to assume any growth rate for the purpose of projection. Notably the XV-CFC adopted an average annual growth rate of 10 percent for the purpose of projecting non-tax revenue for the State. For the purpose of projecting non-tax revenue, we are inclined to take 10 percent CAGR.

Based on the actual collection of 2023-24 and adopting 10 percent CAGR, the non-tax revenue for the forecast period 2026-31 is indicated at Table-4.12 below:

Table 4.12
Projected Non-Tax Revenue

(Rs Crore)

Item	2023-24 Actual	2025-26 Estimated	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast	2026-31 Total
Aggregate Collection	5903	7143	7857	8643	9507	10458	11503	47967

State's Share of Central Taxes

4.33 State's share of Central taxes is received against the net proceeds of the following taxes levied and collected by GOI (1) Income Tax, (2) Corporation Tax, (3) Union Excise Duty, (4) Wealth Tax, (5) Service Tax, (6) Central Goods & Service Tax and (7) Integrated Good & Service Tax. The share is received by the State Govt on the basis of recommendations of the successive CFC. Table 4.13 below indicates the share as recommended by the successive CFCs vis-a-vis the amount actually released by GOI during the period 2018-19 to 2023-24.

Table 4.13
Share of Central Tax

(Rs Crore)

Item	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
1. As Recommended by CFC	29687	34386	26776	20601	22917	25787
2. Released by GOI.	25216	21721	18629	28151	29694	35331

4.34 A disquieting feature about Central taxes is the short release by GOI below the recommended amount on the pretext of short collection. The loss of revenue to State Govt has never been compensated thereby throwing State finances in complete disarray. The above Table shows that there were wide gaps between recommended and released amount during the first three years. This cannot be attributed to the pandemic because this has been happening earlier also. The silver lining is that this situation has been completely reversed from 2021-22 i.e. the award period of XV-CFC. It may be recalled that for the purpose of the projection of state taxes we have adopted an annual growth rate of 12 percent. The same percentage may be retained for Central taxes. Since Union Budget estimated Rs.44,494.04 Crore as share of Central taxes to Assam for 2025-26, for the remaining five years it has been projected at CAGR of 12 percent. The projected share of Central taxes is shown at Table 4.14 below.

Table- 4.14
Projected Share of Central Taxes

(Rs Crore)

	2025-26 Est	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast	2026-31 Total
State's share of Central taxes	44494	49833	55813	62511	70012	78414	316583

Grants from the Centre

4.35 With the abolition of Planning era in 2016-17, grants from the center from the following year consists of (I) Grants For Centrally Sponsored Schemes (II) Grants under the award of Finance Commission and (III) Other Grants, Grant under Finance Commission include (I) Revenue Deficit Grant, (II) Centre's contribution to State Disaster Relief Fund, (III) Grants to local Bodies and (IV) State & Sector specific Grants. Other grants include (1) Special Package for Economic Development of Autonomous Councils, (2) Schemes of NEC, (3) Non-lapsable Central Pool of Resources, (4) Central Road Infrastructure Fund, (5) Administration of Foreigners Tribunal, (6) Reimbursement for Civil Defense (7) Compensation for Revenue loss against GST etc. The audited figures of collection against Grants from Centre from 2018-19 to 2023-24 are summarized at Table- 4.15 below.

Table – 4.15
Grants from Center

(Rs Crore)

Heads	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual
Centrally Sponsored Schemes	11849	14390	13833	18187	21557	16206
Finance Commission	933	4604	10534	8916	7355	5599
Compensation for GST	466	879	1370	1014	424	-
Others	869	833	1497	2209	449	318
Total	**14117**	**20706**	**27234**	**30326**	**29785**	**22123**

Source: Finance Accounts.

4.36 Given the actual receipt of Rs.22,133 Crore as grants from Centre during 2023-24, projection for the forecast period is made assuming an annual growth of 10 percent as at Table- 4.16 below-

Table-4.16
Projected Grants from Centre

(Rs crore)

Head	2023-24 Act	2025-26 Est	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast	2026-31 Total
Grants from Center	22,123	26,769	29,446	32,390	35,629	39,192	43,111	1,79,768

4.37 Based on the calculations as at tables 4.10, 4.12, 4.14 and 4.16, the year wise revenue receipt as projected during the forecast period is summarized at Table-4.17 below.

Table- 4.17
Summary of Projected Revenue Receipt

(Rs Crore)

Head	2026-27 Est	2027-28 Est	2028-29 Est	2029-30 Est	2030-31 Est	2026-31 Total
1. State Taxes	39588	44339	49659	55618	62292	251496
2. Non- tax Revenue	7857	8643	9507	10458	11503	47968
3. Share of Central Taxes	49833	55813	62511	70012	78414	316583
4. Grants from Center	29446	32390	35629	39192	43111	179768
Total	**126724**	**141185**	**157306**	**175280**	**195320**	**795815**

Revenue Expenditure

4.38 Broadly speaking the main components of revenue expenditure of the State Government are salary of government employees, pension of retired employees, interest payment on outstanding public debt and other expenditure on General, Social and Economic services. In addition, the TOR requires us to have regard to expenditure on maintaining law and order and civil administration. The expenditure incurred by GOA on items listed above during the six years period 2018-19 to 2023-24 are summarized at Table-4.18 below.

Table 4.18
Expenditure on Revenue Account

(Rs Crore)

Head.	2018-19 Act	2019-20 Act	2020-21 Act	2021-22 Act	2022-23 Act	2023-24 Act
1. Salary	26178	27008	26803	28560	30868	29807
2. Pension	8112	9609	10329	17224	16407	17654
3. Interest Payment	3844	4439	5199	6051	6875	8139

4. Law &order(Police)	3871	4098	4102	4315	4826	5246
5. Civil Admn.	2985	2473	2520	6706	2647	3468
6. Others	11909	18190	15567	19692	40192	29849
Total	**56899**	**65817**	**64520**	**82548**	**101815**	**94163**

Salary Expenditure

4.39 A glance at the above Table transpires that salary expenditure is the main component of revenue expenditure of the State Govt and it accounts for nearly 40 percent of total expenditure. Salary expenditure, which was Rs.26,178 crore in 2018-19 swelled to Rs.29,807crore registering a growth of nearly 14 percent over period of five years. This is considered as nominal. Year to year increase in salary happens due to enhancement of dearness allowance (DA) and annual increment. Usually, two doses of DA are sanctioned annually costing 8 percent. Another two percent may be allowed for increment. As such actual expenditure on salary obtained in 2023-24 may be projected at an annual growth of ten percent up to 2025-30.

Pension

4.40 Next to salary pension in the second important item of revenue expenditure of the State. The expenditure on pensions went up from Rs.8,112 crore in 2018-19 to Rs.17,654crore in 2023-24 registering a growth of 118percent over a period of five years. This seems a bit unusual. It may be pointed out that the number of pensioners has been gradually declining from 2,36,174 in 2019-20 to 1,78,986 in 2022-23 as reported in the Finance Accounts of respected years. Surprisingly, along with the decrease in number of pensioners, pension bills are increasing year after year. GOA may take a look into this matter. For the purpose of projecting during the forecast year we assumed an annual growth of seven percent.

Interest Payment

4.41 Interest payment has been constantly growing over the years and went up from Rs.3844crore in 2018-19 to Rs.8139crore in 2023-24 displaying an overall growth of 112percent over a period of five years. As a percentage of GSDP it varies between 1.24 percent in 2018-19 to 1.43 percent in 2023-24. As percentage of revenue receipt it went up from 6.06percent in 2018-19 to 8.89 percent in 2023-24. More importantly, interest payment is directly linked to outstanding public debt. The debt - GSDP ratio of Assam was 17.78 percent in 2018-19 and went upto24.30 percent in 2023-24. In this context, it may be worthwhile to take a look into the norms laid down by XV-CFC. That Commission in it's Fiscal Consolidation Roadmap indicated the debt path of Assam as percentage of GSDP as also the normal limit of borrowing by the states. The limit so prescribed by XV CFC is shown below at Table- 4.19

Table-4·19

Fiscal Consolidation Roadmap - XV CFC

Item	2020-21	2021-22	2022-23	2023-24
Debt Path of Assam as % of GSDP	27.1	27.7	28.1	29.7
Assam's Debt Stock as % of GSDP	24.35	23.06	24.15	24.30

Limit of Net Borrowing by States as % of GSDP	-Plus Extra	4.0 0.5	3.5 0.5	3.0 0.5
Net Borrowing of Assam (Rs.in crore)	15,792	13,143	20,940	23,369
Assam's Net Borrowing as % of GSDP	4.64	3.19	4.25	4.19

4.42 It is evident from the above Table that Assam remained within the prescribed limit for all the years under consideration in so far as debt - GSDP ratio is concerned. However, in respect of borrowing limit, it has crossed the prescribed limit during the years 2022-23 and 2023-24, ever after allowing for the extra 0.5 percent. This is the reason for burgeoning growth of interest payment. Anyway, for the purpose of projection up to 2026-31, we assume an annual growth of ten percent.

Maintenance of Law & Order

4.43 The next important component of revenue expenditure is Police for maintenance of law and order. Table 4.18 under paragraph 4.38 indicates that expenditure on police was Rs.3871 Crore in 2018-19 and it gradually shot up to Rs.5246 Crore during 2023-24. However, as percentage of total revenue expenditure it decreased from 6.8% in 2018-19 to 5.5% in 2023-24. The average per capita expenditure on police is about Rs.1500 which is meagre considering neighbor State Nagaland spends about Rs.8000 per capita on police. The sanctioned strength of police personnel is about 35000 which is also inadequate considering the total population of the State. For the purpose of projection, we assume an annual growth of 7 percent over the level of expenditure during 2023-24.

Civil Administration

4.44 By and large, expenditure on civil administration includes the following sectors (1) State Legislature, (2) Governor, (3) Council of Ministers, (4) Justice, (5) Election, (6) Public Service Commission, (7) Secretariat Services, (8) District Administration, (9) Treasury & Accounts, (10) Jails, (11) Printing & Stationery and Public Works (Building). The combined actual expenditure against civil administration is indicated at Table-4.18 under paragraph 4.38. The growth trajectory is vastly erratic and fluctuates both upwards and downwards. Anyway, the expenditure is not substantial and for the purposes of projection we assume an annual growth of seven percent.

Other Revenue Expenditure

4.45 In this category non-salary component of expenditure of all other departments encompassing General, Social and Economic Services are clubbed together. Assuming an annual growth of seven percent over the level of base year 2023-24, projection is made for the forecast period 2025-30.

4.46 Based on the foregoing analysis of revenue expenditure, the projection for the forecast period is summarized at Table-4.20

Table- 4.20
Projection of Revenue Expenditure (Rs Crore)

Head	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	Pre-Act	Est.	Est	Forecast	Forecast	Forecast	Forecast	Forecast
Salary	29807	32788	36066	39673	43640	48004	52805	58085
Pension	17654	18890	20212	21627	23141	24761	26494	28348

Interest	8139	8953	9848	10833	11916	13108	14419	15861
Police	5246	5613	6006	6427	6876	7358	7873	8424
Civil Admn.	3468	3711	3971	4248	4546	4864	5205	5569
Others	29849	31938	34174	36566	39126	41865	44795	47931
Total	**94163**	**101893**	**110278**	**119374**	**129246**	**139960**	**151590**	**164218**

4.47 Given the projected revenue receipt as at Table-4.17 and the projected revenue expenditure as at Table-4.20, the pre-devolution Balance from Current Revenues (BCR) of the GOA is worked out at Table-4.21 below.

Table-4.21
Pre- Devolution BCR

(Rs Crore)

Head	2026-27 Est.	2027-28 Est.	2028-29 Est.	2029-30 Est.	2030-31 Est.	2026-31 Total
Total Revenue Receipt(A)	126724	141185	157306	175280	195320	795815
Total Rev. Exp.(B)	119374	129245	139960	151591	164218	704388
BCR (A-B)	**7350**	**11940**	**17346**	**23689**	**31102**	**91427**

4.48 It appears from the above table that BCR emerges positive for all the years and over a span of five years it is estimated at a positive balance of Rs.91,427Crore.

(b) Impact of Implementation of the Recommendations of the Previous SFCs

4.49 Mention may be made that Chapter-3 of this Report dwelt at length about the status of implementation of the previous SFCs. However, despite repetition some of the salient features of the recommendations of the previous SFCs are reproduced below:

First Assam State Finance Commission (1996-2001)

4.50 In the matter of tax devolution, the First SFC favoured continuation of the then prevailing practice of sharing the proceeds of certain selected taxes levied and collected by the State Govt viz, Motor Vehicle Tax, Entertainment Tax and land Revenue. However, they recommended increase in rates so as to make it conform to two percent of the gross proceeds of state taxes. In addition, they recommended a nominal amount of grant for maintenance of accounts and upkeep of registers. These recommendations though accepted remained unimplemented.

Second Assam State Finance Commission (2001-2006)

4.51 The Second SFC for the first time recommended the principle of global sharing of the net proceeds of all taxes and duties levied and collected by the state govt. with the local bodies. Accordingly, they recommended 3.5 percent of the net proceeds of taxes and duties collected by the State Govt. to be shared with the local bodies. In addition, compensatory grants to ULBs were recommended in lieu of check gates operated by them but abolished by GoA. These recommendations were accepted but not implemented.

Third Assam State Finance Commission (2006-2011)

4.52 The Third SFC submitted an interim report covering the first two years 2006-07 and 2007-08. Anyway, there was no recommendation for the first year as that year came

to a else before submission of the report. For the second year 2007-08, they favoured global sharing of the net proceeds of all taxes and duties. Accordingly, they recommended 10 percent of the net proceeds of all taxes and duties amounting to Rs.363.77 Crore to be shared with local bodies. This was supplemented by specific purpose grant of Rs.81.24 Crore. However, by the time the necessary formalities including Action taken Report were finalized, the second fiscal 2007-08 also came to a close.

4.53 In its final report for the remaining three years 2008-09 to 2010-11, it recommended tax devolution of 25 percent of the net proceeds of all taxes and duties amounting to Rs.2800.33 Crore. That apart, an additional devolution of Rs.258.26 Crore was recommended for merger of Block staff with APs and DRDA staff with the ZPs. This was supplemented by specific purpose grant of Rs.512.22 Crore. The final report was accepted by GoA without any modification. Against the recommended devolution an amount of Rs.532.08 Crore was released during 2008-09 top 2010-11. The additional devolution was not utilized as the merger did not take place. About utilization of the specific purpose grant, much head way could not be made and only about Rs.40 Crore was released.

Fourth Assam State Finance Commission (2011-2016)

4.54 The Fourth SFC also submitted an interim report covering the fiscal 2011-12. It recommended 14 percent of the net proceeds of all taxes and duties levied by the State Govt. other than Entertainment Tax, Entry Tax and Electricity Duty, as devolution. Tax devolution amounted to Rs.674.60 Crore. Out of this amount, Rs.33.73 Crore was linked to performance-based incentive. The united fund amounted to Rs.306.59 Crore and the remaining amount of Rs.334.28 Crore as specific purpose grant.

4.55 In the final report covering the remaining four years 2012-13 to 2015-16, they recommended 15 percent of the net proceeds of taxes and duties other than Entertainment Tax, Entry Tax and Electricity Duty. On this basis, the divisible pool for the remaining four years was pegged at Rs.4165.62 Crore. Out of this amount, Rs.2173.62 Crore was recommended as special purpose grant to PRIs and ULBs at the rate of Rs.1333.44 Crore and Rs.840.18 Crore respectively. The remaining amount of Rs.1992 Crore was treated as untied fund and apportioned between PRIs and ULBs at the rate of Rs.1448.5 Crore and Rs.543.5 Crore respectively. The year-wise phasing of the recommended amount both first and second report and its rural-urban divide is indicated at Table-4.22 below.

Table -4.22
Award of Fourth SFC

(Rs Crore)

Year	Rural	Urban	Total	Rural	Urban	Total
A. First Report						
2011-12	222.94	83.65	306.59	120.28	214	334.28
B. Second Report						
2012-13	243.23	91.26	334.49	332.94	217.04	549.98
2013-14	320.93	120.42	441.35	332.94	207.47	540.41
2014-15	399.94	150.06	550	332.94	206.82	539.76
2015-16	484.4	181.76	666.16	334.62	208.85	543.47

Total B	1448.5	543.5	1992	1333.44	840.18	2173.62
Grand Total (A+B)	**1671.44**	**627.15**	**2298.59**	**1453.72**	**1054.18**	**2507.9**

4.56 The referral period of Fourth SFC was 2011-2016. However, the terminal year 2015-16 was truncated and added to Fifth SFC so as to make the period synchronous with Fourteenth CFC.

4.57 In addition to the amount recommended in the above table, the commission also recommended a sum of Rs.264.24 Crore as general-purpose grant to the GPs at the rate of Rs.3 lakh each per year from 2012-13 to 2015-16.

4.58 All the recommendations contained in the first report other than an amount of Rs.33.73 Crore representing incentive grant was accepted by GoA. Against untied fund of Rs.306.59 Crore, an amount of Rs.217.08 Cr was released. Against specific purpose grant of Rs.334.28 Cr, Rs.232.55 Crore was released.

4.59 As the recommendations contained in the second report for the years 2012-13 to 2015-16 was accepted by GoA. Against the recommended untied fund of Rs.1992 Crore, only Rs.1051.33 Crore was released whereas in respect of specific purpose grant only Rs.127.97 Crore was released against Rs.2173.62 Crore.

Fifth Assam State Finance Commission (2015-20)

4.60 Although the award period of Fifth SFC was 2015-20, its first year 2015-16 was covered by the recommendations of the previous Commission. For the remaining four years 2016-2020, the Fifth SFC recommended Rs.1,391.87 Crore as devolution and Rs.3,356.83 Crore as specific purpose grant for the General Areas. For the first time Fifth SFC considered the case of Excluded Areas and recommended devolution of Rs.50.85 Crore and specific purpose grant of Rs.1,880.32 Crore for them. Against the total recommended amount of Rs.4748.7 Crore for General Areas, the amount released by GoA was a meagre Rs.684.3 Crore of which utilization certificate is pending for Rs.230.61 Crore. In respect of Excluded Areas, against the recommended amount of Rs.1,931.17 Crore amount released was Rs.607.03 Crore. Against the released amount utilisation certificate is still wanting for Rs.150.08 Crore.

Sixth Assam State Finance Commission (2020-25)

4.61 The Sixth SFC recommended Rs.2664.81 Crore as devolution and Rs.4,399.76 Crore as specific purpose grant for the General Areas. For the Excluded Areas, recommended devolution was Rs.468.23 Crore and specific purpose grant was Rs.1,098.50 Crore. As against the recommended amount of devolution amounting to Rs.2,664.81 Crore for General Areas, the amount released during the first four years Rs.594.91 Crore which accounts for a meagre 22 percent over a period of four years. Similarly, against the recommended grant of Rs.4399.76 Crore, the amount released during the first four years was Rs.185.90 Crore constituting a meagre four percent. For the Excluded Areas against the recommended amount of devolution of Rs.468.23 Crore the amount released during the first four years was Rs.184.68 Crore. Against the recommended grant of Rs.1,098.50 Crore, the amount released in four years was a paltry sum of Rs.44.59 Crore. This indicates the lackadaisical attitude of local bodies, either they lack the requisite will or there may be procedural snag in the matter of release of fund.

(c) Direct Transfer to Local Bodies by State Government & Line Departments

4.62 Devolution and grants recommended by SFC as well as CFC are supposed to be transferred to local bodies by the State Govt. under the major head of account "3604-Compensation and Assignment to Local Bodies." However, GoA has decided to transfer the amount recommended by SFC and CFC for the local bodies of General Areas through the respective functional heads of account of the PRIs and ULBs. As a result, it has become difficult to trace out the audited figures on this account, because audited account does not show separately the amount recommended by SFC and CFC. These are mostly clubbed with other departmental expenditure. On the contrary, the amount recommended by SFC and CFC for the local bodies of Excluded Areas are channelized through the head of account "3604-Compensation & Assignment" as such it can be conveniently located. The Table-4.23 below indicates the direct transfer to local bodies under different heads of account.

Table- 4.23
Direct Transfer to Local Bodies

(Rs in Crore)

Head of A/C	2018-19	2019-20	2020-21	2021-22	2022-23
A. General Areas					
2217- Urban Dev. Assistance to Municipalities	396.68	527.21	348.96	650.31	1195.15
2515-Rural Dev. Panchayati Raj	212.19	230.48	324.67	288.10	416.4
2202-Elementary Education Asstt. to LB	29.22	200.28	243.71	263.97	279.71
3654-Roads	-	-	-	68.00	34.15
B. Excluded Areas					
3604-Compensation etc.	273.89	366.23	376.75	306.13	333.23

Source: Finance Accounts

(d) Direct Absorption by States of Local Body Expenditures

4.63 The Panchayat employees in Assam were provincialised with effect from 1st October, 1991. Accordingly, salary and wage bill of provincialised panchayat employees are being met from state budget. The salary burden of provincialised panchayat employees from 2018-19 to 2022-23 met from State budget is indicated at Table-4.24 below.

Table 4.24
Salary Burden of Provincialised Panchayat Employees (Rs. in cr.)

Item	2018-19	2019-20	2020-21	2021-22	2022-23
Salary & Wages	151.60	160.01	222.58	121.91	123.66

(e) Guarantees Provided by State Governments on behalf of LBs

4.64 The Assam Fiscal Responsibility and Budget Management (FRBM) Act, 2005 empowers the state to provide guarantee on the security of the Consolidated Fund of the State and that such guarantees shall be restricted, at any point of time, to fifty percent of State's tax and non-tax revenue of the second preceding year. Armed with this provision, GoA extended guarantee to bank loan availed by three municipal boards. However, all of them defaulted in payment of interest and repayment of principal over a long period. Eventually, GoA had to liquidate the liability out of the Guarantee Redemption Fund created by it. Since then, no further guarantee has been extended on behalf of local bodies.

Synopsis

4.65 The State economy recovered from the pandemic induced contraction at a much faster speed then the national or the global economy (para 4.4).

4.66 In some of the years under review the gross fiscal deficit of Assam exceeded the prescribed limit of 3.5 percent of GSDP. Govt of Assam need to ensure that borrowing is utilized for creation of income generating assets and not for financing consumption expenditure (para 4.6).

4.67 The per capita income of Assam lags far behind the national average despite robust growth in GSDP. This needs enquiring (para 4.7).

4.68 In order to fulfill the hopes and aspirations of different ethnic groups, GoA had to create seven Tribal Autonomous Councils and three non-tribal ACs at huge cost annually to State Exchequer (para 4.11).

4.69 That apart, another 34 Development Councils for various ethnic groups of Brahmaputra and Barak Valleys had been created with substantial budgetary support (para 4.12).

4.70 The social security programmes pursued by GoA entails huge outgo annually (para 4.14).

4.71 Denial of special category status has impacted State finances adversely (paras 4.15 & 4.16).

4.72 The percentage share of Assam in the Central divisible pool as per recommendations of the successive CFCs has been gradually declining (para 4.17). The XVI-CFC may modify the criteria and weightage suitably to benefit states like Assam.

4.73 The compensatory grant for loss of revenue on account of GST has been discontinued from fiscal 2023-24, this may be resumed for a further period of 5 years (para 4.21).

4.74 The divergence between revenue deficit as worked out by the CFC and the revenue deficit that subsequently occurred very often deprives the State from revenue deficit grant (para 4.23).

4.75 Fiscal deficit as percentage of GSDP has crossed the prescribed limit (para 4.24).

4.76 Along with the introduction of GST, the collection of sales tax by the State has undergone drastic fall. Similarly, yield from passengers and goods tax came down due to subsummation of entry tax with GST (para 4.28).

4.77 State taxes projected at 13 percent CAGR during 2026-2031 over the base year 2023-24 (para 4.30).

4.78 Non-tax revenue projected at 10 percent over the base year level of 2023-24 (para 4.32).

4.79 Share of Central taxes for 2025-26 has been adopted as per recommendation of XV-CFC and for the remaining years 14 percent annual growth rate has been adopted (para 4.34).

4.80 Grants from centre has been projected at 10 percent annual growth over the actual level of 2023-24 (para 4.36).

4.81 Revenue expenditure has been projected at annual growth rates as indicated at (paragraph 4.39 to 4.45).

4.82 Pre-devolution BCR worked out at Rs 33053 Crore during the 5 year period 2026-31 (para 4.47).

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CHAPTER- 5
Review of the Status of Decentralized Governance

5.1 The basic objective underlying the functioning of local self-government is decentralised governance. The state government is to empower the local bodies by enacting law which provide for devolution of powers and authority both for the Panchayats and the Municipal Bodies to enable them to function effectively as institutions of self-government. As per constitutional mandate, the state government has established three tiers of PRI namely, Gaon Panchayat (GP), Anchalik Panchayat (AP) and Zila Parishad (ZP) and two tiers of ULBs namely; Municipality Board and Municipal Corporation. The numerical strength of each tier however, is a dynamic process which changes over. It is observed with the PRI units under each tier. Similarly, with rapid urbanization, there has occurred shift in population and places from rural to urban areas, creating new ULBs in the erstwhile PRI areas and through the expansion of earlier urban unit into the peripheral rural areas. A review of the status of decentralised governance is made in the chapter and presented under three sections. Section I presents the status of Urban Local Bodies (ULBs) and Section II about the Rural Local Bodies comprising PRIs and the institutions under the Sixth Scheduled Areas. The Section III provides the findings and the recommendation of the Commission.

SECTION I
URBAN LOCAL BODIES

1. Rapid Urbanization during the last two decades:

5.2 Urbanization is emerging as a critical determinant of India's economic trajectory and holds significant implications for fiscal policy and decentralized governance. As per UN's report 2018, 31% of the national population resides in urban areas; a figure projected to increase to 40% by 2030. Despite occupying a relatively small geographical footprint, urban centres currently contribute over 60% to the Gross Domestic Product (GDP) of the country. This disproportionate economic output highlights the strategic importance of cities and towns as growth engines. Empirical evidence underscores a strong positive correlation between urban population growth and economic productivity. Specifically, a 1% increase in urban population has been associated with 2.7% rise in district-level GDP. India is home to approximately 11% of the global urban population, making it the world's second-largest urban system. Projections indicate that by 2036, nearly 73% of the country's population growth will be driven by urban expansion.

2. Decadal growth rate in percentages

5.3 According to Census 2011, Assam's total population was 3.12 crore, of which 43.98 lakh were urban residents, resulting in a 14.10% urbanization rate. This is significantly below the national urbanization average of 31%. Despite being below the national average, Assam is the most urbanized state in the North Eastern Region in terms of absolute numbers. While urbanization in Assam has historically been slow and incremental, from 2.34% in 1901 to 14.10% in 2011, the last two decades show a marked deceleration in the pace of urban growth. The decadal urban population

growth dropped from a high of 92.97% in 1991 to just 27.89% in 2011. This sharp decline indicates a shift from rapid expansion to a phase of more moderate, perhaps spatially concentrated. Urban development is indicated in the following Table-1:

Table-5.1: Decadal growth rate of urban population

Census Year	Urban Population	Urban % to Total	Decadal Growth (%)
1901	77,074	2.34%	—
1951	3,44,831	4.29%	65.73%
1991	24,87,795	11.10%	92.97%
2011	43,98,542	14.10%	27.89%

5.4 In Assam, ULBs are categorized into six classes based on population size: Class I (1,00,000 and above), Class II (50,000 - 99,999), Class III (20,000 - 49,999), Class IV (10,000 - 19,999), Class V (5,000 - 9,999), and Class VI (less than 5,000). These classifications serve as the basis for structuring municipal governance, financial devolution, and service delivery frameworks. In 1991, the urban population was largely concentrated in smaller towns, with most ULBs falling within Class IV and V categories. However, by 2011, significant demographic shifts have occurred, with a noticeable increase in the number of towns transitioning into higher population categories such as Class II and Class III. As seen in Table-5.2 below between 1991 and 2011, the number of ULBs across various categories of towns/cities showed notable shifts, reflecting the shift in urbanization, population growth, and administrative restructuring.

5.5 Class I towns/ cities, had a modest increased from 3 in 1991 to 4 in 2011. For Class II towns/cities saw a more significant jump, from 5 to 9 ULBs over the same period, reflecting an 80% increase. This sharp rise indicates the emergence of medium-sized towns as critical nodes of growth. These towns likely benefited from spill over urbanization, peri-urban expansion, and migration from rural or smaller urban areas, thereby gaining administrative recognition as larger municipalities. Class III towns also registered a substantial increase, with the number of ULBs growing from 17 in 1991 to 22 in 2011, marking a 29.4% growth. The number of Class IV towns grew from 27 to 35, a 29.6% increase. In contrast, Class V towns/cities saw a decline in the number of ULBs, from 23 in 1991 to just 11 in 2011, a significant drop of over 52%. This decline could be attributed to either their reclassification into higher categories or due to population growth.

Table-5.2: Categorization of ULBs

Category of cities/ towns	Population	No of ULBs in 1991	No of ULBs in 2011
No. of Class I towns	(100000 and above)	3	4
No. of Class-II towns	(50000 to 99999)	5	9
No. of Class III towns	(20000 to 49999)	17	22
No. of Class IV towns	(10000 to 19999)	27	35
No. of Class V towns	(5000 to 9999)	23	11
No. of Class VI towns	(Less than 5000)	NA	2
Total		**75**	**83**

5.6 In addition to the changes across specific population categories, the overall number of ULBs increased from 75 in 1991 to 83 in 2011, reflecting an overall growth of approximately 10.7% over the two decades. The creation of new ULBs could be mainly attributed to multiple factors such as population growth, and administrative reclassification driven by urban sprawl, economic activities, and infrastructural development. It also signals a shift in how governance is being decentralized to accommodate and manage the growing urban population, especially in smaller or newly urbanized towns. This increase plays a crucial role in improving local service delivery, enhancing administrative efficiency, and bringing governance closer to the citizens in rapidly changing demographic contexts. This shift reflects both organic population growth and administrative reclassification driven by urban sprawl, economic activities, and infrastructural development.

3. Urban Growth and Governance: Trends from Census 2011

5.7 The distribution of urban population across Assam presents a highly uneven pattern, with an overwhelming concentration in Kamrup (Metro) district. According to the 2011 Census, Kamrup (Metro) alone accounts for 23.58% of Assam's total urban population, and over 82% of its population is urban, making it a significant outlier among all districts. This reflects a monocentric urban development model, where Guwahati acts as the primary urban node, shouldering disproportionate pressure in terms of infrastructure, housing, services, and mobility. The city has emerged as one of the 100 fastest-growing cities in India, yet this rapid growth has been largely unplanned, resulting in low-density sprawl, congestion, and overstrained public infrastructure.

5.8 In contrast, most of the other 32 districts in Assam have modest to low levels of urbanisation. Districts like Tinsukia (19.94%), Dibrugarh (18.38%), Cachar (18.17%), Hojai (18.51%), and Jorhat (23.84%) stand out with relatively higher shares of urban population within their respective districts. These regions function as secondary urban centres and serve as regional commercial and service hubs, but their overall contribution to the state's urban population remains far behind Kamrup (Metro). Together, these few districts represent the nascent emergence of a multi-nodal urban structure, though not strong enough to offset Guwahati's dominance.

5.9 The majority of Assam's districts remain predominantly rural. More than half the districts have urbanisation levels below 10%, with districts such as Baksa (1.29%), Majuli (0%), and South Salmara (4.71%) having negligible urban presence. This skewed pattern points to limited infrastructure development, economic diversification, and urban governance capacity outside the few urbanised centres. Even districts with relatively high total populations, such as Dhubri and Nagaon, show only moderate levels of urbanisation (12.73% and 10.42% respectively), although their absolute urban population numbers are substantial. This indicates the presence of large but underdeveloped urban clusters that have yet to be formally recognised or planned as towns.

5.10 These patterns carry important implications for urban policy in Assam. The excessive dependence on Guwahati underscores the need for strategic decentralisation of economic, institutional, and administrative functions. Strengthening other urban

centres, especially those showing signs of growth, can ease the pressure on Guwahati and promote more balanced development. This would require targeted investments in infrastructure, service delivery, and regional connectivity in districts like Dibrugarh, Silchar, and Jorhat.

5.11 A detailed overview of the district-wise urban population as per 2011 Census breakdown is given in the table below:

Table-5.3: District wise urban population

Sl. No.	Name of District	District Population	District Urban Population	% of urban population to the district population	% Share of district urban population to total urban population of the State
1	Kokrajhar	887142	54941	6.19	1.25
2	Dhubri	1394144	177539	12.73	4.04
3	Goalpara	1008183	138062	13.69	3.14
4	Barpeta	1693622	147353	8.70	3.35
5	Morigaon	957423	73298	7.66	1.67
6	Nagaon	1892550	197184	10.42	4.48
7	Sonitpur	1311619	142477	10.86	3.24
8	Lakhimpur	1042137	91333	8.76	2.08
9	Dhemaji	686133	48285	7.04	1.10
10	Tinsukia	1327929	264743	19.94	6.02
11	Dibrugarh	1326335	243730	18.38	5.54
12	Sivasagar	692435	80373	11.61	1.83
13	Jorhat	924952	220534	23.84	5.01
14	Golaghat	1066888	97736	9.16	2.22
15	Karbi Anglong	660955	95103	14.39	2.16
16	Dima Hasao	214102	62489	29.19	1.42
17	Cachar	1736617	315464	18.17	7.17
18	Karimganj	1228686	109700	8.93	2.49
19	Hailakandi	659296	48140	7.30	1.09
20	Bongaigaon	738804	109810	14.86	2.50
21	Chirang	482162	35337	7.33	0.80
22	Kamrup	1517542	142394	9.38	3.24
23	Kamrup Metro	1253938	1037011	82.70	23.58
24	Nalbari	771639	82730	10.72	1.88
25	Baksa	950075	12242	1.29	0.28
26	Darrang	928500	55494	5.98	1.26
27	Udalguri	831668	37574	4.52	0.85
28	Biswanath	612491	31368	5.12	0.71
29	Charaideo	458615	29723	6.48	0.68
30	Hojai	931218	172350	18.51	3.92
31	Majuli	167304	0	0.00	0.00
32	South Salmara	555114	26162	4.71	0.59
33	West Karbi Anglong	295358	17863	6.05	0.41
		31205576	**4398542**		**100**

Source:-Statistical Handbook, Assam-2024

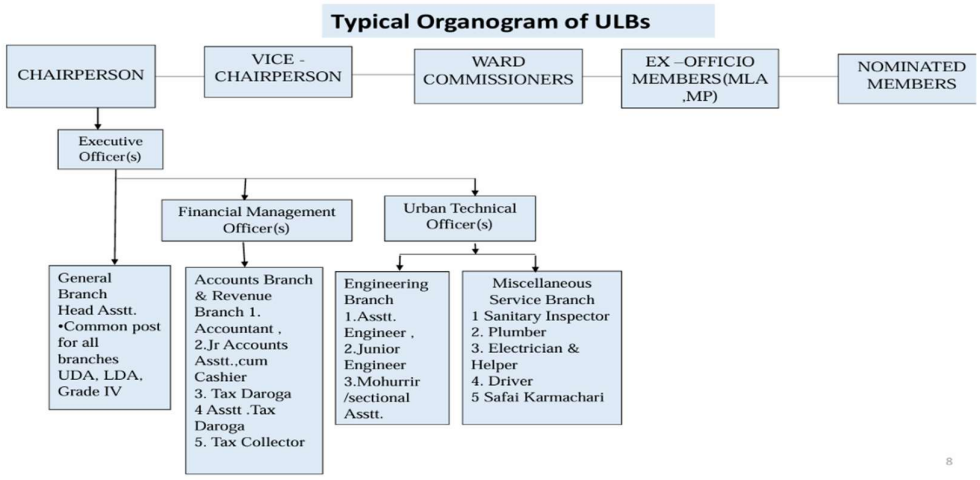
4. Administrative Structure of Urban Local Bodies in Assam

5.12 In accordance with the provisions of Article 243-Q of the Constitution, there are two categories of ULBs in Assam. Municipal Corporation (MC) with larger size are 3 and Municipal Board (MB) with comparatively smaller population size numbering 125 is

the other category. Among the MBs, 45 are from three Autonomous Council areas and 80 from general areas. The constitution of Municipal government in the Municipalities through elected representatives however, has not been a smooth state yet. The nominated members constitute the Municipal government in the 16 ULBs under BTC areas and 7 under NCHAC areas. In the remaining Municipalities (105), Municipal government although follows election process every after five years, timely constitution every after five years suffers from time gap more often. The time-gap that occurs in the continuity of the government is a huge setback into the structure of local government and is one of the weakest aspects of the government at third tier level.

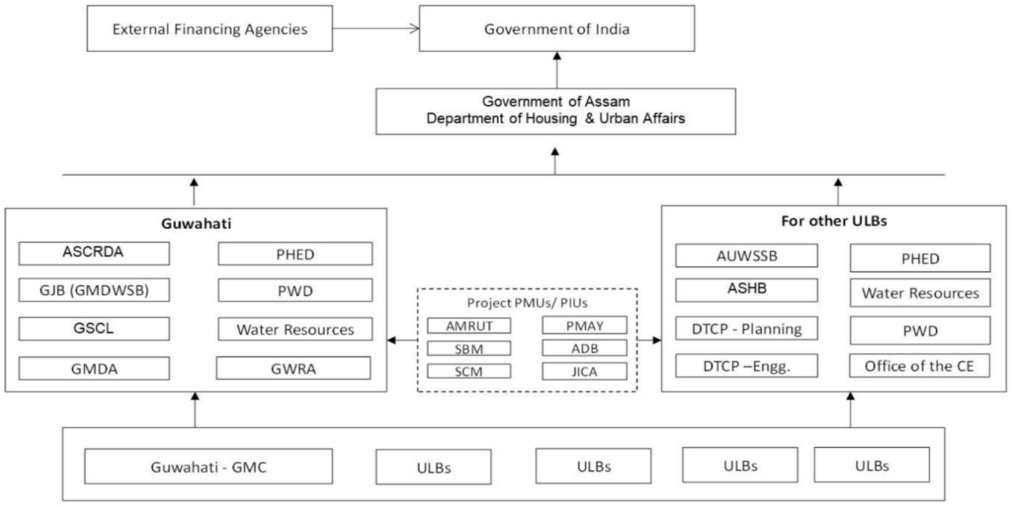
5.13 As of today, Assam has three Municipal Corporations: Guwahati Municipal Corporation (constituted in 1974), Dibrugarh Municipal Corporation (constituted in 2024), and Silchar Municipal Corporation (constituted in 2022).

5.14 The following is a diagram of a typical organogram of a ULB



5.15 Until 2021, Urban Governance in Assam was managed through two separate departments at the state level: the Urban Development Department (UDD) and the Guwahati Development Department (GDD). The UDD oversaw all Urban Local Bodies (ULBs) in the state, excluding Guwahati, while the GDD managed Guwahati city along with its associated agencies, namely the Guwahati Municipal Corporation (the only municipal corporation in Assam) and the Guwahati Metropolitan Development Authority (GMDA). In July, 2021, the State Cabinet approved the merger of these two departments to enhance administrative efficiency and policy coherence. This led to the formation of a single unified department, the Department of Housing and Urban Affairs (DoHUA), which now holds the overall mandate for urban development across Assam.

5.16 The urban sector in Assam is supported by a range of institutions, including various directorates, autonomous statutory boards, and Special Purpose Vehicles (SPVs) established under the Companies Act. Additionally, several Project Management Units (PMUs) and Project Implementation Units (PIUs) operate across key initiatives to provide specialized technical and administrative support. An overview of the urban institutional structure is given in the following diagram:



ASCRDA = Assam State Capital Region Development Authority, ADB = Asian Development Bank, AUWSSB = Assam Urban Water Supply & Sewerage Board, ASHB = Assam State Housing Board, AMRUT = Atal Mission for Rejuvenation and Urban Transformation, CE = chief engineer, DTCP = Directorate of Town and Country Planning, GJB = Guwahati Jal Board, GMC = Guwahati Municipal Corporation, GMDA = Guwahati Metropolitan Development Authority, GMDWSB = Guwahati Metropolitan Drinking Water and Sewerage Board, GSCL = Guwahati Smart City Limited, GWRA = Guwahati Water Regulatory Authority, JICA = Japan International Cooperation Agency, PHED = Public Health Engineering Department, PMAY = Pradhan Mantri Awas Yojana, PIU = project implementation unit, PMU = project management unit, PWD = Public Works Department, SBM = Swachh Bharat Mission, SCM = Smart Cities Mission, ULB = urban local body.
Source: Illustration compiled by study team.

Figure 1overview of the urban institutional structure. Source: ADB Technical Assistance Consultant's Report, 2022

5. Devolution of 3Fs (Functions, Funds and Functionaries) to the Urban Local Bodies.

5.17 The 74th Constitutional Amendment Act of 1992 marked a significant shift in India's urban governance by mandating the devolution of 18 functions listed in the 12th Schedule to ULBs.In Assam, the legal framework for urban governance is primarily provided by the Assam Municipal Act, 1956, which has undergone several amendments to align with the spirit of the 74th Amendment. These amendments aimed to strengthen ULBs by transferring funds, functions, and functionaries, thereby promoting decentralized urban administration. The Guwahati Municipal Corporation Act, 1971, was also amended to align with the 12th Schedule, ensuring the inclusion of all identified urban functions under the purview of the Corporation. Assam's history of municipal legislation dates back to the mid-19th century, evolving through several key enactments:

Town Improvement Act, 1850
District Town Improvement Act, 1864
District Towns Act, 1868
Bengal Municipal Act, 1876
Municipal Act, 1884
Assam Municipal Act, 1923
Assam Municipal Act, 1956
Assam Municipal (Amendment) Act, 2011

5.18 The 2011 Amendment, through insertion of Section 53A, formalized the transfer of funds, functions, and functionaries to municipal boards. Some of the key amendments include:

i) **Mandatory Annual Budget:** Every Municipal Board and Town Committee must prepare and approve their yearly budget by the end of February. They must then send it to the Director for approval by March 31st. If they fail to submit the budget by March 31st, they will not receive any grants from the State Government for the next financial year.

ii) **Government Appoints and Pays for Executive Officer:** The State Government will appoint an Executive Officer for every Municipality and cover their salary and allowances

iii) **Transferring Key Responsibilities and Resources**: Certain important functions, along with the necessary funds and staff, will be transferred from State Government departments to the Municipalities. This includes areas like Urban Planning, building rules, improving slums, managing roads and bridges, Urban Forestry, protecting the environment, helping weaker sections of society, and registering births and deaths etc.

iv) **Joint Signatures for Payments**: To ensure proper financial control, payments from the Municipal fund or scheme accounts must now be signed by both the Chairman and the Executive Officer.

5.19 Out of 18 functions, six have been fully transferred and four partially transferred to the ULBs. While areas like solid waste management and provision of public amenities are operational under ULBs, several critical domains, such as urban planning, fire services, and safeguarding weaker sections, remain either un-transferred or only partially devolved. The following table presents a status report of the devolution of Functions, Funds and Functionaries (3Fs) based on activity mapping. It highlights the provisions under the Act, the extent to which these functions have been transferred to ULBs, and key remarks on the nature of devolution, indicating areas where powers remain partially delegated.

Table-5.4: Status report of fund, functions and functionaries (3Fs) as per activity mapping of transferred to Local Bodies

Sl. No.	Details	As per Municipal Act, 1956	Transferred to ULBs	Remarks
1	Urban planning including town planning	Section 53A (i)	Not devolved	
2	Regulation of land use and construction of buildings.	Section 53A (i)	Partially devolved:	Construction approvals are issued by ULBs, while zoning permissions based on land use are granted by the concerned development authority under the Directorate of Town and Country Planning (DT&CP).

3	Planning for economic and social development	Section 53A (vi)	Devolved	ULBs have financed activities under this function using own source revenues as well as grants from the State and Central Finance Commissions.
4	Roads & Bridges.	Section 53 (ii)	Partially devolved	The State's Public Works Department also undertakes road, and bridge works within ULB areas using its own resources.
5	Water supply for domestic, industrial and commercial purposes.	Section 53A (vi)	Partially devolved	In some ULBs, the Assam Urban Water Supply and Sewerage Board (AUWSSB) is engaged in implementing water supply schemes
6	Public health, sanitation, conservancy and solid waste management.	Section 53A (vi)	Partially devolved	Funding support is drawn from CFC grants, AMRUT, and SBM-U to carry out relevant initiatives
7	Fire services.	Not included	Not devolved	
8	Urban forestry, protection of the environment and promotion of ecological aspects.	Section 53 (iii)	Not devolved	
9	Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded.	Section 53(iv)	Not devolved	
10	Slum improvement and up-gradation.	Section 53A (i)	Devolved	ULBs undertake slum improvement activities using funds from schemes such as SOPD and NAMASTE, along with their own resources.
11	Urban poverty alleviation.	Section 53A (i)	Devolved	ULBs have leveraged schemes like PMAY, NULM, PM-SVANidhi, MMUA-N, and PM-Vishwakarma to support urban poverty alleviation efforts.
12	Provision of urban amenities and facilities such as parks, gardens and	Section 53A (vi)	Devolved	ULBs mobilize financial resources through SFC and CFC grants, SOPD allocations, and their own-

	playgrounds.			source revenues.
13	Promotion of cultural, educational and aesthetic aspects.	Section 53A (vi)	Not devolved	
14	Burials and burial grounds, cremation, cremation ground and electric cremation grounds and electric crematoriums	Section 53A (vi)	Not devolved	
15	Cattle ponds, prevention of cruelty to animals	Section 53A (vi)	Not devolved	
16	Vital statistics including registration of births and deaths	Section 53 (v)	Not devolved	
17	Public amenities including street lighting, parking lots, bus stops and public conveniences	Section 53A (vi)	Devolved	ULBs access funding through a combination of SFC and CFC grants, SOPD provisions, and own-source revenues
18	Regulation of slaughter houses and tanneries	Section 53A (vi)	Devolved	The Assam Slaughterhouse Rules are currently under preparation, with support from the Department of Animal Husbandry.

5.20 There are only two categories of ULBs in Assam: Municipal Boards and Municipal Corporations. Among these, Municipal Boards form the vast majority, and their activities are largely limited to solid waste management and minor civic works. The Guwahati Municipal Corporation (GMC) one of the oldest, and the only municipal corporation until 2024, by contrast, has had modalities defined for several functions through amendments to the Guwahati Municipal Corporation Act, 1971, such as requiring prior GMC approval for schemes on forestry, slums, and urban amenities. Yet, even in GMC, major infrastructure and planning projects are typically led by state-level agencies like GMDA, PHED, and PWD, reinforcing the weak functional domain of ULBs. On the financial front, devolution is similarly constrained. Although the Assam Municipal Act (1956) and recommendations of the State Finance Commission (SFC) provide for resource transfers to ULBs, 46% of SFC grants are allocated to state-level agencies to implement projects at the city level. This arrangement highlights the limited institutional capacity of municipalities to absorb funds and independently drive the development process.

5.21 While the process of devolution in Assam has faced several challenges, recent improvements show a positive shift in strengthening municipal governance. A key reform has been the recruitment of 103 municipal cadre officers across general areas of the state. Executive Officers (EOs) were appointed in March 2024, followed by the

recruitment of Urban Technical Officers (UTOs) and Financial Management Officers (FMOs) in October 2024. These officers are now embedded in Urban Local Bodies (ULBs) to lead core domains of urban governance. EOs are responsible for municipal administration and day-to-day operations; FMOs oversee financial planning, accounting, and revenue generation; and UTOs manage infrastructure development and technical aspects of urban planning.

5.22 This move addresses critical human resource gaps that have historically constrained ULBs and marks a shift towards professionalizing municipal administration. It also strengthens the operational capacity of local bodies and supports the effective implementation of devolved functions. The introduction of these specialized cadres reflects the state's commitment to empowering ULBs, enhancing service delivery, and operationalizing the spirit of the 74th Constitutional Amendment by reinforcing local autonomy and functional decentralization.

5.23 Empowerment of ULBs without their strong own resource base cannot be expected to deliver their role to citizen. But the generation of internal revenue with the ULBs has remained as a weak area. The system in place for collection is not equipped with to ensure collection on which tax is levied fully. On the other hand, with new development taking place in urban services, the scope is enlarging and therefore, demand expansion of the existing tax net. Towards improving the system of collection and for enlargement of existing tax net, commission recommend for an empowered committee for detailed study and based on the finding, modified tax regime be put in place. Putting of a digital application for capturing collection of revenue as new tax regime is another need recommended as follow up.

6. Financial Accountability

5.24 By the power of the act conferred by the Assam Local Fund (Accounts and Audit) Act, 1930, the audit of PRI and ULB is conducted by the Directorate of Audit (Local Fund) Assam. Under Article 243 J and Z of the Constitution of India, the legislature of a State may, by law make provision with respect to the maintenance of accounts and auditing of such accounts of Panchayati Raj Institutions and Urban Local Bodies. The Local Fund Auditor, who is generally an Officer of State Government, is responsible for Audit of Panchayati Raj Institutions and Urban Local Bodies. Salient features of collaborative arrangement between the C & AG and Local Fund Auditor under the Technical Guidance and Support as incorporated in various States Government orders. The Local Fund Auditor will prepare by the end of March every year, an Audit Plan for audit in the next financial year and forward to the AG (Audit) of the State.

5.25 The Assam government, based on recommendations of the 11th Finance Commission, entrusted the audit of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) to the Comptroller & Auditor General (CAG) of India. This was done under Section 20(1) of the CAG's (DPC) Act, 1971, for technical guidance and supervision of the Director of Audit (Local Fund), Assam. The present system of accounting and auditing of both rural and urban local bodies suffers from various shortcomings relating to the formats used, manner of reporting, disposal of objections and more

importantly the way budget in prepared. In this respect the Ministry of Finance, Government of India used certain guidelines based on the recommendation of the Eleventh Finance Commission. The guidelines state that the C&AG shall be responsible for exercising control and supervision over the proper maintenance of accounts of all three tiers/levels of PRIs and ULBs. The guidelines also stipulated that the Director of Audit (Local Fund) Assam or any other agency shall be made responsible for audit of accounts of the local bodies and shall work under the Technical Guidance and Supervision (TGS) of the C & A G.

7. Audit by CAG

5.26 The Report of the Comptroller and Auditor General (CAG) of India on Local Bodies for the period 2017–18 to 2020–21 offers a comprehensive review of the functioning of Urban Local Bodies (ULBs) in Assam, with a particular focus on the efficacy of implementing the 74th Constitutional Amendment Act (CAA), institutional mechanisms, financial management, human resources, and audit and accountability frameworks. The findings highlight the gap between legislative intent and ground-level implementation and provide a range of calibrated recommendations for strengthening decentralised urban governance in the State.

5.27 In terms of implementation of the 74th CAA, the report observed that while most constitutional provisions were incorporated into the State Acts, their execution remained partial due to the absence of sustained administrative and institutional action. ULBs exercised jurisdiction over a limited subset of the 18 functions listed in the Twelfth Schedule, primarily due to overlaps with parastatal bodies and insufficient infrastructure. The CAG recommended that the State Government adopt a more decisive approach to operationalising the devolution of powers by ensuring institutional clarity, enabling autonomy in planning and service delivery, and fully involving elected ULBs in urban governance.

5.28 Institutionally, the report identified several deficiencies that undermined the planning framework. Notably, Metropolitan Planning Committees were yet to be constituted, and District Planning Committees were found non-functional for urban areas in the districts examined. The lack of mandatory standing committees within ULBs and the non-implementation of key recommendations of successive State Finance Commissions (SFCs), including reforms in property taxation, staffing, and institutional infrastructure were flagged as systemic issues. The CAG stressed the need for timely and complete implementation of SFC recommendations and operationalisation of planning bodies as envisaged under Articles 243ZE and 243ZD of the Constitution. The functionality of the Property Tax Board was also called into question, with the report recommending its immediate strengthening to provide necessary technical guidance to ULBs.

5.29 With respect to financial management, the report highlighted the high degree of fiscal dependency of ULBs on state and central transfers, with self-generated revenues accounting for a minor proportion of their budgets. The delay in constitution and implementation of SFCs, shortfalls in release of mandated devolution under both the State and Central Finance Commissions, and limited revenue-raising autonomy were seen as key impediments. The CAG called for urgency in releasing allocated funds

and equipping ULBs with authority to determine rates and assessment methods for taxes and fees. Furthermore, the report noted inadequate systems for budgeting and revenue forecasting, with unrealistic projections leading to significant deviations between estimated and actual receipts. The adoption of a more scientific budgeting process was recommended.

5.30 Human resource constraints were another critical area of concern. The absence of a Municipal Service Commission, understaffing, lack of qualified personnel, and limited training opportunities hindered the functioning of ULBs. The report pointed to a mismatch between sanctioned strength and actual needs, as well as inconsistencies in staffing ratios across ULBs. The CAG emphasised the importance of delegating powers to ULBs for assessing and recruiting staff and prioritising capacity building to enhance the effectiveness of service delivery. These challenges were mirrored in the poor performance of the Guwahati Municipal Corporation (GMC) in the Municipal Performance Index 2021, signalling systemic administrative inefficiencies and limited empowerment.

5.31 In terms of audit and accountability, the report revealed significant arrears in local fund audits, lack of timely action on audit findings, and poor compliance with observations. Over 750 audit paragraphs remained unresolved, and internal audit mechanisms were absent. Further, key financial controls, such as budget submissions, stock registers, bank reconciliations, and submission of utilisation certificates, were inconsistently followed, impeding transparency and accountability. The report advised operationalising internal audit systems, reconciling financial records monthly, and establishing a robust municipal accounting framework based on the National Municipal Accounting Manual (NMAM).

8. Accounting System of ULBs

5.32 The F&A module under the UPYOG platform is being implemented in a phased manner across ULBs, facilitating the end-to-end digitization of core financial operations. These include bookkeeping, maintenance of ledgers, reconciliation, and financial reporting. The module is fully compliant with the Assam Municipal Accounting Manual (AMAM), thereby ensuring uniform classification of accounts, adherence to double-entry principles, and accrual-based financial reporting in line with national standards. To address existing capacity constraints and ensure effective implementation, DoHUA has initiated state-level capacity building programs, including structured training and handholding support across all 104 ULBs. These efforts are aimed at fostering a comprehensive understanding of DEABAS and promoting its adoption in day-to-day financial operations. Pilot trainings and iterative feedback mechanisms have been instrumental in refining the module for contextual relevance and operational feasibility at the local level.

5.33 This initiative reflects a significant step forward in strengthening municipal financial management in Assam and aligns with broader national objectives of urban sector reform. In the current phase of implementation, all ULBs in the state have been successfully onboarded onto the UPYOG platform's F&A module. This foundational phase, referred to as the "vanilla version," includes all the core functionalities

necessary for standardized accounting practices. It enables automated posting of general ledger entries based on voucher transactions, generation of bills across various expenditure categories (such as purchases, works, and salaries), and streamlined payment processing through defined expense types and approval workflows. Additional features include contra entries, bank reconciliation, deduction management, and end-of-period accounting processes. A Customer Relationship Management (CRM) feature has also developed to address user issues and improve the overall support ecosystem for ULBs.

5.34 Looking ahead, the next phase of implementation is underway which will be focused on upgrading to an enhanced "vanilla+ and ++" version of the module. This phase will introduce integration with other critical systems such as FinAssam, Property Tax, Trade License, and the Budget Module, thereby improving interoperability and administrative coherence. Simultaneously, the development of a state-level dashboard is underway to facilitate comprehensive oversight and real-time monitoring of financial operations across all ULBs in the state.

9. Preparation of Budget

5.35 The annual budget is a critical instrument for promoting fiscal accountability and governance within ULBs. Beyond serving as a financial statement of receipts and expenditures, it reflects the commitment of each ULB to uphold financial discipline and advance its service delivery objectives. As mandated, every Local Body must prepare an Annual Budget for the upcoming financial year and submit it in the prescribed format to the appropriate authority for approval. No expenditure shall be incurred by any ULB unless the budget has been duly approved by the competent authority.

5.36 As per Section 43-A of the Assam Municipal Act, 1956, each ULB is required to pass its Annual Budget through a resolution in the Board meeting by the end of February of the preceding financial year. The approved budget is then to be submitted to the Director of Municipal Administration (DMA) for final approval, which must be accorded no later than the 31st of March. ULBs that fail to submit their Annual Budgets within the stipulated timeframe forfeit their eligibility to claim grants-in-aid from the State Government for that financial year. Further, the Director, Municipal Administration is required to submit a list of defaulting ULBs to the State Government by the end of April each year.

5.37 To standardize and streamline budget preparation, the AMAM 2011 (Chapter 28) prescribes a bottom-up budgeting approach, encouraging input from all departments and functional sections of the ULB. The budget format and submission procedures are to follow the Budget Circular issued by the Directorate, with the following procedural guidelines:

Table-5.5: Budget process

Particulars	Reference	Remarks
Statements in the Annual Budget	AMAM 2011, Sec 43-A	As per prescribed format in the Budget Circular
Budget	AMAM 2011, Chapter	Follows bottom-up approach

Preparation	28	involving all ULB departments
Submission of Budget Proposal	AMAM 2011, Sec 43-A	Submitted to Director, Municipal Administration
Timelines for Budget Finalization	AMAM 2011, Sec 43-A	Latest by last day of February
Approval Process	AMAM 2011, Sec 43-A	Board resolution → Submission to DMA → Approval by March 31

5.38 However, the budgeting process in ULBs across Assam continues to be characterized by an ad hoc and fragmented approach. Despite being a vital tool for ensuring financial accountability and strategic service delivery, budget preparation in many ULBs lacks structure, foresight, and alignment with actual trends in income and expenditure. As observed in the 5th State Finance Commission Report, the preparation of ULB budgets fails to reflect past financial trends, leading to unrealistic budget estimates that do not align with either revenue potential or spending priorities. To this extent, the budgeting system remains largely reactive and unscientific, with minimal use of data to inform projections. There is limited institutional effort to develop a standardized, thoughtful budgeting culture that aligns with broader financial management goals.

5.39 However, DoHUA has initiated steps to improve the quality and effectiveness of budget formulation across ULBs. A comprehensive budgeting guideline has been planned to be developed to support ULBs in adopting a more structured and accountable budgeting process. It is expected that this guidelines for budget preparation, monitoring, and management, improvise estimating revenues and expenditures more accurately. It will help define institutional roles and responsibilities, prescribes timelines, and outlines procedures to streamline the entire budget cycle. These guidelines, formats and templates are proposed to work within the current capacity and technological framework of ULBs, including alignment with Assam's digital financial platforms.

10. Staffing Pattern

5.40 The Service Rules and staffing pattern of the functionaries of ULBs in Assam is yet to finalised. As a result, the rationale for engaging staff in ULBs varies across the state. Due to lack of Service rules, vacant posts have remained unfilled. There is an urgent need to finalize the staffing pattern of ULBs so that the staff strength can be rationalized and service delivery improved. The area, population, requirements and financial capacity of the ULB are to be taken into consideration at the time of engagement of staff in ULBs but this is not always being followed. After the 74thAmendment of the Constitution the ULBs have been given the responsibility of executing various new programmes in addition to their traditional functions. Further, the increase in urban population over time have placed new demands for services from ULBs. There is an urgent need for reviewing manpower requirements in each ULB to enable them to provide better service delivery in the urban civic bodies and meet the emerging challenges.

5.41 In Assam, ULBs face inconsistent staffing, weak institutional frameworks, limited technical capacity, and poor financial health. Own-source revenues are inadequate, covering only basic operations and leaving little for infrastructure development. A key issue is the shortage of skilled personnel within ULBs, which hinders the devolution of functions and affects service delivery and project execution. Many municipal employees lack benefits, and salary arrears are common.

5.42 Hence, the introduction of Assam Municipal Employees Act, 2021, aimed to address these issues by ensuring minimum employment standards and social security for municipal staff. However, this is just a starting point for broader reforms in human resource management. To improve staffing in ULBs, a comprehensive staffing pattern is needed, including:

a) A transparent, merit-based recruitment system
b) Rationalized, standardized staffing patterns
c) Clear guidelines for service conditions, training, and performance evaluation
d) Mechanisms to attract and retain skilled professionals, especially in technical and financial areas

5.43 In furtherance to the above, DoHUA along with DMA has drafted a proposal to standardize staffing patterns across ULBs, drawing from best practices in Madhya Pradesh, Andhra Pradesh, and Odisha, as recommended by the 4th Assam State Finance Commission (details given in the table below). The proposal has been prepared and in the process for approval by the honourable cabinet.

Table-5.6: Recommended staffing pattern by 4th SFC (excluding GMC)

Population size as per 2011 census	No. of ULBs as on 31st March, 2019	Staff recommended per unit as per Fourth ASFC	Total staff recommended
Upto 10,000	23	34	782
10,001- 20,000	41	47	1,927
20,001- 50,000	24	78	9,072
50,001- 1,00,000	10	137	1,370
Above 1,00,000	3	202	606
	101		13,757

11. Computerisation and e-governance

5.44 Substantial progress has been made in the computerization and implementation of e-governance mechanisms through the launch implementation of platforms such as the-Unified Platform, Property Tax Platform; F&A module under UPYOG.

5.45 The Unified Portal is a comprehensive digital platform designed to streamline various municipal services across the state. This portal serves as a one-stop solution for ULBs, consolidating essential services such as property tax assessment, trade licensing, building permissions, and the registration of births and deaths. By facilitating online applications, digital transactions, and real-time tracking, the portal has enhanced service transparency, increased citizen accessibility, and improved administrative responsiveness. One of the standout features of the portal is the Trade License System**,** which has proven particularly effective in modernizing ULB operations. Each ULB has the flexibility to customize trade categories and rate structures directly within the platform, promoting both uniformity and transparency.

This digital framework has not only simplified processes but has also contributed to tangible fiscal benefits. For instance, the collection of ₹2.15 crore through trade licenses in the fiscal year 2024-25 is a testament to the system's success in bolstering financial sustainability and enhancing public trust in urban governance.

5.46 The launch of the online property tax portal serves as a unified digital platform for property tax assessment, payment, and data management. As part of this digital framework, a GIS-based Property Tax Register has been embedded into the portal, enabling spatial mapping of holdings and improved property records. Properties are now geo-tagged with photographs, a leap from previously having zero digital records. To date, 4,87,845 properties have been geo-tagged. Each property is assigned a Unique Identification Number (UID), and the system integrates in real-time with APDCL electricity consumer numbers, with 4,14,527 properties now linked. Additionally, the portal incorporates satellite imagery from NRSC to superimpose property data, further improving planning and verification. The portal supports self-assessment by citizens and facilitates payments through UPI, net banking, NEFT, and other modes- modernizing and simplifying the tax payment experience. As a result of these reforms, the number of assessed properties has increased from 3,48,076 to 5,26,657, indicating improved coverage and compliance. The platform development and implementation, which spanned one year, was awarded Rs.80 lakh for development

5.47 Further, the F&A module under the UPYOG platform, which is a platform under the National Urban Digital Mission (NUDM). This system aligns with the National Municipal Accounting Manual (NMAM) issued by the Ministry of Housing and Urban Affairs (MoHUA), as well as the state's own accounting manual. It introduces digital capabilities for finance, accounting, and budget management in ULBs and is being integrated with other key e-governance systems including the Unified Portal, FinAssam, PFMS, GST systems, and GIS databases. With this platform, it is expected to significantly enhance financial accountability at the urban local body level in the coming years.

12. Few critical aspects of coordination

5.48 The existing Assam Town and Country Planning Act, 1959 does not have any provision regarding preparation of Local Area Plan and Town Planning Schemes by the concerned department of the State Government. Also, the same Act has not mentioned about the Land Pooling Mechanism to guide the preparation and execution of Town Planning Scheme and Local Area Plan. Necessary amendments in the existing Town and Country Planning Act, 1959 need to be made to provide Local Area Plan, Town Planning Scheme and Land Pooling Mechanism.

5.49 The Land Revenue Department and Town and Country Planning both are working under their respective Act and work independently. There is need to amend existing Assam Town and Country Planning Act, 1959 with a provision of Multilayer Planning System covering Master Plan, Local Area Plan and Town Planning schemes. Provision for constituting various executive and advisory committees with the members from DOHUA, Town and Country Planning, Land Revenue Department, PWD and any other concerned departments is to be made.

5.50 Coordinated action on the part of the Town and Country Planning Department as well as District Development Authority assume high importance and hence it is recommended both acts closely with the local bodies.

5.51 The 73rd and 74th Constitution Amendment Act put in place two government institutions with the aim of attaining development and welfare through Municipal government in urban areas and Panchayati Raj Institution in rural areas. The Constitution Amendment Act also placed another statutory called District Planning Committee (DPC) towards ensuring integration, coordination and coherence in development and welfare activities of the two governments. The functioning of the two governments in isolation implies ineffective status of functioning of DPC. As a result, the coherent and integrated growth process between the urban centre which act as growth unleashing centre and rural areas act as hinterland is seen missing in the decentralised governance. The Commission considers the ineffective status of functioning of DPC as a serious gap in decentralised governance and recommends for activating its functioning as envisaged in the Constitution.

SECTION II
RURAL LOCAL BODIES

5.52 The Constitutional Amendment Act, 1992 brought a sea change in the Panchayati Raj system in India as Constitutional status was given to the PRIs for the first time. This Act provided for creation of a three-tier system of PRIs (i) Gaon Panchayat at the village level (ii) Anchalik Parishad at the Block level and (iii) Zilla Parishad at the district level. Through Schedule XI of the Act, twenty-nine subjects have been entrusted to the PRIs. Further, this Act mandated setting up of an independent State Election Commission to ensure free, fair and timely holding of elections for the local bodies every five years. The Act further provided for the constitution of a State Finance Commission every five years to recommend devolution of funds from the State Government to Local Bodies i.e. PRIs and ULBs. The Local Bodies are now treated as the third tier of Government. Accordingly, the Government of Assam enacted the Assam Panchayat Act 1994 replacing the earlier Assam Panchayati Raj Act 1986. The first election under this Act was held in December 2001 for 2487 GPs, 203 APs and 21 ZPs. It is noteworthy that this Act is operative only in the General Areas of Assam and does not cover the Sixth Schedule Areas. After the creation of the Bodoland Territorial Area District in 2003 under the Sixth Schedule of the Constitution the BTAD was also excluded from the purview of this Act.

5.53 According to the Assam Panchayat 1994 Act, women get 50% reservation in seats of ZP, AP and GP members, in addition to reservation for SC and ST residents. Moreover, there is a provision for reservation of women in the Post of the President and Vice President in all the three tiers of PRIs on rotation basis. This is considered a significant landmark in the political empowerment of women in Assam.

5.54 The Assam Panchayat (Amendment) Act, 2023 *(Assam Act No. LI of 2023)*, introduced a significant amendment to the Assam Panchayat Act, 1994- the creation of a District Delimitation Commission via new Section 3A. This commission shall delimit and determine the boundaries and size of constituencies for Gaon Panchayats (GPs), Anchalik Panchayats (APs), and Zilla Parishads (ZPs).

The composition of the said Commission is as follows :

Chairperson	:	District Commissioner (DC)
Member Secretary	:	CEO, Zilla Parishad
Member	:	District Election Officer

5.55 After the Cabinet approval on 19/06/2024 for delimitation of ZP, AP and GP, the delimitation exercise involving the Gaon Panchayat, Anchalik Panchayat, and Zilla Parishad was carried out in line with the evolving needs of the state and to address the challenges arising from the overlapping of the jurisdiction of rural local bodies due to the delimitation of Legislative Assembly Constituencies (LACs). Before the delimitation, the existing jurisdictions of the Rural Local Bodies were spread across more than one LAC, creating structural inefficiencies. These inefficiencies led to challenges in resource allocation, program implementation, and monitoring. The shift in boundaries and administrative structures posed difficulties in catering to the evolving needs of the state. Therefore, delimitation was essential to streamline governance, ensure optimal resource allocation, and improve program delivery across various regions.

5.56 Following the approval of the proposal, the delimitation of these key rural local bodies was carried out in the general areas of the state. The main outcomes of the delimitation is that the number of Gaon Panchayats (GP) has decreased from 2,197 to 2,192, reflecting a realignment to accommodate changes in the LAC boundaries and enhance administrative effectiveness. Similarly, the number of Anchalik Panchayats (AP) has been reduced from 185 to 182 to ensure their alignment with the new LAC boundaries and improve operational efficiency. The Zilla Parishad Constituencies (ZPC) have also seen a reduction, from 420 to 397, contributing to a more streamlined administrative setup. However, the number of Zilla Parishads (ZP) remains unchanged at 27, as their existing structure continues to meet the jurisdictional and administrative requirements of the state effectively.

5.57 Following the delimitation of Zilla Parishads (ZPs), Anchalik Panchayat (APs), and Gram Panchayats (GPs), many Panchayati Raj Institutions now may require permanent office infrastructure. The number of elected representatives as per 2025 Panchayat elections indicated as follows:

Table-5.7: Number of PRIs and elected Representative as per Election Held in 2025

Name of Tier	No. of PRIs	President	Vice-President	Member	Total representative
ZP	27	27	27	343	397
AP	182	182	182	1834	2188
GP	2192	2192	2192	17536	21920
Total	**2401**	**2401**	**2401**	**19703**	**24505**

5.58 A brief overview is given regarding the different size of population of GPs as per 2011 Census post delimitation. Administrative convenience and expediency should ordinarily be the main consideration for determining the size of the GPs.

Rationalization through merger of small GPs and reconstitution of GPs for administrative purposes have been recommended in earlier reports.

Table- 5.8: Distribution of GPs according to population size category as per 2011 census

Sl. No.	Population size class	Number of Gaon Panchayat	Percentage to the total Gaon Panchayats
1	Upto 3,000	10	0.46
2	3,000 to 6,000	133	6.07
3	6,000 to 10,000	914	41.70
4	10,000 and above	1135	51.78
Total		**2192**	**100.01**

Source: Panchayat and Rural Development.

5.59 From the chart above, it is observed that the higher number of GPs with population of over 10,000 falls in the larger size population category and account for 51.78 pc of GPs, the GPs having 6000 to 10000 population account for 41.70 pc of the GPs. The number of GPs with population of less than 3000 is marginal and account for only 0.46 pc.

5.60 Presently, there are 2192 GPs, 182 APs and 27 ZPs in Assam as per Panchayat elections held in 2025. This is a post-delimitation institutional status of PRIs in the state. It is to mention that there took place delay in the constitution of current panchayat by about one and half year. In fact, the delay in the constitution of panchayat between two terms has been a common phenomenon since the Assam Panchayat, 1994 came into being.

1. Activity Mapping of PRIs

5.61 The functions of the Panchayati Raj Institution have been determined in the Article 243(G) through 73rd Amendment to the Constitution. In pursuance of the IX schedule of the Constitution and as per provisions of the Assam Panchayat Act 1994, the GOA has devolved functions, functionaries and funds in respect of the Departments as per Activity Mapping to all the tiers of the PRIs vide Assam Gazette notification No. PDA.336/2001/Pt-111/32 dated 25th June 2007. As per notification, the activity mapping of the following subjects is done to be devolved to the PRIs:

1) Agriculture including agriculture extension.
2) Land improvement, implementation of land reforms, land consolidation and soil conservation.
3) Minor irrigation, water management and watershed development.
4) Animal husbandry, dairying and poultry.
5) Fisheries.
6) Social Forestry and Forestry.
7) Minor forest produce.
8) Small scale industries, including food processing industries.
9) Khadi, village and cottage industries.
10) Drinking Water and Sanitation.
11) Fuel and fodder.

12) Roads, culverts, bridges, ferries, waterways and other means of communication.
13) Rural electrification including distribution of electricity.
14) Poverty alleviation programme.
15) Education, including Primary and Secondary schools.
16) Adult and non-formal education.
17) Health and sanitation including hospitals, primary health centres and dispensaries.
18) Family Welfare.
19) Women and child development.
20) Social Welfare including Welfare of handicapped and mentally retarded.
21) Welfare of weaker sections and Schedule Castes and Scheduled Tribes.
22) Public Distribution System

Although the Government of Assam notified the activity mapping of the 22 subjects out of 29 listed in Schedule 11, the Activity Mapping of the following 7 subjects is yet to be done.

(i) Rural Housing.
(ii) Non-Conventional energy sources.
(iii) Technical training and vocational education.
(iv) Libraries.
(v) Cultural Activities.
(vi) Markets and fairs.
(vii) Maintenance of Community assets.

5.62 It may be mentioned that all the subjects listed in the Schedule are still being implemented by the concerned line departments of the Government of Assam. After 2007, there has been no further progress regarding transfer of subjects to the PRIs.

5.63 The Government of Assam, in the activity mapping indicated the number of officials who are to be deputed to different tiers of PRIs. The actual deputation of functionaries is yet to take place. The line departments have not made any efforts to depute their functionaries to the PRIs. Even the Central and State Finance Commission grants are also not fully devolved to the PRIs.

5.64 The Commission suggests that in order to translate the local governance into reality urgent steps should be taken for completion of Activity Mapping in full form ensuring simultaneous devolution of function, functionaries and funds to PRIs and ULBs.

5.65 It may be pointed out that without the devolution of the 3 FS i.e. Funds, Functions, and Functionaries to the PRIs, the exercise remains incomplete and the time lapsed in the process is more than three decades since the Constitutional Amendment of 1992. The PRIs are yet to acquire the status and stature of the 3rd tier of Government as envisaged in the 73rd Constitutional Amendment. The PRIs have been functioning only as branches of the Governments

5.66 On the other hand, PRIs at all levels have been receiving funds awarded by the State Finance Commission, Central Finance Commission and also receiving funds for execution of agency functions from Central Governments.

2. Accounting System of PRIs:-

5.67 The prescribed accounting system under Assam Panchayat Act, 1994 and Assam Panchayat (Financial) Rules, 2002 is detailed and comprehensive. As provided under sub-section (i) of Section 28 and Section 60 and Section 97 of the Assam Panchayat Act 1994, the Gaon Panchayats, the Anchalik Panchayats and Zilla Parishads are required to maintain their respective accounts in Forms prescribed under the Assam Panchayat (Financial) Rules, 2002 in the following manner:

i) The accounts under different detailed heads shall be maintained separately for different minor heads in a ledger (Abstract Ledger).

ii) Specifically, the Accounts of the different Zilla Parishads, Anchalik Panchayats and Gaon Panchayats under a particular detailed minor head shall be recorded in different pages in the Ledger.

iii) In addition to General ledger, a Control ledger shall be maintained in form No. 2 of the schedule to record total transactions under all detailed minor heads within a budget group in a month as recorded in the General ledger.

iv) All monthly transactions whether in cash or by cheque or by postal order shall be entered in the Cash Book in Form No. 3 of the Schedule as soon as they are made along with the date in token of his check before being duly attested by the Chief Executive Officer in respect of the Zilla Parishads, the Executive Officer in respect of Aanchalik Panchayats and by the Secretary in respect of Gaon Panchayats. The Officer is to immediately compare the concerned Bank Receipt and the Pay in slip and corresponding Bank Passbook and voucher etc.

v) The Cash Book shall be closed and balanced each day and checked by the Officer as provided in sub-rule (4) (a). He shall verify each entry in the Cash Book and shall put his dated initials in the "Remarks" column against the closing balance token of his having verified all the entries of the day inclusive of the closing balance.

vi) At the end of each month, the officer mentioned in sub-rule 4 (a) shall verify the closing balance in the Cash Book and record a dated certification to that effect that the cash is physically verified and found correct as per closing balance.

vii) Analysis of the balance at the close of each month shall be worked out separately for Government and Panchayat fund. At the time of transfer of charge of the office, the procedure of closing of the Cash Book at the end of the month indicated above shall be followed.

3. Maintenance of important Registers etc. in respect of PRIs

1) Maintenance of Cash Book: - Cash Book is to be maintained in double entry system.

2) Maintenance of Receipt and Expenditure Ledger: - Receipt and Expenditure ledger is to be maintained under Sub Rule (1) and (2) of Rule 8 of Assam Panchayat (Financial) Rules 2002 Form No. 01 for Panchayat Funds and Form 1 (a) for Government Funds.

3) Control Ledger: - Under Sub Rule (3) of Rule 8 of Assam Panchayat (Financial) Rules 2002, Form No. 02 is to be maintained.

4) Stock Register: - The maintenance of stock register is provided for under Sub Rule (2) of Rule 30 of Assam Panchayat (Financial) Rules 2002 (Form No. 08).
5) Register of Receipt Book: - The Register of Receipt Books is to be maintained under Sub rule (1) of Rule 16 of Assam Panchayat (Financial) Rules 2002 in Form No. 05.
6) Register of Properties and Assets: - The Register of properties and assets in Form No. 6 and Register of Land in Form No. 11 is to be maintained for ascertainment of movable and immovable properties under the possession of the institution.
7) Register of Government Fund: - All the PRIs are to maintain a Register of Government Fund as prescribed in Form No. (7) under Rule 29 of the Assam Panchayat (Financial) Rules (2002).
8) Register of Assessment and Collection of Taxes: - The Register of assessment and collection of taxes under Rule 45 of Assam Panchayat (Financial) Rules 2002 is to be maintained by PRIs.
9) Preparation of Monthly and Annual Account: - Preparation of monthly and annual account for receipt and expenditure is mandatory.
10) Creation of Database of Financial and maintenance of account is to be ensured by PRIs.
11) Refund of unspent balance of scheme at the end of the year is mandatory.

4. Maintenance of other important Records /Registers in PRI:-

1) Register of Earnest money/Security deposit.
2) Register of License holders.
3) Registers of markets, ponds, fisheries and farriers.
4) Allotment Registers.
5) Loan and Advance Register for staff members.
6) Register of work advances to departmental officials, construction committee and suppliers.
7) Register of complete and incomplete work.
8) Employee generator register.
9) Physical and financial progress registers under different schemes.

5. Preparation of Budget

5.68 The budget serves as a crucial tool for ensuring financial accountability. In addition to presenting an organization's statement of receipts and expenditures, it demonstrates the organization's commitment to maintaining fiscal discipline and advancing its goals of delivering services to the public within its jurisdiction. Every Local Body is required to prepare an annual budget for the upcoming financial year and submit it to the appropriate authorities in the prescribed format for approval. Furthermore, no expenditure may be incurred by Local Bodies without the prior approval of the budget by the competent authority. The procedure for preparing the budget of Panchayati Raj Institutions (PRIs) is outlined in Sections 27, 56, and 91 of the Assam Panchayat Act, 1994, along with subsequent amendments. Detailed formats for budget preparation under various Major Heads, Minor Heads, and Object Heads

corresponding to the 29 functions are provided in the Assam Panchayat (Financial) Rules, 2002, specifically in Formats 9, 10 and 11. However, it is found that most of the Local Bodies have not complied with the provisions of the Acts and Rules.

5.69 The Zilla Parishads prepare their Annual Budgets and submit them to the Office of the Commissionerate, Panchayat and Rural Development by 15th August each year. These budgets are then forwarded to the Panchayat & Rural Development (P&RD) Department, Government of Assam, for approval. However, in most cases, the budgets submitted by the Zilla Parishads include only their Own Source Revenues and exclude other key financial resources such as SFC (State Finance Commission) and CFC (Central Finance Commission) Grants, as well as SOPD (State-Owned Priority Development) funds. As a result, the budgets are often incomplete and not comprehensive. To improve the quality and completeness of submissions, a checklist has recently been issued to all Zilla Parishads to follow during budget preparation. Similarly, Anchalik Panchayats submit their Annual Budgets to the Zilla Parishads for approval. Gram Panchayats (GPs) are also expected to prepare their Annual Budgets and obtain approval from the Anchalik Panchayats. However, it has been observed that most of the GPs do not prepare budgets, primarily due to their limited Own Source Revenue. This situation highlights the urgent need for proper training and capacity building across all three tiers of the Panchayati Raj system - GPs, APs, and ZPs.

5.70 IT platform offers appropriate option in ensuring compliance in the budget preparation task. This Commission accordingly, has recommended development of a digital application capturing all dimensions related to budget preparation at all level including a dashboard for continuous monitoring. Necessary funds have also been recommended for development and validation of such an application. Provision for carrying out necessary training on the application has also been recommended. The implementation of the recommendation will also act as a online budget preparation and submission monitoring system to ensure timely, complete, and accurate budget at all levels of Panchayati Raj Institutions (PRIs) in Assam.

5.71 The Golab Borbora State Institute of Panchayat & Rural Development, Assam, serves as the apex training and research centre in the fields of rural development and Panchayati Raj at the state level. It regularly conducts capacity-building programmes for a wide range of stakeholders, including elected Panchayat representatives, government officials, members of various organizations, community-based groups, unemployed youth, women, and farmers. To facilitate decentralized training, the institute has established a statewide network of training centres. It operates two fully developed campuses in Guwahati one at Khanapara and another at Kahikuchi and maintains 12 Extension Centres across different zones of Assam. Additionally, in districts lacking a dedicated training centre, the institute has set up District Panchayat Resource Centres under the Rastriya Gram Swaraj Abhiyan (RGSA) initiative, supported by the Ministry of Panchayati Raj.

5.72 Besides the training programmes, the institute has also taken up other activities under RGSA like construction of GP building, repairing of GP building, setting up of

Computer Service Centres (CSC), providing computers to the panchayats, human resource support to the Block Panchayats etc.

6. Administrative issues of PRIs

5.73 In pursuance with the 73rd Constitution Amendment Act, 1992 the State Government is required to entrust PRIs with such powers, funds, functions, staff and responsibility so as to enable them to function as robust instruments of local self-government. The legislative enactments for conduct of business of PRIs include-

1) The Assam Panchayat Act, 1994
2) The Assam Panchayat (Constitutional) Rules, 1995.
3) The Assam Panchayat (Administrative) Rules,2002
4) The Assam Panchayat (Financial) Rules, 2002.
5) Government instructions and amendments are notified from time to time.

5.74 These Acts and Rules are operative in the General areas of Assam and do not cover the Sixth Schedule Areas. The Sixth Schedule areas are governed by Rules framed by the respective Autonomous Councils of the Bodoland Territorial Council (BTC), Karbi Anglong Autonomous Council (KAAC) and the Dima Hasao Autonomous Council. North Cachar Hills Autonomous Council (NCHAC).

5.75 The PRIs in Assam comprise of a three-tier structure namely (i) the Gaon Panchayat at village level covering in average of 9villages (ii) the Anchalik Parishad at the intermediate level whose area is co-terminus with the Development Block and, (iii) the Zilla Parishad at District level. Each of the PRIs in all the three tiers' functions under democratically elected body headed by a President who is indirectly elected among the members.

5.76 The number of Zilla Parishads, Anchalik Panchayats and Gaon Panchayats with their average area size and population size are shown in the tabular form below:-

Table-5.9: Number of ZP, AP and GP and average area and population per unit

Tiers	No. of unit	Average area (sq. km.)	Average population (2011 Census)
ZP	27	1947.45	865969
AP	182	288.90	128468
GP	2192	23.98	10666

Source: Panchayat and Rural Development Department.

5.77 The Chief Secretary to the Government of Assam serves as the overall administrative head of all Government departments. The Additional Chief Secretary, Panchayat and Rural Development Department, functions as the administrative head specifically for the Panchayat and Rural Development Department. The Commissioner of the Panchayat and Rural Development Commissionerate is responsible for the allocation of funds and exercises overall control and supervision of the activities of the Panchayati Raj Institutions (PRIs).At the district, block, and village levels, executive administrative support is provided respectively by the Chief Executive Officer of the Zilla Parishad (ZP), the Executive Officer of the Anchalik Parishad (AP), and the Secretary of the Gram Panchayat (GP). Currently, the Block Development Officer (BDO) serves as the ex-officio Executive Officer of the AP, as independent Executive Officers have not yet been appointed. For more effective functioning of the Anchalik Panchayat, the appointment of dedicated, full-time Executive Officers is essential.

5.78 So far as staffing pattern of functionaries is concerned, the Assam Panchayat (Administrative) Rules, 2002 has prescribed the staffing pattern of Zilla Parishads, Aanchalik Panchayats and Gaon Panchayats as18,8 and 3 respectively. In addition to these, each ZP and AP was to have one CEO and one EO respectively. The post of the Chief Accounts Officer was created in each ZP to provide administrative support regarding financial matters including preparation of Annual Accounts and Budget. As the PRIs have also to implement Centrally Sponsored schemes, PRIs require to be equipped with adequate staff strength to support planning, technical jobs and IT operations desperately to discharge their statutory functions. In the light of the above, this Commission has given its recommendation for adopting revised staffing pattern in ZP level.

5.79 The State Government issued orders for merger of DRDA with ZP. There was a recommendation for merger of the staff of B.D.O particularly Community Development and Rural Development staff with that of the AP. This recommendation has been implemented in 2017. Despite, the AP tier lacks technical, accounts keeping and IT manpower support. In due consideration emerging service need, this Commission has provided its recommendation for adopting revised staffing pattern in AP level.

5.80 The status of GP in terms of staff composition of manpower has remained unchanged. Three persons comprising one Secretary, one Tax Collector and one Grade IV although are sanctioned, over 60 per cent are lying vacant. The prevailing staffing lacks support to maintain account as well as IT services which have emerged as unavoidable need. To equip GP with the emerging services need, the Commission has recommended revised staffing pattern at GP level.

7. Various Committees:

5.81 The Assam Panchayat Act, 1994 provides for setting up standing committees in different tiers of PRIs as mentioned below:

Standing Committee	Tier	Responsibility
Development Committee	GP	Activities pertaining to agricultural production, animal husbandry, rural industries and poverty alleviation programmes.
Social Justice Committee	GP, AP, ZP	Promotion of educational, economic, social, cultural and other interests of SC, ST and Backward classes. Protection of such castes and classes from social injustice and any form of exploitation besides welfare of women and children.
Social Welfare Committee	GP	Functions relating to education, public health works and other functions of the GP.
General Standing Committee	AP, ZP	Establishment relating to education, public health works and other functions of the GP.
General Standing Committee	AP, ZP	Establishment matters, communication, buildings, rural housing, relief against natural calamities, water supply and all miscellaneous residuary matters.
Finance Audit and	AP,	Finance of the AP and ZP, training, budget

Planning Committee	ZP	scrutiny, proposals for increase of revenue, examination of receipts and expenditure statement, consideration of all proposals affecting the finance of the AP and ZP and general supervision of the revenue and expenditure of AP and ZP and Planning and consolidating the plan, cooperation, small saving schemes and other function relating to the development of AP or ZP areas.
Planning and Development Committee	ZP	Education, adult literacy and cultural activities as the ZP may assign. Health service, Hospital, Water supply, Family Welfare and other allied matters. Agricultural production, animal husbandry, cooperation, contour (bonding) and reclamation. Village and cottage industries (v) Promotion of industrial development of the district.

5.82 The Standing Committees provisioned in each tier of PRIs under the Assam Panchayat Act 1994, have remained as paper status as they do not function as desired. The lack of devolution of functionaries and funds are reported to be the reason for non-functional status of the Standing Committees. A proper mechanism may be adopted to ensure that these committees do meet regularly and that these committees do not exist only on paper.

5.83 The Assam Panchayat Act, 1994 provides for formation of Gaon Sabhas comprising of persons registered in the electoral rolls relating to a village or group of villages. The Gaon Sabha is responsible for making recommendations to the Gaon Panchayat in respect of following matters.

1) The report of development program of the GP relating to the preceding year.
2) Approval of the development proposal for the current year.
3) Promotion of unity and harmony.
4) Other matters.

5.84 The Gaon Sabha is required to meet frequently and every meeting of Gaon Sabha should be presided over by the President of the GP. The aims and objectives of the Gaon Sabha are to ensure active participation of the people in the grass root level planning and development. Conducting social audit is an important function of Gaon Sabha.

5.85 The Gaon Sabha is the highest grass root level decision making body in the PRI. The Gaon Sabha is mandated to take active part in prioritizing works to be taken up for development activities in its locality besides identification of beneficiaries. As per provisions of the Assam Panchayat Act, 1994 the Gaon Sabha should meet at intervals not exceeding a period of three months gap. Also, many special Gram Sabhas are also conducted. A proper mechanism may be adopted to ensure that the Gram Sabhas are regularly conducted. Ward Sabha, is introduced which comprises of persons registered in the electoral rolls relating to a ward within the area of Gaon Panchayat. These constitutional forums which were considered as the core of the participatory democracy in decision making are functioning in a poor state as of now

and as such deserves appropriate monitoring mechanism ensuring compliances. The action adding social value of participation among the local people in the forum of Gram Sabha and Ward Sabha is another missing element to address upon.

8. Constitution of District Planning Committees:

5.86 As per Article 243 ZD of the Constitution and Section 3 of the Assam Panchayat Act, 1994 the Government shall constitute in every district a District Planning Committee to consolidate the plans prepared by the ZP, APs, GPs and ULBs in the district and prepare a draft Development Plan for the entire district.

The District Planning Committee shall consist of,

1) Members of the House of People who represent the whole or part of the district.
2) Members of the Assam Legislative Assembly whose major part of constituencies fall within the district.
3) The President of the Zilla Parishad.
4) The Mayor or the Chairperson of the Municipal Corporation/ Municipal Board/ Town Committee as the case may be having jurisdiction over the Head Quarters of the District.
5) Such number of persons not less than (four fifth) of the total number of members as may be specified by the Government in prescribed manner from amongst the members of the ZP, Councilors of the Municipal Corporation or the Municipalities as the case may be and the members of the Town Committees in the District on rotation basis annually and in proportion to the ratio between the population of the rural areas and the urban areas of the district.
6) The Deputy Commissioner shall be a permanent invitee of the Committee as Ex-Officio Member. The Chief Executive Officer of the ZP shall be the Ex-Officio Secretary of the Committee.
7) The President of the ZP shall be the Ex-Officio Chairman of the DPC.

5.87 Every DPC shall, while preparing the draft Development Plan give due regard to-

a) Matters of common interest between the ZP, APs, GPs, Municipalities or Municipal Corporation as the case may be and the Town Committees in the district and, including Sectoral plans, sharing of water and other physical and natural resources, integrated development of infrastructure and environmental conservation.
b) The extent and type of available resources whether financial or otherwise.
c) Consultation with such institutions and organizations as the Governor may by order, specify.
d) The Chairperson of every DPC shall forward the District Plan, as recommended by the committee to the Government for approval within a specified period as may be prescribed by the State Government.

9. Planning:

5.88 **Panchayat Development Plan:** A comprehensive Gaon panchayat development plan based on participatory process which involves full convergence with all the line departments relating to 29 subjects enshrined in the 11thschedule of the Indian Constitution. The resource envelope of the PRIs is conveyed to the PRIs before planning.

5.89 The GPDP process in Mission Mode followed by 13 (thirteen) steps. This participatory planning process started by involving every segment of the community through PRA exercise, household survey, institutional survey viz. Schools, AWC, Health sub centre etc., focused group discussions and finally the Gaon Sabha.

5.90 The Process starts as Peoples' Plan campaign which included a comprehensive demand plan for local development prepared by the self-help groups and their federations in partnership with the Gram Panchayats.

5.91 People's Plan Campaign commenced every year from 2nd October for preparing GPDP.

5.92 Steps followed for Preparation of Gaon Panchayat Development Plan (GPDP):

Step 1: Formation of Gaon Panchayat Planning and felicitation team (GPPFT).
Step 2: Formation of Ward level facilitation team.
Step 3: Environment Creation and community mobilization.
Step 4: Collection of primary and secondary data.
Step 5: Situation analysis, need assessment and Gap identification.
Step 6: Preparation of DSR (Draft Status Report).
Step 7: Gaon Sabha/Ward Sabha for Visioning and prioritization.
Step 8: Resource identification and estimation of corresponding activities.
Step 9: Draft Plan Preparation.
Step 10: Development Seminar.
Step 11: Final Plan development, prioritization and projectization.
Step 12: Approval of GPDP in Gram Sabha.
Step 13: Implementation, Monitoring and impact analysis.

5.93 The GPDP are prepared in the state with lot of efforts and enthusiasm by following the enlisted steps of planning process. But the flow of resource envelop remained uncertain as the funds and functionaries related 29 subjects are not devolved yet to the PRIs. making the entire effort as a futile exercise.

10. Audit

5.94 Statutory Audit: As per the prevailing financial regulations, a Statutory Audit is carried out every year under the supervision of the Commissionerate of Panchayat and Rural Development, Assam. The audit is done by Chartered Accountants who are selected from an approved panel. It covers all districts (including district under Sixth scheduled areas) of the state, including the Head Office.

5.95 This audit includes all the schemes being run by the Panchayat and Rural Development Department, Assam. It checks whether the fund has been used properly, whether the accounts are correct, and whether all rules and guidelines have been followed.

5.96 The audit looks into the records and functioning of all levels of Panchayati Raj Institutions, which include:

a) Zilla Parishads (ZPs).
b) Anchalik Panchayats (APs).
c) Gaon Panchayats (GPs)

5.97 After the audit is completed, the reports are submitted to the Office of the Commissioner, P&RD, Assam. These reports are compiled at the Head Office and

forwarded the scheme wise reports to the respective Ministries for information and necessary action.

Table-5.10: Target &achievement of Statutory Audit (Financial Year 2022–23)

Target			Achievement		
ZP	AP	GP	ZP	AP	GP
27	181	2197	22	156	1884

10.1. Comptroller and Auditor General Audit (CAG):

5.98 The Office of the Comptroller and Auditor General (CAG) of India, through the Accountant General (Audit), Assam, conducts regular audits of the Panchayat and Rural Development Department, Assam. These audits are carried out to ensure transparency and accountability in the utilization of public funds.

5.99 The CAG audit typically includes Subject-Specific Compliance Audits, Performance Audits, and Financial Audits. It covers schemes and programmes implemented by the department across all 35 districts, including the Headquarter. The audit scope extends to all tiers of Panchayati Raj Institutions, namely:

Zilla Parishads (ZPs)
Anchalik Panchayats (APs)
Gaon Panchayats (GPs)

5.100 These audits focus on the efficiency and effectiveness of government spending, adherence to rules and procedures, and achievement of intended outcomes under various Central and State-sponsored schemes.

5.101 The findings of the CAG audit are reported to the State Government and the State Legislature, playing a vital role in improving public financial management within the department.

10.2. Performance Audit:

5.102 The Comptroller and Auditor General (CAG) of India conducts performance audits of the Panchayat and Rural Development (P&RD) Department in Assam. This audit assesses the effectiveness and efficiency of various schemes and programs implemented by the department, including the utilization of funds and the overall functioning of the Panchayati Raj Institutions (PRIs).

5.103 A Performance Audit was conducted during the Financial Year 2023–24 for the MGNREGA scheme under the Commissionerate of P&RD, Assam. At present, a Performance Audit for the 14th and 15th Finance Commissions is ongoing in Six districts of Assam.

10.3. Local Body Audit:

5.104 The Directorate of Audit (Local Fund), Assam conducts a Local Body Audit of Panchayati Raj Institutions (PRIs) functioning under the Panchayat & Rural Development Department, Assam. This audit is conducted periodically across all 35 districts of the state.

5.105 The audit focuses on the financial transactions, fund utilization, and compliance with relevant financial rules and procedures. It covers all levels of local bodies under the P&RD Department, including:

Zilla Parishads (ZPs)
Anchalik Panchayats (APs)

Gaon Panchayats (GPs)

5.106 The Local Body Audit includes scrutiny of scheme-wise expenditure, verification of records, and assessment of financial performance at each level of governance. The objective of this audit is to ensure financial accountability, detect irregularities, and strengthen transparency and governance in local self-government institutions.

5.107 The Audit Coverage done during the FY 2023-24 is given in table-5.11. The total number of Audit covered during the year 2023-24 is 1156. Out of which 17 nos. are ZPs, 135 nos. of APs and 1004 nos. of GPs.

Table-5.11: Coverage of Local Audit, 2023-34

Zila parishad	Anchalik Panchayat	Gaon Panchayat
17	135	1004

10.4. Online Audit

5.108 Audit Online is a digital platform designed to facilitate the financial audit of Central Finance Commission (CFC) grant accounts across all three tiers of Panchayati Raj Institutions — Gaon Panchayat (GP), Anchalik Panchayat (AP), and Zilla Parishad (ZP). The Director of Audit (Local Fund) – DALF conducts these audits through the Audit online portal. For the financial year 2022–23, the online audit has been successfully completed for all GPs, APs, and ZPs. The audit for the financial year 2023–24 is currently under progress.

10.5. Internal Audit

5.109 The Panchayat and Rural Development (P&RD) Department, Assam has an established mechanism for conducting Internal Audit to monitor financial discipline and enhance transparency within the Department. The Internal Audit focuses on:

a) Examination of financial transactions
b) Verification of fund utilization
c) Compliance with applicable financial rules and procedures

5.110 The audit covers all levels of local bodies under the P&RD Department, including:

a) Zilla Parishads (ZPs)
b) Anchalik Panchayats (APs)
c) Gaon Panchayats (GPs)

5.111 However, due to administrative constraints, the Internal Audit has not been conducted since 2012. The Department is currently reviewing the audit framework and taking necessary steps to revive and strengthen the Internal Audit mechanism in the coming days.

10.6. Social Audit:

5.112 Assam Society for Social Audit (ASSA) is an independent organization established by the Government of Assam for implantation of the Audit of Scheme Rules 2011, under section 27 (1) of the MGNREGA Act 2005 and such other activities pertaining to and revolving around social audit of schemes approved by Central and State Government. Accordingly, the Assam Society for Social Audit was constituted on 3rd December, 2016 under Society Registration Act, 1860.

5.113 Presently, Assam Society for Social Audit has been conducting social audit once in a year for the schemes implemented under different Ministries are mentioned below.

Ministry of Panchayat & Rural Development

a) MGNREGA (Mahatma Gandhi Rural Employment Guarantee Act)
b) PMAY-G (Pradhan Mantri Awas Yojana- Grameen)
c) NSAP (National Social Assistance Programme)
d) FFC (Finance Commission Grants)

Ministry of Education:

5.114 As per para 14.1.1 Social Audit under PM-Poshan and Para5.1 of Social Audit Guideline Samagra Shiksha, Department of Education has Signed MoU with Assam Society for Social Audit for conducting Social Audit of Following schemes:

PM- POSHAN (Mid-Day Meal)
Samagra Shikha

Table-5.12: GPs Audited for Rural Development Programmes

SCHEMES	F.Y. 2022-2023	F.Y 2023-2024	F.Y. 2024-2025
MGNREGS	2661	2593	2661
PMAY-G	2661	2593	2661
NSAP	2661	2593	2661
FFC(XIV&XV)	2206	2132	2198

Table-5.13: Schools Audited for Samagra Shiksha &PM-POSHAN (Mid-Day Meal)

F.Y.	SAMAGRA SHIKSHA	PM-POSHAN
2022-2023	2530	1005
2023-2024	3385	942
2024-2025	3000	932

11. e-governance

5.115 The Department of Panchayat & Rural Development is implementing various development programmes through Panchayati Raj Institutions. To monitor and supervise the planning, implementation of the programmes being implemented by the Panchayati Raj Institutions, the Government of India and State Government have taken various steps by developing different Management Information System (MIS). Both, Ministry of Rural Development & Ministry of Panchayati Raj, Government of India has launched e-panchayat system with the basic objectives of proper planning & monitoring, transparency, information, better and convergent delivery of services to the citizens etc. and this MIS are well adopted by the PRIs in the state. The following are the MIS which are adopted by the PRIs-

11.1. GPDP Portal

5.116 GPDP Portal (www.gpdp.nic.in): Ministry of Panchayati Raj developed the GPDP Portal to monitor the entire process of GPDP wherein each and every panchayat will put the required information in the portal. The portal has the following key features:

a) To schedule and manage Special Gram Sabha meetings at Gram Panchayat Level.
b) To help to Upload Geo tagged photographs of the Gram Sabha meetings and Public Information Board.

c) Provide feedback by the facilitator online about the special Gram Sabha meetings.
d) Provision to schedule special Gram Sabha meetings.
e) Assigning facilitator to a Gram Sabha.
f) SMS/email-based notifications.
g) Facilitator Feedback form.
h) Provision to upload images.
i) Mobile (Android) Application for GPDP.

11.2. e-GramSwaraj Portal

5.117 The e-GramSwaraj Portal *(www.egramswaraj.gov.in)*is an initiative under the Ministry of Panchayati Raj, Government of India, launched as part of the e-Panchayat Mission Mode Project. It aims to bring transparency, accountability, and efficiency to the functioning of Panchayati Raj Institutions (PRIs). This is extensively used by the all the PRIs.

5.118 Key Features of key e-GramSwaraj portal:

1) **Planning and Monitoring**: Facilitates the preparation and approval of Gaon Panchayat Development Plans (GPDPs),Block Panchayat Development Plans(BPDPs) and Zilla Panchayat Development Plans (DPDPs) and enables real-time monitoring of their implementation.
2) **Financial Management**: Integrates with the Public Financial Management System (PFMS) for real-time tracking of fund flows, expenditures, and audits.
3) **Work and Asset Tracking**: Allows entry and monitoring of all development works, assets created, and services delivered at the GP level.
4) **Transparency and Public Access**: Citizens can view Panchayat-wise plans, budget allocations, work progress, and audit reports, thereby promoting transparency and accountability.
5) **MGNREGA MIS.** ***(www.nrega.nic.in)***: The Ministry of Rural Development monitors the entire programme of MGNREGA from planning to implementation through an MIS. Each and every plan, budget, payments and asset created will have to be done through this MIS.
6) **PMAY–G.** ***(www.pmayg.nic.in)*****:** PMAY-G has a separate MIS with a feature to capture all the data relating to the beneficiaries, work progress, payments etc. of each selected house.
7) **NSAP** ***(www.nsap.nic.in):*** To maintain the transparency and accountability in the payments to beneficiaries, the state has already launched the Direct Benefit Transfer under the programme.

12. Resources of Panchayat

5.119 CFC grant (untied component), SFC grant and internal revenue are the three main sources of resources of PRIs at present. Generation of internal revenue of the PRIs still stands as a weak area. In many GP, internal revenue is nil while in many the amount is negligible. The absence of OSR byelaws is strong reason for the given status. The government notification banning collection of any taxes and trade licence another reason for the status of poor revenue collection. With poor resource base the PRIs cannot be expected to deliver their desired role to the citizen. Towards

improving the system of collection and for enlargement of existing tax net, commission recommend for an empowered committee for detailed study so that based on the findings, a modified tax regime be put in place and collection is captured through a digital application.

5.120 The resource base of PRIs in the form of internal revenue is very small. The untied grant of CFC is the only source which reach PRI in full against the award. The release of SFC grant is very limited (around 20%) against the award. Towards improving resource status, enhancement CFC and SFC grant and release of the same to the extent of assume high importance.

5.121 The resources under agency functions never reach the grassroot tier. The GPs plays the role of selection authority of schemes and beneficiaries only with respect to MGNREGA, PMAY G and NSAP. The resources are transferred through DBT system operated by programme officer at Block level. The GP tier even do not get the share of administrative cost of the programmes.

5.122 The functions, funds and functionaries devolved for 22 subjects through Activity mapping done in 2007, have not become a reality till date. Decentralised governance through PRIs in rural can never be a reality without true devolution of the given subjects to the PRI and hence urgent action of the part of the state government is needed.

Rural and Urban Local Bodies in the Sixth Scheduled Areas

5.123 The Sixth Schedule Areas in Assam comprise of the three hill districts viz. Karbi Anglong, West Karbi Anglong and Dima Hasao. The Sixth Schedule Areas in the plains cover five districts- Kokrajhar, Chirang, Baksa, Udalguri and Tamulpur which are known as Bodoland Territorial Autonomous District (BTAD). The entire Sixth Schedule Areas are governed by three Autonomous Councils namely, (1) Karbi Anglong Autonomous Council covering Karbi Anglong and West Karbi Anglong districts, (2) North Cachar Hills /Dima Hasao Autonomous Council and (3) Bodoland Territorial Council (BTC) consisting of districts of Kokrajhar, Chirang, Baksa, Udalguri and Tamulpur. These Autonomous Councils are miniature States within the state of Assam. The areas of KAAC, NCHAC and BTC are 10434 sq. km, 4890 sq. km and 8970 sq. km respectively. The number of villages in KAAC, DHAC, and BTC are 2928, 822, and 3082. There are 22 ULBs in KAAC, 7 in NCHAC and 16 in BTC. There are 843Tribal Village Development Councils (TVDC) in KAAC and 420 Village Council Development Committee (VCDC) in the BTC and 28 Constituency Development Committee (CDC) in the NCHAC.

5.124 The population of KAAC, CNHAC/DHAC and BTC are 9,56,313, 2,14,102, and 31,51,047 respectively as per census 2011. The percentage share of urban population of KAAC, NCHAC/DHAC and BTC are 14.17, 29.19 and 4.44 respectively. Although Dima Hasao has a higher percentage of urban population, the district is sparsely populated with density of population being only 44 per sq. km. The total population of the two hills districts constitute 3.78 pc of the population of the state. Whereas, the population of the BTAD constitute nearly 10 per cent of state population with population density of 374 per sq. km. The area of BTAD represents 11.4 pc of the total area of the state.

5.125 The administration of Sixth Schedule Areas has been vested with the Autonomous Councils. In BTC, the Council consists of 46 members, 40 directly elected on the basis of adult suffrage and 6 nominated by the State Government Out of 40 elected representatives, 30 seats are reserved for ST, 5 for non-tribal communities and 5 open to all communities. In the case of KAAC there are 30 members, 26 being directly elected and 4 nominated. For the NCHAC/DHAC, there are 28 elected members and 2 nominated members. The Autonomous Council is headed by a Chairman. The Council also has a Deputy Chairman. There is an Executive Council headed by a Chief Executive Member to run the day-to-day activities. Besides the CEM the Executive Council has a fixed number of Executive Members who are appointed by the Governor on the advice of CEM. The Autonomous Council has a Secretariat headed by the Principal Secretary. All the executive functions of Autonomous Council are vested with the Executive Council.

5.126 The Development Commissioner for the Hill areas is responsible for overseeing developmental works and keeping liaison between the Councils and the State Government. The State Secretariat also has a separate Hill Areas Department.

5.127 The power pertaining to Executive, Legislative and Judicial functions is vested with the Autonomous Councils besides their inherent and entrusted subjects. The inherent subjects cover land use, cultivation, primary education, forest, fisheries, market, cattle pounds, ferries etc. Besides these subjects, the State Government has delegated 30 subjects to the Autonomous Councils along with funds and functionaries. Another 29 subjects listed in Schedule XI of the Constitution as amended in 1993 have also been delegated to the Autonomous Councils. The Government of Assam releases funds to the Autonomous Councils to meet the expenditure for entrusted as well as delegated subjects.

5.128 The Government of Assam transferred 39 subjects with funds and functionaries to the Bodoland Territorial Council. The BTC has Legislative and Executive powers over the transferred subjects. The organizational structure of the BTC is that the policy making level vests with the Council itself. The Council comprises 40 directly elected members and 6 members nominated by Government of Assam. Out of 40 elected representatives 30 are reserved for Scheduled Tribe, 5 for non-tribal communities and 5 is open to all communities.

5.129 The Chief Executive Member is the head of the Executive Council of BTC with other 3 Executive Members. The Principal Secretary deputed by the Government of Assam is the head of the BTC Secretariat and carries out the executive functions of the BTC. The administrative department for the BTC is the WPTBC Department in the State Secretariat.

5.130 The Panchayati Raj System never existed in KAAC and DHAC. However, in the BTAD, PRIs existed before the creation of BTC. In accordance with the 73rd Amendment of the Constitution the PRIs in BTC were excluded when BTC was brought under the Sixth Schedule. The PRIs as a result under the BTC were gradually dismantled.

5.131 During the post amendment period, there was a felt need for setting up grass root level institutions to facilitate decentralised administration. Accordingly, in BTC 420

Village Council Development Committees (VCDC) (official notification is 415) and in KAAC 843Tribal Village Development Councils (VDC) have been created. The NCHAC/ DHAC has 28Constituency Development Committee (CDC).

5.132 At present the VCDC and CDV are functioning on adhoc basis without holding any elections for selection of members. These organizations have shortage of physical infrastructure and functionaries. The BTC and NCHAC/DHAC have appointed 420 and 28 Secretaries only in the recent time.

5.133 In the Sixth Schedule Areas, ULBs have been functioning as in the General areas. But the transfer of functions, functionary and funds as envisaged by the 74th Amendment of the Constitution have bypassed the Sixth Schedule Areas. The ULBs in Sixth Schedule Areas are executing their traditional functions. The internal revenue, CFC grant and SFC grant constitute resources base of the ULBs. The Assam Municipal Act, 1956 does not operate in the Sixth Schedule Areas. The ULBs in these areas function using the administrative rules that are followed in the general areas of the state.

5.134 In Karbi Anglong and West Karbi Anglong districts,22 ULBs have been established under the Mikir Hills district (Constitution of Town Committees) Rules, 1958. There are elected bodies in the ULBs.

5.135 The NCHAC/DHAC has constituted 7 Town Committees now Municipal Board under sub-section (i) of section 3 of the North Cachar Hills District (Administration of Town Committees) Act, 1956. These Town Committees function as per the North Cachar Hills District (Constitution of Town Committee) Rules, 1963. The nominated member constitutes municipal government here.

5.136 There were 16 ULBs under BTC. These ULBs were functioning under the Assam Municipal Act, 1956. As per the Bodoland Accord, Urban Development pertaining to BTAD has been transferred to the BTC. The BTC has not framed any new Rule for governing ULBs under its jurisdiction. The 16 ULBs under BTC run their affairs as per provision of the Assam Municipal Act, 1956.

SECTION III
FINDINGS AND RECOMMENDATIONS
ULBs

5.137 Statutory urban settlements (Municipalities) as on August 2025 are 128, in the state, of which 83 belong to the general areas and 45 to the three Autonomous Councils (BTC-16, KAAC-22& NCHAC-7). The corresponding number was 81 and 22 during 2020-21. The number compared to 2020-21 is an increase by 2.4% in general areas and 104.5% in the three Autonomous Council areas. Among the Municipalities, three fall in the category of Municipal Corporation (Guwahati, Dibrugarh and Silchar) and remaining 125 are of the category of Municipal Boards. Among the MBs, 80 belong to general areas and 45 belong to three Autonomous Council areas (Para 5.12).

5.138 The governance in 105 Municipalities through democratically elected representatives suffers from the problem of continuity as more often there occurs time-gap in their constitution every after five years. The practice of constitution of Municipal government in 23 MBs under BTC (16) and NCHAC (7) is another weak area of decentralised governance (5.12).

5.139 Towards ensuring coherent urban administration, DoHUA acts with the overall mandate for urban development across Assam. The departmental activities are supported by a range of institutions, including various directorates, autonomous statutory boards, and Special Purpose Vehicles (SPVs) established under the Companies Act. Additionally, several Project Management Units (PMUs) and Project Implementation Units (PIUs) operate across key initiatives to provide specialized technical and administrative support (Para 5.15 & 5.16).

5.140 The devolution of functions (Para 5.19) and funds (Para 5.20) despite time lapsed for more than three decades after 74th Constitution Amendment Act is far from the desired level. Even the functionaries' gap is also acute with vacant post accounting 71% in three MCs and 50% in 80 MBs belonging to general areas. The extent of vacant post in 46 MBs accounts 25% and less. Lack of service rules of the functionaries under ULBs is another hazard still persisting.

5.141 Urban governance assumes high priority as urban centres used to acts as the growth centre of development. Further, with urban settlements and population increasing at faster rate in recent past, the role of local government has been multiplying for ensuring delivery of various civic services/ facilities to the access of the residents in participatory frame (Para5.6).Urban governance without full devolution of functions, functionaries and funds (Para 5.19, 5.20 and 5.21) cannot be expected to deliver ever-growing need of urban services and hence urgent action on the part of the state government is recommended for devolution three Fs.

5.142 Annual budget is critical instrument for promoting fiscal accountability and governance. There is digital application "AMAN" in place which is a standard and streamlined one (Para 5.35 & 5.36). Despite effort of DoHUA, budget preparation is characterised by ad hoc and fragmented approach (5.37). It is recommended the AMAN mandatorily ensured in all the ULBs.

5.143 There is digital application (UPYOG) which incorporates financial and accounting module like "Vanila" and "Vanila + and ++". The application is not followed by all. (Para 5.32 and 5.33). Towards ensuring uniformity and in standard, it is recommended that the available digital platform is made operative in all ULBs.

5.144 The e-governance system (UPYOG) is in place (Para 5.32 and 5.33) covering both property tax and finance and accounting modules. It is not implemented in all ULBs as of now. It is recommended that UPYOG is implemented in all ULBs.

5.145 There stands lot of implementation problems with the Municipal government related to the availability of land for various development activities. The Revenue department is the administrative authority of land. The Assam Town and Country Planning Act, 1959 does not have any provision and authority regarding preparation of Local Area Plan and Town Planning Schemes. Also, the same Act has not mentioned about the Land Pooling Mechanism to guide the preparation and execution of Town Planning Scheme and Local Area Plan. Necessary amendments in the existing Town and Country Planning Act, 1959 is recommended for providing Local Area Plan, Town Planning Scheme and Land Pooling Mechanism (Para 5.47, 5.48 and 5.49) under Town and Country Planning authority particularly in urban areas.

5.146 The functioning of DPC has remained ineffective. The coherent and integrated growth process between the urban centre which act as growth unleashing centre and rural areas act as hinterland is seen missing in the decentralised governance. The Commission considers the ineffective status of functioning of DPC as a serious gap in decentralised governance and recommends for activating its functioning as envisaged in the Constitution (Para 5.50).

RLBs

5.147 The review of decentralised rural governance shows that there are number significant efforts on the part of the state govern towards building three-tier rural government in the form of PRIs. There is Assam Panchayat Act (1992) in conformity to the 73rd Constitution Amendment Act, 1992. There are rules both Administrative (2002) and Financial (2002) framed supporting the implementation of various provisions of the Panchayat Act. There is State Election Commission which constitute panchayat through election. The State Finance Commission is also constituted every after five years for the devolution of 3 Fs to the panchayat. Even there is activity mapping done in 2007 with respect to 22 subjects belonging different departments with the objectives of decentralisation of functions, functionaries and funds in favour PRIs (Para 5.51 to Para 5.60).

5.148 As against the formal provisions created in the state, decentralised governance in rural areas through PRI has remained very far from the expected attainments. The constitution of Panchayat every time marks time gap between the previous one and the present one despite there is State Election Commission (para 5.59). The 22 subjects devolved through Activity Mapping in 2007, the line department concerned till date have not devolved their functions, functionaries and fund to the PRIs (Para 5.60, Para 5.116) as per the prescribe norms. The strength in the generation of internal revenue has remained weak for absence of OSR byelaws and non-sharing of revenue across the tier as per Financial Act, 2002 (para 5.113). The grant recommended by the State Finance Commission, the release against the award has been very partial in reality (para 5.114).

5.149 The manpowered required for delivery of allotted functions has remained low with the panchayats. The present strength is 40% of the sanctioned strength. More than 50% of the GPs operate without the post of Secretary and tax collector. The staff at AP and ZP level is also far from the sanctioned status. (para 7.58 to 7.61)

5.150 Resources are key for delivering various development of development and welfare services. The resources that Panchayat operates are not encouraging and it is more so particularly at GP level (Para 5.114, para 5.115 and para 5.116). Towards improving the resources base, it is recommended for mandatory practice of internal revenue generation among the PRIs by putting OSR byelaws in place and making collection and sharing through a digital application (para 5.113). Another measure recommended increasing resource base is the enhancement of untied component of CFC and SFC grants as well as the release of the same to the extent of 100% (Para 5.114). The third recommendation is for the devolution of 22 subjects as per activity mapping done in 2007 (Para 5.116).

5.151 There has been lot of improvement in the functioning of Panchayat system through the application of different digital platforms. The transparency, accountability and in the participation in democratic process which the digital applications have made possible. The GPDP portal for grassroot level planning and e-gramSwaraj portal are the two mains in addition to the three MIS systems on MGNREGA, PMAY G and NSAP (Para 5.110 to para 5.112).

5.152 There is audit system in place for checking and guiding accounts of the PRIs. Audit is done by CAG, internal audit by department, audit by DLFA and social audit by Director of Social Audit. Despite many authorities, the coverage of every unit of each tier under audit is far from full. The improvement suggested by each audit body in accounting system of PRI is common (Para 5.88 to para 5.108). Full coverage of audit under CAG hence is recommended.

5.153 The decentralised governance in rural areas with the weak status of three Fs at the core, the PRIs have not been able exhibit their worth to the people. The functions discharged with the very limited number functionaries, there persists issues of non-compliance of prescribed practices with respect to budget preparation, accounts keeping, maintenance of records and registers and revenue collection (Para 5.65 & para 5.66). Strengthening PRIs with skill manpower in accounting hence is recommended towards removing the persisting weakness in accounting.

5.154 Budget preparation although is mandatory as Financial Rule 2002, wide non-compliance by PRIs is a common phenomenon (para 5.67 and para 5.68) inviting needful action. The development of budgeting applicating and making the use of the application mandatory as indicated in Para 5.67 is recommended as a solution.

RLB & ULBs in sixth schedule areas

5.155 In three sixth Schedule areas, a single tier grassroot level rural local has been established with no statutory support in the form of Act. They are being run by nominated members. A post of secretary in the VCDC under BTC and CDC under NCHAC is the lone functionary is place while, in TVDC of KAAC, there is no functionaries in position (Para 5.124 to para 5.126). The decentralised governance in these three Autonomous Council is in the process of promotion only. It is recommended that these rural bodies are constituted under formal Act of the respective Council.

5.156 The ULBs under KAAC are the elected body constituted under a formal Act while under BTC and NCHAC, the ULBs are constituted with the nominated members. The administrative rules that are in place for general areas of the state are used and the services are administered with respect to limited number of functions (para 5.127). The constitution of elected bodies in the Municipalities is the urgent and recommended for it.

5.157 The resources for running the functions of the ULBs are three i.e. the internal revenue, CFC grant and SFC grant (para 5.147). The problems and challenges experienced by the ULBs are similar to that of the general areas and recommended for all those measures that have been recommended for general areas.

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CHAPTER- 6
Physical Services provided by Local Bodies

6.1 Local bodies/ local self-government institutions are involved in the delivery of various physical services like the supply of drinking water, sewerage management, solid waste management, stormwater drains, lighting etc. in the state. The ULBs deliver these services in the urban settlements that fall in the general as well as in the sixth schedule areas (Constitutional). In the case of rural areas which fall under the general areas, the PRIs are involved to some extents in the delivery of at least few services whereas RLBs constituted in the sixth schedule areas are not involved yet for they being at the nascent stage of evolution. It is notable that the practice of benchmarking about the delivery of the core civic services is not introduced yet in rural areas whereas in urban settlement, there are attempts depicting the measured delivery status of the core services.

Service Level Benchmarks (SLBs) in ULBs

6.2 In the general areas of Assam, the majority of ULBs similar to other States, provide essential physical services largely in the form of water supply, sewerage, solid waste management, stormwater drainage, streetlights etc. The City Finance Portal, provide a standardized framework to assess and monitor the performance of ULBs in delivering these services. The framework prescribes number of benchmarks against wide number of verifiable parameters / indicators which are termed as Service Level Benchmarks (SLBs). These benchmarks serve as critical indicators for comparing the current service delivery levels against the established targets and also allow for an objective evaluation of where ULBs are meeting the standards and where the deficits exist. The performance parameters used in this chapter are related to four key physical services: water supply, sewerage, solid waste management, and stormwater drain. The reference year of assessment is 2021-22 and only in few cases, it is 2021-22, 2022-23 and 2023-24. The details of parameters are as indicated below-

6.3 The SLBs for water supply focus on:

1) Coverage of water supply connections (100%)
2) Per capita water supply (135 lpcd)
3) Extent of metering of water connections (100%)
4) Continuity of water supply (24x7)
5) Quality of water supplied (100%)
6) Efficiency in redressal of customer complaints (80%)
7) Cost recovery in water supply services (100%)
8) Efficiency in collection of water supply charges (90%)

6.4 For sewerage and sanitation, the SLBs include:

1) Coverage of toilets
2) Coverage of sewage network services (100%)
3) Collection efficiency of sewage network (100%)
4) Adequacy of sewage treatment capacity (100%)
5) Quality of sewage treatment (100%)
6) Extent of reuse and recycling of treated sewage (20%)

7) Efficiency in redressal of customer complaints (80%)
8) Cost recovery in sewage management services (100%)
9) Efficiency in collection of sewage charges (90%)

6.5 In the solid waste management (SWM) sector, the SLBs include:

1) Household coverage of SWM services (100%)
2) Efficiency in collection of municipal solid waste (100%)
3) Extent of segregation of municipal solid waste (100%)
4) Extent of municipal solid waste recovered (80%)
5) Extent of scientific disposal of municipal solid waste (100%)
6) Efficiency in redressal of customer complaints (100%)
7) Cost recovery in SWM services (100%)
8) Efficiency in collection of SWM charges (90%)

6.6 For stormwater drainage, the SLBs include:

1) Coverage of storm water drainage network
2) Incidence of water logging/ flooding

6.7 This chapter presents the status of the physical services provided by the local bodies in three Parts. Part I presents the delivery status of physical services in general areas. Under it, Section I presents the status related to the MBs, Section II presents about the status in two MCs (Dibrugarh and Silchar), Section III about the status in GMC and Section IV provides the status in respect of PRIs. The Part II of the chapter presents the delivery status of the physical services by the ULBs and RLBs belonging to the Sixth Schedule areas while Part III provides the summary of findings and recommendation.

Part-I
Status of Delivery of Physical Services in General Areas

6.8 The service delivery status in urban settlements under Part I is provided under three Sections. Section I depicts the status of MBs, Section II about the status two small size MCs and Section III about GMC, Section IV about the PRI.

Section-I
A. Status of Delivery under the MBs

1.Water Supply:

6.9 The analysis of water supply services across ULBs reveals significant gaps in achieving the SLBs. A majority of ULBs continue to fall short of universal coverage: of the 68 ULBs, 64 have less than 50% household coverage of water supply connections, while only 1 ULB has achieved more than 80%. The range of coverage is equally stark, with 58 ULBs in the lowest bracket and just 3 in the highest. In terms of service quality, only 33 ULBs meet the per capita norm of 135 lpcd, while 34 remain below benchmark. System efficiency is weak, with 67 ULBs having negligible or no metering of connections. Continuity of supply is a serious concern, as 56 ULBs supply water for less than 24 hours. Quality and customer service indicators show mixed performance: 43 ULBs fail to meet water quality standards and 40 fall short on complaint redressal benchmarks. Financial sustainability is equally constrained, with 55 ULBs not recovering costs and 54 unable to achieve the

minimum collection efficiency of 90%. The Information regarding Service level benchmarks water supply is shown in Table-6.1.

Table-6.1: SLBs - Water Supply (2021-22)

Sl. No.	Indicators	ULBs coverage (No.) with		
		<50%	50-80%	>80%
1	Coverage of water supply Connections (100%)	64	3	1
2	Range for coverage of water supply	58	6	3
3	Per capita supply of water (135 lpcd)*	34	2	33
4	Extent of metering of water connection (100%)	67	0	0
5	Continuity of water supply (24x7)	56	1	0
6	Quality of water supplied (100%)	43	9	15
7	Efficiency in redressal of customer complaints (80%)	40	11	15
8	Cost recovery in water supply services (100%)	55	3	5
9	Efficiency in collection of water supply related charges (90%)	54	4	7

*Water supply is measured in litres per capita per day (lpcd). To compare across cities and against benchmarks, the observed lpcd is normalised to a percentage scale with SLB of 135 lpcd taken as 100%.

6.10 For ULBs with a functioning water supply connection, performance on the non-revenue water (NRW) benchmark is relatively better than other water supply indicators. Of the 60 ULBs assessed, 52 ULBs (about 87%) report NRW levels within the acceptable limit of 20%, while only 8 ULBs (around 13%) exceed this threshold. The Information regarding SLBs-Water supply is shown in Table 6.2

Table-6.2: SLBs - Water Supply (2021-22)

Sl. No.	Indicators	ULBs coverage (No.) with	
		<20%	>20%
	Extent of non-revenue water (20%)	52	8

2. Sewerage (and Sanitation) Management

6.11 Performance on sewerage services across ULBs shows even deeper gaps against the prescribed SLBs, with near-universal shortfalls across all indicators. While access to individual toilets has improved, with 42 ULBs reporting coverage above 80%, the downstream network and treatment infrastructure is almost entirely absent. All 66 ULBs report less than 50% coverage of sewage networks, with corresponding deficits in collection efficiency, treatment capacity, and quality of treatment. None of the ULBs meet the benchmarks for reuse and recycling of treated sewage, indicating that resource recovery practices are non-existent.

6.12 Institutional performance is also weak. 63 ULBs fall short of the benchmark for complaint redressal efficiency, and cost recovery mechanisms are almost absent, with all 66 ULBs failing to achieve even minimum thresholds for cost recovery or collection of sewage charges. This underscores a complete dependence on Union/State grant transfers and limited fiscal sustainability in this sector. The Information regarding Service level benchmarks – Sewerage is shown in Table 6.3.

Table-6.3: SLBs benchmark- Sewerage (and Sanitation)

Sl. No.	Indicators	ULBs coverage (No.) with		
		<50%	50-80%	>80%
1	Coverage of toilets (100%)	20	5	42
2	Coverage of sewage network services (100%)	66	0	0
3	Collection efficiency of the sewage network (100%)	66	0	0
4	Adequacy of sewage treatment capacity (100%)	66	0	0
5	Quality of sewage treatment (100%)	65	0	0
6	Extent of reuse and recycling of treated sewage (20%)	66	0	0
7	Efficiency in redressal of customer complaints (80%)	63	1	0
8	Extent of cost recovery in sewage management (100%)	66	0	0
9	Efficiency in collection of sewage charges (90%)	66	0	0

3. Solid Waste Management (SWM)

6.13 SWM services present a mixed picture, with some ULBs showing progress on collection but lagging sharply on segregation, recovery, and scientific disposal. Household-level coverage of services is moderate, with 17 ULBs crossing the 80% benchmark, but a larger share, 33 ULBs, still remain below 50%. On efficiency of collection, nearly one-third of ULBs (24) perform well, yet 19 ULBs continue to struggle with basic collection efficiency.

6.14 Critical systemic weaknesses lie in waste processing and disposal. Segregation at source is negligible, with 53 ULBs below 50%, and recovery rates are similarly poor, with 52 ULBs unable to recover even a minimal share of waste. Scientific disposal remains the weakest link, with 59 ULBs failing to meet the standard, resulting in widespread dependence on open dumping practices.

6.15 Institutional performance indicators show some relative strength: 43 ULBs meet the benchmark for complaint redressal efficiency, suggesting improved citizen interface in some towns. However, financial sustainability is almost absent, 60 ULBs have negligible cost recovery, and 56 fall short on collection efficiency of user charges.

6.16 Overall, the data points to partial gains in household coverage and complaint redressal, but systemic deficits in segregation, recovery, and scientific disposal, compounded by weak cost recovery. This underlines the urgent need for investments in waste processing infrastructure, citizen-led segregation initiatives, and fiscal reforms to move SWM services towards sustainability. The Information regarding Service level benchmarks- Solid Waste Management is shown in Table 6.4.

Table-6.4: SLBs benchmarks- Solid Waste Management

Sl. No.	Indicators	ULBs coverage (No.) with		
		<50%	50-80%	>80%
1	Household level coverage of solid waste management services (100%)	33	15	17
2	Efficiency of collection of municipal solid	19	25	24

	waste (100%)			
3	Extent of segregation of municipal solid waste (100%)	53	6	6
4	Extent of municipal solid waste recovered (80%)	52	10	4
5	Extent of scientific disposal of municipal solid waste (100%)	59	1	5
6	Efficiency in redressal of customer complaints (100%)	11	11	43
7	Extent of cost recovery in SWM services (100%)	60	2	2
8	Efficiency in collection of SWM charges (90%)	56	4	6

4. Storm Water Drains

6.17 Storm water drainage remains an underdeveloped service across most ULBs, with significant deficits in network coverage and limited resilience against flooding events. Of the 58 ULBs assessed, 35 report drainage coverage of less than 50%, while only 14 exceed the 80% benchmark. This limited coverage translates into heightened vulnerability during monsoon months, as large parts of urban areas remain without adequate drainage infrastructure. The Information regarding Service level benchmarks- Storm Water Drains is shown in Table 6.5.

Table-6.5: SLBs benchmarks- Storm Water Drains

Sl. No.	Indicators	ULBs coverage (No.) with		
		<50%	**50-80%**	**>80%**
1	Coverage of storm water drainage network	35	9	14

6.18 Flooding incidence data reinforces this gap: Several ULBs continue to report frequent waterlogging, with many experiencing more than ten episodes annually. This highlights both the inadequacy of drainage networks and the lack of integration between land use planning, solid waste management, and storm water systems. The Information regarding Service level benchmarks- Storm Water Drains is shown in Table 6.6.

Table-6.6: SLBs benchmarks- Storm Water Drains

Sl. No.	Indicators	ULBs coverage (No.) with		
		<10 times	**10-20 times**	**>20 times**
1	Water logging in the storm water drainage network	56	4	2

B. **Status of Service Deficits in MBs**

1. Water Supply

6.19 The performance of ULBs in water supply services reflects substantial capacity deficits across nearly all SLBs. Out of 81 ULBs assessed, only 1 ULB (1.2%) has achieved the benchmark of universal coverage of household connections, leaving a 98.8% deficit. Even when considering the range of coverage, only 3 ULBs (3.7%) fall above the 80% benchmark.

6.20 Service adequacy shows mixed results. While 33 ULBs (40.7%) meet the per capita supply norm of 135 lpcd, the majority, nearly 60%, remain below this standard. System efficiency is critically weak: no ULBs have achieved metering of water connections, reflecting a 100% deficit, and none provide continuous 24x7 supply, also a 100% deficit. Non-revenue water remains a concern, with only 5 ULBs (1.2%) achieving the target of limiting losses below 20%.

6.21 On quality and customer service indicators, the gaps remain wide. Only 15 ULBs (18.5%) meet the benchmark for water quality, while an equal number achieve the efficiency benchmark for complaint redressal, both reflecting over 80% deficit. Financial sustainability is particularly weak: just 5 ULBs (6.2%) recover the cost of water supply services, and only 7 ULBs (8.6%) meet the efficiency standard for collection of user charges, leaving deficits of 93 - 91%. The Information regarding water supply is shown in Table 6.7

Table-6.7: SLBs benchmarks- Water Supply

Sl. No.	Indicators	Total No. of ULBs	ULBs coverage (no.) with		
			> 80% Coverage	% of ULBs meeting > 80% SLB	Deficit (%)
1	Coverage of water supply Connections (100%)	81	1	1.23	98.77
2	Range for coverage of water supply	81	3	3.70	96.30
3	Per capita supply of water (135 lpcd)	81	33	40.74	59.26
4	Extent of metering of water connection (100%)	81	0	0.00	100.00
5	Continuity of water supply (24x7)	81	0	0.00	100.00
6	Quality of water supplied (100%)	81	15	18.52	81.48
7	Efficiency in redressal of customer complaints (80%)	81	15	18.52	81.48
8	Cost recovery in water supply services (100%)	81	5	6.17	93.83
9	Efficiency in collection of water supply related charges (90%)	81	7	8.64	91.36

Table-6.8: SLBs benchmarks- Water Supply

Sl. No.	Indicators	Total No. ULBs	ULBs with > 20% of non-revenue water	Deficit (%)
1	Extent of non-revenue water (20%)	81	8	9.9

6.22 Performance on NRW shows a relatively better outcome compared to other water supply benchmarks. Out of 81 ULBs, only 8 ULBs (around 10%) report NRW levels higher than the prescribed 20% threshold, implying a capacity deficit of around 9.9%. The Information regarding water supply is shown in Table 6.8.

2. Sewerage (and Sanitation) Management

6.23 The sewerage sector shows the most severe capacity deficits among all urban services. While there has been some progress on toilet coverage, with 42 ULBs (51.9%) achieving more than 80% coverage, nearly half still fall short of the

benchmark. Beyond this, performance is uniformly poor: no ULBs report achieving benchmark levels in coverage of sewerage networks, collection efficiency, adequacy or quality of sewage treatment, or reuse and recycling of treated sewage. Each of these indicators records a 100% deficit, reflecting the near-total absence of sewage infrastructure.

6.24 Institutional and financial performance is equally weak, with none of the ULBs meeting benchmarks on complaint redressal, cost recovery, or efficiency in collection of sewage charges. Unless there is substantial investment in sewage networks, treatment facilities, and cost recovery frameworks, sewerage will remain the single largest gap in urban services, with serious consequences for public health and environmental sustainability. The Information regarding Sewerage is shown in Table 6.9.

Table-6.9: SLBs- Sewerage (and Sanitation) Management

Sl. No.	Indicators	Total No. of ULBs	No. with > 80% coverage	% of ULBs meeting > 80% SLB	Deficit (%)
1	Coverage of toilets (100%)	81	42	51.85	48.15
2	Coverage of sewage network services (100%)	81	0	0.00	100.00
3	Collection efficiency of the sewage network (100%)	81	0	0.00	100.00
4	Adequacy of sewage treatment capacity (1700%)	81	0	0.00	100.00
5	Quality of sewage treatment (100%)	81	0	0.00	100.00
6	Extent of reuse and recycling of treated sewage (20%)	81	0	0.00	100.00
7	Efficiency in redressal of customer complaints (80%)	81	0	0.00	100.00
8	Extent of cost recovery in sewage management (100%)	81	0	0.00	100.00
9	Efficiency in collection of sewage charges (90%)	81	0	0.00	100.00

3. Solid Waste Management

6.25 SWM services across ULBs reveal wide gaps against the prescribed service benchmarks, with deficits evident across almost every indicator. Household-level coverage of SWM services remains incomplete, with only 17 ULBs (21%) achieving universal coverage and nearly four-fifths falling short. Efficiency in collection is somewhat better, with 24 ULBs (30%) meeting the benchmark, though this still leaves a large deficit of 70%. On critical sustainability indicators such as segregation, recovery, and scientific disposal, performance is extremely weak: just 6 ULBs (7%) achieve segregation at source, 4 ULBs (5%) report recovery of 80% of waste, and only 5 ULBs (6%) ensure scientific disposal. Each of these reflects deficits exceeding 90%, pointing to systemic weaknesses in processing and disposal infrastructure.

6.26 Institutional performance shows a mixed picture. While 43 ULBs (53%) meet the benchmark for complaint redressal, demonstrating relatively better citizen interface, financial sustainability remains negligible. Only 2 ULBs (2.5%) achieve full cost

recovery, and just 6 ULBs (7%) meet the efficiency benchmark for collection of SWM charges, translating to deficits above 90%.

6.27 Overall, the data underscores that while basic coverage and collection have seen partial progress, the core deficits in segregation, recovery, scientific disposal, and financial sustainability remain. Addressing these will require significant investment in waste processing infrastructure, stronger enforcement of segregation at source, and reforms in user charge frameworks to enhance cost recovery and sustainability. The Information regarding Sewerage is shown in Table 6.10.

Table-6.10: SLBs benchmarks- Sewerage

Sl. No.	Indicators	Total No. of ULBs	No. of ULBs with > 80% coverage	% of ULBs meeting > 80% SLB	Deficit (%)
1	Household level coverage of solid waste ma0gement services (100%)	81	17	20.99	79.01
2	Efficiency of collection of municipal solid waste (100%)	81	24	29.63	70.37
3	Extent of segregation of municipal solid waste (100%)	81	6	7.41	92.59
4	Extent of municipal solid waste recovered (80%)	81	4	4.94	95.06
5	Extent of scientific disposal of municipal solid waste (100%)	81	5	6.17	93.83
6	Efficiency in redressal of customer complaints (100%)	81	43	53.09	46.91
7	Extent of cost recovery in SWM services (100%)	81	2	2.47	97.53
8	Efficiency in collection of SWM charges (90%)	81	6	7.41	92.59

4. Storm Water Drainage

6.28 Storm water drainage infrastructure across ULBs shows significant capacity gaps. Out of 81 ULBs assessed, only 14 (17.3%) have more than 80% coverage of their drainage networks, leaving a large deficit of 82.7%. This limited network coverage translates into heightened vulnerability during monsoons, with recurring episodes of waterlogging and flooding across most towns as highlighted in the earlier section of the chapter.

6.29 Unlike other SLBs, flooding incidence is not expressed as an absolute percentage deficit but instead as the distribution of how often ULBs face waterlogging events in a year. This distinction is important, as it reflects the functional stress on existing infrastructure rather than only the presence or absence of coverage. The implication is that storm water management cannot be addressed solely through expanding physical networks. With ULBs continuing to face flooding issues, there is a need for parallel investments in maintenance, de-silting, and system integration, along with climate-resilient urban planning, to reduce vulnerability to flooding and strengthen long-term resilience. The Information regarding Strom Water Drainage is shown in Table 6.11.

Table-6.11: SLBs benchmarks- Storm Water Drainage

Sl. No.	Indicators	Total No. of ULBs	No. of ULBs with > 80% coverage	% of ULBs meeting > 80% SLB	Deficit %)
1	Coverage of storm water drainage network	81	14	17.28	82.72

Section II

A. Status of Delivery in two MCs (Silchar & Dibrugarh)

6.30 Dibrugarh and Silchar Corporations performance varies across core urban services. In water supply, Dibrugarh has limited coverage, low continuity, and no cost recovery, although per capita supply and water quality meet standards, while Silchar demonstrates higher coverage, extended supply hours, and effective grievance redressal, but gaps remain in metering and full cost recovery. Sewerage services are largely underdeveloped; Dibrugarh reports negligible coverage, whereas Silchar has achieved full toilet coverage and moderate household-level service, but both lack adequate treatment capacity, network expansion, and financial sustainability. In solid waste management, both Corporations show operational improvements in collection efficiency and complaint redressal, with Silchar performing better in household coverage and waste segregation, though cost recovery is limited. Storm water drainage remains minimal in both cities, with low network coverage and intermittent water logging. Overall, Silchar outperforms Dibrugarh across most indicators, but both Corporations require focused investment and system strengthening to achieve comprehensive and sustainable urban service delivery. Following are the detailed elaboration under each of the key components

1. Water Supply

6.31 Dibrugarh and Silchar municipalities show significant disparities in their performance against water supply benchmarks, highlighting areas of concern and progress. Dibrugarh's coverage of water supply connections remains alarmingly low, with only 17% coverage in 2023-24, showing minimal progress over the years. In contrast, Silchar has made notable strides, increasing coverage from 42.5% in 2021-22 to 53% in 2023-24. Both municipalities meet the benchmark for per capita water supply, maintaining 135 lpcd, but Dibrugarh falls behind in essential areas such as metering and NRW. While Dibrugarh shows some improvement in reducing non-revenue water to 15% in 2023-24, it still lags far behind the ideal 0% target, with Silchar consistently reporting higher NRW levels (up to 22% in 2021-22), further underlining inefficiencies in water management.

6.32 In terms of supply continuity, Silchar outperforms Dibrugarh significantly, providing 21 hours/day in 2023-24, compared to Dibrugarh's 10 hours/day. Dibrugarh's customer service, as reflected in complaint redressal efficiency, shows improvement to 80% in 2023-24, a leap from previous years, while Silchar maintains a high 99% across recent years, although it saw a dip to 84% in 2021-22. Both municipalities meet water quality standards, but Dibrugarh continues to struggle with cost recovery and efficiency in collecting water-related charges, with 0% performance across all

years. Silchar, on the other hand, manages a steady 67% cost recovery and shows gradual improvements in charge collection efficiency, rising to 69% in 2023-24.

6.33 Overall, Silchar demonstrates more consistent progress, particularly in coverage, continuity, and customer service, whereas Dibrugarh faces significant challenges in improving its water supply systems, particularly in metering, NRW reduction, and revenue generation. Both municipalities must focus on reducing NRW, improving metering, and enhancing cost recovery to ensure long-term sustainability in water supply services. The Information regarding Service level Benchmarks- Water Supply in Municipal Corporation is shown in Table 6.12.

Table 6.12 SLBs- Water Supply

Sl. No.	Indicators	Availability		
		2023-24	2022-23	2021-22
Dibrugarh Municipality				
1	Coverage of Water Supply Connections (100%)	17	16	15
2	Per Capita Supply of Water (135 lpcd)	135	135	135
3	Extent of Metering of Water Connections (100%)	5	0	0
4	Extent of Non-Revenue Water (NRW) (100%)	15	0	0
5	Continuity of Water Supplied (24 hrs/day)	10	0	0
6	Efficiency in Redressal of Customer Complaints Related to Water Supply (80 %)	80	0	0
7	Quality of Water Supplied (100%)	99	99	99
8	Cost Recovery in Water Supply Service (100%)	0	0	0
9	Efficiency in Collection of Water Supply-Related Charges (90%)	0	0	0
Silchar Municipality				
1	Coverage of Water Supply Connections (100%)	53	52.3	42.5
2	Per Capita Supply of Water (135 lpcd)	135	135	135
3	Extent of Metering of Water Connections (100%)	0	0	0
4	Extent of Non-Revenue Water (NRW) (100%)	18	18	22
5	Continuity of Water Supplied (24 hrs/day)	21	21	18
6	Efficiency in Redressal of Customer Complaints Related to Water Supply (80%)	99	99	84
7	Quality of Water Supplied (100%)	99	99	99
8	Cost Recovery in Water Supply Service (100%)	67	67	67
9	Efficiency in Collection of Water Supply-Related Charges (90 %)	69	67	47

2. Sewerage (and Sanitation) Management

6.34 In terms of sewerage management, both, Dibrugarh and Silchar Municipal Corporations, largely underperform against key benchmarks. Dibrugarh Municipal Corporation reports 0% coverage for toilets, sewerage networks, and treatment facilities across the three years, with collection efficiency and cost recovery also at 0%. Meanwhile, Silchar Municipal Corporation has achieved 100% toilet coverage, meaning this area no longer requires intervention. However, sewerage network coverage remains at 0%, and adequacy, quality, reuse, complaint redressal, and cost recovery remain unaddressed. Collection efficiency of the sewerage network shows marginal improvements, from 12% in 2021-22 to 18% in 2023-24, while household-

level coverage has increased from 65% to 95%, reflecting better outreach compared to Dibrugarh.

6.35 Overall, Silchar Municipal Corporation has completed toilet coverage, but both Municipal Corporations face significant challenges in expanding sewerage networks, establishing treatment facilities, and improving collection efficiency and cost recovery. Focused investment and operational improvements are required to achieve sustainable wastewater management. The Information regarding Service level Benchmarks- Sewerage is shown in Table 6.13.

Table 6.13 SLBs- Sewerage (and Sanitation) Management

Sl. No.	Indicators	Status		
		2023-24	2022-23	2021-22
	Dibrugarh MC			
1	Coverage of toilets (100%)	0	0	0
2	Coverage of sewerage network (100%)	0	0	0
3	Collection efficiency of sewerage network (100%)	0	0	0
4	Adequacy of sewerage treatment capacity (100%)	0	0	0
5	Quality of sewerage treatment (100%)	0	0	0
6	Extent of reuse and recycling of sewage (20%)	0	0	0
7	Efficiency in redressal of customer complaints related to sewerage (80%)	0	0	0
8	Efficiency in collection of sewage water charges (90%)	0	0	0
	Silchar MC			
1	Coverage of toilets (100%)	0	0	100
2	Coverage of sewerage network (%)	0	0	0
3	Collection efficiency of sewerage network (100%)	18	15	12
4	Adequacy of sewerage treatment capacity (100%)	0	0	0
5	Quality of sewerage treatment 100(%)	0	0	0
6	Extent of reuse and recycling of sewage (%)	0	0	0
7	Efficiency in redressal of customer complaints related to sewerage (20%)	0	0	0
8	Extent of cost recovery in waste water management (80%)	0	0	0
9	Efficiency in collection of sewage water charges (90%)	0	0	0

3. Solid Waste Management

6.36 In terms of solid waste management, Dibrugarh Municipal Corporation has achieved moderate household-level coverage, increasing from 60% in 2021-22 to 75% in 2023-24. Collection efficiency is relatively strong at 80%, with segregation and recovery of municipal solid waste improving gradually (15–25% and 5–25% respectively) over the three years. Scientific disposal of waste has improved from 20% to 30%, and efficiency in redressal of customer complaints has risen from 62%

to 80%, reflecting incremental operational improvements. Cost recovery in SWM services and collection of user charges, however, remains low, though collection efficiency for user charges shows strong performance (90% in 2023-24).

6.37 Silchar Municipal Corporation demonstrates higher household coverage (95% in 2023-24) and superior collection efficiency, rising from 65% to 95% over three years. Segregation of solid waste (40%) and scientific disposal (35%) are better than Dibrugarh, though recovery of municipal waste has slightly declined to 20% in 2023-24. Efficiency in redressal of complaints and collection of SWM user charges are consistently high (85% and 95% respectively). Cost recovery in SWM services remains absent, highlighting a key financial gap. The Information regarding Service level Benchmarks- Solid Waste Management is shown in Table 6.14.

Table 6.14 SLBs- Solid Waste Management

Sl. No.	Indicators	Years		
		2023-24	2022-23	2021-22
Dibrugarh Municipality				
1	Household level coverage of SWM services (100%)	75	70	60
2	Efficiency of collection of municipal solid waste (100%)	80	80	75
3	Extent of segregation of municipal solid waste (100%)	15	15	10
4	Extent of municipal solid waste recovered (80%)	25	20	5
5	Extent of scientific disposal of municipal solid waste (100%)	30	20	20
6	Extent of cost recovery in SWM services (100%)	20	10	7
7	Efficiency in collection of SWM user charges (90%)	90	85	78
8	Efficiency in redressal of customer complaints related to SWM (100%)	80	76	62
Silchar Municipality				
1	Household level coverage of SWM services (100%)	95	75	65
2	Efficiency of collection of municipal solid waste (100%)	95	75	65
3	Extent of segregation of municipal solid waste (100%)	40	35	30
4	Extent of municipal solid waste recovered (80%)	20	20	30
5	Extent of scientific disposal of municipal solid waste (100%)	35	20	25
6	Extent of cost recovery in SWM services (100%)	0	0	0
7	Efficiency in collection of SWM user charges (90%)	95	75	65
8	Efficiency in redressal of customer complaints related to SWM (100%)	85	75	75

4. Storm Water Drain

6.38 Dibrugarh and Silchar Municipal Corporations exhibit limited performance in storm water management. Dibrugarh Municipal Corporation has no coverage of storm water drainage networks, though the number of water logging incidents remains low, with a single incident reported in 2023-24. Silchar Municipal Corporation as well shows minimal network coverage, declining from 5.25% in 2021-22 to 1.05% in 2023-24, while water logging incidents have decreased from 15 to 3, indicating some reduction in impact despite low infrastructure coverage. Overall, both Corporations require significant investment in storm water drainage networks to mitigate urban flooding risks and enhance resilience. The Information regarding Service level Benchmarks-Storm Water Drain is shown in Table 6.15.

Table 6.15 SLBs- Storm water drainage management

Sl. No.	Indicators	Years		
		2023-24	2022-23	2021-22
Dibrugarh MC				
1	Coverage of storm water drainage network (100%)	0	0	0
2	Number of incidents of water logging (0)	1	0	0
Silchar MC				
1	Coverage of storm water drainage network (100%)	1.05	2.8	5.25
2	Number of incidents of water logging (0)	3	8	15

B. Estimate of Service Deficit in Silchar and Dibrugarh MC

1. Water Supply

6.39 An assessment of water supply services in Dibrugarh and Silchar Municipal Corporations points to serious and persistent capacity deficits, with both cities falling short of the prescribed service benchmarks.

6.40 In Dibrugarh, household coverage is critically low at only 17 per cent, leaving an 83 per cent gap against the benchmark of universal connections. Continuity of supply stands at around 10 hours per day, reflecting a deficit of nearly 60 per cent from the 24×7 norm. Metering is negligible at 5 per cent, and there is complete absence of cost recovery and efficiency in collection of user charges, both recording deficits of 100 per cent. On the positive side, per capita supply meets the 135 lpcd standard, complaint redressal has achieved the 80 per cent benchmark, and water quality is close to compliance, with only a marginal shortfall. Reported non-revenue water at 15 per cent is technically within the benchmark of 20 per cent.

6.41 In Silchar, the overall pattern is similar. Coverage is again restricted to 17 per cent of households, and continuity of supply remains at roughly 10 hours daily. Metering, cost recovery, and revenue collection indicators all show severe shortfalls, with deficits of 95 to 100 per cent. Service quality, however, shows relative strengths: water quality is near the benchmark, per capita supply meets the 135 lpcd norm, and notably, complaint redressal efficiency exceeds the 80 per cent benchmark, suggesting stronger citizen-facing processes compared to Dibrugarh. As with Dibrugarh, NRW is reported at 15 per cent, within the benchmark.

6.42 Taken together, the two municipal corporations demonstrate marginal strengths on water quality, per capita supply, and complaint redressal, but face deep structural and financial deficits in coverage, continuity, metering, and cost recovery. The Information regarding water supply is shown in Table-6.16.

Table-6.16: SLB- Water Supply (Service Deficit)

MC/ Indicator	2023-24	Deficit %
Dibrugarh Municipal Corporation		
Coverage of Water Supply Connections (100%)	17	83
Per Capita Supply of Water (135 lpcd)	135	0
Extent of Metering of Water Connections (100%)	5	95
Extent of Non-Revenue Water (NRW) (20%)	15	0
Continuity of Water Supplied (24 hrs/day)	10	58.3
Efficiency in Redressal of Customer Complaints Related to Water Supply (80 %)	80	0
Quality of Water Supplied (100%)	99	1
Cost Recovery in Water Supply Service (100%)	0	100
Efficiency in Collection of Water Supply-Related Charges (90%)	0	100
Silchar Municipal Corporation		
Coverage of Water Supply Connections (100%)	17	83
Per Capita Supply of Water (135 lpcd)	135	0
Extent of Metering of Water Connections (100%)	5	95
Extent of Non-Revenue Water (NRW) (20%)	15	85
Continuity of Water Supplied (24 hrs/day)	10	58.3
Efficiency in Redressal of Customer Complaints Related to Water Supply (80 %)	80	Exceeds SLB
Quality of Water Supplied (100%)	99	1
Cost Recovery in Water Supply Service (100%)	0	100
Efficiency in Collection of Water Supply-Related Charges (90%)	0	100

2. Sewerage

6.43 In Dibrugarh, performance is extremely poor across all indicators. Coverage of toilets is negligible, leaving a 100 per cent deficit, and there is no sewerage network, collection efficiency, treatment capacity, or treatment quality. Reuse and recycling of sewage is reported at zero, with no progress towards the 20 per cent benchmark. Institutional indicators are similarly weak, with no mechanisms for customer complaint redressal or collection of sewage charges, both recording deficits of 100 per cent. Taken together, Dibrugarh's sewerage system remains entirely absent, highlighting a complete dependence on state-level interventions to establish even basic services.

6.44 In Silchar, the picture is marginally better but still characterised by very high deficits. Toilet coverage has been achieved at 100 per cent since 2021–22, eliminating the deficit on this indicator. However, coverage of the sewerage network remains at zero, with corresponding 100 per cent deficits in treatment capacity, treatment quality, reuse and recycling, complaint redressal, and collection of sewage charges. Collection

efficiency is the only partial gain, at 18 per cent, but still reflects an 82 per cent shortfall.

6.45 These findings underscore that sewerage remains the weakest service in both cities, with almost all indicators showing deficits of 80–100 per cent. While Silchar has achieved full toilet coverage and begun some progress on collection efficiency, the absence of sewerage networks, treatment systems, and financial recovery mechanisms in both cities points to a sector that requires urgent investment and institutional reform. Without such interventions, sewerage will remain the single largest gap in municipal service delivery, with direct consequences for public health and environmental sustainability. The Information regarding Sewerage is shown in Table-6.17.

Table-6.17: SLBs- Sewerage

MC/ Indicator	2023-24	Deficits
Dibrugarh Municipal Corporation		
Coverage of toilets (100%)	0	100
Coverage of sewerage network (100%)	0	100
Collection efficiency of sewerage network (100%)	0	100
Adequacy of sewerage treatment capacity (100%)	0	100
Quality of sewerage treatment (100%)	0	100
Extent of reuse and recycling of sewage (20%)	0	0
Efficiency in redressal of customer complaints related to sewerage (80%)	0	100
Efficiency in collection of sewage water charges (90%)	0	100
Silchar Municipal Corporation		
Coverage of toilets (100%)	0	0
Coverage of sewerage network (100%)	0	100
Collection efficiency of sewerage network (100%)	18	82
Adequacy of sewerage treatment capacity (100%)	0	100
Quality of sewerage treatment (100%)	0	100
Extent of reuse and recycling of sewage (20%)	0	100
Efficiency in redressal of customer complaints related to sewerage (80%)	0	100
Efficiency in collection of sewage water charges (90%)	0	100

3. Storm Water Drain

6.46 In Dibrugarh, there is no reported coverage of the storm water drainage network, resulting in a 100 per cent deficit. The complete absence of drainage infrastructure leaves the city highly vulnerable to waterlogging and recurrent flooding, especially during the monsoon. This reflects a structural neglect of basic urban resilience systems. Similarly, in Silchar, coverage has been reported at only 1.05 per cent, translating into a 98.95 per cent deficit. While this represents a marginal presence of drainage infrastructure, it is insufficient to protect the city from flooding risks and highlights the absence of comprehensive storm water management.

6.47 It is important to note that a benchmark for waterlogging incidence has not been included here as part of the deficit estimation. This is because the extent of flooding cannot be meaningfully expressed as a percentage deficit in the same way as coverage or service quality. Instead, the occurrence of flooding is best understood as a

functional outcome of the larger ecosystem of infrastructure, including storm water drains, solid waste management, land use planning, and road design etc. The Information regarding Storm Water Drain is shown in Table-6.18.

Table-6.18: SLBs- Storm Water Drain

Particular	2023-24	Deficits
Dibrugarh Municipality		
Coverage of storm water drainage network (100%)	0	100
Silchar Municipality		
Coverage of storm water drainage network (100%)	1.05	2.8

4. Street Lighting Infrastructure

6.48 Although street lighting is not included within the prescribed Service Level Benchmarks (SLBs), it nevertheless constitutes a core municipal service with direct implications for public safety, quality of life, and urban resilience. In recent years, street lighting infrastructure across ULBs has undergone significant improvement, with a focused transition to energy-efficient LED systems.

6.49 The solar street lighting initiative in Assam has achieved significant progress across two phases. In Phase I, from FY 2022-25, a total of 7,513 solar LED units were sanctioned across 119 ULBs, of which 7,157 units (95 percent) have been installed. The financial performance in this phase was equally strong, with work orders worth ₹74.99 crore issued and ₹71.44 crore (95 percent) utilized.

6.50 Assam Supply Syndicate was responsible for installations across 43 ULBs, covering 3,006 sanctioned units. Of these, 2,999 units were successfully installed, with a utilisation of ₹29.93 crore against sanctioned work orders worth ₹30.00 crore. Sabhari Versha Technotrate JV covered a larger footprint of 76 ULBs, with 4,507 sanctioned units. They achieved 4,158 installations, utilizing ₹41.50 crore out of sanctioned ₹44.99 crore. The Information regarding Solar Street Lights is shown in Table- 6.19.

Table-6.19: Phase I: Solar Stand-Alone LED Street Lighting System (2021)

(Rs. in lakhs)

Agency / Contractor	No. of ULBs	Total Units Sanctioned	Units Installed	Work Order Amount	Amount Utilised
Assam Supply Syndicate	43	3,006	2,999	3,000.59	2,993.60
Sabhari Versha Technotrate JV	76	4,507	4,158	4,498.89	4,150.52

6.51 Phase II builds on this momentum, with work orders and bills raised for 6,712 additional units amounting to ₹71.70 crore for FY 2023-25. This brings the cumulative achievement to 13,869 solar LED streetlights across Assam, with total expenditure of over ₹143 crore. Of these, Assam Supply Syndicate has installed 3,200 units, utilising ₹34.17 crore in FY 2024 - 25, while Sabhari Versha Technotrate JV has installed 3,512 units, with utilisation of ₹37.52 crore during FY 2023 - 25. The Information regarding Solar Street Lights is shown in Table- 6.20.

Table-6.20: Phase II: Solar LED Street Lighting System (Design, Supply, Installation & Commissioning with 7M Pole)

(Rs. in lakhs)

Agency / Supplier	Units (Nos.)	Amount Utilised
Assam Supply Syndicate	3,200	3,417.60
Sabhari Versha Technotrate JV	3,512	₹3,752.24

5. Harijan Colony

6.52 The Commission also recognizes that urban service delivery must be complemented by initiatives aimed at improving the living conditions of marginalised groups. In this context, the State Level Monitoring Committee of 6th ASFC has approved Rs.3645.00 lakhs for Safai Karmacharies Colony of 17 ULBs of General areas of Assam against the scheme of Harijan Colony under 6th ASFC vide Finance Department's letter ECF No. 165693/606, Dt. 31.01.2025. With these funds now released, ULBs have commenced preparatory activities and implementation work is set to begin.

Section III
C. Status of Service Delivery and Deficit in GMC

1. Water Supply

6.53 Disturbing indicators include coverage of connections (30% and making no progress between 2021-24), efficiency of water charge collection (50%), cost recovery (40%), continuity of supply (12%), the status non-revenue water (20%) and metering of water connection (0%). The positive indicators include the status of per capita availability standard of water at par with the 135 lpcd norm, assurance of water quality in the connected cases (99%) and the status of redressal in case of complaints (90%). Details are in table-6.21.

In water supply, GMC's performance is encouraging in three parameters and poor in six parameters. It is encouraging in Per Capita Supply of Water, Efficiency in Redressal of Customer Complaints Related to Water Supply and in Quality of Water Supplied. With 30% coverage water supply connection, 0% metering of water connection, 20% non-revenue water, 12 hours daily delivery and 40% cost recovery of water supply service and 50% Efficiency in Collection of Water Supply-Related Charges are the five poor performing parameters of GMC.

Table-6.21: GMC_ SLBs- Water Supply

Indicators	2023-24	2022-23	2021-22
Coverage of Water Supply Connections (100%)	30%	30%	30%
Per Capita Supply of Water (135 lpcd)	135	135	135
Extent of Metering of Water Connections	0	0	0
Extent of Non-Revenue Water (NRW)	20%	22.50%	25%
Continuity of Water Supplied (24 hrs/day)	12%	12%	12%
Efficiency in Redressal of Customer Complaints Related to Water Supply	90%	80%	80%
Quality of Water Supplied	99%	99%	99%
Cost Recovery in Water Supply Service	40%	35%	30%
Efficiency in Collection of Water Supply-Related Charges	50%	45%	45%

2. Solid Waste Management

6.54 In solid wastage management, the status of households covered (90%), collection status of municipal wastage (90%), collection of user charges (70%) and customers complaints redressal (70%) are quite encouraging. Disturbing status are segregation of waste (40%), solid wate recovery (20%), scientific disposal (20%) and cost recovery in SWM services (20%). Details are in table-6.22.

Table-6.22: SLBs- Solid Waste Management Coverage

Indicator	2023-24	2022-23	2021-22
Household level coverage of SWM services (100%)	90	90	85
Efficiency of collection of municipal solid waste (100%)	90	90	85
Extent of segregation of municipal solid waste (100%)	40	20	15
Extent of Municipal solid waste recovered (80%)	20	20	15
Extent of Scientific disposal of municipal solid waste (100%)	20	0	0
Extent of cost recovery in SWM services (100%)	20	20	15
Efficiency in collection of SWM user charges (90%)	70	70	65
Efficiency in redressal of customer complaints related to SWM (100%)	70	70	65

3. Sewerage management

6.55 Data on performance status on sewerage management is gathered from internet as the same was not made available by GMC. The performance of GMC in sewerage management is reasonably better in five parameters and poor in three parameters. The poor performing parameters include Extent of segregation of municipal solid waste (41%), Extent of scientific disposal of municipal solid waste (0%) and Extent of cost recovery in SWM services (50%). The reverse status is the deficit position of the three parameters (table-6.23).

Table-6.23: Sewerage management (GMC)

Parameters	Performance % 2023-24	Deficit %
1. Household level coverage of SWM services (100%)	100%	0
2. Efficiency of collection of municipal solid waste (100%)	80%	20%
3. Extent of segregation of municipal solid waste (100%)	41%	59%
4. Extent of municipal solid waste recovered (80%)	81%	19%
5. Extent of scientific disposal of municipal solid waste (100%)	0%	100%
6. Extent of cost recovery in SWM services (100%)	50%	50%
7. Efficiency in collection of SWM user charges (90%)	75%	15%
8. Efficiency in redressal of customer complaints related to SWM (100%)	90%	10%

4. Storm water drains (GMC)

6.56 Data on performance status on storm water drainage is gathered from internet as the same was not made available by GMC. The occurrence of incidence is high in the city (>10 times) and as against, the coverage of storm water drainage is 65%. Notably, even after there exist drainage, they remain under water even under modest rainfall scenario (table-6.24).

Table 6.24: SLBs- Storm water drainage management in Guwahati Municipality

Sl. No.	Indicators	2023-24
1	Coverage of storm water drainage network (100%)	65%
2	Number of incidents of water logging per year (0)	>10 times

Section IV
Physical Services Delivered by PRIs
A. Status of delivery of physical Services

1. Roads and Rural Connectivity

6.57 All-weather road connectivity is a critical determinant of economic opportunity and quality of life in rural Assam. PRIs predominantly undertake road construction and maintenance using funds under MGNREGS as well as the untied grants from Central and State Finance Commissions. Over the last five years, approximately 9,029 rural connectivity schemes have been executed under MGNREGS alone. Further, the State has allowed PRIs to utilize up to 100% of the untied portion of the 15th Finance Commission grants for construction of Cement Concrete block roads. However, despite these efforts, a substantial share of rural roads remains unmetalled or frequently damaged due to the state's vulnerability to floods and erosion. Limited untied funds often fall short of meeting the recurring demands for repair and maintenance. This has implications on villagers' access to healthcare, markets, schools, and employment hubs.

2. Drinking Water Supply

6.58 Access to safe and adequate drinking water has seen significant improvements under the Jal Jeevan Mission (JJM), which constructs Piped Water Supply Schemes (PWSS) across villages. To ensure community ownership and sustainability, more than 13,000 PWSS schemes have been handed over to PRIs for operation and maintenance. The tied component of the 15th Finance Commission grant is extensively utilized for meeting expenses related to O&M, including payments to Jal Mitras, cost of water treatment chemicals, and electricity bills. However, a persistent challenge is the collection of user charges from rural households, without which the O&M of these systems cannot be sustainably financed.

3. Sanitation and Solid Waste Management

6.59 PRIs are mandated to ensure sanitation and maintenance of open defecation free (ODF) status. The 15th FC Tied Grants have been pivotal in driving sanitation efforts, particularly in convergence with the Swachh Bharat Mission (Gramin). Activities under this convergence include:

a) Construction of 3,423 community soak pits under MGNREGS to manage greywater.
b) Creation of Material Collection Facilities (MCFs) at the Gram Panchayat and ward levels to handle solid waste.
c) Establishment of 153 Plastic Waste Management Units (PWMUs) at block level, out of which 72 have been equipped with machinery for plastic shredding and baling.
d) Door-to-door segregated waste collection using tricycles or e-rickshaws and placement of green and blue segregation bins in high-footfall areas like markets, schools, Anganwadi Centres, and religious sites.

Yet, even after these advances, the scale of waste generation often outpaces the existing collection and processing systems, necessitating further strengthening.

4. Rural Electrification and Street Lighting

6.60 Under the untied component of the 15th FC Grants, PRIs have actively promoted rural electrification and installation of solar streetlights. Between 2020-21 and 2023-24, around 13,385 electrification activities were undertaken by PRIs. Additionally, the creation of Amrit Sarovars has provided an opportunity to enhance lighting infrastructure, with 8,802 solar streetlights installed at these sites, thereby improving safety and utility in public spaces.

5. Markets and Economic Infrastructure

6.61 The economic vibrancy of rural areas often hinges on well-functioning periodic markets. PRIs have been entrusted with the construction and maintenance of market sheds. From 2020 to 2023, under the 15th FC Grants, 526 market-related activities were implemented. These markets are typically leased out through a transparent tendering process, where the lessee is responsible for maintaining sanitation and cleanliness within the premises.

6. Education Support and Community Infrastructure

6.62 PRIs, especially Gaon Panchayats (GPs), play a supplementary role in the educational ecosystem by investing in school infrastructure. Using 15thFC untied grants, they have taken up activities such as renovation of school buildings, improvement of sanitation and drinking water facilities, and campus upkeep. The involvement of GP Presidents in School Management Committees ensures alignment of school development needs with local planning.

7. Water Conservation and Livelihood Assets:
The Assam Model of Amrit Sarovars

6.63 A unique initiative under rural infrastructure is the Amrit Sarovar programme, conceptualized in Assam with a minimum pondage area of 1 hectare. These water bodies are designed with layered commercial plantations, pisciculture activities, solar lighting, and protective fencing. Unlike in other states where such ponds are primarily for water conservation, Assam's model integrates livelihood generation. Completed Sarovars are typically handed over to Cluster Level Federations (CLFs) under Assam State Livelihood Mission (ASRLM), which reinvest profits from fishery and plantation back into maintenance, contributing also to the GP's own source revenues.

8. Green Assets under MGNREGS

6.64 Environmental protection has been prioritized through plantation schemes under MGNREGS. In the past two years alone, 10,340 plantation schemes have been completed, with an additional 12,256 schemes currently ongoing. These plantations serve multiple objectives-creating durable assets, improving biodiversity, enhancing groundwater recharge, and providing wage employment.

9. Basic Services in Slum-Like Settlements

6.65 Unlike urban areas where slums are formally notified, rural Assam predominantly comprises scattered settlements and hamlets. However, dense informal clusters—particularly migrant worker habitats near tea gardens or char areas—exhibit slum-like characteristics with inadequate water, sanitation, and waste management infrastructure. Services in these pockets are provided under the general ambit of schemes like JJM, SBM(G), and MGNREGS without distinct categorization. The Gram Sabhas plays a crucial role in identifying such vulnerable clusters to prioritize them under annual plans, thereby ensuring inclusivity.

B. Estimation of Service Deficits and Areas Prone to Shortfall

6.66 While wide array of services being undertaken by PRIs for their delivery, significant gaps persist in service delivery across rural Assam. These deficits are more pronounced in specific geographical zones:

a) Flood and Erosion Prone Districts: Districts of Lower Assam and Barak Valley experience recurrent floods and riverbank erosion, resulting in frequent damage to roads, PWSS installations, and other civic infrastructure. These areas are chronically prone to service deficits.

b) Water Supply: Over 13,000 PWSS have been handed over to PRIs under JJM, with their O&M currently managed through the tied grants of the 15th Finance Commission. However, this is largely a temporary arrangement, and without a dedicated mechanism for sustained O&M funding, the long-term reliability of these schemes could be at risk. Establishing a permanent system is essential to secure uninterrupted water supply, especially in erosion-affected areas.

c) Solid Waste and Plastic Management: Although Material Collection Facilities (MCFs) and Plastic Waste Management Units (PWMUs) have been created, the operational efficiency of door-to-door collection systems and the full scientific processing of waste remains incomplete, leading to partial coverage in many GPs.

d) Road Connectivity: Despite progress, many villages, especially in flood-prone and remote areas, still lack pucca roads and adequate drainage, with recurrent floods exacerbating maintenance challenges.

e) Street Lighting: Street lighting has been taken up in many areas using 15th FC untied grants, including installations at Amrit Sarovar sites. Yet, many villages remain under-illuminated, underscoring the need for a dedicated funding strategy to expand street lighting coverage across rural Assam.

C. Inventory of Assets, Their Utilisation and Indicative Valuation

6.67 The extensive infrastructure created by PRIs represents a valuable stock of rural assets. A broad indicative inventory along with nature of current use and indicative valuation is given in table-6.25.

Table-6.25: Use and indicative valuation of rural assets

Type of Asset	Approx. Quantity	Current Use	Indicative Valuation
PWSS under JJM (handed over to PRIs)	~13,000+	Supplying potable water to rural households	₹1.5-2 lakh each ≈ ₹200-250 Cr
Solar Street Lights	~8,800 (Amrit Sarovars) + others	Lighting village pathways & communal areas	₹12-15K each ≈ ₹12-15 Cr
Rural Roads & Connectivity Works	~9,029 schemes	Ensuring year-round connectivity	₹4-6 lakh/km ≈ ₹400-500 Cr
Community Soak Pits	~3,423	Greywater management	₹20,000 each ≈ ₹6-7 Cr
Market Sheds	~526	Weekly rural markets	₹8-10 lakh each ≈ ₹40-50 Cr
Plastic Waste Mgmt Units (PWMU)	~153 (72 fully equipped)	Plastic segregation & processing	₹25-30 lakh each ≈ ₹40-45 Cr
Amrit Sarovars	~1,000+ (est.)	Water conservation, fisheries, plantations	₹20-25 lakh each ≈ ₹200-250 Cr
Plantation Assets under MGNREGS	~22,500 schemes (completed + ongoing)	Soil conservation, livelihoods, ecological gains	Notional ecological value

These assets not only deliver immediate utility but also represent future economic and ecological dividends for rural communities.

Part II
Physical Services in RLBs & ULBs under Sixth Schedule Areas

A. NCHAC

6.68 The North Cachar Hills Autonomous District Council was created on 29th April, 1952 under Article 244(2) of the Sixth Schedule to the Constitution (now Dima Hasao Autonomous Council). The Dima Hasao District is administered by Dima Hasao Autonomous Council (DHAC)). The Autonomous Council is a powerful body and almost all the department of government are under its control except the Police and Law & Order which is under the State Government. The district has 4980 sq.km area and 695 villages comprising 5(five) Development Blocks. In rural areas, the CDCs numbering 28 are designated as Rural Local Bodies (RLBs) and in seven towns four have Municipal Boards (MBs) and three Town Committees (TC). The district is inhabited by 13 distinct Tribes residing in small hamlets in a scattered manner and each community having their own unique traditions and culture.

6.69 The CDCs have not been empowered by any statutory act to carry out implementation of any development activities yet. But, rural areas of the district have basic service facilities constructed under various centrally sponsored programmes, stated funded projects, CFC grants and the sectors devolved as per the provision of sixth schedule areas. The villages to a large extent have rural roads, market sheds, ring wells, piped water supply scheme, community halls, community sanitary complex, community

soak pits, community fish ponds, solar lights etc. Work on solid waste and sewerage management is minimum and storm water drains is negligible.

6.70 The ULBs have few defined services. They include arterial roads, solar lights in vulnerable areas, beautification of town areas, piped drinking water supply facilities addition to same ring wells in various localities and water harvesting structures at public buildings. The coverage of household with water is considerably low while Waste and sewerage management services are very minimum as of now in the ULBs.

6.71 In order to provide better services by way of fulfilling the shortfall / gaps to the public by the local bodies, both rural urban local bodies of need to be constituted as statutory authority and they at the same time empowered with clear functions, functionaries and funds. This will supplement the services provided by the various line Departments in the District.

B. **KAAC**

6.72 Under KKAC, there are two districts with total population of 9.56 lakhs of which 8.21 lakh live in rural areas and 1.36 lakhs in urban areas. The council area has 11 development blocks, 22 towns and 2928 villages. There are 843 Tribal Village Development Committees (TVDC) at the grassroots level comprising few villages and Community Welfare Development Committee (CWDC) at the MAC level numbering 30 vide notification dated KAAC/P&RD/Constn-VDC Office Blgd/2023/27 dated Nov 6, 2023. The ULBs are 22 by July 2025.

6.73 The TVDCs have not been empowered by any statutory Act of the KAAC to carry out implementation of any development activities yet. The rural areas of the district however, have various basic service facilities created under various centrally sponsored programmes, stated funded projects, grants from CFC and SFC and the sectors that have been devolved as per the provision of sixth schedule areas. The villages to a large extent have rural roads, market sheds, ring wells, piped water supply scheme, community halls, community sanitary complex, community soak pits, community fish ponds, solar lights etc. The work on solid waste management and sewerage management is minimum and storm water drains are negligible.

6.74 In urban areas, the ULBs however, are providing various facilities. There is water supply system but with inadequate capacity creation, low coverage of household connection (2000 Nos.) and commercial connection (55 Nos.), irregular flow, poor collection of charges and old tariff (1985) . Supply is intermittent and even days together is not available. The waste management is inadequate. Waste generation per day is about 32 tons and collection as against is 10 tons per day. The collection does not follow separation of the solids waste. For disposal, there are 9 yards located at an average distance of 4 Kms. There are 240 waste/ dust bins. The Storm water drains are there but limited. The total length developed is 49 Km drains and out of total, 19.40 km are kutcha (39%). Similarly, Street Light facility is not at all encouraging with 640 tube lights and 40 high musk lights in place.

C. BTC

6.75 There are five districts under BTC with a total population of 31.51 lakhs. Rural population is 30.02 lakhs and urban population 1.49 lakhs as per 2011 census. The development blocks are 18, towns 16 and villages 3082. There are 415 Village council Development Committees (VCDCs) at the grassroots level comprising 5 to 7 villages which created as rural local bodies. and Community Welfare Development Committee (CWDC) at the MAC level numbering 30 The ULBs are 16 in equal number of towns.

6.76 The data capturing the delivery status of the physical services related to drinking water supply, solid waste management, sewerage management and storm water drainage network system are not provided by the 16 ULBs under BTC. Similarly, the data capturing the status physical services provided by the RLBs are also not provided to the Commission. Hence, the status of delivery of physical services provided by the UBLs and RLBs could not be presented.

Part III
Summary of Findings and Recommendations
A. Summary of Findings

6.77 Both ULBs and RLBs are involved in the delivery of physical services like the supply of drinking water, sewerage management, solid waste management, stormwater drains, lighting etc in the state (Para 6.1). For urban areas, the practice of assessing about the delivery status of physical services through defined parameters is available only among the Municipal governments. In rural areas, such practice is not introduced among the PRIs or among other form of local bodies (Para 6.2). The details of parameters used in the assessment for ULBs are provided in Para 6.3, 6.4, 6.5 and 6.6.

6.78 The Part I of chapter 6 while depicts the delivery status of physical services in urban areas, the cases of MBs, two MCs and GMC are provided separately under Section I, II and III respectively.

Section I: Among MBs

6.79 In respect of water supply, its delivery status in respect of eight out of ten parameters is very poor with high majority of the MBs falling in the coverage category of less than 50%. The status of 48% of the MBs supplying water at the rate of 135 lpcd and only 13% of the MBs supplying non-revenue water in the category of more than 20% are somewhat better in comparison to the eight parameters (Para 6.9 and 6.10).

6.80 The eight parameters against which majority of MBs exhibiting high level of service gap in water supply are 1) connection coverage, 2) range of coverage, 3) extent of metering connection, 4) continuity of water supply, 5) water quality, 6) redressal efficiency of customers complaints, 7) cost recovery and 8) water charge collection efficiency (Para 6.19 to 6.22).

6.81 On sewerage (Sanitation) management, toilet coverage in 63% of the MBs in the category of >80% is a reasonable status. As against, the status of sewerage management is extremely poor as the service delivery status of all MBs fall below the category of <50% in respect of all the eight parameters.

6.82 Eight parameters on which 100% of the MBs do not meet > 80% SLBs are 1) Coverage of sewage network services, 2) Collection efficiency of the sewage network, 3) Adequacy of sewage treatment capacity, 4) Quality of sewage treatment, 5) Extent of reuse and recycling of treated sewage, 6) Efficiency in redressal of customer complaints, 7) Extent of cost recovery in sewage management and 8) Efficiency in collection of sewage charges (Para 6.23 & 6.24).

6.83 The delivery of solid waste management (SWM) services measured through eight parameters present a mixed picture as under the SLBs category of >80%, there are 26%, 35% and 66% of the MBs that represent a somewhat reasonable status in respect to three parameters and more than 80% of MBs represent poor status in respect of five parameters (Para 6.25 & 6.26).

6.84 The five parameters related SWM against which the status of above 80% of the MBs fall in the poor category i.e. SLBs of <50% are 1) Extent of segregation of municipal solid waste, 2) Extent of municipal solid waste recovered, 3) Extent of scientific disposal of municipal solid waste, 4) Extent of cost recovery in SWM services and 5) Efficiency in collection of SWM charges (Para 6.25, 6.26 & 6.27).

6.85 The water logging phenomenon affecting 90% of the MBs by SLB category <10 times per annum represent the height of the problem (Para 6.18). However, the drainage network managed by the MBs is at all encouraging with 83% of the MBs representing deficit status of drainage network (Para 6.28 & 6.29). The deficit in the drainage network thus stands as serious concern to be addressed.

Section II: In two MCs (Dibrugarh and Silchar)

6.86 With 135 lpcd water supply, 15% of non-revenue water, 80% redressal efficiency of customer complaints and 99% quality water supply are encouraging status of Dibrugarh MC. The status accounting only 17% household connection of water, 5% metering connection, 10 hours supply per day by 2023-24 are areas of concern Dibrugarh MC (Para 6.31, 6.32 & 6.33).

6.87 The performance of Silchar MC in water supply is far better in all parameters as compared to Dibrugarh MC. Household connection status accounting 53% indicate that Silchal MC is also far behind 100% connection coverage (Para 6.31, 6.32 & 6.33).

6.88 In Sewerage (and Sanitation) Management, the performance is highly discouraging in Dibrugarh as well as Silchar MC (Para 6.34 & 6.36). The deficit is 100% in both the MCs against seven out of eight parameters (Para 6.43, 6.44 & 6.45).

6.89 The performance in Solid Waste Management is encouraging in four parameters i.e. household coverage, efficiency of collection solid waste, Efficiency in collection of SWM user charges and Efficiency in redressal of customer complaints related to SWM. The performance is poor in remaining four parameters i.e. Extent of segregation of municipal solid waste, Extent of municipal solid waste recovered, Extent of scientific disposal of municipal solid waste and Extent of cost recovery in SWM services (Para 6.36 & 6.37). Service deficit against the four parameters is very high inviting performance improving initiative on the part of both the MCs.

6.90 Incidence of waterlogging due to inadequate availability of Storm Water Drain is common to both Dibrugarh and Silchar MC (Para 6.38). Coverage of storm water

drainage network ranging from nil to negligible status in both the MCs indicate the deficit dimension to the extent of 100%. Serious initiative towards addressing the deficit scenario is eminent in both the MCs.

Section III: In GMC

6.91 In water supply, GMC's performance is encouraging in three parameters and poor in six parameters. It is encouraging in Per Capita Supply of Water, Efficiency in Redressal of Customer Complaints Related to Water Supply and in Quality of Water Supplied. With 30% coverage water supply connection, 0% metering of water connection, 20% non-revenue water, 12 hours daily delivery and 40% cost recovery of water supply service and 50% Efficiency in Collection of Water Supply-Related Charges are the five poor performing parameters of GMC.

6.92 In solid wastage management, GMC shows encouraging performance in the households covered (90%), collection status of municipal wastage (90%), collection of user charges (70%) and customers complaints redressal (70%). The disturbing status are segregation of waste (40%), solid wate recovery (20%), scientific disposal (20%) and cost recovery in SWM services (20%).

6.93 The performance of GMC in sewerage management is reasonably better in five parameters and poor in three parameters. The poor performing parameters include Extent of segregation of municipal solid waste (41%), Extent of scientific disposal of municipal solid waste (0%) and Extent of cost recovery in SWM services (50%). The reverse status is the deficit position of the three parameters (Para 6.55)

6.94 The occurrence of flood incidence is high in the city (>10 times) and as against, the coverage of storm water drainage is 65%. Notably, even after there exist drainage, they remain under water even under modest rainfall scenario (Para 6.56).

Section IV: In PRIs

6.95 SLBs with respect of drinking water supply, solid waste and sanitation, sewerage management and storm water drainage are not set for PRIs. Although PRIs are involved in the delivery of the above services, for want of SLBs the service delivery status in quantitative term is not available. A descriptive account on above is presented in Para 6.57 to 6.67.

Part II: In RLBs & ULBs under Sixth Schedule Areas

6.96 SLBs data among the ULBs under three sixth schedule areas with respect to drinking water supply, solid waste and sanitation, sewerage management and storm water drainage are not made available to the Commission though the MBs of the concerned town render such services to some extent.

6.97 The SLBs are not available for RLBs in the Sixth Schedule areas like it is not available for the PRIs in general areas. It is to be mentioned that RLBs in the sixth scheduled areas are not involved in the delivery of services on drinking water supply, solid waste and sanitation, sewerage management and storm water drainage in rural areas as of now. There are however, facility creation through line departments in these areas. For want of SLBs, the service delivery status in quantitative term is not available. A descriptive account on above is presented in Para 6.57 to 6.67.

B. **Recommendations**

RLBs

6.98 Ensuring of the supply of drinking water in rural areas is an important need. Operation and Maintenance cost of PWSS is currently managed through the tied grants of the 15th Finance Commission. However, this is a temporary arrangement. Therefore, in order to maintain long-term reliability of these schemes, the Commission suggests that O&M cost should be borne by untied Grants of CFC and funds from SFC.

6.99 The Commission recommends that PRIs should strive to assume control of all finished piped water supply projects from the PHE Department within their area. They are encouraged to establish Users Committees for each piped water supply project and to collect water fees, a portion of which can be given to the PHE Department for upkeep.

6.100 The Commission advises that excessive groundwater extraction could have long-term affects and result in groundwater depletion. The PHE Department might investigate the option of initiating projects that provide treated water to several villages using surface source.

6.101 The PHE Department should work alongside the PRIs when setting up spot sources for drinking water. Additionally, PRIs should collaborate with the PHE Department during the installation of any drinking water spot sources. This collaboration is essential to prevent any overlap of authority. The PHE should keep a log recording all the spot sources established by various agencies, organized by GP.

6.102 The Commission recommends representatives of Local Bodies to give priority to Rural roads and streetlight by judiciously utilizing funds from CFC and SFC.

6.103 Since riverbank erosion is a problem of huge magnitude and continuous measures are taken by various departments, the RLBs are suggested to undertake plantation of trees as a basic safety measure by utilizing the grant recommended by this commission under green initiative.

6.104 It is essential for elected representatives to be encouraged to engage in awareness campaigns aimed at creating clean and pollution-free villages, in accordance with the national initiative of Swachch Bharat. Solid waste and storm water drainage management should find added focus in keeping villages clean. The example of Ramchar village, the cleanest village in Assam, located in Goalpara district at a distance of 15 KMs from Goalpara town is a good example of initiative taken by the local people.

6.105 All Users committees of Primary Schools, Anganwadis, Health Centres etc should work in coordination with GPs towards improving status education and general health.

6.106 The PRIs should locate appropriate land within their areas and consult the Sub-divisional Land Advisory Board for the allocation of at least 1 bigha land designated for burial / cremation in each GP. Also, for the purpose of construction of GP office or any other office establishment the PRIs should approach Sub-divisional Land Advisory Board for allotment of 1.5 to 2.0 bighas of land per office.

6.107 The Commission advises and encourages that Revenue and Disaster Management Department should facilitate the issuance of necessary orders on land allotment as a priority.

6.108 Availability of functional public toilet system is a priority area in urban areas. The Commission suggests that the municipal authorities take action to engage private entities in setting up modern public toilets in appropriate areas such as bus stands and marketplaces, by applying public-private partnership model based on a pay-per-use system.

6.109 In light of the escalating crisis on solid waste management, many Urban Local Bodies (ULBs) are facing problems in the allocation land. The Commission calls on the State Government to allocate government-owned land for landfill sites or to provide funding for land acquisition for solid waste disposal, applicable not only within ULBs but also at the village level. The Department of Housing and Urban Affairs (DoHUA) and Panchayati Raj and Rural Development (P&RD) Departments should collaborate with the Revenue and Disaster Management (R&DM) Department to identify and designate suitable locations for waste disposal.

6.110 The Commission suggests that, given the frequent complaints about drains overflowing during the monsoon season, all storm water drains should be designed using scientific methods, considering the land's end points and contours. All drains should be solidly built and covered whenever possible, and they should be cleaned on a regular basis.

6.111 The Revenue Department needs to take urgent steps for giving individual pattas through Batowara against each joint patta holder (Ejmali Patta). Due to prevalence of joint patta, collection of land revenue and other duties especially in Urban Areas is badly hampered. The Revenue Department should instruct all Circle Officers and Lat Mandals to reflect the bylane (streets) properly in their trace map in both Urban Local Bodies and Rural local Bodies. The Circle Officer and Executive Officers of ULBs will visit the field time to time to verify the approach road (bylane /street) when giving building permissions. In some cases it appears that the width of road is narrow and encroachment is done by promoter and general land owner.

6.112 The evaluation of service standards through benchmarking should continue on consistent and measured basis. It is recommended to implement an assessment of service delivery standards (SLBs) by an independent third party. Furthermore, establishing a self-assessment system for performance evaluation is also suggested.

6.113 In cases where projects are left unfinished because they are handled by several agencies, it is essential to adopt the EPC method (Engineering, Procurement, and Construction). Whenever feasible, each project should be assigned to a single agency to avoid delays in the completion of the work.

6.114 The promoters/builders should be strongly instructed to follow proper norms while constructing approach roads, drainage system, parking lots etc. They should also be encouraged to include water harvesting, water recycling provisions along with maintaining greenery in the campus.

6.115 There is no training institute in North East for ULBs. The third Assam State Finance Commission had communicated with All India Institute of Local Self-Government (AIILSG) to establish a regional centre in Assam. The AIILSG showed keen interest in the proposal and requested for allotment of a suitable built up premises and provide

infrastructure facilities. However, the proposal could not bear a fruitful result due to various reasons. Therefore, the commission recommends DoHUA to take up the matter with Land Revenue Department, Assam, AIILSG and MoHUA, Govt. of India. This Commission has recommended grant for establishment of an urban institute and capacity building activities under it.

Master Plan for effective delivery of Municipal Services

6.116 The Directorate of Town and Country Planning has already prepared Master Plans for 102 towns in GIS environment out of which 77 Master Plans are notified and rest 25 are in draft stage. For effective implementation of the Master Plan both inside and outside the Master Plan area, it is necessary that the Building Byelaws in vogue is followed by adding to it the measures suggested below-

a. Planning for Peri urban Areas
   It is proposed that DoHUA shall work out a clear policy to plan the Peri Urban Area of the Master Plan to control the haphazard growth.
b. Implementation of Rainwater Harvesting
   Though there is provision for Rainwater Harvesting (RWH) in the Building Byelaw, there is no clear-cut guidelines or manual to check the effectiveness of the same. Therefore, it is recommended that an SOP may be designed to check the effectiveness of RWH by all Municipalities
c. Incentivize the Assam Township Policy, 2023
   In order to make the Assam Township Policy work, it is felt that it needs to be incentivised more to attract the private investment. Further, Government should also take initiative and chalk out to policies to establish more such Township outside the Master Plan area.

Orientation of functionaries of Department of Revenue & Disaster Management

6.117 Speedy and appropriate disposal of revenue related services assumes high importance towards effective development and delivery of various physical services. The following initiatives are recommended towards improving the performance of the functionaries of DRDM-

a) Most of the LRAs formerly known as Lot Mondols are ignorant of the modern technology of revenue administration. Time to time training of the LRA with modern survey equipment as well as updated revenue related issues may be organized.
b) Engagement of revenue officials only for revenue related works for time bound completion of revenue services
c) Training of LRA with GMC/GMDA/ULB/PRI rules, regulations and laws specially building related byelaws.
d) Submission of NOC from the GMC, GMDA, ULB, PRI and other RLBs that a building has followed all building byelaws and then only, other revenue related permission shall be granted.
e) Digitization of all revenue records especially the map.
f) Coordination with other departments like PWD (roads) for updating of all roads, lanes, bylanes etc. in maps and in revenue records etc.

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CHAPTER - 7
Assessment of Finances of PRIs

(General Areas)

7.1 Paragraph 3(I) of the Terms of Reference (ToR) requires the Commission to have regards, among other considerations, to the objectives of balancing the receipts and expenditures on revenue accounts of both the local bodies as a whole and the State Government and each local body.

Paragraph 3(III) requires assessment of resources of the local bodies for the five years commencing on 1st April, 2020 on the basis of the level of collection made during 2016-17 from taxes, duties, tolls, fees, cess etc. levied by them.

Paragraph 3(V) requires that the Commission may consider proposing measurable performance-based incentives for local bodies and councils.

7.2 In due consideration of the above terms, the assessment of finances of PRIs in this chapter is organized in three parts. Part 1 presents the assessment of finances of PRIs for general areas and Part II presents the assessment of finances of the RLBs for sixth schedule areas. The Part III presents the review of fiscal and financial management and Part IV presents the summary of findings and recommendation. The content of each part is divided and presented under three sections. Under Part I, the Section I presents the assessment of finances of PRIs (General Areas) capturing the receipts of resources from various sources as well as the expenditure incurred under various heads. The Section II presents the configuration of the recommendation of this Commission for general-purpose grants and the Section III presents the configuration of the recommendation for special purpose grants. The Sections under Part II similarly, are three i.e. Section I, Section II and Section III but related to the RLBs constituted under the three sixth schedule areas namely; BTC, KAAC and NCHAC.

PART I
ASSESSMENT OF FINANCIES OF PRIs (GENERAL AREAS)
Section I:
Assessment of Receipt and Expenditure

7.3 The Section I presents the i) numerical strength of three-tier PRIs, ii) empowerment provision for own resource generation, iii) PRI's own resource generation status and growth trend, iv) award and transfer of resources against SFC grant from state government and also the resources transferred under agency functions in terms of status and growth trend v) award and transfer of resources against CFC grant from the central government and also the resources transferred under agency functions in terms of status and growth trend, vi) capital account receipts and debts and vii) revenue account expenditure in terms of status and growth trend.

i) Numerical strength of three-tier PRIs

7.4 In keeping with the provisions of Article 243B of the Constitution, the Assam Panchayat Act, 1986 had been amended in 1994. The Amended Act of 1994 provided for a three tier Panchayati Raj system comprising of Gaon Panchayat (GP) at the base level, Anchalik Panchayat (AP) at the intermediate level and Zila Parishad (ZP) at the apex level. The corresponding units were 2197, 185 and 26 till 2023. In 2024, the

development block which is coterminous to Anchalik Panchayat are reorganized along with the reorganization of Gaon Panchayat boundaries. As per reorganization, panchayat election is held in the first week of May, 2025 (2nd & 7th) for 27 ZPs, 182 APs and 2192 GPs. The 27 districts having ZP are: Tinsukia, Dibrugarh, Charaideo, Sibsagar, Jorhat, Majuli, Lakhimpur, Dhemaji, Biswanath, Sonitpur, Darrang, Kamrup, Kamrup Metro, Morigaon, Nagaon, Golaghat, Hojai, Nalbari, Bajali, Barpeta, Bongaigaon, Dhubri, Goalpara, South Salmar Mankachar, Sribhumi, Cachar and Hailakandi.

7.5 With the given reorganization of the blocks and the panchayats with due consideration of the area and population under urban local bodies, the total rural population covered by PRIs at all level stands at 2,37,17,708 (2011 Census) which comprises nearly 76 per cent of the total population of the PRI areas of the state. The total area covered by PRIs is 40658 Sq Km constituting nearly 52 per cent of the total geographical area of the State.

7.6 As per statutory requirement, there should be 27505 elected panchayat members of which 397 are Zilla Parishad Members (ZPM), 2188 Anchalik Panchayat Members (APM) and 21920 Gaon Panchayat Members (GPM). The post of President and Vice President are the elected post from among the elected members of the corresponding tier. The last panchayat election which was held in the first week of May 2025 (2nd& 7th) and results were out on 14th May elected a total 24505 panchayat member. The election for the post Presidents and Vice-Presidents of each tier is completed in the month of August, 2025. The of President, Vice President and member at the level each tier is given in table-7.1. A remarkable feature of this Panchayat Election is that that it has ensured gender equality and women empowerment with women representation accounting more than 50 per cent in all the tiers. The seat reservation for SC and ST are also ensured in all categories of posts.

Table- 7.1: Number of Elected Representatives of PRIs, Assam

Sl. No.	Designation	ZP	AP	GP	Total
1	President	27	182	2192	2401
2	Vice- President	27	182	2192	2401
3	Member	343	1824	17536	19703
	Total	397	2188	21920	24505

ii) Empowerment provision for own resource generation

7.7 Article 243H of the Constitution provides that the Legislature of a State may, by law (a) authorize a panchayat to levy, collect and appropriate taxes, duties, tolls and fees, (b) assign to a Panchayat taxes, duties, tolls and fees levied and collected by the State Government and (c) provide for making grants-in-aid to the Panchayat from the Consolidated Fund of the State.

7.8 In conformity with the above provisions, the taxation powers of GP, AP and ZP have been laid down under Sections 25, 57 and 95 respectively of the Assam Panchayat Act, 1994 and as per the amendments made in 2013 and 2023/24.

Taxation Powers of GP

7.9 The taxation powers of GP as laid down under Section 25 of the Assam Panchayat Act are summarized in Box 1 below:

Box 1: Taxation Powers of GP

I. Subject to such rules as may be made in this behalf a GP shall impose annually,

(a) Tax on houses and structures within the local limits.

(b) Tax on trades and callings carried on or held within the local limits of its jurisdiction, on the basis of the total annual income accrued from such trades and callings.

II. Subject to such rules as may be made in this behalf, a GP shall levy:

(a) A duty in the shape of an additional stamp duty on all payments for admission to any entertainments.

(b) A fee for providing sanitary arrangement at such places of worship or pilgrimage, fairs and melas within its jurisdiction as may be specified by the Government.

(c) A water rate, where arrangement for supply of water for drinking, irrigation or any other purpose is made.

(d) A lighting rate, where arrangement for lighting of public streets and places is made.

(e) A conservancy rate, where arrangement for clearing private latrines, urinals made by the GP.

III. Subject to the rules and bye laws framed in this behalf, a GP may impose tax on the following:

(a) Sale of fire wood and thatch, conservancy and slaughter house,

(b) Private hats and private fisheries,

(c) Shops, pharmacies, tailoring, laundry, hair cutting saloon, carpentry works, automobile workshops, TV, VCR, Radio and tape recorder repairing shops.

(d) Cultivable land lying fallow for consecutive years at a rate not exceeding 25 paise per bigha for every year, being payable jointly or severally by the owners of such land.

(e) A cess on (i) registration of cattle sold within the local area, (ii) license for starting tea stall, hotel, sweet meat stall, restaurants, (iii) carts, carriages, bi- cycles, boats and rickshaws of any kind.

Taxation Powers of AP

7.10 The taxation powers of AP as laid down under Section 57 of the AP Act are reproduced in Box 2 below:

Box 2: Taxation Powers of AP

1. Subject to such maximum rate as the Government may prescribe an AP may:

(a) Levy tolls on persons, vehicles or animals or any class of them at any toll bar established by it on any road other than a Katcha road or any bridges vested in it. (b) Levy tolls in respect of any ferry established by it.

(c) Levy a surcharge on land revenue at the rate of 2 paise per rupee.

(d) Levy a cess or water rate for recovery of cost of minor irrigation works taken up within the jurisdiction of an AP and such cess as may be necessary for the purpose of maintenance and repairs of such works.

(e) Levy a tax on supply of water and lighting.

(f) Levy a tax on profession trades, callings, manufacture and production.

(g) Levy fee for cinema halls, bricks or tile kilns, saw mills, timber depots, rice mills and hullers, fairs, confectionaries and bakeries, private fisheries or vegetable gardens used for commercial purposes.

Taxation Powers of ZP

7.11 The taxation powers of ZP as laid down under section 95 of the AP Act are reproduced in box 3 below:

Box 3: Taxation Powers of ZP
1. Subject to such maximum rate, as the Government may prescribe a ZP may,
(a) Levy tolls in respect of any ferry established by it under its management.
(b) Levy the following fees and rates.
(i) Fees on the registration of boat and vehicle.
(ii) A fee for providing sanitary arrangement at such places of worship or pilgrimage, fairs and melas within its jurisdiction.
(iii) A fee for license for fair or melas.
(iv) A lighting rate where arrangement for lighting public streets and places is made by the ZP within its jurisdiction.
(v) Water rate, where arrangement for supply of water for drinking, irrigation or any other purpose is made by the ZP within its jurisdiction.

7.12 It is apparent from the above provision of the Act that all tiers of Panchayat have been simultaneously vested with taxation powers. It is clear further the GPs have been entrusted with major sources of tax and non-tax revenues as compared to the APs and ZPs. In contrast, the Panchayat Acts of some other States in the country have vested all powers of taxation solely to the GPs and denied the intermediate and apex level institutions of any taxation power. The merit of single point taxation is that it eliminates the scope of overlapping of taxation power and encroachment into each other's jurisdiction.

7.13 Although the GPs have been statutorily empowered to levy and collect a large number of tax and non-tax revenue, they are seriously handicapped in raising own revenue due to lack of administrative infrastructure, manpower and enabling legislation to impose such levies. The Assam Panchayat Act, 1994 and the Rules, 2002 framed there under simply specify the maximum limit of taxation that each tier can levy and leave it to the individual tier to frame required Bye-Laws for this purpose. In this regard Rule 41(4) of the Assam Panchayat (Financial) Rules, 2002 stipulates that a GP shall within three months from the date of its constitution frame Bye-Laws indicating the rates of taxation and submit the same to the concerned ZP who will consolidate the same keeping conformity with the whole district and submit the same to the Government (State). Similarly, Rule 42 and 43 of the said Rules stipulate that AP and ZP shall frame Bye-Laws indicating the rates of taxation within one year and 3 months respectively from the dates of its constitution and submit the same to the government (State). It is gathered by visiting all districts (all ZPs and sample AP and GP) that such Bye-Laws are yet to be put in place for own revenue realization.

7.14 In the matter of administrative infrastructure, the Commission is given to understand that even now 54 GPs out of 2192 are running without office building of their own, and many of those having buildings do not have adequate space for normal functioning. With reorganization of blocks completed in early 2025, there is shift of office location with respect to 102 GPs; meaning thereby need for construction/ establishment of equal number of GP offices in new locations. The position is worse in respect of manpower in position. As of now, a GP as per sanctioned post of government is manned by three persons- one Secretary, one Tax Collector and one Grade IV staff. The revised staffing pattern recommended by the previous SFC has

not yet been implemented. Even in respect of the 3 staff sanctioned norm, the staff in position presents a sorry picture. It is reported that at present 995 GP Secretaries (2024-25) are running as many as 2192 GPs. The GPs after reorganization are 2192 and the gap of GP Secretary stands at 1197 numbers. The situation is worse in respect of Tax Collector. With 639 Tax Collectors in place, the vacancy is in 1553GPs out of 2192. The shortfall of Tax Collectors at AP and ZP level is 48 and 24 against the sanctioned number of 295 and 34 at the corresponding level. The vacancy of Grade IV staff is still large (1758) with 434 in position. Given the prevailing situation, it would be unrealistic to expect the GPs or other tiers of PRIs to be effective in internal revenue mobilization. However, with the recent initiative of state government, the persisting gaps are expected to be bridged.

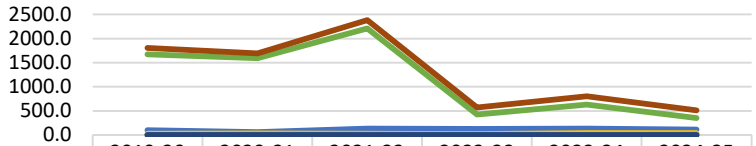
7.15 The most important source of revenue allocated to the GPs are tax on house and structures followed by tax on trades and callings. As stated earlier, the relevant Bye-Laws for imposition of such levies are yet to be in place in the state. As a result, such important sources of revenue collection remained untapped.

7.16 A GP is empowered to levy and collect water rate, lighting rate, conservancy rates etc, where arrangement for providing such services is made by the GP within its jurisdiction. Since most of the GPs have been unable to provide such services, there is hardly any scope for them to collect such levies.

iii) Internal revenue generation of PRIs: status and growth trend

7.17 **Tax revenue:** The status of collection of tax revenue for FY 2019-25 is depicted in Fig.-1 at aggregate level. It can be seen from the figure that the PRI in the state could capitalize only four out of seven standardized sources of tax revenue namely; i) building, ii) pilgrimage, iii) entertainment and iv) others. In order of amount collected, the others category stood as major source followed by building and pilgrimage while entertainment stood as a mere collection category. The **trend and growth** that obtained over the six reference years with respect to the overall collection was in peak in 2021-22 followed by sharp fall in the next year, the continuity of the fall till 2024-25 and resulting registering of negative CAGR of (-) 22.35%. The others category attained peak in 2021-22 and then onward declined sharply with no recovery at all registering (-) 26.68% negative CAGR. The tax on building made a minor dip in 2020 -21 but ended positively with (+) 3.24% CAGR. The tax on pilgrim similarly, made am in or fall in 2022-23 but ended positively with (+) 4.47% CAGR. The collection from entertainment source declined from 2020-21 and ended negatively with (-) 20.59% CAGR. Details can be seen from Fig.7.1.

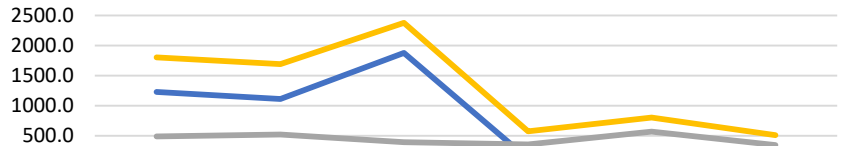
Fig.-7.1: Tax revenue realisation of PRIs at aggregate level during 2019-20 t0 2024-25 (Rs. in lakh)



	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
On building	97.9	58.5	134.4	129.0	135.6	114.8
On non-motorized vehicle	0.0	0.0	0.0	0.0	0.0	0.0
On advt & hoarding	0.0	0.0	0.0	0.0	0.0	0.0
On pilgrim	31.9	34.6	31.2	23.0	39.9	39.7
On entertainment tax	3.8	2.7	2.1	3.1	0.2	1.2
On others	1673.0	1596.9	2212.7	431.5	628.0	354.4
Unrealized revenue	0.0	0.0	0.0	0.0	0.0	0.0
Total	1806.5	1692.6	2380.5	572.8	803.6	510.0

7.18 The collection of tax revenue at three tier level is shown in Fig.-7.2 for last six reference year. This shows that the ZP which contributed majorly for first three years, its contribution dipped sharply from 2022-23 to till 2024-25registering negative CAGR of (-) 42.56%. The GP tier in term of contribution exhibited fluctuation but once again ended with a negative CAGR at (-) 6.82%. The lowest collection was from AP and it also ended with negative CAGR at (-) 6.92%.

Fig.7.2: Tax revenue realisation at 3 tier PRI level during 2019-20 t0 2024-25 (Rs. in lakh)



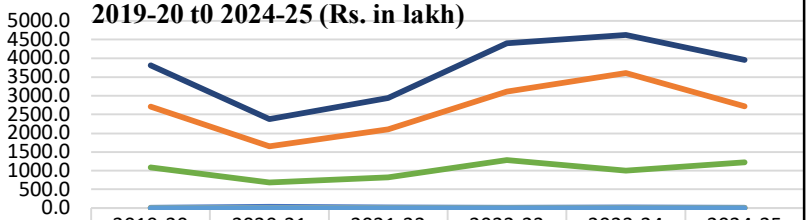
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
ZP	1229.6	1109.9	1875.8	112.6	105.3	76.7
AP	69.7	65.8	60.6	74.8	97.8	48.7
GP	487.4	516.9	393.6	350.5	568.3	342.3
Total	1806.5	1692.6	2380.5	572.8	803.6	510.0

7.19 **Non-tax sources**: As of now, PRIs at all levels derive most of their revenues from non-tax sources like hats, ferries and fisheries located within their respective jurisdiction. The sources are leased out annually by inviting sealed tenders. As per procedure, the annual lease value of hats, ferries and fisheries if is up to rupees one lakh are settled by the APs while those exceeding rupees one lakh but less than rupees three lakh is settled by the ZPs. The proceeds from such settlement or lease are apportioned among the ZPs, APs and GPs in the ratio of 20:40:40 respectively. Notably, the limits which were set for leasing more than two decades back from now,

it is high time that these are revises as money value over the period has got inflated more than three times.

7.20 **Status and trend of non-tax revenue:** The non-tax revenue collection by sources is depicted in Fig.-7.2 for last six years (2019 to 25). As can be seen from Fig.-7.3, the sources capitalized are three only namely; 1) User charges, 2) Fees and 3) Others against six possible sources enlisted in the Rule,2002. The collection from dividend and from interest does not exist as PRIs never in its history have made any investment on any profitable ventures. Similarly, the scope for using minor mineral as source of non-tax revenue generation is negligible for near absence scenario of minor minerals in the 27 PRI districts of the state.

Fig.-7.3 Non-tax revenue realisation of PRIs at aggregate level during 2019-20 t0 2024-25 (Rs. in lakh)



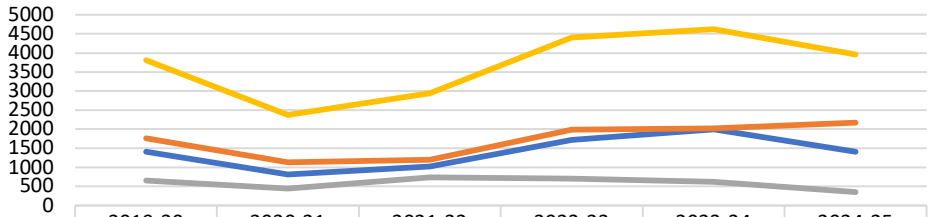
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
User charges	15.3	39.3	23.7	11.7	21.7	14.2
Fees	2709.9	1650.8	2099.4	3112.9	3604.2	2719.7
Royalty on minor minerals	0.0	0.0	0.0	0.0	0.0	0.0
Dividend	0.0	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0	0.0
Others	1086.5	683.2	823.8	1280.6	1000.4	1224.7
Total	3811.6	2373.3	2946.9	4405.2	4626.3	3958.7

7.21 Out of the three capitalized sources, the money value of collection from fees stands as major followed by the collection from other sources while the accrual from user charges stands at too low over the six reference years and notably registering negative CAGR at (-) 1.48%.The collection from various fees reached peak in 2022-23 with negligible positive growth of (+) 0.07% CAGR and collection. The collection from other sources reached peak in 2023-23 with positive growth of CAGR at (+) 2.42%. The overall contribution from non-tax revenue was Rs.3811.6 lakhs in 2019-20 which reached peak in 2023-24 with Rs.4626.3 lakhs but again fell to Rs.3958.6 lakhs in 2024-25; the last reference year. The collection thus, passed through annual fluctuation but importantly, it did not decline registering a small positive growth of CAGR at (+) 0.76%.

7.22 **ZP, AP and GP level**: In Fig.7.4. below, the collection of total non-tax revenue captured at ZP, AP and GP level for the six reference years. This indicates a near stagnant growth at ZP level with CAGR registering at 0.0%, a positive growth of CAGR at (+) 4.49% at AP level and a negative growth with CAGR at (-) 11.18% at GP level. The government notification dated April 25, 2022 (No.PDA.29/2022/11) suspending the authority of issuing trade license and levying or impositioning of any

tax or fees by ZP, AP and GP in setting up of business activities, shops etc. except foreign liquor and country liquor shops, educational institutions, health establishment, brick kilns, tower, petrol pump, timber saw mill, go down and other pollutant industries is reported to have impacted adversely the generation of own revenue particularly among the GPs.

Fig.-7.4 Non-tax revenue realisation at ZP, AP and GP level during 2019-20 t0 2024-25 (Rs. in lakh)



	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
ZP	1405.1	807.4	1018.2	1718.5	1993.9	1405.1
AP	1754.7	1127.4	1191.7	1983.2	2014.4	2173
GP	651.8	438.5	737	703.4	617.9	352.9
Total	3811.6	2373.3	2946.9	4405.2	4626.3	3958.6

7.23 The combined revenue collection of PRIs at all levels comprising both tax and non-tax categories is reported at Rs.56.18 Crore during 2019-20. Then onward the collection experienced a declining trend with minor ups and down ending at Rs.44.69 crore in the 2024-25. The impact of COVID 19 during 2020-21 and 2021-22 and government notification suspending the authority to levy or imposition of any tax or fee in setting up of business activities, shops etc. on April 25, 2022 are reported to be the influencing factors affecting revenue collection. The CAGR of total collection at (-) 4.35%, tax revenue collection at (-) 21.72% and non-tax revenue at (+) 0.76% are the outcome (table-7.2).

Table-7.2: Trend and growth of internal revenue generation during 2019-25

Sl. No.	Category	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	CAGR (%)
1	Tax revenue	1806.5	1692.6	2380.5	572.79	803.63	510.01	(–) 21.72
2	Non-tax revenue	3811.6	2373.3	2946.9	4405.2	4626.3	3958.7	(+) 0.76
	Total	5618.06	4065.89	5327.31	4977.94	5429.96	4468.66	(–) 4.35

7.24 **Reasons of decline:** Number of reasons are found to have influenced negatively in the revenue collection process of PRIs. The administrative shortcomings in terms of inadequate PRI staff and lack of supporting facilities is one. The lack of OSR byelaws at ZP, AP and GP level even after three decades is regarded to be most influencing one. The government notification dated April 25, 2022 (No.PDA.29/2022/11) suspending the authority of issuing trade license and levying or impositioning of any tax or fees by ZP, AP and GP in setting up of business activities, shops etc. is another. Apart from the above two, the apathy of elected representatives to levy taxes and non-tax revenue is another. There is a general perception that imposition of taxes may lead to negative reprisal from their vote bank. However, this sort of apprehension seems to

be unfounded. Because, once the coverage and quality of service delivery are expanded, people will be eager to pay for the services delivered.

7.25 In a nutshell, although the Acts and Rules currently in force empowered the PRIs at all levels to levy and collect taxes, duties, tolls and fees, so far, they have not been able to utilize the provisions and sources to any great extent due to the reasons stated above. Moreover, there persists administrative lacuna like non-preparation of budget and non-keeping of accounts of revenue collection as per prescribed formats. For the reason, it is difficult to get accurate figures of item-wise tax collection from all the tiers. Getting properly classified data of tax and non-tax collection thus, has been another difficulty attracting initiatives to address these persisting problems.

7.26 **Projection of OSR:** The Commission is required by its ToR to make an assessment of the revenues of PRIs for coming five years i.e. 2026-31 based on the level of collection made during 2019-25. Accordingly, a projection for 2026 -31 by using CAGR accrued during past six reference years (2019-25) is made at aggregate level. The projected status is provided in Table-7.3 below. All the three CAGRs on tax, non-tax and total revenue being negative, the projected status obviously exhibited a declining trend from the position of the base years. This in other words indicates not only a poor financial health of PRI, the trap through which it is to proceed in the future with amount declining year after year is too serious a matter of concern.

Table-7.3: Projected internal revenue generation for 2026-31 using the CAGR accrued during 2019-25

(Rs. in lakh)

Year	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31
Tax Revenue	399.22	312.5	244.51	191.28	149.74	117.25
Non-tax Revenue	3990.7	4021	4051.56	4082.49	4113.77	4145.41
Total Revenue	4274.6	4088.4	3909.63	3738.03	3573.27	3415.07
NB: CAGR was (–) 21.72%, (+) 0.76% and (–) 4.35% against tax, non-tax and total revenue respectively during the reference year 2019-25.						

7.27 In due consideration of some of the recent initiative of state government towards empowering PRIs with more functionaries by way of filling the vacant post and by way of increasing the ambit of internal resource mobilization in 2025, an annual increase of 5% is considered realistic and achievable and accordingly, an estimate is made for FY 2026-31. The details of projected revenue by tax and non-tax sources can be seen from table-7.4 below. The projected collection stands at Rs.49.27 crore for FY 2026-27 and the same is to reach Rs.59.88 crore by FY 2030-31. It is to mention here that the OSR generation status of PRI in the state may be higher by about three times provided that the OSR generation initiatives and potential areas recommended by this commission are tapped.

Table-7.4: Projected internal revenue generation for 2026-31

(Rs. in lakh)

Year	2026–27	2027–28	2028–29	2029–30	2030–31
Tax Revenue	562.29	590.4	619.92	650.92	683.46
Non-tax Revenue	4364.5	4582.68	4811.81	5052.4	5305.02
Total Revenue	4926.7	5173.03	5431.68	5703.27	5988.44

NB: Projected at 5% CAGR over base year OSR status of 2024-25

iv) Transfer of resources from state government under SFC grant and agency functions

7.28 This takes into account of (a) assigned taxes of state to PRIs, (b) share of state taxes in the form (bi) award and transfer of general-purpose grant, (bii) award and transfer of special-purpose grant in favour of PRIs, line departments, incentivization of PRI and additional grant and (c) agency functions entrusted to PRIs by state.

(a) Assigned Taxes

7.29 Article 243 I (ii) of the Constitution requires the SFC to make recommendations as to the principle which should govern the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by the Panchayats.

7.30 In this regard, all the previous SFCs of Assam had favoured the principle of global sharing of the proceeds of all taxes and duties levied and collected by the State Government with the Panchayats. Keeping in view the global sharing, the Sixth SFC also did not recommend assignment of or appropriation by the Panchayat of the net proceeds of any particular tax levied and collected by the State.

7.31 The 6th SFC provided an appraisal that the assignment of taxes is feasible only in respect of origin-based taxes like Land Revenue, Entertainment Tax, Entry Tax, Profession Tax etc. However, in case of local taxes, the tax base is usually narrow compared to collection cost. Moreover, the PRIs in Assam are yet to be fully equipped with administrative machinery to tap the full potential of existing sources of revenue assigned to them. Against this backdrop, assignment of taxes may be counterproductive to the local bodies. Thus, having regarded this aspect and keeping in view the global sharing of the net proceeds of all taxes levied and collected by the State, the 6th SFC did not consider desirable to assign tax to local bodies.

7.32 The present Commission has made due consideration of the decisions of previous SFCs and finally not considered desirable to recommend assigned taxes to the PRIs in the state.

(b) Share in State Taxes

7.33 By and large, tax sharing is the major component in the Constitutional Scheme of resource transfer from the State to the local bodies. This type of transfer usually, is treated as untied fund and its utilization is subject to the discretion of the receiving body. The net proceeds of taxes and duties levied and collected by the State are shared with the Panchayats on the basis of the recommendations of successive SFCs. The Sixth SFC in due consideration and assessment of various needs of PRI recommended five types of grants namely; i). Revenue gap- PRI, ii). Direct Grant- PRI, iii). Grant- Line Department, iv). Incentive Grant- PRIs and v). Additional Grant. An account of award and transfer of these grants is outlined below-

(bi) Award and transfer of general-purpose grant /Revenue

7.34 The Sixth SFC examined the past trend own revenue of PRI and estimated generation status of own revenue for its award period (2020-25). Besides, the Commission also examined the past trend of revenue account expenditure and also made likely expenditure estimate in following eight areas namely; i) Salary of Existing Staff, ii) Salary of Additional Staff, iii) Wages to casual staff, iv) Remuneration of elected PRI

representatives, v) Sitting allowance to PRI members, vi) Office expenses, vii) Maintenance of Community assets and viii) Maintenance of roads. The quantum of revenue account gap assessed for it award period (2020-25) summed at Rs.2237.94 crore in total. The gap without the estimated expenditure on salary and wages, summed at Rs.758.29 crore. The quantum of gap was assessed year wise and at ZP, AP and GP level. The summary of assessed gap is given in table-7.5 below.

Table—7.5: Revenue account gap at ZP, AP and GP level as assessed by Sixth SFC (2020-25)

Sl. No.	Items	ZP	AP	GP	Total
1	Revenue receipt	78.10	132.71	143.19	354.00
2	Revenue expenditure				0.00
2.1	Salary existing staff	87.73	351.9	656.39	1096.02
2.2	Salary of additional staff	9.10	13.15	111.85	134.10
2.3	Wages of casual staff	3.67	29.31	216.55	249.53
2.4	Remuneration of elected representative	11.55	46.7	283.4	341.65
2.5	Sitting allowance to members	0.25	1.95	17.8	20.00
2.6	Office expense	19.35	21.14	32.09	72.58
2.7	Maintenance of Community assets	12.76	92.04	459.26	564.06
2.8	Maintenance of roads	57.00	57.00	0.00	114.00
	Total (2) Rev Expenditure	201.41	613.19	1777.34	2591.94
3	Revenue Gap (1-2)	-123.31	-480.48	-1634.15	-2237.94
4	Revenue Gap without Salary & Wages	-22.81	-86.12	-649.36	-758.29

7.35 Against the estimated revenue account gap as given in table-7.5 above, the Sixth SFC awarded a total sum of Rs.2106.36 crore for its award period 2020-26 as general-purpose grant. The annual award status of general-purpose grant ranged from Rs.325.07 crore for FY 2020-21 to Rs.532.73 crore for FY 2024-25 as can be seen from table-7.6.

Table-7.6: Award and transfer of the share of state taxes as revenue gap grant at aggregate level

(Rs. In lakh)

Name	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25
Revenue Gap award	325.07	358.77	417.77	471.96	532.73	2106.36
Transfer	66.84	80.21	79.22	65.49	0.0	291.77
% of transfer	20.6	22.4	19.0	13.9	0.0	13.9

7.36 As regards to the transfer status of general-purpose grant (revenue account), the data made available shows that transfer from the state government has taken place for first four years of the grant period (2020-24) while for 2024-25, the transfer is yet to take place. The fund transferred so far amounted to a total of Rs.291.77 crore against the awarded sum of Rs.1573.57 crore for four years. The annual transfer was uneven ranging between Rs.66.49 crore to Rs.80.21 crore. The total transfer against the award of four years accounted 18.5%. The transfer made for four years when measured against the total award of five years, it accounted 13.9% only as can be seen from

table-7.5 and table-7.6. Transfer at ZP, AP and GP level, was seen characterized by discrepancy in proportion with mere transfer of 1.69% at ZP level and 7.15% at AP level. The transfer at GP level was somewhat better which accounted 39.72% of the total award to GP for four years (table-7.7).

Table-7.7: Award and transfer of the share of state taxes as revenue gap grant at ZP, AP and GP level, 2020-25

(Rs. In lakh)

Tier	Total award of 6th SFC (2020-25)	Award of 6th SFC for 4 Yrs	Transfer of grant in 4 Yrs (2020-24)	% of transfer against 5 Yrs grant	% of transfer against 4 Yrs grant
ZP level	63189	47207	798.5	1.26	1.69
AP level	63189	47207	3375.8	5.34	7.15
GP level	84252	62943	25002.5	29.68	39.72
Total	210630	157357	29176.8	13.9	18.5

(bii) Award and transfer of special purpose grant (SPG)

7.37 The Sixth SFC awarded four types of special purpose grant namely; a) direct grant to PRIs, b) direct grant to three line-departments for infrastructure, c) incentive grant to PRIs and d) additional grant. Three of the grants while were directly for PRIs, the grant to line-department was not rooted through PRIs. The details of award and transfer of the SP grants are provided below.

(biia) Award and transfer of SPG to PRIs

7.38 The Sixth SFC examined and assessed critical gap of various infrastructure in rural areas. The exercise selected 26 different types of infrastructure items primarily at GP level and to some extent at ZP and AP level. For fulfillment of these critical gaps, the 6th SFC recommended special purpose grant directly to the PRI amounting a total sum of Rs.1799.15 crore for five years (2020-25) with an annual breakup ranging between Rs.350.5 crore to Rs.374.41 crore as given in table-7.8 below. Against the given award, the transfer from state government was reported to be nil till July 2025.

Table-7.8: Award and transfer direct grant to PRI during 6th SFC period

(Rs. In crore)

Name	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25
Award	374.41	358.75	357.75	357.75	350.5	1799.16
Transfer	0.0	0.0	0.0	0.0	0.0	0.0

7.39 The infrastructure items recommended under special purpose grant along with their physical extent, unit cost and total cost is summarized in table-7.9 for reference.

Table-7.9: Award and transfer of special purpose grant to PRI during 6th SFC period (2020-25)

(Rs. In crore)

Sl. No.	Items	No.	Unit cost	Total award for 5 years	Total transfer in 5 years
1	GP building (New)	149	0.4	59.6	Nil
2	Extension of GP building	741	0.2	148.2	Nil
3	Markets	346	1.5	519.0	Nil

4	ZP building	15	4	60	Nil
5	Multipurpose Hall for AP	100	1.5	150	Nil
6	Data Base Centre for AP	149	0.2	37	Nil
7	Water bottling plant for GP	2197	0.5	109.85	Nil
8	Solar plant (10 KW) for GP	2197	0.1	219.7	Nil
9	Cremation & Burial Grounds	2197	0.2	439.4	Nil
10	S.W.M at Jagiroad	1	5.0	5.0	Nil
11	Tourist Lodge at Kaziranga, Golaghat ZP	1	1.5	1.5	Nil
12	Terracotta Oven at Asharikandi, Dhubri ZP	1	1	1	Nil
13	War Memorial at Malegarh, Karimganj ZP	1	0.5	0.5	Nil
14	Development of Fishery at Karimganj ZP	1	1.5	1.5	Nil
15	Development of Biswanath Ghat, Biswanath ZP	1	1.25	1.25	Nil
16	S.W.M. at Meherpur ,Silchar ZP, at Jakhalabandha, Nagaon ZP, at Aranya Market, Kohra,Golaghat ZP & at Sualkuchi Market, Kamrup (R) ZP	4	1.8	7.2	Nil
17	S.W.M. at Mankachar& Hatsingimari, South Salmara ZP	2	4.0	4.0	Nil
18	Construction of Indoor Sports Complex at Kapili Field, Barapujia, Morigaon ZP	1	3.0	3.0	Nil
19	Construction of Swahid Hem Ram Pator Auditorium at Daul Mandap, Nagaon ZP & at Ajarbari Gaon Panchayat, Marigaon ZP	2	1.5	3.0	Nil
20	Auditorium at Khairabari, Gobardhana AP, Barpeta ZP	1	3.0	3.0	Nil
21	Development of Japi Udyog, Nalbari ZP	1	1.8	1.8	Nil
22	Preservation & Dev. Of Kalindi AaiBheti, Sundaridia Satra, Barpeta ZP	1	2.0	2.0	Nil
23	Development of Rangshapara Village under Goalpara ZP &Haldha Village under Darrang ZP	2	2.0	4.0	Nil
24	Construction of Weaving Centre at Tinsukia ZP	1	1.0	1.0	Nil
25	Community Hall at Sajei and at Barhata, Nagaon GP, Kamrup ZP & at	2	0.5	1.0	Nil
26	Deferred payment of wages			15.66	Nil
	Total to PRIs			1799.2	Nil

(biib)Award and transfer of SPG to Line Department

7.40 The Sixth SFC assessed the need for special purpose grant related to maintenance of 34041 Kms rural roads and 6370 numbers of rural piped water supply schemes besides making an assessment of hostel and office building of the state level training institute (SIPRD). The rural roads lacks maintenance fund while regulatory

compliance with 6370 numbers of Water User Committees (WUC) remained incomplete for handing over the assets to Water User Committee (WUC). For effective discharge of training functions was reported to be hindered for want of repairing and renovation activities of some of the hostels and office buildings of SIPRD. Towards fulfillment of the given need through special purpose grant, the Sixth SFC adopted the prevailing cost norms of repairing/ renovation of these assets and made recommendation for a total amount of Rs.1070.20 crore. The transfer of grant for rural roads, rural piped water supply scheme and training infrastructure was recommended directly to the head of account of PWD, PHED and SIPRD respectively. This commission is reported that PWD is transferred with Rs.102.15 crore and PHED with Rs.3.66 crore so far while transfer is nil to SIPRD till July, 2025. The details are in table-7.10.

Table-7.10: Award and transfer of SPG to Line Department during 6th SFC period (2020-25)

(Rs. In crore)

Sl. No.	Items	Award				Transfer
		Quantity	Unit cost	Total for 5 years	Per year	
1	Rural Roads to PWD	34041 Km	0.004	680.0	136.00	102.15
2	Rural Piped Water Supply to PHED	6370 Nos.	0.012	382.2	76.44	3.66
3	Training infrastructure for SIPRD	1 N o.	8.00	8.00	(1,1+(2x3)	0.00
	Total			**1070.2**		**105.81 (9.89%)**

(biic) Award and transfer of SPG-Incentive grant to PRI

7.41 Towards incentivization of the PRIs, the Sixth SFC recommended performance-based incentive grant at the rate Rs.5.00 per PRI. The grant was not considered for FY 2020-21 as performance could be assessed from second year onward. The total grant summed at Rs.481.6 crore with an annual break up of Rs.120.4 crore. Notably, the transfer against the incentive grant from state government was reported to be nil till July 2025. Details are in table-7.11.

Table-7.11: Award and transfer of Sixth SFC grant- incentive and additional grant

(Rs. In crore)

Name	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25
Award	0	120.4	120.4	120.4	120.4	481.6
Transfer	0	0	0	0	0	0

(biic) Award and transfer of SPG-Additional grant

7.42 The need for an additional sum of Rs.38.0 crore was assessed and accordingly, the Sixth SFC awarded the same amount in two equal lot i.e. Rs.18.0 crore for 2020-21 and 2021-22 respectively. However, there did not take place any release from the state against additional grant till July, 2025 (table-7.12).

Table-7.12: Award and transfer of additional grant of Sixth SFC (2020-25)

Name	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25
Award (Rs. In crore)	19.0	19.0	0.0	0.0	0.0	38.0
Transfer (Rs. In crore)	0.0	0.0	0.0	0.0	0.0	0.0

(c) Resources related to Agency Functions entrusted to PRI by state government

7.43 It is found that the government in the state, has not entrusted PRIs with the responsibility of implementation of any of its own schemes/ programme as of now.

v) Transfer of resources from central government under CFC grant and agency functions

7.44 The assessment includes transfer of resources against 14th CFC and 15th CFC grant and the assigned agency functions of central government.

(a) Award and transfer of 14th CFC Grant to GP

7.45 The Fourteenth Finance Commission during its award period 2015-20 recommended grants-in-aid amounting to Rs.5416.59 Cr. to supplement the resources of GPs under two components viz., general basic grant of Rs.4874.93 Cr. and performance grant of Rs.541.66 Cr. During the five years 2015-20, Government of India released Rs.4143.71 Cr. (85.0%) against the general basic grant and Rs.226.42 Cr (41.80%) against the performance grant; the total release under both being 80.68% (table-7.13)

Table-7.13: 14th FC grant to GP

(Rs. in Cr.)

Sl. No.	Purpose	Award (2015-20)	Release (2015-20)	% of release
1	Basic Grant	4874.93	4143.71	85.00
2	Performance Grant	541.66	226.42	41.80
	Total	5416.59	4370.13	80.68

(b) Award and transfer of 15th CFC Grant to PRIs

7.46 In its award period (2021-26), 15th CFC in order to supplement resources to PRIs awarded grants to all the three tiers of panchayats in the state. The grants were awarded under two broad heads namely; tied grant and un-tied grant. Total award for five years under tied grant was Rs.3127.54 crore and under un-tied grant Rs.2085.00 crore. The transfer of both tied and un-tied grant to the PRIs was 100% for first three years of award period while the release for FY 2024-25 is reported to be under process. Year wise details are in table-7.14 below.

Table-7.14: Award and transfer of 15th CFC grant

(Rs. in lakh)

Sl. No.	FY	Tied grant			Un-tied grant		
		Award	Release	% of release	Award	Release	% of release
1	2021-22	59320	59320	100.0	39546	39546	100.0
2	2022-23	61421	61421	100.0	40946	40946	100.0
3	2023-24	62070	62070	100.0	41380	41380	100.0
4	2024-25	65771	32180.82	48.90	43848	21454	48.90
5	2025-26	64172		0.0	42780		0.0
	Total	**312754**	**214991.82**	**68.74**	**208500**	**143326**	**68.74**

7.47 At the level of ZP, AP and GP, the total award under tied head was Rs.469.10 Cr., Rs.469.10 Cr and Rs.2189.19 Cr. respectively. Under un-tied head, the award at corresponding PRI level was Rs.312.73 Cr, Rs.312.73 Cr and Rs.1459.47 Cr. The annual transfer of both tied and un-tied grant was 100% for the first three years of the grant period of 15th CFC. The transfer for FY 2024-25 is about 50% of the total award. Year wise transfer from Central Government at ZP, AP and GP level is given in table-7.15 below.

Table-7.15: Transfer of tied and untied grant (15th CFC) at ZP, AP and GP level

(Rs. In lakh)

Sl. No.	FY	Tied grant			Untied grant		
		ZP	AP	GP	ZP	AP	GP
1	2021-22	8898	8898	41530	5932	5932	27687
2	2022-23	9213	9213	42994	6142	6142	28663
3	2023-24	9308	9308	43436	6205	6205	28958
5	2024-25	4933	4228	23020	3289	2819	15347
6	2025-26	0	0	0	0	0	0
Total		**32352**	**31647**	**150980**	**21568**	**21098**	**100655**

(c) Resources related to Agency Functions (centrally sponsored RD programmes)

7.48 The PRIs get substantial amount of resources every year from different Central Ministries for implementation of various Centrally Sponsored Schemes supplemented by State Share against each scheme. The State Share is not uniform and varies from scheme to scheme. At present the following important Centrally Sponsored Schemes are being implemented through involvement of PRIs.

a) Mahatma Gandhi National Rural Employment Guarantee Act. (MGNREGA)
b) Pradhan Mantri Awaas Yojana Gramin (PMAY-G)
c) National Social Assistance Programme (NSAP)
d) Rastriya Gram Swaraj Abhiyan (RGSA)
e) National Rural Livelihood Programme (NRLM)

7.49 The **MGNREGA** aims at enhancing the livelihood security of the people in rural areas by guaranteeing 100 days of wage employment in a financial year, to a rural household whose member volunteer to do unskilled manual work. In Assam MGNREGA was introduced in 2006-07 covering 7 districts at the first phase. The coverage was extended to 6 more districts in 2007- 08 and since 2008-09, the programme covered all districts of the state. The wage rate paid to unskilled manual labour under the programme is Rs.249.0 per day w.e.f. April 2025 in the state. 100 per cent payment are being made through electronic fund management system. Every year under the programmes employment is provided to Job Card holders through creation various permissible rural assets. As per portal data, the number of works completed during 2024-25 is 8,30,259 which created wage employment of 711.62 lakh person days; at an average of 37.16 person days per household. Women person days was 54.44% out of the total person days created. Social audit is being conducted in all districts through the SIRD. The expenditure on MGNREGA implementation ranged between Rs.559.59 crore in 2019-20 to Rs.2213.01 crore in 2024-25 (table-7.16).

7.50 **Pradhan Mantri Awaas Yojana – Gramin** launched in 25 June, 2015 is a flagship scheme of Government of India. It was earlier called as Indira Awaas Yojana (IAY); a flagship scheme, has since inception been providing assistance to BPL families who are either houseless or having inadequate housing facilities for constructing a safe and durable shelter. This effort has been part of a larger strategy of the Ministry's poverty eradication effort, supporting the development of an environmentally sound habitat with adequate provisions for incremental expansion and improvement. The programme is being implemented in the state with centre and state share of 90:10. Currently, the unit assistance of house is Rs.1.30 Lakh with minimum unit size of 25 sq.mt including area for hygienic cooking excluding toilet. The mandatory components include a toilet for Rs.12,000/- from SBM or MGNREGA and 95 days of unskilled wage for Rs.17,290 under MGNREGA. Under the scheme, a total of 19,11,598 houses was completed by July 2024 out of the total target of 20,51,842 houses. The amount spent under PMAY-G was highest among all the centrally sponsored programmes. The expenditure grew from a sum of Rs.1824.48 crore during 2019-20 to Rs.4055.45 crore in 2024-25 with peak in the year 2022-23 (Rs.14540.85 crore).

7.51 The **National Social Assistance Programme** represents another significant step towards fulfillment of the Directive Principles of State Policy enumerated under Article- 41 of the Constitution. It aims at a national Policy for Social Assistance to the poor and its components include (i) Old Age Pension Scheme, (ii) Widow Pension Scheme, (iii) Disability Pension Scheme (iv) Family Benefit Scheme and (v) Annapurna Scheme. The benefit provided under the corresponding schemes are 635304, 115007, 33226, 8524 and 25308; the total being 817369 beneficiaries in the state.

7.52 The **Rashtriya Gram Swaraj Abhijan** was launched as a Centrally Sponsored Scheme in financial year 2018-19 with the primary aim of strengthening PRIs for achieving Sustainable Development Goal (SDG). The scheme is extended to areas where panchayats do not exist. The scheme consists of Central and State components. The component relates to activities to be undertaken by the State Government for capacity building and training, training infrastructure and human resources, distance learning facility via SATCOM, support for innovations, technical support to PRIs, Financial data and Analysis Cell, Panchayat buildings and e-enablement of panchayats. The sharing pattern of the State component is at the ratio of 90:10 between the Centre and the States.

7.53 The **National Rural Livelihood Mission** is a poverty alleviation mission implemented by the Ministry of Rural Development, Govt. of India. The scheme is focused on promoting self-employment and building of institution of rural poor. The basic idea behind this programme is to organize the poor into SHG and make them capable of self-employment. The Mission at state level is implemented with state name as prefix. The attention under **Assam State Rural Livelihood Mission** is given on the assessment of the status of SHG movement in the state, bringing good SHGs into Village Organization and Cluster Level Federation fold, further support and

facilitation required, on bank linkages to SHGs, and initiating multiple livelihoods. A total of 3.29 Lakh SHGs has been provided with Revolving Fund amounting a total of Rs.532.7 Crores. To facilitate the SHG members to initiate a sustainable livelihood practice, a total of 1.92 lakh SHGs have been provided Community Investment Fund (CIF) amounting a total of Rs.856 Crores. Besides, these grants from the Government, the SHGs promoted under ASRLM are also linked to multiple doses of credit with various banks.

7.54 The fund received against the Centrally Sponsored Scheme noted above including State Share thereof during six years 2019-20 to 2024-25 is shown at Table- 7.16 below:

Table-7.16: Receipt of resources under centrally sponsored scheme during 2019-25

(In lakhs)

Schemes	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
MGNREGA	55968	61959	224653	194398	235818	221301
NSAP	33803	41108	33869	35161	36925	48870
RGSA	3732	6211	3114	9573	9141	6810
PMAY-G	182448	167047	206902	1454085	325456	405545
NRLMS/ ASRLM	27454	32527	45193	53511	64147	81435
Total	**303404.95**	**308852.23**	**513731.72**	**1746727.34**	**671487.10**	**763960.3**

vi) Capital Account Receipts & Debt Status

7.55 The PRIs in Assam has not, so far, floated any loan from open market or borrowed from financial institutions. Neither do they get any loan from the State Government and hence, Capital Account receipt of PRIs is nil.

vii) Expenditure on Revenue Account – status & trend

7.56 By and large, revenue expenditure of PRIs consists five broad areas namely; a) expenditure on administration, b) civic functions, c) maintenance of community assets, d) agency functions on behalf of Central government and e) agency functions on behalf of State Government. The expenditure details under each expenditure head are provided below-

(a) Expenditure on Administration

(i) Salary

7.57 As per staffing pattern laid down under the Assam Panchayat (Administrative) Rules, 2002, number of Grade- III and Grade- IV staff admissible for each tier of PRIs is 18, 8 and 3 respectively for ZP, AP and GP. This is excluding the posts of Chief Executive Offices, Chief Accounts Offices and Executive Engineers for the ZPs and Executive Officer of the APs. Although the Forth SFC recommended a revised Staffing Pattern of PRIs, these have not been implemented so far. With merger of DRDA with Zilla Parishad in 2017, the office of Zilla Parishad and the office of Anchalik Panchayat have now more staff compared to the staffing norm of PRIs. All staff posted in the office of the ZP, AP and GP are the provincialized staff and as such entire burden of payment of salary, allowance, pension etc. is with the state government.

7.58 The Commission as such, would work out the salary burden based on the norm, sanctioned and posting status currently in force. As per information gathered from the Commissionerate of Panchayat and Rural Development, the present sanctioned strength comprising the three tiers is 8685 (98.9%) which is marginally lower than the conservative norm of 8781 post. However, the staff in position numbering 3509(40.4%) is far below the sanctioned strength (table-7.17). At tier level, ZP functions with 55.6% of the staff, AP with 72.7% staff and GP with 31.5% staff. Among the tiers, the functionary's strength is precariously placed at GP level.

Table-7.17: Administration- Normative & sanctioned post, existing post, vacant post & additional post and salary cost at PRI level

(salary Rs. in crore)

Sl. No.	PRI level /Category of post	No. as per norm (2002)	Sanctio-ned PRI Staff (No.)	No. in position 2024-25	No. of vacant post (2024-25)	Salary of existing post (2024-25)	Salary of Vacant Post (2024-25)	Salary Additional post (2024-25)
A	**ZP Level**							
1	CEO	27	27	27	0	4.28	0	0
2	CAO	27	27	18	9	2.16	1.08	0
3	EE	27	27	1	26	0.15	3.93	0
4	JE	27	27	6	21	0.56	1.97	0
5	HA	27	20	2	18	0.21	1.92	0.75
6	UDA	54	54	17	37	1.54	3.34	0
7	LDA	108	108	91	17	5.36	1	0
8	Accountant	27	27	10	17	0.92	1.56	0
9	Tax Collector	54	34	10	24	0.61	1.47	1.22
10	Driver	27	27	27	0	2.27	0	0
11	Grade IV	162	162	91	71	4.12	3.21	0
	Total of A	**567**	**540**	**300**	**240**	**22.18**	**19.48**	**1.97**
B	**AP Level**							
1	Executive Officer	182	182	169	13	15.21	1.17	0
2	UDA	182	182	58	124	5.1	10.89	0
3	LDA	364	364	334	30	16.84	1.51	0
4	Tax Collector	364	295	247	48	12.23	2.38	3.42
5	Grade IV	546	546	333	213	14.09	9.02	0
	Total of B	**1638**	**1569**	**1141**	**428**	**63.47**	**24.97**	**3.42**
C	**GP Level**							
1	GP Secretary	2192	2192	995	1197	86.64	104.23	0
2	Tax Collector	2192	2192	639	1553	30.24	73.48	0
3	Grade IV	2192	2192	434	1758	16.65	67.46	0
	Total C	**6576**	**6576**	**2068**	**4508**	**133.53**	**245.17**	**0**
	Total (A+B+C)	**8781**	**8685**	**3509**	**5176**	**219.18**	**289.62**	**5.39**

7.59 As of now, there are **27 ZPs** and as per norm they are eligible to 486 Grade-III and Grade- IV staff, 81posts of CEO, CAO and EE. Against the total normative number of 567, the present sanctioned strength is 540 (95.2%) and the staff in position is 300 (55.6%) against the sanction. The post lying vacant against the sanctioned strength is 240 (44.4%) and additional posts required as per norm is 27. The current level of expenditure on salary of the ZPs in respect of the filled-in posts is Rs.22.18 crore (2024-25). The amount required for filling up the vacant posts against sanctioned strength is estimated at Rs.19.48 crore for 2024-25. Another amount of Rs.1.97 crore will be required during 2024-25 if additional posts are created as per prescribed norm. The details of calculation are shown at Table 7.17.

7.60 There are 182 **APs** now and as per prescribed norm they are entitled for 1638 posts of which 1557are Grade- III and Grade- IV posts and 182 Executive Officers. Against the prescribed norm of 1638, the sanctioned strength is 1569 (95.78%) and the staff in position is 1141 (72.7%). The post lying vacant against the sanctioned strength is 428 and additional post required as per prescribed norm is 69. The present level of expenditure on salary in respect of the filled-in posts is Rs.63.47 crore (2024-25). It is estimated that an amount of Rs.24.97 crore will be required during 2024-25 if the vacant posts against sanctioned strength is filled in and an additional amount of Rs.3.42 crore is required to meet the prescribed norm. The details shown at Table 7.17.

7.61 There are 2192 GPs after reorganization. As per prescribed norm they are entitled to get 6576 posts of Grade- III and Grade- IV employees. Notably, there is no difference between the norm and sanction status. The number in position registering 2068 posts indicates that the GPs in the state functions with 31.4% of the staff ; the vacancy number being largest (4508 staff). The staffing pattern of GP consists of one each Secretary, Tax Collector and Grade-IV. The shortage of staff at GP level is very acute. Out of 2192 GPs, Secretary is in position in 995 GPs and 1197 GPs are running without a Secretary. It indicates that one Secretary is looking after more than one GP. Similarly, in case of Tax Collector, only 639 posts are in place and the remaining 1553 are lying vacant. The position is worst in respect of Grade- IV staff with 434 in position and shortfall numbering 1758. The current level of expenditure against the existing posts is Rs.133.53 Crore (2024-25). It is estimated that an amount of Rs.245.17 crore will be required to fill up all vacant posts against sanctioned strength. The entire position is summarized in Table- 7.17.

7.62 Based on calculation in table-7.17, the salary burden of existing PRIs staff during 2024-25was found to be **Rs.22.18 crore** for the ZPs, **Rs.63.47 crore** for the APs and **Rs.133.53 crore** for the GPs, the total at all level being **Rs.219.17 crores**. This amount on existing staff for 2024-25 has been adopted as the base for the purpose of projection in subsequent years upto 2031 assuming an annual growth of 10% to take care of DA hike. Assuming that the PRIs will function with the existing post for the award period 7th SFC, the projected salary cost for five years stand at Rs.163.85 crore at ZP level, Rs.468.86 crore at AP level and Rs.986.41 crore at GP level; the total at aggregate level being Rs.1619.12 crore. The details are provided in table-7.18 below.

Table-7.18: Projected salary of the existing staff (Administration) at PRI level

(Rs. In crore)

Sl. No.	PRI level /Category of post	No. in position 2024-25	Salary of existing post (2024-25)	Salary cost (Rs. in crore)					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A	**ZP Level**								
1	CEO	27	4.28	5.18	5.70	6.27	6.89	7.58	31.62
2	CAO	18	2.16	2.61	2.87	3.16	3.48	3.83	15.96
3	EE	1	0.15	0.18	0.20	0.22	0.24	0.27	1.11
4	JE	6	0.56	0.68	0.75	0.82	0.90	0.99	4.14
5	HA	2	0.21	0.25	0.28	0.31	0.34	0.37	1.55
6	UDA	17	1.54	1.86	2.05	2.25	2.48	2.73	11.38
7	LDA	91	5.36	6.49	7.13	7.85	8.63	9.50	39.60
8	Accountant	10	0.92	1.11	1.22	1.35	1.48	1.63	6.80
9	Tax Collector	10	0.61	0.74	0.81	0.89	0.98	1.08	4.51
10	Driver	27	2.27	2.75	3.02	3.32	3.66	4.02	16.77
11	Grade IV	91	4.12	4.99	5.48	6.03	6.64	7.30	30.44
	Total of A	**300**	**22.18**	**26.84**	**29.52**	**32.47**	**35.72**	**39.29**	**163.85**
B	**AP Level**								
1	Executive Officer	169	15.21	18.40	20.24	22.27	24.50	26.95	112.36
2	UDA	58	5.1	6.17	6.79	7.47	8.21	9.03	37.67
3	LDA	334	16.84	20.38	22.41	24.66	27.12	29.83	124.40
4	Tax Collector	247	12.23	14.80	16.28	17.91	19.70	21.67	90.35
5	Grade IV	333	14.09	17.05	18.75	20.63	22.69	24.96	104.09
	Total of B	**1141**	**63.47**	**76.80**	**84.48**	**92.93**	**102.22**	**112.44**	**468.86**
C	**GP Level**								
1	GP Secretary	995	86.64	104.83	115.32	126.85	139.53	153.49	640.02
2	Tax Collector	639	30.24	36.59	40.25	44.27	48.70	53.57	223.39
3	Grade IV	434	16.65	20.15	22.16	24.38	26.81	29.50	123.00
	Total C	**2068**	**133.53**	**161.57**	**177.73**	**195.50**	**215.05**	**236.56**	**986.41**
	Total (A+B+C)	**3509**	**219.18**	**265.21**	**291.73**	**320.90**	**352.99**	**388.29**	**1619.12**

7.63 It is Assumed that the state government will fill up the posts laying vacant against the sanctioned strength during the award period of 7th SFC. The salary burden of the vacant post for five years (2026-31) has been projected allowing 10% annual hike in the DA. The projected salary cost on the vacant post for five years works out at Rs.143.90 crore at ZP level, Rs.184.46 crore at AP level and Rs.1811.11 crore at GP level. At aggregate level, it works out at Rs.2139.47 crore. The details of the projected salary cost on vacant posts are provided in table-7.19.

Table-7.19: Projected salary of vacant post (Administration) at PRI level

(Rs. In crore)

Sl. No.	PRI level /Category of post	No. of vacant post 2024-25	Salary of vacant post (2024-25)	Salary cost (Rs. in crore)					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A	**ZP Level**								
1	CEO	0	0	0.00	0.00	0.00	0.00	0.00	0.00
2	CAO	9	1.08	1.31	1.44	1.58	1.74	1.91	7.98
3	EE	26	3.93	4.76	5.23	5.75	6.33	6.96	29.03
4	JE	21	1.97	2.38	2.62	2.88	3.17	3.49	14.55
5	HA	18	1.92	2.32	2.56	2.81	3.09	3.40	14.18
6	UDA	37	3.34	4.04	4.45	4.89	5.38	5.92	24.67
7	LDA	17	1	1.21	1.33	1.46	1.61	1.77	7.39
8	Accountant	17	1.56	1.89	2.08	2.28	2.51	2.76	11.52
9	Tax Collector	24	1.47	1.78	1.96	2.15	2.37	2.60	10.86
10	Driver	0	0	0.00	0.00	0.00	0.00	0.00	0.00
11	Grade IV	71	3.21	3.88	4.27	4.70	5.17	5.69	23.71
	Total of A	240	19.48	**23.57**	**25.93**	**28.52**	**31.37**	**34.51**	**143.90**
B	**AP Level**								
1	Executive Officer	13	1.17	1.42	1.56	1.71	1.88	2.07	8.64
2	UDA	124	10.89	13.18	14.49	15.94	17.54	19.29	80.45
3	LDA	30	1.51	1.83	2.01	2.21	2.43	2.68	11.15
4	Tax Collector	48	2.38	2.88	3.17	3.48	3.83	4.22	17.58
5	Grade IV	213	9.02	10.91	12.01	13.21	14.53	15.98	66.63
	Total of B	428	24.97	**30.21**	**33.24**	**36.56**	**40.21**	**44.24**	**184.46**
C	**GP Level**								
1	GP Secretary	1197	104.23	126.12	138.73	152.60	167.86	184.65	769.96
2	Tax Collector	1553	73.48	88.91	97.80	107.58	118.34	130.17	542.81
3	Grade IV	1758	67.46	81.63	89.79	98.77	108.65	119.51	498.34
	Total of C	4508	245.17	**296.66**	**326.32**	**358.95**	**394.85**	**434.33**	**1811.11**
	Grand total (A+B+C)	5176	289.62	**350.44**	**385.48**	**424.03**	**466.44**	**513.08**	**2139.47**

7.64 The numerical strength of the normative posts is marginally higher than the number of sanctioned posts. Assuming that the gap between the normative and sanctioned post are filled in, the projected salary burden of these posts has been worked out for five years (2026-31) allowing 10% annual hike from the base year. The salary burden for five years stands at Rs.14.55 crore at ZP level, Rs.25.26 crore at AP level and no cost at GP level. The aggregate for five years sums to Rs.39.82 crore. The details of projection are in table-7.20 below.

Table-7.20: Projected salary of additional post (Administration) at PRI level

(Rs. In crore)

Sl. No.	PRI level /Category of post	No. of vacant post 2024-25	Salary of vacant post (2024-25)	Salary cost (Rs. in crore)					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A	**ZP Level**								
1	CEO	0	0	0.00	0.00	0.00	0.00	0.00	0.00
2	CAO	0	0	0.00	0.00	0.00	0.00	0.00	0.00
3	EE	0	0	0.00	0.00	0.00	0.00	0.00	0.00
4	JE	0	0	0.00	0.00	0.00	0.00	0.00	0.00
5	HA	7	0.75	0.91	1.00	1.10	1.21	1.33	5.54
6	UDA	0	0	0.00	0.00	0.00	0.00	0.00	0.00
7	LDA	0	0	0.00	0.00	0.00	0.00	0.00	0.00
8	Accountant	0	0	0.00	0.00	0.00	0.00	0.00	0.00
9	Tax Collector	20	1.22	1.48	1.62	1.79	1.96	2.16	9.01
10	Driver	0	0	0.00	0.00	0.00	0.00	0.00	0.00
11	Grade IV	0	0	0.00	0.00	0.00	0.00	0.00	0.00
	Total of A	**27**	**1.97**	**2.38**	**2.62**	**2.88**	**3.17**	**3.49**	**14.55**
B	**AP Level**								
1	Executive Officer	0	0	0.00	0.00	0.00	0.00	0.00	0.00
2	UDA	0	0	0.00	0.00	0.00	0.00	0.00	0.00
3	LDA	0	0	0.00	0.00	0.00	0.00	0.00	0.00
4	Tax Collector	69	3.42	4.14	4.55	5.01	5.51	6.06	25.26
5	Grade IV	0	0	0.00	0.00	0.00	0.00	0.00	0.00
	Total of B	**69**	**3.42**	**4.14**	**4.55**	**5.01**	**5.51**	**6.06**	**25.26**
C	**GP Level**								
1	GP Secretary	0	0	0.00	0.00	0.00	0.00	0.00	0.00
2	Tax Collector	0	0	0.00	0.00	0.00	0.00	0.00	0.00
3	Grade IV	0	0	0.00	0.00	0.00	0.00	0.00	0.00
	Total C	**0**	**0**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Grand total (A+B+C)	**96**	**5.39**	**6.52**	**7.17**	**7.89**	**8.68**	**9.55**	**39.82**

7.65 The salary burden that is to occur during the award period of the 7th SFC (2026-31) while has been shown above on existing, vacant and additional post in table-7.18, 7.19 and 7.20 respectively, a review of the staffing pattern provisioned in favour of three-tier PRIs in the Assam Panchayat Act 1994 and Rule 2002 is made considering few changed scenarios. A keen look on the staffing pattern provisioned in the said Act and Rule indicates that the functionaries of the office of the APs and GPs are to discharge services primarily of the nature of general administration. The staffing pattern provisioned for the office of the ZP was also found tilted in favour of staff rendering general administrative service with a nominal support in the line of

accounts and technical services. Behind the staffing pattern provisioned the then, it however, is to be understood in association rather than in isolation. During the period of enactment of the Panchayat Act and the Rule, the office of the DRDA as well as the office of the rural development block were substantially staffed by the persons discharging the responsibilities of general administration, accounts and technical matters. The services offered by the functionaries of these two offices were alike to the services to be discharged by the functionaries of the offices of the three-tier PRIs. Now, the office of the DRDA no longer exists and the staff drawn on deputation at the level of block offices have declined substantially. The functionaries who were extending services to PRIs in rendering their planning and implementation roles, are no longer available now. The scenario thus, has changed and hence, the staffing pattern at the office of ZP, AP and GP has been reviewed for consideration of recommendation for a suitable one.

7.66 Towards a suitable staffing pattern at ZP, AP and GP level, a keen look on the recommendation made by the 4th and 5th SFC is made. This shows that the 4th SFC in its recommendation considered the need of service of functionaries at ZP level in four specialized areas namely; general administration including IT services, accounts, planning and technical matters. At AP level, the services provisioned for are found to be for two specialized areas i.e. general administration including IT services and the technical services. The staffing component at GP level is found to be near similar to AP level office minus IT support services. It is discernable from the above that there is one gap among the recommended functionaries to attend account services at the office of the APs. Similarly, there are two gaps among the recommended functionaries to attend IT services as well as account services at the office of GPs.

7.67 This Commission in due consideration of the staffing pattern recommended by 4th SFC and putting a suitable staffing pattern in the offices of three-tier PRIs in the present context, incorporates some changes in the strength of staff to attend the identified services gap of functionaries at AP and GP level. This is done however, without changing the numerical strength of the staff. The scale of pay and the grade pay of the post will be as per revised pay structure of the state in vague. The details of the recommended staffing pattern and their scale of pay and the grade pay are provided in table-7.21 below.

Table-7.21: 7th SFC recommended staffing pattern of PRIs

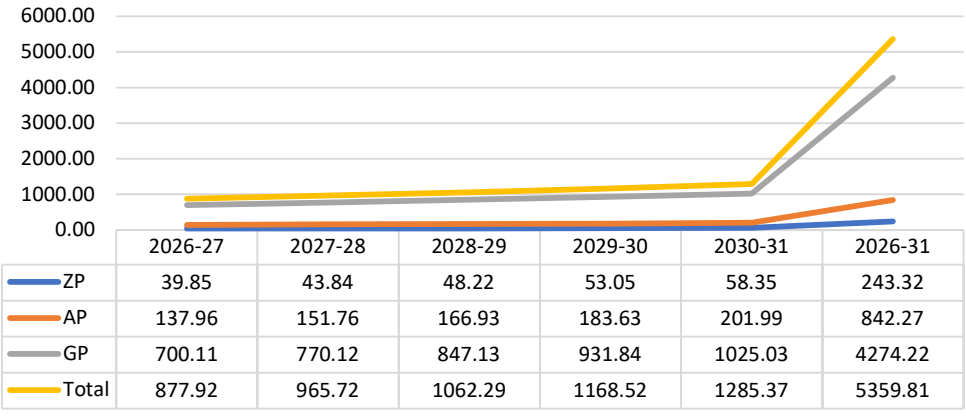
Sl. No.	Category of Post	No. of recommended post of 4th SFC	No. of recommended post of 7th SFC	Total functionaries (7th SFC)	Present Scale of Pay	Present Grade Pay
A	**ZP Level**					
	Administration Wing					
1	CEO	1	1	27	30,000-1,10,000	16,900
2	Deputy CEO	1	1	27	30,000-1,10,000	15,700
3	MIS Officer	1	1	27	14,000-49,000	8,700
4	HA	1	1	27	14,000-49,000	8,000

5	UDA	1	1	27	14,000-49,000	7,400
6	LDA	2	2	54	14,000-49,000	5,600
7	Tax Collector	2	2	54	14,000-49,000	5,000
8	Driver	3	3	81	14,000-49,000	5,000
9	Grade IV	6	6	162	12,000-37,500	3,900
10	Sweeper (Contractual)	1	1	27	10000	0
	Accounts Wing					
1	CAO	1	1	27	30,000-1,10,000	14,500
2	Accountant	1	1	27	14,000-49,000	7,400
3	Account Assistant (Jr)	1	1	27	14,000-49,000	6,200
	Planning Wing					
1	CPO	1	1	27	30,000-1,10,000	12,700
2	Planning Officer	1	1	27	22,000-87,000	10,300
3	UDA	1	1	27	14,000-49,000	7,400
4	LDA	1	1	27	14,000-49,000	5,600
	Technical Wing					
1	Ex. Engineer	1	1	27	30,000-1,10,000	14,500
2	Asstt. Ex. Eng.	1	1	27	30,000-1,10,000	13,300
3	Jr. Eng.	2	2	54	14,000-49,000	8,700
4	LDA	1	1	27	14,000-49,000	5,600
	Total of A	***31***	***31***	***837***		
B	**AP Level**					
1	Executive Officer (ACS/BDO Cadre)	1	1	182	30,000-1,10,000	12,700
2	Extension Officer	2	2	364	14,000-49,000	7,400
3	Assistant Eng.	1	1	182	30,000-1,10,000	12,700
4	Junior Eng.	2	2	364	14,000-49,000	8,700
5	MIS Officer	1	1	182	14,000-49,000	8,700
6	UDA	2	1	182	14,000-49,000	7,400
7	Accountant	0	1	182	14,000-49,000	7,400
7	LDA	2	2	364	14,000-49,000	5,600
8	Tax Collector	2	2	364	14,000-49,000	5,000
9	Driver	1	1	182	14,000-49,000	5,000
10	Grade IV	3	3	546	12,000-37,500	3,900
11	Sweeper (Contractual)	1	1	182	10000	0
	Total of B	***18***	***18***	***3276***		
C	**GP Level**					
1	Secretary (Graduate)	1	1	2192	14,000-49,000	8,700
2	Junior Eng.	1	1	2192	14,000-49,000	8,700
3	UDA	1	1	2192	14,000-49,000	7,400
4	Jr Account Assistant	1	1	2192	14,000-49,000	6,200
5	MIS Assistant	1	1	2192	14,000-49,000	5,600
6	Tax Collector	1	1	2192	14,000-49,000	5,000

7	Grade IV	2	2	4384	12,000-37,500	3,900
8	Sweeper (Contractual)	1	1	2192	10000	0
	Total of C	***9***	***9***	***19728***		
	Grand total (A+B+C)	**58**	**58**	**23841**		

7.68 Based on the recommended staffing pattern and salary structure in the office of ZP, AP and GP, the salary burden for five years (2026-31) allowing 10% DA hike per annum has been projected. The amount for five years stands at Rs.243.32 crore at ZP level, Rs.842.27 at AP level and Rs.4274.22 at GP level. At aggregate level, the amount sums to Rs.5359.81 crore for five years. Annual pattern at ZP, AP and GP level is depicted in Fig.7.5. The details by post and awarded period are provided in table-7.22.

Fig.-7.5: Tier wise summary of salary cost over the recommended staffing pattern of PRIs



	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
ZP	39.85	43.84	48.22	53.05	58.35	243.32
AP	137.96	151.76	166.93	183.63	201.99	842.27
GP	700.11	770.12	847.13	931.84	1025.03	4274.22
Total	877.92	965.72	1062.29	1168.52	1285.37	5359.81

Table-7.22: Projected salary cost of the recommended staff of 7th SFC

(Rs. In Crore)

Sl. No.	Category of Post	PA salary		2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A	**ZP Level**								
	Admn. Wing								
1	CEO	0.091	27	2.47	2.71	2.98	3.28	3.61	15.05
2	Deputy CEO	0.089	27	2.40	2.64	2.91	3.20	3.52	14.66
3	MIS Officer	0.044	27	1.20	1.32	1.45	1.60	1.76	7.32
4	HA	0.043	27	1.16	1.28	1.41	1.55	1.70	7.10
5	UDA	0.042	27	1.13	1.25	1.37	1.51	1.66	6.91
6	LDA	0.038	54	2.08	2.28	2.51	2.76	3.04	12.68
7	Tax Collector	0.037	54	2.02	2.22	2.44	2.68	2.95	12.31
8	Driver	0.037	81	3.02	3.33	3.66	4.02	4.43	18.46
9	Grade IV	0.031	162	5.08	5.59	6.15	6.76	7.44	31.02
10	Sweeper (Contractual)	0.012	27	0.32	0.36	0.39	0.43	0.47	1.98
	Accounts Wing								

1	CAO	0.087	27	2.34	2.57	2.83	3.11	3.43	14.28
2	Accountant	0.042	27	1.13	1.25	1.37	1.51	1.66	6.91
3	A/C Asstt (Jr)	0.040	27	1.07	1.18	1.29	1.42	1.57	6.53
	Planning Wing								
1	CPO	0.083	27	2.25	2.47	2.72	2.99	3.29	13.71
2	Planning Officer	0.063	27	1.70	1.87	2.06	2.26	2.49	10.38
3	UDA	0.052	27	1.39	1.53	1.68	1.85	2.04	8.50
4	LDA	0.038	27	1.04	1.14	1.26	1.38	1.52	6.34
	Technical Wing								
1	Ex.Engineer	0.087	27	2.34	2.57	2.83	3.11	3.43	14.28
2	Asstt. Ex. Eng.	0.084	27	2.28	2.51	2.76	3.03	3.33	13.90
3	Jr. Eng.	0.044	54	2.40	2.64	2.90	3.19	3.51	14.64
4	LDA	0.038	27	1.04	1.14	1.26	1.38	1.52	6.34
	Total of A		***837***	***39.85***	***43.84***	***48.22***	***53.05***	***58.35***	***243.32***
B	**AP Level**								
1	Executive Officer (ACS/BDO Cadre)	0.083	182	15.04	16.55	18.20	20.02	22.02	91.83
2	Extension Officer	0.042	364	15.18	16.70	18.37	20.21	22.23	92.69
3	Assistant Eng.	0.083	182	15.04	16.55	18.20	20.02	22.02	91.83
4	Junior Eng.	0.044	364	16.08	17.68	19.45	21.40	23.54	98.15
5	MIS Officer	0.044	182	8.04	8.84	9.73	10.70	11.77	49.07
6	Accountant	0.042	182	7.59	8.35	9.19	10.10	11.11	46.35
7	UDA	0.042	182	7.59	8.35	9.19	10.10	11.11	46.35
8	LDA	0.038	364	13.92	15.31	16.84	18.53	20.38	84.99
9	Tax Collector	0.037	364	13.51	14.86	16.35	17.98	19.78	82.48
10	Driver	0.037	182	6.76	7.43	8.17	8.99	9.89	41.24
11	Grade IV	0.031	546	17.03	18.73	20.60	22.66	24.93	103.94
12	Sweeper (Contractual)	0.012	182	2.18	2.40	2.64	2.91	3.20	13.33
	Total of B		***3276***	***137.96***	***151.76***	***166.93***	***183.63***	***201.99***	***842.27***
C	**GP Level**								
1	Secretary (Graduate)	0.044	2192	96.81	106.49	117.14	128.86	141.74	591.05
2	UDA	0.042	2192	91.43	100.58	110.63	121.70	133.87	558.21
3	Jr. Account Assistant	0.040	2192	86.86	95.54	105.10	115.61	127.17	530.26
4	MIS Assistant	0.038	2192	83.83	92.21	101.44	111.58	122.74	511.80
5	Tax Collector	0.037	2192	81.36	89.49	98.44	108.29	119.12	496.70
6	Junior Eng.	0.044	2192	96.81	106.49	117.14	128.86	141.74	591.05
7	Grade IV	0.031	4384	136.70	150.37	165.41	181.95	200.15	834.58
8	Sweeper (Contractual)	0.012	2192	26.30	28.93	31.83	35.01	38.51	160.59
	Total of C		***19728***	***700.11***	***770.12***	***847.13***	***931.84***	***1025.03***	***4274.22***
	Grand total (A+B+C)		**23841**	**877.92**	**965.72**	**1062.29**	**1168.52**	**1285.37**	**5359.81**

(ii) Wages

7.69 Next to salary, wages of casual employees constituted an important part of revenue expenditure of the PRIs. As mentioned earlier, the present staffing pattern of the PRIs is not only inadequate but the staff in position falls far short of the prescribed pattern. As a result, PRIs, at all levels, are highly dependent on casual employees both in Grade III and IV categories. As reported, there are now **2475** casual employees at the rate of 37, 337, and 2101 at the level of ZPs, APs and GPs level respectively during 2024-25. They are being paid at an average rate of Rs.25,825 per month involving an annual implication of Rs.76.70 crore. The annual financial implication for 2475 casual employees was Rs.76.70 crore in 2024-25. The details at ZP, AP and GP level are in table-7.23.

Table-7.23: Expenditure on rev. account (administration- Casual worker) at 3 tier PRI level

Sl. No.	PRI level /Category of post	No. of casual workers (2024-25	Wages of casual workers (in lakh Rs.), 2024-25	Annual wage per worker (in lakh Rs), 2024-25
A	**ZP Level**			
1	L.D.A /Jr. Assistant	26	73.66	2.83
2	Driver	11	27.63	2.51
	Total of C	37	101.29	2.74
	Total (A+B+C)	2475	7669.9	3.10
B	**AP Level**			
1	L.D.A /Jr. Asstt	55	169	3.07
2	Tax Collector	69	212.36	3.08
3	MTS/Peon	125	385	3.08
4	Driver	2	6.04	3.02
5	Others	86	271.41	3.16
	Total of B	337	1043.82	3.10
C	**GP Level**			
1	GP Secretary	1	3.11	3.11
2	Tax Collector	766	2360.92	3.08
3	MTS/Peon	835	2575.59	3.08
4	Others	499	1585.16	3.18
	Total of A	2101	6524.79	3.11
	Total (A+B+C)	**2475**	**7669.9**	**3.10**

7.70 Estimated wage cost on casual worker for award period of 7th SFC is given table-7.24. The estimate assumes the expenditure incurred during 2024-25 as the base year. No annual increase is assumed over the award period (2026-31. The total amount for five years stands at **Rs.383.32 crore** and Rs.76.66 crore for each FY. This award may be met by the respective ZPs out of the devolution fund recommended by the Commission.

Table-7.24. Projected wage expenditure on casual staff of PRIs for grant period 7th SFC (2026-31)

Sl. No.	PRI level /Post	No. of casual workers considered for 2026-27 onward	Rate PA/ Worker (Lakh Rs.)	Projected salary cost (Rs. In crore)					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A	**ZP Level**								
1	L.D.A /Jr. Assistant	26	2.83	0.74	0.74	0.74	0.74	0.74	3.68
2	Driver	11	2.51	0.28	0.28	0.28	0.28	0.28	1.38
	Total of A	37		1.01	1.01	1.01	1.01	1.01	***5.06***
B	**AP Level**								
1	L.D.A /Jr. Asstt	55	3.07	1.69	1.69	1.69	1.69	1.69	8.44
2	Tax Collector	69	3.08	2.13	2.13	2.13	2.13	2.13	10.63
3	MTS/Peon	125	3.08	3.85	3.85	3.85	3.85	3.85	19.25
4	Driver	2	3.02	0.06	0.06	0.06	0.06	0.06	0.30
5	Others	86	3.16	2.72	2.72	2.72	2.72	2.72	13.59
	Total of B	337		10.44	10.44	10.44	10.44	10.44	***52.21***
C	**GP Level**								
1	GP Secretary	1	3.11	0.03	0.03	0.03	0.03	0.03	0.16
2	Tax Collector	766	3.08	23.59	23.59	23.59	23.59	23.59	117.96
3	MTS/Peon	835	3.08	25.72	25.72	25.72	25.72	25.72	128.59
4	Others	499	3.18	15.87	15.87	15.87	15.87	15.87	79.34
	Total of C	2101		*65.21*	65.21	65.21	65.21	65.21	***326.05***
	Total (A+B+C)	2475		76.66	76.66	76.66	76.66	76.66	**383.32**

(iii) Remuneration of Elected Representatives

7.71 The Assam Panchayat (Administrative) Rules, 2002 prescribed the rates of remuneration of the President, Vice-President and Members of the ZP, AP and GP. The rates of remuneration in the previous panchayat were revised vide Notification No. PDA/11/2011/51 at 10th December, 2012 to Rs.10,000, Rs.7,500 and Rs.4,000 for the President, Vice-President and Member respectively of the ZP. It is Rs.7,500, Rs.5000 and Rs.3,000 for the President, Vice-President and Member of the AP. For the GP, it is Rs.5,000, Rs.3,000 and Rs.2,000 respectively for the President, Vice-President and Member. As per Financial Rule 2002, the expenditure on remuneration is to be born from the resources generated internally by the PRIs. However, in due consideration of very poor status of internal revenue generation particularly with high majority of the GPs, the grant recommended by 6th SFC towards general purpose/ revenue gap was transferred and made used for meeting the expenditure on remuneration payment. All representative were paid their remuneration in full with no unpaid amount. Annual expenditure was Rs.**68.55 crore** at GP level, Rs.**9.35 crore at**

AP level and Rs.2.32 crore at ZP level. For five years, the total expenditure incurred on payment of remuneration to elected representative was Rs.401.11 crore. The expenditure was made out of the general-purpose grant as awarded by the Sixth SFC. The details are in table-7.25.

Table-7.25: Expenditure on revenue account (administration- remuneration to elected representatives) at 3 tier PRI level

(Rs. In lakh)

PRI level / Category of post	No. of elected represent-tatives	Amount in lakh Rs.					Total unpaid due till 2024-25
		2019-20	2020-21	2021-22	2022-23	2023-24	
A. ZP Level							
President	27	32.4	32.4	32.4	32.4	32.4	Nil
Vice President	27	24.3	24.3	24.3	24.3	24.3	Nil
Members	366	175.68	175.68	175.68	175.68	175.68	Nil
Total of A	420	232.38	232.38	232.38	232.38	232.38	
B. AP Level							
President	185	166.5	166.5	166.5	166.5	166.5	Nil
Vice President	185	111	111	111	111	111	Nil
Members	1827	657.72	657.72	657.72	657.72	657.72	Nil
Total of B	2197	**935.22**	**935.22**	**935.22**	**935.22**	**935.22**	Nil
C. GP Level							
President	2197	1318.2	1318.2	1318.2	1318.2	1318.2	Nil
Vice President	2197	790.92	790.92	790.92	790.92	790.92	Nil
Members	19773	4745.52	4745.52	4745.52	4745.52	4745.52	Nil
Total of C	**24167**	**6854.64**	**6854.64**	**6854.64**	**6854.64**	**6854.64**	**Nil**
Grand total (A+B+C)	**26784**	**8022.24**	**8022.24**	**8022.24**	**8022.24**	**8022.24**	**Nil**

7.72 There is reorganization of AP and GP boundaries in March 2025 in the state and a result, there are 27 ZPs, 182 APs and 2192 GPs. The number of elected representatives now stand at 21920 at GP level, 2192 at AP level and 397 at ZP level (Table-7.18). Considering no revision of the monthly remuneration rate, the expenditure to be incurred during the award period of 7th SFC is estimated. The amount to be incurred in the entire award period stands at Rs.373.3 crore in total and Rs.74.7 crore per annum. The details of estimate are provided in table-7.26 below. However, the source of meeting the projected amount can be the internal revenue source provided PRIs are enabled with OSR Byelaws, a digital application that capture the collection as well as share the same across the tiers and building skill of the operation of the application.

Table-7.26: Projected cost on remuneration for elected PRI representative for May 2025 to April, 2031

Sl. No.	Tier/Post	No. of elected represent ative (2025-26)	Remun eration PM (Rs.)	Amount (Rs. In crore).					
				2026 -27	2027 -28	2028 -29	2029 -30	2030 -31	2026 -31
A	**ZP Level**								

1	President	27	10000	0.3	0.3	0.3	0.3	0.3	1.6
2	Vice President	27	7500	0.2	0.2	0.2	0.2	0.2	1.2
3	Member	343	4000	1.6	1.6	1.6	1.6	1.6	8.2
	Total of ZP	397		2.2	2.2	2.2	2.2	2.2	11.1
B	**AP Level**								
1	President	182	7500	1.6	1.6	1.6	1.6	1.6	8.2
2	Vice President	182	5000	1.1	1.1	1.1	1.1	1.1	5.5
3	Member	1828	3000	6.6	6.6	6.6	6.6	6.6	32.9
	Total of AP	2192		9.3	9.3	9.3	9.3	9.3	46.6
C	**GP Level**								
1	President	2192	5000	13.2	13.2	13.2	13.2	13.2	65.8
2	Vice President	2192	3000	7.9	7.9	7.9	7.9	7.9	39.5
3	Member	17536	2000	42.1	42.1	42.1	42.1	42.1	210.4
	Total GP	21920		63.1	63.1	63.1	63.1	63.1	315.6
	Total (ZP+AP+GP)	**24509**		**74.7**	**74.7**	**74.7**	**74.7**	**74.7**	**373.3**

(iv) Sitting Allowance

7.73 Apart from remuneration, the members of each tier of PRI are eligible to get sitting allowance as per provision of the Assam Panachayat (Administrative) Rules, 2002. However, the President and Vice-President of all tiers are not entitled to this benefit. The rate of sitting allowance was equivalent to the amount of daily allowance as admissible to State Govt. officials of equivalent rank while on tour i.e. Rs.300.00 per day. With this consideration, the Sixth SFC recommended for payment of sitting allowances to the members of three-tier PRIs for its award period amounting a total sum of Rs.19.66 crore and at the rate of Rs.3.93 crore per year (table-7.27). The transfer against the recommendation however, was reported to be nil and as such the expenditure.

Table-7.27: Award and transfer of grant for payment of sitting allowance to members of PRIs during Sixth SFC award period

(Rs. In lakh)

Tier	No. of elected incumbent	Annual sitting frequency	Amount in lakh Rs.					
			2020-21	2021-22	2022-23	2023-24	2024-25	2020-25
Award of Sixth SFC								
GP Level	19773	6	355.9	355.9	355.9	355.9	355.9	1779.6
AP Level	1827	6	32.9	32.9	32.9	32.9	32.9	164.4
ZP level	366	4	4.4	4.4	4.4	4.4	4.4	22.0
Total	**21966**	**16**	**393.2**	**393.2**	**393.2**	**393.2**	**393.2**	**1966.0**
Transfer of sitting allowance during award period								
GP Level	19773	6	Nil	Nil	Nil	Nil	Nil	Nil
AP Level	1827	6	Nil	Nil	Nil	Nil	Nil	Nil
ZP level	366	4	Nil	Nil	Nil	Nil	Nil	Nil
Total	**21966**	**16**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

7.74 The need for payment of sitting allowances to the entitled members of PRIS, this commission also appreciated and considered for recommendation using the current rate of daily allowance admissible to Grade-I State Govt. officials of Rs.300.00 per

day. As per statutory requirement, each ZP is required to meet 4 times a year while the AP and GP are required to meet 6 times per year. Based of the above the Seventh SFC recommended grant for sitting allowance as given in table-7.28. The estimate works out at Rs.17.63 crore in total for five years and Rs.3.53 crore per year.

Table-7.28: Projected cost on sitting allowance of members of PRI, FY 2025-30

(Rs. In lakh)

Tier	No. of elected incumbent	Annual sitting frequency	Amount					
			2025-26	2026-27	2027-28	2028-29	2029-30	2025-30
GP Level	17536	6	315.6	315.6	315.6	315.6	315.6	1578.2
AP Level	1828	6	32.9	32.9	32.9	32.9	32.9	164.5
ZP level	343	4	4.1	4.1	4.1	4.1	4.1	20.6
Total	**19707**	**16**	**352.7**	**352.7**	**352.7**	**352.7**	**352.7**	**1763.3**

(v) Office Expenses

7.75 Office expenditure constitutes an important element of administrative expenditure. The award made on office expenses during grant period of Sixth SFC is in table-7.29 along with the transfer made against the award. It is reported that there was no transfer of fund under this awarded head of Sixth SFC.

Table-7.29: Award and transfer of grant for office expenses by Sixth SFC

(Rs.in crore)

Tier	Award of Sixth SFC						Transfer 2020-25
	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25	
ZP	3.2	3.5	3.8	4.2	4.6	19.4	Nil
AP	3.5	3.8	4.2	4.6	5.1	21.1	Nil
GP	5.3	5.8	6.4	7.0	7.7	32.1	Nil
Total	11.9	13.1	14.4	15.8	17.4	72.6	Nil

7.76 The absence of assured provision **Office expenditure** is a gap as it constitutes an important and unavoidable element for running administrative functions. In due consideration of filling the gap of the PRI, an amount is estimated. The rate considered per month is Rs.5000.0 at GP level, Rs.10,000.0 at AP level and Rs.20,000.00 at ZP level during 2026-27 and to remain constant for successive years. The estimated cost of the provision stands at Rs.79.92 crore in total for five reference years. The amount estimated for GP is Rs.65.76 crore, for AP Rs.10.92 crore and for ZP Rs.3.24 crore. Year wise details in provided in table-7.30 below.

Table-7.30: Projected cost on office expenses of PRI for FY 2026-31

Sl. No.	Tier	PRI office (No.)	Rate PM (Rs.)	Amount (in crore Rs.)					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	ZP level	27	20000	0.65	0.65	0.65	0.65	0.65	3.24
2	AP Level	182	10000	2.18	2.18	2.18	2.18	2.18	10.92
3	GP Level	2192	5000	13.15	13.15	13.15	13.15	13.15	65.76
	Total	2401	22500	15.98	15.98	15.98	15.98	15.98	79.92

(b) Civic Functions

7.77 Unlike the ULBs, there is no service level benchmark for the PRIs. Nevertheless, the core civic functions of the PRIs relate to i) water supply, ii) sanitation, iii) solid waste disposal and iv) street lighting particularly in cluster of marketplaces. To some extent, Central Finance Commission grant (tied) is being utilized for maintenance of rural piped water supply scheme and sanitation including solid waste disposal. The maintenance activities for streetlight are reported to be not taken up under the same grant. The expenditure on maintenance of rural piped water supply scheme and sanitation has been incurred for four FYs i.e. 2020-21 to 2023-24 while for FY 2024-25, the expenditure is not made yet for non-receipt of funds. The amount spent for maintenance of rural piped water supply schemes summed at Rs.424.64 crore for four years. The expenditure made for maintenance of sanitation items including solid waste disposal also summed at Rs.424.64 crore for four years. The expenditure incurred annually was equal as can be seen from table-7.31.

Table-7.31: Expenditure on water supply and sanitation (revenue account) at aggregate level

(Rs. In crore)

Sl. No.	Categories	During 6th ASFC						
		2020-21	2021-22	2022-23	2023-24	2024-25	2020-25	CAGR %
1	**Civic functions**							
1.1	Water supply	150.42	88.98	92.13	93.11	0.00	424.64	14.70
1.2	Street lighting	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.3	Sanitation	150.42	88.98	92.13	93.11	0.00	424.64	14.70
1.4	Solid waste disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		300.84	177.96	184.26	186.22	0.00	849.28	14.70

7.78 In due consideration of the negative growth trend over revenue account expenditure on water supply and sanitation, a projection for FY 2026-27 to 2030-31 using annual expenditure hike of 5% over the base year expenditure of 2023-24 is worked and provided in table-7.32 below. The 16th CFC grant as utilized during the earlier award period, is recommended to be the source of meeting the projected amount on the maintenance of both the civic functions in the state.

Table-7.32: Expenditure on water supply and sanitation (revenue account) at aggregate level

(Rs. In crore)

Sl. No.	Item	2026–27	2027–28	2028–29	2029–30	2030–31	2026-31
1	Water Supply	107.7	113.08	118.73	124.67	130.9	595.08
2	Sanitation	107.7	113.08	118.73	124.67	130.9	595.08
	Total	215.41	226.16	237.46	249.34	261.79	1190.16

7.79 The Sixth SFC while awarding the general-purpose grant to PRIs also assessed for a gap of Rs.564.06 crore at aggregate level for maintenance of community assets and Rs.12.76 crore at ZP level, Rs.92.04 crore at AP level and Rs.459.26 crore at GP level. For maintenance rural roads, similarly, a total gap of Rs.114.00 crore was assessed at

aggregate level and Rs.57.0 crore each at ZP and AP level as can be seen from table-7.33 below. Against the assessed gap, the Sixth SFC awarded grant for both the items under general purpose grant. The expenditure incurred on both the items however is reported to nil by the concerned authority.

Table-7.33: Assessed gap for general purpose grant by Sixth SFC (2020-25)

(Rs. In crore)

Sl. No.	Items	ZP	AP	GP	Total
	Award				
1	Maintenance of Community assets	12.76	92.04	459.26	564.06
2	Maintenance of roads	57.00	57.00	0.00	114.00
	Transfer				
1	Maintenance of Community assets	0.00	0.00	0.00	0.00
2	Maintenance of roads	0.00	0.00	0.00	0.00

(d) Expenditure on Rev A/C for implementation of schemes under Agency Functions of state government

7.80 The state government did not entrust PRIs for implementation of its own schemes and hence there was no expenditure incurred by the PRIs on the above head during the period under reference.

(e) Expenditure on Rev. A/C for implementation of schemes under Agency Functions of central government

7.81 The amount of fund received by the PRIs under the schemes assigned by the Central Government for implementation of Centrally Sponsored Schemes with State share thereof is noted earlier in Table-7.9. Against these schemes, the expenditure incurred on revenue account (administrative) was reported to be Rs.1279.39 crore in five years i.e. 2020-21 to 2024-25. Across the three tiers, although there is expenditure shown at GP level also, these amount in reality is not reported to be spent by the GP institution. There are designated Programme Officer for each centrally sponsored programme and each of them at their level spend the entitled amount. If Programme Officers' spending authority are booked at GP level, each GP will be able to spend the entitled amount in strengthening their manpower base which otherwise is very poor at present. The peak year of expenditure was during 2022-23 with Rs.418.31 crore while in the remaining years, the expenditure ranged between Rs.108.75 crore in 2020-21 to Rs.278.42 crore in 2024-25 as can be seen from table-7.34. The CAGR on the administrative expenditure on centrally sponsored schemes not only registered positive status between 2020-21 and 2024-25, the extent was of higher order accounting 26.94% at aggregate level. At ZP, AP and GP level, the CAGR works at 23.06 %, 37.01 % and 27.21 % respectively (table-7.34).

Table-7.34: Tier wise expenditure (rev. A/C) on schemes assigned by the central government

(Rs. in crore)

Sl. No.	Tier	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25	CAGR %
1	ZP	22.63	28.7	36.92	43.09	52.29	183.63	23.06

2	AP	1.49	5.39	4.67	5.66	5.31	22.52	37.01
3	GP	84.63	181.48	376.72	209.59	220.82	1073.24	27.21
	Total	**108.75**	**215.57**	**418.31**	**258.34**	**278.42**	**1279.39**	**26.94**

7.82 Based on table-7.34above, projected expenditure towards discharge of agency functions against the centrally sponsored programmes has been worked out and provided in table-7.35 below. The CAGR on expenditure related to previous years being very high (+26.59%), a modest increase of 10% is considered and the value thus derived is given in table-7.35.

Table-7.35: Projected administrative Expenditure on implementation of centrally sponsored programmes (₹ crore) at 10.0% CAGR

FY	2026–27	2027–28	2028–29	2029–30	2030–31	2026-31
ZP	63.43	69.77	76.75	84.42	92.86	387.23
AP	6.44	7.09	7.8	8.58	9.44	39.35
GP	267.76	294.54	324	356.4	391.04	1633.74
Total	**337.78**	**371.57**	**408.55**	**448.58**	**491.34**	**2057.82**

(f) Expenditure on Interest

7.83 Since the PRIs have not resorted to open market borrowing or loan from financial institutions or from the State Government, there is no expenditure on interest payment.

SECTION II
CONFIGURATION OF GENERAL-PURPOSEGRANTS TO PRIs

7.84 The configuration general purpose grant is outlined here. This basically includes the mandatory nature of expenditure of PRIS. Various revenue expenditure incurred during 2020-25 have been detailed above (para 7.58 to 7.84). At the same time, the revenue expenditure to be incurred for the award period of 7th SFC (2026-31) has also been detailed above. Among the revenue expenditures, five are purely of administrative nature (7.58 to 7.77) which cannot be avoided. These are-

1) Salary cost on PRI functionaries
   a) On existing PRI staff,
   b) On vacant post of PRIs,
   c) On additional post of PRIs (Normative minus sanction post)
   d) On recommended staffing pattern of PRIs
2) Wages cost on casual staff,
3) Remuneration cost to elected representative,
4) Sitting allowance cost to elected members (president & Vice President excluded),
5) Office expenses (consumable)

The PRI being a system of grassroots level decentralized government system, its governance attracts attending two critical areas on regular basis. The natural and sometimes man-made disaster which keep on occurring in various forms one and the maintenance of various community assets which have grown over the years in the PRI areas is the other. As the projections related to both critical areas have not been detailed above, necessary details are provided below-

Relief in disaster

7.85 Various forms of disaster used to strike rural areas every year putting life of many families out of their normal state. The PRIs particularly, the GP institution use to be silent spectator for attending such emergency situation for want of means (resource) even though they are the most closer institution to the people. Some relief in time in the form of food, drinking water, medicine, hygiene etc., even may be very small, matter most under such situation and enable GPs to attend disaster situation first. In due consideration of the need, the commission recommends a grant at the rate of Rs.0.50 lakh per year per GP for 2192 GPs, Rs.1.00 lakh per AP per year for 182 APs and Rs.2.00 lakh per year per ZP for 27 ZPs. The total grants sum to Rs.66.60 crore for five years and Rs.13.32 crore per year (table-7.36).

Table-7.36: Projected expenditure on relief in disaster for PRI for FY 2026-31

(in crore Rs.)

Sl. No.	Tier	No. of PRI office	Rate PA/PRI (Rs.)	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	ZP level	27	200000	0.54	0.54	0.54	0.54	0.54	2.70
2	AP Level	182	100000	1.82	1.82	1.82	1.82	1.82	9.10
3	GP Level	2192	50000	10.96	10.96	10.96	10.96	10.96	54.80
	Total	2401	22500	13.32	13.32	13.32	13.32	13.32	66.60

Maintenance of Community asset

7.86 The villages under each GP have number of community assets created under different programmes / schemes funded by central and state government. The assets used to be in the type of community hall, cultural hall, library, places of worship, playground, storm water drains etc. While maintenance of these assets at some point of interval is a necessity, there is no specific funds available for carrying out the upkeep activities resulting a shabby look of these assets. The commission considers the need for removal of the shabby look of the assets and recommends general purpose grants under revenue expenditure head at the rate of Rs.2.00 lakhs per GP per year, Rs.5.00 per AP per year and Rs.10.00 lakh per ZP per year. The amount for one year stands at Rs.55.64 crore and Rs.278.20 crore for five years (table-7.37).

Table-7.37: Projected expenditure on maintenance of community asset for PRI for FY 2026-31

(in crore Rs.)

Sl. No.	Tier	No. of PRI office	Rate per year (Rs.)	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	ZP level	27	1000000	2.70	2.70	2.70	2.70	2.70	13.50
2	AP Level	182	500000	9.10	9.10	9.10	9.10	9.10	45.50
3	GP Level	2192	200000	43.84	43.84	43.84	43.84	43.84	219.20
	Total	**2401**		**55.64**	**55.64**	**55.64**	**55.64**	**55.64**	**278.20**

NET BUDGETARY POSITION UNDER GENERAL PURPOSE GRANT

7.87 The net budgetary position based on the projected revenue receipt and revenue expenditure is prepared based on the analysis provided in the above paras. In table-

7.38, the net budgetary status is presented. In the estimate, seven expenditure items which are of mandatory nature have been included for the award period of 7th SFC (2026-31). They are i) salary of regular employees, ii) wages of casual staff, iii) remuneration of elected representative, iv) sitting allowances of members (excluding president and vice president), v) office expenses (consumable), vi) relief in disaster and vii) community asset maintenance. With respect to the expenditure item on salary, four optional situations have been visualized and incorporated in the preparation of net budgetary positions. The options are as under-

Option 1 takes into account of the projected expenditure status of seven items namely; i) salary expenditure under (i.a) i.e. of existing PRI staff and the remaining six items i.e. ii), iii), iv), v), vi) and vii).

Option 2 takes into account of i) salary expenditure under (i.a) and (ib) i.e. of existing PRI staff and vacant staff respectively and the remaining six items i.e. ii), iii), iv), v), vi) and vii).

Option 3 takes into account of i) salary expenditure under (i.a), (ib) and (ic) i.e. of existing PRI staff, vacant staff and additional staff respectively and the remaining six items i.e. ii), iii), iv), v), vi) and vii).

Option 4 takes into account of i) salary expenditure under (i.d) i.e the staffing pattern of PRIs recommended by 7th SFC and the remaining six items i.e. ii), iii), iv), v), vi) and vii)

7.88 The combined net budgetary gap without salary component stands at (-) Rs.931.0 crore for five years (2026-31). Annually, the gap amounts to Rs.191.3 crore for FY 2026-27, Rs.188.9 crore for FY 2027-28, Rs.186.3 crore for FY 2028-29, Rs.183.6 crore for FY 2029-30 and Rs.180.8 crore for FY 2030-31 (table-7.38).

7.89 At tier level, net budgetary gap for five years without salary component works differently. At ZP level, there is no budgetary gap and in fact it is surplus status amounting Rs. 54.5 crore in five years. As against, there is gap at AP level amounting (-) Rs.30.58 crore for five years and as high as (-) Rs.954.89 crore at GP level (table-7.38).

7.90 The combined net budgetary gap with salary component works at high level accounting (-) Rs.2492.5 crore under Option 1, (-) Rs.4689.6 crore under Option 2, (-) Rs.4729.4 crore under Option 3 and (-) Rs.6290.8 crore under Option 4.

7.91 In due consideration of the facts that the staffing status of PRI presently accounts only 40% (2024-25) against the sanctioned status, the DRDA is abolished causing a vacuum scenario to the PRIs in drawing techno-managerial support services and there being no place for IT savvy manpower in the previously sanctioned post; the commission recommend for implementation of Option 4 for empowering PRIs with necessary functionaries.

Table-7.38: NET BUDGETARY POSITION OF PRIs

(Rs. In crore)

Sl. No.	Tier level item		Amount					
			2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A	**ZP level**							
1	Revenue Receipt		16.3	17.2	18.0	18.9	19.9	90.3
2	Revenue Expenditure							
	i	Salary						
		a) Salary of existing staff	26.8	29.5	32.5	35.7	39.3	163.8
		b) Salary of vacant post	23.6	25.9	28.5	31.4	34.5	143.9
		c) Salary of additional staff	2.4	2.6	2.9	3.2	3.5	14.6
		c) Salary of recommended staff	39.9	43.8	48.2	53.0	58.4	243.3
	ii	Wages of casual workers	1.01	1.01	1.01	1.01	1.01	5.06
	iii	Remuneration of elected representative	2.2	2.2	2.2	2.2	2.2	11.1
	iv	Sitting allowance of elected members	0.04	0.04	0.04	0.04	0.04	0.21
	v	Office expenses	0.65	0.65	0.65	0.65	0.65	3.24
	vi	Relief in disaster	0.54	0.54	0.54	0.54	0.54	2.70
	vii	Maintenance of community asset	2.70	2.70	2.70	2.70	2.70	13.50
	Total expenditure of 2							
	OP1	2ia+2ii+2iii+2iv+2v+2vi+2vii	31.8	34.5	37.4	40.7	44.2	188.6
	OP2	2ia+2ib+2ii+2iii+2iv+2v+2vi+2vii	57.6	62.6	68.1	74.2	81.0	343.5
	OP3	2ia+2ib+2ic+2ii+2iii+2iv+2v+2vi+2vii	59.9	65.2	71.0	77.4	84.4	358.1
	OP4	2id+2ii+2iii+2iv+2v+2vi+2vii	47.0	51.0	55.4	60.2	65.5	279.1
3	Revenue gap (1-2)							
	OP1	1-(2ia+2ii+2iii+2iv+2v+2vi+2vii)	-15.4	-17.3	-19.4	-21.8	-24.4	-98.3
	OP2	1-(2ia+2ib+2ii+2iii+2iv+2v+2vi+2vii)	-41.2	-45.5	-50.1	-55.3	-61.1	-253.3
	OP3	1-(2ia+2ib+2ic+2ii+2iii+2iv+2v+2vi+2vii)	-43.6	-48.1	-53.0	-58.5	-64.6	-267.8
	OP4	1-(2id+2ii+2iii+2iv+2v+2vi+2vii)	-30.7	-33.8	-37.4	-41.3	-45.6	-188.8
4	Revenue gap without salary		9.2	10.0	10.9	11.8	12.7	54.5
B	**AP level**							
1	Revenue Receipt		24.5	25.7	27.0	28.4	29.8	135.3
2	Revenue Expenditure							
	i	Salary						
		a) Salary of existing staff	76.8	84.5	92.9	102.2	112.4	468.9
		b) Salary of vacant post	30.2	33.2	36.6	40.2	44.2	184.5
		c) Salary of additional staff	4.1	4.6	5.0	5.5	6.1	25.3
		d) Salary of recommended staff	138.0	151.8	166.9	183.6	202.0	842.3
	ii	Wages of casual workers	10.44	10.44	10.44	10.44	10.44	52.21

	iii	Remuneration elected representative	9.3	9.3	9.3	9.3	9.3	46.6
	iv	Sitting allowance of elected members	0.33	0.33	0.33	0.33	0.33	1.65
	v	Office expenses	2.18	2.18	2.18	2.18	2.18	10.92
	vi	Relief in disaster	1.82	1.82	1.82	1.82	1.82	9.10
	vii	Maintenance of community asset	9.10	9.10	9.10	9.10	9.10	45.50
	Total expenditure of 2							
	OP1	2ia+2ii+2iii+2iv+2v+2vi+2vii	100.7	108.4	116.8	126.1	136.3	588.2
	OP2	2ia+2ib+2ii+2iii+2iv+2v+2vi+2vii	140.2	150.9	162.7	175.6	189.9	819.2
	OP3	2ia+2ib+2ic+2ii+2iii+2iv+2v+2vi+2vii	144.3	155.5	167.7	181.1	195.9	844.5
	OP4	2id+2ii+2iii+2iv+2v+2vi+2vii	171.1	184.9	200.1	216.8	235.2	1008.2
3	Revenue gap (1-2)							
	OP1	1-(2ia+2ii+2iii+2iv+2v+2vi+2vii)	-76.2	-82.6	-89.8	-97.7	-106.5	-452.9
	OP2	1-(2ia+2ib+2ii+2iii+2iv+2v+2vi+2vii)	-115.7	-125.2	-135.7	-147.3	-160.1	-683.9
	OP3	1-(2ia+2ib+2ic+2ii+2iii+2iv+2v+2vi+2vii)	-119.8	-129.7	-140.7	-152.8	-166.1	-709.2
	OP4	1-(2id+2ii+2iii+2iv+2v+2vi+2vii)	-146.7	-159.2	-173.1	-188.5	-205.4	-872.8
4	Revenue gap without salary		-8.69	-7.47	-6.18	-4.83	-3.41	-30.58
C	**GP level**							
1	Revenue Receipt		7.7	8.0	8.4	8.9	9.3	42.3
2	Revenue Expenditure							
	i	Salary						
		a) Salary of existing staff	161.6	177.7	195.5	215.1	236.6	986.4
		b) Salary of vacant post	296.7	326.3	359.0	394.8	434.3	1811.1
		c) Salary of additional staff	0.0	0.0	0.0	0.0	0.0	0.0
		d) Salary of recommended staff	700.1	770.1	847.1	931.8	1025.0	4274.2
	ii	Wages of casual workers	65.2	65.2	65.2	65.2	65.2	326.1
	iii	Remuneration elected representative	63.1	63.1	63.1	63.1	63.1	315.6
	iv	Sitting allowance of elected members	3.2	3.2	3.2	3.2	3.2	15.8
	v	Office expenses	13.2	13.2	13.2	13.2	13.2	65.8
	vi	Relief in disaster	11.0	11.0	11.0	11.0	11.0	54.8
	vii	Maintenance of community asset	43.8	43.8	43.8	43.8	43.8	219.2
	Total expenditure of 2							
	OP1	2ia+2ii+2iii+2iv+2v+2vi+2vii	361.0	377.2	394.9	414.5	436.0	1983.6
	OP2	2ia+2ib+2ii+2iii+2iv+2v+2vi+2vii	657.7	703.5	753.9	809.3	870.3	3794.8
	OP3	2ia+2ib+2ic+2ii+2iii+2iv+2v+2vi+2vii	657.7	703.5	753.9	809.3	870.3	3794.8
	OP4	2id+2ii+2iii+2iv+2v+2vi+2vii	899.6	969.6	1046.6	1131.3	1224.5	5271.5
3	Revenue gap (1-2)							

	OP1	1-(2ia+2ii+2iii+2iv+2v+2vi+2vii)	-353.4	-369.1	-386.5	-405.6	-426.7	-1941.3
	OP2	1-(2ia+2ib+2ii+2iii+2iv+2v+2vi+2vii)	-650.0	-695.5	-745.5	-800.5	-861.0	-3752.4
	OP3	1-(2ia+2ib+2ic+2ii+2iii+2iv+2v+2vi+2vii)	-650.0	-695.5	-745.5	-800.5	-861.0	-3752.4
	OP4	1-(2id+2ii+2iii+2iv+2v+2vi+2vii)	-891.9	-961.5	-1038.1	-1122.4	-1215.2	-5229.1
4	Revenue gap without salary		-191.78	-191.40	-191.00	-190.58	-190.13	-954.89
5	Combined revenue gap with salary							
	OP1	A+B+C	-445.0	-469.1	-495.7	-525.1	-557.6	-2492.5
	OP2	A+B+C	-806.9	-866.1	-931.3	-1003.1	-1082.2	-4689.6
	OP3	A+B+C	-813.5	-873.3	-939.1	-1011.8	-1091.8	-4729.4
	OP4	A+B+C	-1069.2	-1154.6	-1248.6	-1352.2	-1466.2	-6290.8
6	Combined revenue gap without salary		-191.3	-188.9	-186.3	-183.6	-180.8	-931.0

Section III

Configuration of the recommendation for special purpose grants

7.92 The Section III of the Chapter presents the configuration of various special purpose grants with recommendations for the award period of this Commission (2026-31). This is comprised of five specific areas namely; i) initiatives for enhancing OSR canvas enhancement, development of OSR byelaws and application development for capturing OSR collection and budget preparation ii) initiatives for strengthening institutional infrastructure gap of PRIs, iii) green initiatives of PRIs, iv) internal revenue generating infrastructure of PRIs and v) socio-cultural infrastructure in PRI areas. Presented below are the works under each of the five specific areas.

i)Initiatives for OSR canvas enhancement, development of OSR byelaws and application capturing OSR and PRI budget

7.93 The Commission through its visit to the PRIs and interactions had with the functionaries observed three fundamental weaknesses that have pervaded PRIs in their effective functioning. The strength of internal revenue was found widely varying from a state of no revenue to poor collection particularly at GP level. The GP with collection over Rs.5.0 lakhs per year is extremely rare. Collection in many APs is also found to be poor. With such dismal status of internal revenue generation, the survival of PRIs is predominantly based on the grants of state and central government and this stands as the first weakness at the core. The habit of discharging their functions with no budget blueprint at the back is second weakness. The accounts maintenance and record keeping with partial compliance is the third. The fourth is the practice of executing developmental schemes through an instrument of Local Constriction Committee irrespective of the financial value of the work. The details of observation and recommendation made towards improving the four fundamental weaknesses are in the following paras.

7.94 The revenue collection that is currently on among the PRIs relates to the fees which ZP and APs collect by leasing out the use rights of ferry ghats, markets and those registered beel fisheries that do not belong to the Assam Fisheries Development Corporation Ltd. The withdrawal of the authority of issuing trade license as well as tax collection from houses vide the order of the Governor of Assam No.PDA.29/2022/11 dated April 25th, 2022, the revenue collection across the PRI tiers has dried up particularly at the level of GPs. Whatever small collection takes place from the sources like entertainment tax, pilgrimage tax, fee on mobile phone towers, user charges over piped water supply system etc., there stands no formal Byelaws in support of the collection. The absence formal Byelaws which enable PRIs in the collection of own revenues thus stands as the top most problem in order. The limited number of sources of collection which is three namely; the ferry ghats, markets and the beel fisheries is second problem affecting internal revenue generation. The sharing of the collection whatever is the extent, the collecting tier not sharing it in the ratio of 20:40:40 at ZP, AP and GP level respectively is another disturbing factor revealing violation of the provisions of the Act and the Rule in vogue. The last but not least, the absence of systematic collection and maintenance record that demonstrate transparency is the fourth problem which is persisting for more than three decades.

7.95 As regards to scope of revenue collection of the PRIs, it is appraised off keeping in view the government order No.PDA.29/2022 /11 dated April 25th, 2022. In the rural areas as one can see the growth of various private educational institutions, health establishments (not shop), brick kilns, mobile tower, petrol pump, timber saw mill, go downs and pollutant industries / establishment in the areas of food processing, farm production like broiler farm, layer farm, detergent production and so on in the rural areas over the last two decades. Further, the trade and business activities with improved road connectivity have also grown widely in the rural areas. These trades and shops can be levied with tax rather than the task issuing license fee and sources of collection can be made much wider. An estimate of the potential sources of internal revenue generation and the quantum they can generate has been provided in table-7.91. These developments are considered as the emerging scope of revenue collection and hence are recommended as sources for levying tax or for non-tax revenue of the PRIs.

7.96 The un-registered beel fisheries in the state presents a large scope of revenue generation which are remaining untapped till now. Locally, there are different names of beel fisheries like beel / dong/ dubi/ jalah/arasuti/mara suti etc. According to the Central Inland Capture Fishery Research Institute, Barrackpore (CIFRI) Bulletin No. 104 published in 2000, the state of Assam has a total of 1392 beels occupying about 1,00,000 ha area. The registered beels are 423 and un-registered 969 which occupy 40,000 ha and 60,000 respectively. Out of the huge beel fisheries sources in the state, it is found that the Assam Fisheries development Corporation Ltd (AFDC) is the management and leasing authority of 185registered beels (12016.48 ha) and the ZPs and the APs are the lease administering authority of 238 registered beels. Thus, the strength of un-registered beel fisheries is much higher by number and area count. By

tradition, some of the unregistered beels while are being managed as common property resource (CPR) by the community living around the beels, majority are remaining as open source for fishing and even encroachment inviting regulatory action on the part of the government. The size of the un-registered beel fisheries averages at about 32 ha or 240 bighas which is quite large enough to attract minimum lease value of Rs.3.0 lakh per year per beel and scope of generating a total worth of Rs.30.00 crore per annum in the state for PRIs. Bringing regulation over the un-registered beel fisheries thus, is the call of the time hence recommended for the following-

1) Recognize the strength of un-registered beel fisheries as huge source of various eco-system services and sustained aquaculture production and can be the most contributing source to the climate change phenomenon.

2) Tap these un-registered beel fisheries as sources of revenue collection for PRIsby involving them as management and lease administering authority

3) Hand over the possession of the un-registered beel fisheries to the PRIs through the Revenue and Disaster Management Department.

4) The make sustained continuity of the un-registered beel fisheries through PRI with clear responsibility.

7.97 Two land categories with nomenclature of Village Grazing Reserve (VGR) and Professional Grazing Reserve (PGR) in the state represent another huge source of land resources. While government from time to time have used these two land categories for rehabilitation of erosion affected and sometime landless families; over the period, these have been subjected to various encroachment on which eviction drive on the part of the government is on now. The available records of revenue department show the presence of 15,615 VGRs and 2773 PGRs in the state occupying an area of 47,709.4 hectares and 17,655.6 hectares respectively (table-7.92). There are thus 18,388 units and area 65365 hectares. The average works out at 3.05 hectare for VGR, 6.37 hectares PGR and 3.55 hectare for total. These two land categories are available in every district with some varying extent of number and size. The sustained management of post eviction scenario is the call of the time and towards that the involvement of PRIs being they are closest government institution to the people of the villages is envisioned. The GPs being at the grassroots, it is recommended that they are entrusted with the mandatory roles and responsibilities of watch keeping, developer of green pockets through plantation/fodder development, revenue collector of the green pockets and reporting entity as a mandate for any desirable /undesirable developments. Even small amount of Rs.1000 per year per hectare is considered as lease value per annum, the collects may sum to Rs.6.53 crore per annum.

7.98 The very instrument that enables PRIs in the task of revenue collection is the Byelaws. A valuable 30 years is lost already, even then the formal Byelaws fulfilling the process prescribed in the Act, 1994 and Rule, 2002 (Assam Panchayat) have not come up. The elected representatives of each tier which constitute the authorized forces of Byelaws preparation and adoption, the force has not culminated to act appropriately with some on the fear of vote bank erosion, some with the intent of

keeping people tax-free and still other with indifferent attitude. The state that an institution surviving and functioning with the outside grant, gift, donation etc. minus its own resource strength is a dependent only and will never find a value among the subjects despite they are most closer public entity. Amidst pretext whatsoever, Byelaw is must and PRIs are to be formally enabled in the generation of their own revenue. In due considerations of the above, the Commission makes following recommendation-

a) Constitute a byelaw preparation study committee comprising three members drawn on the basis experience on the system of PRIs and basic qualification. The team to be supported with three Research Assistants, logistics and various other requirements.

b) Nine months may be study period with 4 months on study visit to PRI districts, two and half months for draft report preparation, two months on validation workshop organized in each PRI district and fifteen days for report finalization and submission.

c) The cost of the study on OSR byelaw preparation has been estimated at Rs.2.48 crore covering the cost on experts, assisting staff, logistics and validation workshop to be organized at district and state level (table-7.39).

Table-7.39: Commissioning of study on OSR Byelaw preparation

(Rs. In crore)

Sl. No.	Particular	No. pro-posed	Cost / Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Study on OSR Byelaw preparation	1	2.48	2.48	0.0	0.0	0.0	0.0	2.48

Details of cost on OSR byelaw preparation study with nine months duration

(Rs. in cr)

Sl. No.	Item	No. proposed	Cost /Unit	Total
1	Consultancy fee of three experts	3	0.02	0.600
2	Project Assistant	27	0.004	1.134
3	Logistic	28	0.0075	0.210
4	Validation workshop	28	0.015	0.420
5	Miscellaneous (5% on above)			0.118
	Total			2.482

7.99 In PRIs particularly in majority of the GPs a common phenomenon of not complying to the recommended records as well as accounts keeping is discernable. While centrally all sponsored programmes have portal of mandatory nature capturing progress of physical and financial matters, for keeping systemic records of revenue collection and expenditure there upon, there is no digital application to pursue mandatorily. It is a need of the time to fill the gap and hence commission recommends for development of an application for capturing the collection as well as expenditure of the own revenue. Towards that, a sum of Rs.1.50 crore is recommended for application development and launching (table-7.40)

Table-7.40:Digital application development for OSR capturing

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost /Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	OSR application development and validation	1	1.50	1.50	0.0	0.0	0.0	0.0	1.50

7.100 There is near total neglect to the task of budget preparation particularly at AP and GP level. The budget format prescribed in the Assam Panchayat (administrative) Rule, 2002 incorporates all budgets subjects considered at state level with all heads and sub heads whereas the subjects devolved to the PRIs is related to the devolution grants of SFC and CFC and agency functions related the implementation of centrally sponsored rural development and panchayati raj programmes / schemes. Therefore, in order to eliminate non contextual element from the prescribed budget format of PRIs, the commission recommends for revision of the same to make it contextual and relevant to the PRIs. The task is recommended to be accomplished using the resources of the office of the Commissioner, Panchayat and Rural Development, government of Assam.

7.101 Another difficulty to be addressed is related to the timely and transparent preparation of budget at all level of PRIs. Towards enabling the task, it is recommended for development of an application for capturing the revised budget format and put in place the same for operation. This is estimated to involve a sum of Rs.1.50crore for application development and validation and another sum of Rs.1.02 crore for capacity building of PRI functionaries in cascading mode; total being Rs.2.52 crore for to be utilized in the 1st FY 2026-27 (table-7.41).

Table-7.41: Digital application development for capturing budget of PRIs

Sl. No.	Particular	No. Pro-posed	Cost /Unit (crore Rs.)	Amount (Rs. In crore)					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Application development and validation	1	1.50	1.50	0	0	0	0	1.50

7.102 Capacity building enabling easy handling of the OSR application is another need recommended to attend. This is to be done in cascading move for coverages users at short period of time. The total expenditure recommended amounts to Rs.1.52 crore for conduct of 3 ToTs and 82 training at district level possibly in the FY 2026-27 (table-7.42).

Table-7.42: Training on OSR application in PRI areas

Sl. No.	Particular	No. proposed	Cost / Unit	Amount (Rs. In crore)					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1.	ToT of 3 days for 90 dist. level functionaries from 27 districts	3	0.0216	0.065	0	0	0	0	0.06
2.	Training of 2450 PRI functionaries for 6 days	82	0.0378	3.100	0	0	0	0	3.10
	Total	**85**	**0.0372**	**3.16**	**0**	**0**	**0**	**0**	**3.16**

7.103 Capacity building need similarly for easy handling of the budgeting application is assessed and recommended. This is also to be done in cascading move for coverages users at a short period of time. The total expenditure recommended amounts to Rs.1.52 crore for conduct of 3 ToTs and 82 training at district level possibly in the FY 2026-27 (table-7.43).

Table-7.43:Training on budgeting application

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost / Unit (crore Rs.)	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	ToT of 3 days for 90 dist. level functionaries from 27 districts	3	0.0216	0.065	0	0	0	0	0.06
2	Training of 2450 PRI functionaries for 6 days	82	0.0378	3.100	0	0	0	0	3.10
	Total	**85**	**0.0372**	**3.16**	**0**	**0**	**0**	**0**	**3.16**

ii. Initiative for strengthening institutional infrastructure of PRIs

1. GP office building

7.104 As reported, there 54 GP offices even after delimitation (2025) where, where functioning of PRI office in these buildings is not possible due to the occurred damages. Further, there has occurred location shift with respect to the offices of 102 GPs due to the recent delimitation exercise. This commission has made consideration of the given gap and recommends construction of 156 GP office buildings from the list in Annexure-7.1 for enabling the GPs for functioning with dignity and diligence. The 6th SFC recommended Rs.40.00 lakhs as cost of construction of GP office building during its award period fulfilling the gap. This Commission accounting escalation of cost revised the cost at Rs.50.00 lakhs per GP office building. The award for 156 office buildings amounts to Rs.78.00 crore in total for five years and Rs.15.60 crore per year (table-7.44).

Table-7.44: GP office building in PRI districts

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost /Unit (crore Rs.)	Amount (Rs. In crore)					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	New GP office	102	0.50	10.20	10.20	10.20	10.20	10.20	51.00
2	Old GP office	54	0.50	5.40	5.40	5.40	5.40	5.40	27.00
	Total	**156**		**15.6**	**15.6**	**15.6**	**15.6**	**15.6**	**78.00**

6th SFC @ Rs.0.40 crore per building

2. Rooftop solar power system (5 KW) in the GP office

7.105 Constant supply of electricity in GP offices has remained as a serious problem even now (2025) despite there has occurred lot of improvement in the power supply scenario. Besides, the own revenue starved GPs more often suffer from the problem of payment of electricity bill in time. In the given context, Rooftop solar power system is a useful solution option for both the problems. In due consideration of the above, the Commission recommends installation of Rooftop solar power system of 5 KW capacity in all the office building of 2192 GPs in the PRI districts. The unit cost of installation stands at Rs.3.28 lakhs under PM Surya Ghar Yojana. The total cost in five years works out at Rs.71.90 crore with annual phasing at Rs.14.38 crore (table-7.45).

Table-7.45: Rooftop solar power system (5 KW) in the GP office

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost /Unit (crore Rs.)	Amount (Rs. In crore)					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Rooftop solar system (5KW)	2192	0.0328	14.38	14.38	14.38	14.38	14.38	71.90

3. Digital infrastructure in the office of GPs

7.106 The Panchayats are mandated to use e-GramSwaraj and Audit online. Under the Ministry of Rural Development and Panchayati Raj, there are various programme / scheme specific portals such as MGNREGS, PMAY-G, NSAP, RGSA etc. Panchayat Development Index (PDI) and SVAMITVA (asset mapping) still other two important portals related to Panchayat. Besides there are knowledge portals like Panchayat Nirnay portal and India Panchayat knowledge portal as relevant resource portals for panchayats. Good computer system with internet connection supported by printer thus have come-up as unavoidable digital infrastructure of the panchayat. Most of the GP offices in the state have desktops numbering one or two and internet connection while some have Laptop numbering one. These systems were procured 4 to 5 years back and thus are in a state of replacement need. With a view to enable panchayat particularly the GPs, the Commission recommends a digital infrastructure unit to each GP of the state comprising i) two desktops, ii) one printer, iii) one internet connection

(100 Mbps) and iv) one micro phone system. The cost of the units works at Rs.2.00 lakh. The award is to cost Rs.43.84 crore in total in five years and Rs.8.77 crore per year (table-7.46).

Table-7.46: Digital infrastructure in the office of GPs

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost / Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Digital infrastructure	2192	0.02	8.77	8.77	8.77	8.77	8.77	43.84

4. GP office furniture in PRI districts

7.107 156 GPs to which office building construction have been recommended, obviously all will lack furniture. Towards meeting the furniture need, the Commission recommends for a grant to 156 GPs from Annexure-7.1 at the rate of Rs.2.00 lakh per GP. The furniture items considered under the grant are in table-7.47.

Table-7.47: GP office furniture in PRI districts

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost / Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	New GP office	102	0.020	0.41	0.41	0.41	0.41	0.41	2.04
2	Old GP office	54	0.020	0.22	0.22	0.22	0.22	0.22	1.08
	Total	156		0.624	0.624	0.624	0.624	0.624	3.12

Sl. No.	Item	No	Cost/unit (Rs.)	Cost (Rs. In lakh)
1	Table & chair set for members	10	8000	0.80
2	Table & chair set for functionaries	3	8000	0.24
3	Office Almirah	4	10000	0.40
4	Conference hall chair	60	700	0.42
5	Dias table	2	2000	0.04
6	Dias chair	6	1500	0.09
	Say Rs.2.00 lakh			1.99

5. Block/ AP office building in PRI districts

7.108 Due to the recent reorganization drive of the block boundaries in 27 PRI districts, it is reported that the number of blocks have reduced from 185 to 182 and as a result, there has occurred shift of location of office of 7 blocks requiring new construction need of block office building. Also, there 15 blocks where there is unrecoverable damage of the building conditions. The block offices are important for they house the office of the AP. With due considerations of the above, the Commission recommends new construction of 22 block/ AP office buildings from Annexure 7.2 at a rate of Rs.2.5 crore per office building during its award period. The recommendation involves a total sum of Rs.55.00 crore in five years and Rs.11.00 crore per annum (table-7.48). List of APs is in Annexure-7.2.

Table-7.48: AP office building in PRI districts

(Rs. In crore)

Sl. No.	Particular	No. of proposed	Cost /Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	New AP office	7	2.5	3.50	3.50	3.50	3.50	3.50	17.50
2	Old AP office	15	2.5	7.50	7.50	7.50	7.50	7.50	37.50
	Total	22		11.00	11.00	11.00	11.00	11.00	55.00

6th SFC @ Rs.1.5 crore per building

6. Development of Data base centre in Block/ AP office

7.109 The 6th SFC made recommendation for development of 149 block/AP level Data base centres at cost of Rs.20.00 lakh per centre. The need persists as transfer of resources has not been made for the establishment of these centres. Considering cost escalation, the rate per centre is revised at Rs.25.00 lakh and recommend for establishment 149 data base centres in total. The grant sums at Rs.37.25 crore in total for five years and Rs.7.45 crore per year (table-7.49).

Table-7.49: Development of Data base centre in Block/ AP office of PRI districts

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost / Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Data Base Centre for AP	149	0.25	7.45	7.45	7.45	7.45	7.45	37.25

6th SFC recommended Rs.20.00lakh per centre

7. ZP office building

7.110 Two ZPs namely; Charaideu and Bajali district are yet to have their own building. It is recommended for construction of new ZP building at a cost of Rs.5.00 crore per building. Total cost sums at Rs.10.0 crore in five years Rs.2.00 crore per annum (table-7.50)

Table-7.50: ZP office building in PRI districts

(Rs. In crore)

Sl. No.	Particular	No.of proposed block	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	ZP office building	2	5.00	2.00	2.00	2.00	2.00	2.00	10.00
	6th SFC @ Rs.4.00 crore per building								

7. GBSIPRD infrastructure upgradation and capacity building

7.111 GBSIPRD, Guwahati has submitted requisition for upgradation of institutional infrastructure primarily of repairing and renovation nature located at HQs, Khanapara, Guwahati, Hqs at Kahikuchi, Guwahati,12 Extension Training centres located in different districts and 13 District Panchayat Resource Centres located in different districts. The need are of three types. One is related to upgradation of existing infrastructure; another is related to the improvement various capacity building aids and other one is for conduct of various training activities. These needs put together

enlist as many as 13 items. The expenditure needs proposed amounts to Rs.71.70 crore for five year (2026-31). Infrastructure upgradation related cost amounts to Rs.45.00 crore, capacity building aids related cost Rs.9.70 crore and capacity building activities Rs.17.00 crore. As discharge of critical functions of GBSIPRD is possible after having fulfilled above needs, the Commission therefore recommend the proposal submitted by the GBSIPRD as indicated above and as per the details outlined in table-7.51.

Table-7.51: Upgradation of existing infrastructure and other interventions for capacity building under GBSIPRD, Guwahati

(Rs. In crore)

Sl. No	Name of the centre	Component	Rate/ Unit	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A	**Infrastructure upgradation**								
1	SIPRD, HQ, Khanapara, Guwahati	Repairing and renovation of existing infrastructure	10.00	2.00	2.00	2.00	2.00	2.00	10.00
2	SIPRD, HQ, Kahikuchi, Guwahati	Repairing and renovation of existing infrastructure	7.00	1.40	1.40	1.40	1.40	1.40	7.00
3	12 Extension Training Centres	Repairing and renovation of existing infrastructure	15.00	3.00	3.00	3.00	3.00	3.00	15.00
4	13 District Panchayat Resource Centres	Construction of boundary wall	9.75	1.95	1.95	1.95	1.95	1.95	9.75
5	13 District Panchayat Resource Centres	Earth filling and construction of approach road	3.25	0.65	0.65	0.65	0.65	0.65	3.25
	Total of A			**9.00**	**9.00**	**9.00**	**9.00**	**9.00**	**45.00**
B	**Capacity building aids**								
6	12 Extension Training Centres	Procurement of training aids and equipments	1.20	0.60	0.60	0.00	0.00	0.00	1.20
7	SIPRD, HQ, Khanapara, Guwahati	Establishment of Assam's Own Real-Time Training Management Information System (TMIS)	1.50	0.75	0.75	0.00	0.00	0.00	1.50
8	SIPRD, HQ, Khanapara, Guwahati	ISO Certification and Quality Assurance Mechanism	2.00	1.00	1.00	0.00	0.00	0.00	2.00
9	SIPRD, HQ, Khanapara, Guwahati	Expansion of Technical and Digital Support to Gaon Panchayats	5.00	2.50	2.50	0.00	0.00	0.00	5.00
	Total of B			**4.85**	**4.85**	**0.00**	**0.00**	**0.00**	**9.70**
C	**Capacity building**								

10	SIPRD, HQ, Khanapara, Guwahati	Content Generation and Tier-Specific Training Curriculum	1.00	1.00	0.00	0.00	0.00	0.00	1.00
11	SIPRD, HQ, Khanapara, Guwahati	Promotion of Responsive and Capacity Building Gender- Inclusive	1.00	0.33	0.33	0.33	0.00	0.00	1.00
12	SIPRD, HQ, Khanapara, Guwahati	Capacity Building and Training	10.00	2.00	2.00	2.00	2.00	2.00	10.00
13	SIPRD, HQ, Khanapara, Guwahati	Knowledge Exchange and Exposure Visits (1000 participants in each year)	5.00	1.00	1.00	1.00	1.00	1.00	5.00
	Total of C			**4.33**	**3.33**	**3.33**	**3.00**	**3.00**	**17.00**
	Grand total of A+B+C		**71.70**	**18.18**	**17.18**	**12.33**	**12.00**	**12.00**	**71.70**

iii) Green initiative of PRIs

1. Convergent plantation under green initiative of PRIs

7.112 Green initiative on the part of every institution has the call of the time contributing to the global warming and climate change phenomenon. In the light of the above, a convergent plantation initiative in non-forest areas led by the PRI using the resources of MGNREGA and forest department is framed and recommended for undertaking during the grant period of 7th SFC. The PRI is to incur a mobilization cost (coordination, site selection, transportation cost of plant) at the rate of Rs.4.0 per plant, the forest department is to supply plants free of cost to the PRI as per plan submitted and the cost on labour for site development, plantation, fencing including fencing material will be arranged through the annual plan prepared using the resources under MGNREGA. A total target of 1,00,000 plants per ZP, 50,000 plants per AP and 20,000 plants per GP for five years are set as the plantation target and one-fifth plants of the corresponding level are set as annual target. The target envisions plantation of 5.58 crore plants in five years and plantation of 1.12 crore plants per annum. The mobilization cost recommended for PRIs for plantation under green initiative sums at Rs.22.26 crore in total for five years and Rs. 4.45 crore per annum. The Details of plantation target by PRI level is in table-7.52.a and the details of recommended grant is in table-7.52.b.

Table-7.52.a: Plantation target under green initiative of PRIs

Sl. No.	PRI tier	Plant target (No.)/ unit	PRIs (No.)	Total plant (No.)	Annual target (No.)				
					2026-27	2027-28	2028-29	2029-30	2030-31
1	ZP level	100000	27	2700000	540000	540000	540000	540000	540000
2	AP level	50000	185	9250000	1850000	1850000	1850000	1850000	1850000
3	GP level	20000	2192	43840000	8768000	8768000	8768000	8768000	8768000
	Total			55790000	11158000	11158000	11158000	11158000	11158000

Table-7.52.b: Mobilisation support for convergent plantation (PRI+MGNERA+Forest dept) of PRIs

(Rs. In crore)

Sl. No.	PRI tier	Target No./ unit (in lakh)	Implemen-tation unit (No.)	Mobilisation cost /lakh plants	Amount					
					2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	ZP level	1.00	27	0.04	0.22	0.22	0.22	0.22	0.22	1.08
2	AP level	0.50	182	0.04	0.73	0.73	0.73	0.73	0.73	3.64
2	GP level	0.20	2192	0.04	3.51	3.51	3.51	3.51	3.51	17.54
	Total				4.45	4.45	4.45	4.45	4.45	22.26

iv) Internal Revenue generating infrastructure

1. Guest house of ZP for tourist

7.113 It is seen that there is guest house in in five important sites namely; world heritage site of Charaideu Moidam, Charaideu district, many heritages site at Sibsagar, Sibsagar district wildlife century at Kaziranga, Golaghat district, heritage site of Surya pahar, Goalpara district and the heritage town Tezpur, Sonitpur district. Tourist demand for accommodation is very high and as the guest house for tourist can be useful sources of revenue earning for PRIs. In due consideration of the above, the commission recommend for construction of five guest house for tourist purpose in favour of the concern ZPs of the district at a total cost of Rs.25.00 crore for five years and Rs.5.00 crore per year (table-7.53)

Table-7.53: Construction of guest house of ZPs for tourist

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost /Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Charaideu (World heritage site)	1	5.00	1.00	1.00	1.00	1.00	1.00	5.00
2	Sibsagar (Many heritage sites)	1	5.00	1.00	1.00	1.00	1.00	1.00	5.00
3	Golaghat (Kaziranga)	1	5.00	1.00	1.00	1.00	1.00	1.00	5.00
4	Goalpara (Surya Pahar)	1	5.00	1.00	1.00	1.00	1.00	1.00	5.00
5	Sonitpur (Heritage town)	1	5.00	1.00	1.00	1.00	1.00	1.00	5.00
	Total	**5**	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**	**25.00**

8 **Nature & heritage based rural tourism**

7.114 There are two model villages where development of nature-based tourism is proposed by Commissionerate of P&RD. One is at Rangsapara model village under Goalpara ZP and other is at Halda model village under Darrang ZP. Such scope of tourism prevails in another heritage site located at Biswanath Ghat under Biswanath ZP. Like the above, there are many more natural /heritage sites under each ZP. Depending of the relative importance, another 106 numbers of model tourism villages under 27 ZPs at the rate ranging from 3 to 5 per ZP is recommended at cost of Rs.10.00 crore per model tourism village. The total cost of 109 model tourism villages works at Rs.1066.00 crore for five years and Rs. 213.20 crore per year (table-7.54).

Table-7.54: Development of model tourism village in PRI areas

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Model tourism village at Rangshapara model Village under Goalpara ZP	1	2.25	0.45	0.45	0.45	0.45	0.45	2.25
2	Model tourism village at Haldha model Village under Darrang ZP	1	2.25	0.45	0.45	0.45	0.45	0.45	2.25
3	Model tourism site at Biswanath Ghat, Biswanath ZP	1	1.50	0.30	0.30	0.30	0.30	0.30	1.50
4	Model tourism village under ZPs @ of 3 to 5 per ZP	106	10.00	212.00	212.00	212.00	212.00	212.00	1060.00
	Total	**109**		**213.20**	**213.20**	**213.20**	**213.20**	**213.20**	**1066.00**

3. Market development (site preparation & construction) at AP level

7.115 Not only market place provides backward and forward linkage to various economic activities, they also become source of internal revenue generation of the PRIs. With such consideration, the previous Commission made recommendation for construction market in each of the AP / block in the PRI areas. As on July 2025, there has not been transfer of funds for undertaking the market development activity. As the establishment of market assumes high importance, the commission also recommend for construction 182 AP/block level rural market at a revised cost of Rs.2.00 crore per market. The total grant sums to Rs.364.00 crore for five years with annual phasing at Rs.72.80 crore (table-7.55).

Table-7.55: Market development (site preparation& construction) at AP level in PRI districts

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Market dev. in APs	182	2.00	72.80	72.80	72.80	72.80	72.80	364.00

6th SFC recommended @ Rs.1.5 crore per market comprising site dev & construction

v. Socio-cultural infrastructure development

1. Cremation / burial ground

7.116 With increasing population, decreasing vacant land and enlarging and improved lifestyle, the need for scientific handling of the mortal remains is the call of the time. Toward meeting such need, there was recommendation of the 6th SFC for construction of cremation / burial grands in each GP. The progress against the grant is not reported for lack of transfer of grant. As unfilled need persists, the commission recommends for fulfilling the given need in 2192 GPs for construction of cremation/ burial grounds at a unit cost of Rs.40.00 lakhs. The components considered in the unit include the cremation unit, a shed nearby, one water supply system and electricity connection provision. The total amount of grant recommended for five years is Rs.876.80 crore and Rs.175.36 crore per annum (table-7.56).

Table-7.56: Cremation / burial ground including one shed, water supply & electricity connection in GPs of PRI districts

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Cremation/ burial ground in GPs	2192	0.40	175.36	175.36	175.36	175.36	175.36	876.80

6th SFC recommended @ Rs.20.00 lakh per cremation / burial ground

2. Playground development in GPs

7.117 Playgrounds are regarded as spaces for fostering various abilities of games and sports among the children and the youth in particular and promoting sense of social cohesion and spirit among the community that live around the play grounds. There are in the state playgrounds here and there in the villages but nearly all lacks standard for promoting sportsmanship. In due consideration of the prevailing situation, the commission recommends for establishing atleast one standard playground to the access of the people living in a GP at an average cost of Rs.10.00. The total grant for developing 2192 GP level playgrounds sums at Rs.219.20 crore for five years and Rs.43.84 crore per year (table-7.57).

Table-7.57: Playground development in GPs of PRI districts

(Rs. In crore)

Sl. No.	Particular	No. pro-posed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Playground dev. in GPs	2192	0.1	43.84	43.84	43.84	43.84	43.84	219.20

8 Few selected developmental works in the PRI areas

7.118 While on visit to the districts for drawing feedback, the Commission come up with a list of development activity reported by the people. Among them, few merits consideration and hence considered for recommendation. Numerically they are nine

representing different aspects of social development. The total grant for undertaking the nine activities amounts to Rs.13.05 crore in total for five years. The list along with annual phasing of grant in given in table-7.58 below.

Table-7.58: Few selected developmental works in the PRI areas to be done by ZP

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost /Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
i	War Memorial at Malegarh, Karimganj ZP	1	0.60	0.30	0.30	0.00	0.00	0.00	0.60
ii	Construction of Indoor Sports Complex at Kapili Field, Barapujia, Morigaon ZP	1	3.50	0.70	0.70	0.70	0.70	0.70	3.50
iii	Construction of an Auditorium at Ajarbari Gaon Panchayat, Marigaon ZP**(Liability scheme)**	1	1.75	0.35	0.35	0.35	0.35	0.35	1.75
iv	Construction of Swahid Hem Ram Pator Auditorium at Daul Mandap, Nagaon ZP	1	1.75	0.35	0.35	0.35	0.35	0.35	1.75
v	Auditorium at Khairabari, Gobardhana AP, Barpeta ZP	1	3.25	0.65	0.65	0.65	0.65	0.65	3.25
vi	Preservation & Dev. Of Kalindi AaiBheti, Sundaridia Satra, Barpeta ZP	1	2.20	0.44	0.44	0.44	0.44	0.44	2.20
	Total	**6**	**2.18**	**2.79**	**2.79**	**2.49**	**2.49**	**2.49**	**13.05**

8 Proposal of five sectoral department

7.119 The department of agriculture, Animal Husbandry and Veterinary, Public Health Engineering (Water), Public Health Engineering (Sanitation), Handloom Textile and Sericulture and department of school Education have submitted their proposals to the Commission. The special purpose grant requested by the corresponding departments amounts to Rs.230.24 crore, Rs.166.03 crore, Rs.788.17 crore, Rs.852.77 crore, Rs.47.56 crore and Rs.458.25 crore. The proposed development need of the five departments sums to Rs.2543.02 crore in total (table-7.59). In this regard, it is important however, to note that the functions, the functionaries and the funds of the above departments are not devolved yet to the PRIs. The proposals submitted by the five departments therefore, merit no contextual relevance. In absence of the contextual relevance, the Commission hence, abstains its recommendation to the above cited proposals.

7.120 However, in respect of the proposal of PHED (Water) for operation and maintenance of 27928 PWSSs; tied grants under 16th CFC is expected as it happened during 15th CFC. The PHED (W) assumes that there may occur some funds gap due to the revision of the unit cost of O&M cost of PWSS. The gap as per revised O&M rate is estimated at Rs.788.17 crore in total for 2026-31. If there occurs such gap in the

award of 16th CFC grant, the 7th ASFC in order to fill the stated gap recommend Rs.788.17 crore as devolution fund for its award period 2026-31.

Table-7.59: Proposal of five sectoral departments in PRI areas including cost for 7th ASFC

(Rs. In lakh)

Sl. No.	Item particular	Unit cost (in lakh Rs.)	Proposed unit (No.)	Cost
A	**Agriculture Department**			
1	Solar cold room 10 MT capacity	25.00	300	7500.0
2	Custom hiring centre	50.00	200	10000.0
3	Rural godown 200 MT capacity	35.00	35	1225.0
4	Knowledge Centre	86.00	50	4300.0
	Total		**585**	**23025.0**
B	**AH &Vety. Department**			
1	Vety. Sub-centre	51.24	19	973.6
2	State/Block Vety Dispensary	55.65	6	333.9
3	District Vety Office	171.69	9	1545.2
4	Multi care hospital	481.13	1	481.1
5	Vety vocational farmer training centre	96.47	7	675.3
6	Livestock/ Poultry farm	2098.91	6	12593.4
	Total		**48**	**16602.5**
C	**Public Health Engineering (Water)**			
1	Operation & Maintenance of 27928 PWSSs (20% of total cost as Gap funding from 7th ASFC is proposed)	2.82	27928	78817.0
D	**Public Health Engineering (Sanitation)**			
1	Community SWM assets-MCFs	2.19	21970	48200.0
2	Community Sanitary Complex	3.60	3166	11400.0
3	Plastic Waste Management Unit	36.07	219	7900.0
4	SWAJAL Mitra	0.84	21394	17908.0
	Total		**28024**	**85277.0**
E	**Handloom Textile & Sericulture Dept**			
a	***Handloom Textile***			
1	Skill development training at HTI & HTCs	7.95	4	31.8
2	Infr dev of HTI	50.00	91	4550.0
3	Awareness prog	0.50	212	106.0
	Total		307	4687.8
b	***Sericulture***			
1	Skill development programme	1.40	25	35.0
1	Awareness programme	1.00	33	33.0
	Total		**58**	**68.0**
F	**Department of School Education**			
1	Construction of boundary wall in schools	18.25	2072	37814.0
2	Construction of kitchen cum store in	6.30	1272	8011.0

	school			
	Total		**3344**	**45825.0**
	Grand total (A+B+C+D+Ea+Eb+F)			**254302.3**

9. Additional Proposal submitted by P&RD Department for PRIs

7.120a. Performance Linked Incentives (PLI) for Panchayati Raj Institutions under 7th ASFC.

A proposal for introducing a Performance Linked Incentive (PLI) scheme for Panchayati Raj Institutions (PRIs) with the objective of promoting efficiency, transparency and accountability in grassroots governance. The incentives will be linked to measurable parameters such as complete digitization of accounts and day-to-day activities through platforms like e-GramSwaraj, improvement in the generation of Own Source Revenue (OSR) by strengthening tax and non-tax collection, and certification of Panchayat functionaries through structured capacity building and training programs. This initiative aims to encourage PRIs to adopt modern practices in financial management, enhance self-reliance through local revenue mobilization, and ensure professional competence of their staff, thereby leading to better service delivery and citizen-centric governance.

7.120b. Operation and Maintenance of Piped Water Supply Scheme (PWSS)

A large number of Piped Water Supply Schemes (PWSS) have been constructed by the Public Health Engineering (PHE) Department and subsequently handed over to the Panchayati Raj Institutions (PRIs) for operation and maintenance. However, it has been observed that many PRIs face challenges in effectively managing these schemes due to lack of technical expertise, financial constraints, and inadequate manpower. In light of the above, it is recommended for constituting a dedicated and specialized body/Authority responsible for the operation and maintenance of these water supply schemes. Such a body would ensure efficient functioning, timely maintenance, and sustainability of the schemes, ultimately benefiting the rural population by providing uninterrupted access to safe drinking water. This measure would not only improve service delivery but also relieve PRIs of the technical and financial burden of maintaining these complex infrastructures.

7.120c. End-to-End Budgeting & Accounting

The P&RD Department, Government of Assam proposes to launch a **Rural Digitization -End-to-End Budgeting and Accounting** on the lines of the Urban Digitisation Mission, with the objective of bringing all Gaon Panchayats, Anchalik Panchayats and Zilla Parishads under a unified digital platform for financial management. The Mission will enable digital preparation of budgets, automated fund flow, real-time accounting, and seamless reconciliation with treasury and PFMS systems. By introducing e-vouchers, digital receipts, and transparent dashboards accessible to both officials and citizens, the initiative will strengthen fiscal discipline, improve efficiency, and enhance accountability in the use of public funds in rural areas. This system will also empower rural local bodies with timely financial data, reduce delays and manual errors, and promote greater transparency and trust in governance. For the purpose, the financial involvement is estimated at Rs. 20.00 crore for five years. The details of the estimate are as under-

Digital End-to-End Budgeting & Accounting (Estimated Cost)

Component	Allocation (₹ Cr)
Digital Infrastructure	6.00

Digital End-to-End Budgeting & Accounting (Estimated Cost)

Component	Allocation (₹ Cr)
Software & Integration	4.50
Capacity Building & IEC	2.50
Technical Support & Maintenance	2.50
Operations & Service Delivery	3.00
Monitoring & Evaluation / PMU	3.00
Contingency & Escalation	1.00
Total	20.00

7.120d. Digital Panchayat in convergence with Common Service Centres (CSC), Assam

The Digital Panchayat proposal is a joint initiative of CSC e-Governance Services India Ltd. and the Department of Panchayat & Rural Development, Assam, aligned with the Digital India and CSC 2.0 programs. Its aim is to digitally empower Gram Panchayats and bring government services directly to citizens' doorsteps. The key features of the Proposal:

- Single-Window Service Centres: CSC-run centres at Gram Panchayat Bhawans to deliver G2C, B2C, and G2G services.
- Digitization & ERP Framework: End-to-end digitization of Panchayat registers, scheme data, fund tracking, tax collection, and service delivery using ERP and mobile applications.
- Scheme Support: Facilitation and awareness creation for central/state schemes (MGNREGA, PMAY, PMGSY, etc.), with fund flow monitoring.
- Banking & Aadhaar Services: Centres to act as Business Correspondents of lead banks and provide Aadhaar updating services.
- Infrastructure Needs: Each centre requires a 250–400 sq. ft. room, furniture, laptop, printer, UPS, and internet connectivity.
- Capacity Building: Structured training, refresher courses, and a Learning Management System for Panchayat officials, VLEs (Village Level Entrepreneurs), and staff.
- Monitoring & Transparency: ERP dashboards, mobile apps, geo-tagging, grievance redressal, smart ticketing, and ranking dashboards for performance tracking.
- Project Staffing: A multi-tier team (state, district, block, GP levels) for management, training, and handholding support.
- Project Duration: 5 years (extendable), with phased rollout starting April 2026 and operations by August 2026.
  - Approx. ₹16,257 per GP per month (Year 1) with 10% annual escalation.
  - Covers VLE compensation, staff, training, software, maintenance, and project management.

Estimated Cost on Digital Panchayat in Convergences with Common Service Centre, Assam	
Component	Allocation (₹ Cr)
Infrastructure (centres, ICT, connectivity)	5.5
ERP & Mobile Applications	4.0
Capacity Building & LMS	3.0
Staffing & Project Management	5.0

Estimated Cost on Digital Panchayat in Convergences with Common Service Centre, Assam	
Component	Allocation (₹ Cr)
Operations & Service Delivery	5.0
Monitoring, Transparency & IEC	2.0
Contingency & Escalation	0.5
Total	25.0

SUMMARY OF THE SPECIAL PURPOSE GRANT TO PRIs

7.121 As described above, the special purpose grants (FY 2026-31) have been considered and recommended to attend five broad needs namely, i) initiatives for enhancing OSR canvas, development of OSR byelaws, application development for capturing OSR collection and budget preparation and capacity building on OSR and budgeting application ii) initiatives for strengthening institutional infrastructure gap of PRIs, iii) green initiatives of PRIs, iv) revenue earning infrastructure development and v) social infrastructure in PRI areas. The grant recommended for need i) amounts to Rs.11.81 crore, need ii) Rs. 307.36 crore, need iii) Rs.22.26 crore, need iv) Rs. 1455.00 crore and need v)Rs.1109.10 crore for five years. The grants for five needs sum at Rs.2905.47crore in total for five years. The annual breakup works at Rs.587.56 crore for FY 2026-27, Rs.582.01crore for FY 2027-28 and Rs. 578.61crore each for FY 2028-29, FY 2029-30 and FY 2030-31. Item wise annual breakup details can be seen from table.7.60. In addition to above, one additional proposal from P&RD Department amounting Rs. 45.00 crore is recommended.

Table-7.60: Summary special purpose grants in PRI areas

(Rs. In crore)

Sl. No.	Item	No.	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A	**Strengthening PRIs for OSR byelaws and budgeting**								
1	OSR Byelaw study & validation	1	2.48	2.48	0.00	0.00	0.00	0.00	2.48
2	OSR capturing applications	1	1.50	1.50	0.00	0.00	0.00	0.00	1.50
3	PRI budgeting capturing applications	1	1.50	1.50	0.00	0.00	0.00	0.00	1.50
4	Training on OSR capturing application	85	0.04	1.55	1.55	0.00	0.00	0.00	3.16
5	Training on budget capturing application	85	0.04	1.61	1.55	0.00	0.00	0.00	3.16
	Total of A	***171***		***8.65***	***3.10***	***0.00***	***0.00***	***0.00***	***11.81***
B	**Strengthening of institutional infrastructure of PRIs**								
1	GP office building								
	i New GP office	102	0.50	10.20	10.20	10.20	10.20	10.20	51.00
	ii Old GP office	54	0.50	5.40	5.40	5.40	5.40	5.40	27.00
2	Rooftop solar system in GP office	2192	0.033	14.38	14.38	14.38	14.38	14.38	71.90
3	Digital infra. in GP office	2192	0.020	8.77	8.77	8.77	8.77	8.77	43.84

4	Office furniture in GP office									
	i	New GP office	102	0.02	0.41	0.41	0.41	0.41	0.41	2.04
	ii	Old GP office	54	0.02	0.22	0.22	0.22	0.22	0.22	1.08
5	Block/ AP office building									
	i	New Block office	7	2.50	3.50	3.50	3.50	3.50	3.50	17.50
	ii	Old Block office	15	2.50	7.50	7.50	7.50	7.50	7.50	37.50
6	Data Base Centre for AP		182	0.25	9.10	9.10	9.10	9.10	9.10	45.50
7	ZP office building		2	5.00	2.00	2.00	2.00	2.00	2.00	10.00
	Total of B		***4902***		***61.47***	***61.47***	***61.47***	***61.47***	***61.47***	***307.36***
C	**Green initiative of PRIs**									
1	Convergent plantation (lakh No.)		557.9	0.04	4.45	4.45	4.45	4.45	4.45	22.26
	Total of C				***4.45***	***4.45***	***4.45***	***4.45***	***4.45***	***22.26***
D	**Internal revenue generating infrastructure**									
1	*Guest house of 5 ZPs for heritage tourism*		5	5.00	5.00	5.00	5.00	5.00	5.00	25.00
2	Development of Model tourism village under the ZPs		109	9.78	213.20	213.20	213.20	213.20	213.20	1066.00
3	Market development in Block/ AP (site dev & const)		182	2.00	72.80	72.80	72.80	72.80	72.80	364.00
	Total of D		***114***		***291.00***	***291.00***	***291.00***	***291.00***	***291.00***	***1455.0***
E	**Socio-economic infrastructure**									
1	Cremation/ burial ground in GPs		2192	0.40	175.36	175.36	175.36	175.36	175.36	876.80
2	Playground dev. in GPs		2192	0.10	43.84	43.84	43.84	43.84	43.84	219.20
3	Few other selected dev. works									
	i	War Memorial at Malegarh, Karimganj ZP	1	0.60	0.30	0.30	0.00	0.00	0.00	0.60
	ii	Construction of Indoor Sports Complex at Kapili Field, Barapujia, Morigaon ZP	1	3.50	0.70	0.70	0.70	0.70	0.70	3.50
	iii	Construction of an Auditorium at Ajarbari Gaon Panchayat, Marigaon ZP (Liability Scheme)	1	1.75	0.35	0.35	0.35	0.35	0.35	1.75
	iv	Construction of Swahid Hem Ram Pator Auditorium at Daul Mandap, Nagaon ZP	1	1.75	0.35	0.35	0.35	0.35	0.35	1.75
	v	Auditorium at Khairabari, Gobardhana AP, Barpeta ZP	1	3.25	0.65	0.65	0.65	0.65	0.65	3.25

	vi	Preservation & Dev. Of Kalindi AaiBheti, Sundaridia Satra, Barpeta ZP	1	2.20	0.44	0.44	0.44	0.44	0.44	2.20
		Total of E			***221.99***	***221.99***	***221.69***	***221.69***	***221.69***	***1109.1***
	Grand total (A+B+C+D+E)				**587.56**	**582.01**	**578.61**	**578.61**	**578.61**	**2905.47**

PART II
Assessment of Finances of PRIs
Schedule VI Areas
SECTION I
Assessment of Receipt and Expenditure

7.122 One notable feature of the ToR of Seventh SFC is that, for the third time, it requires the Commission to make an assessment of the resources of local bodies of the three Autonomous Councils under the Sixth Schedule and to make recommendations for devolution and grant-in-aid to them.

Composition of Sixth Schedule Areas

7.123 During the pre-independence period, the tribal areas of the composite State of Assam were largely confined to the hill districts and administered differently. The Government of India Act, 1919 classified these areas as Backward Tracts. The Government of India Act, 1935 treated them as excluded and partially excluded areas. After independence, the Constitution of India accorded special status to these areas by way of granting them the status of Sixth Schedule. However, the size of the Sixth Schedule Areas of the composite State of Assam started to decline gradually in the wake of reorganisation of the State.

7.124 Following the enactment of the North Eastern Areas (Reorganisation) Act, 1971, the Schedule VI areas of Assam stood reduced to two hill districts viz., Karbi Anglong and North Cachar. The latter was subsequently renamed as Dima Hasao. Meanwhile, Karbi Anglong has been split into two districts viz., West Karbi Anglong and Karbi Anglong. The composition of the Sixth Schedule areas of Assam remained confined to these three districts till the creation of Bodoland Territorial Council (BTC) in 2003.

7.125 For the first time, the Sixth Schedule areas of Assam extended beyond the boundaries of hill districts in 2003.In accordance with the Sixth Schedule to the Constitution of India (Amendment) Act, 2003, the BTC was created consisting of four administrative districts viz, Kokrajhar, Udalguri, Chirang and Baksa. The Bodoland Territorial Areas District (BTAD) was carved out of existing eight plan districts of Assam viz, Kokrajhar, Dhubri, Bongaigaon, Barpeta, Nalbari, Kamrup, Darrang and Sonitpur. Out of the four districts comprising BTAD, only Kokrajhar was an existing district head quarter, Udalguri a sub-division, whereas Baksa and Chirang were below sub-divisional level. As a result, physical infrastructure was not commensurate with that of a district head quarter. While the administrative unit is called BTC, the area covered under its jurisdiction is termed as BTAD. In 2023, the Baksa district under BTAD is divided into two districts with one called as Tamulpur district and the other called as Baksa district. In other words, the BTAD areas under BTC, are comprised of five districts since 2023.

7.126 With the creation of BTC, the number of administrative districts in Sixth Schedule areas of Assam increased to eight i.e. five districts in Bodoland Territorial Council (BTC), two districts in Karbi Anglong Autonomous Council (KAAC) and one in North Cachar Hills Autonomous Council (NCHAC). The total area under Sixth Schedule increased to 25,010 sq. km which accounts for 30.97 percent of the total geographical area of the State. As per 2011 census, the total population under Sixth Schedule areas was 43,21,462 which accounts for 13.9 percent of State's total population. The average density of population per sq. km is 178; the highest being in BTC (374), followed by KAAC (93) and NCHAC (44). The Council wise position is summarized at Table- 7.61 below:

Table-7.61: Demographic Features of Autonomous Council Areas

No.	Features	KAAC	NCHAC	BTC	Total
1	Date of creation	23-06-1952	29-04-1952	10/2/2003	
2	Area (Sq. km)	10,434	4,888	9,688	25,010
3	Population (2011 Census)				
3.1	Rural	820791	151613	3001930	3974334
3.2	Urban	135522	62,489	149117	347128
3.3	Total	956313	214102	3151047	4321462
4	Density (sq. km)	93	44	374	178
5	No. of villages	2928	822	3082	6832
6	No. of RLB	843	28	415	855
7	No. of Sub-Divisions	3	2	10	15
8	No. of Revenue Circle	4	1	37	42
9	No. of Dev. Block	11	5	18	34
10	No. of MAC	30	28	46	104
11	No. of ULBs	22	7	16	45

7.127 It appears from the above Table that the total area of the three hill districts which originally constituted the Sixth Schedule areas of the State is 15322 sq. km and accounts for nearly 19.5 percent of the geographical area of the State. As per 2011 census, the total population of the hill districts is 11,70,415 which constitutes 3.78 percent of the total population of the State. The population density per sq.km is 93 for Karbi Anglong and 44 for Dima Hasao.

7.128 The majority population of the hill districts belong to the category of Schedule Tribes (Hills). As per 2011 census, nearly 56 percent and 71 percent of the population respectively of Karbi Anglong and Dima Hasao belong to the category of Schedules Tribes (Hills). Agriculture is the mainstay of the tribal community. But agriculture is carried on using shifting cultivation method whereyield is never economically remunerative. Consequently, the people are generally poor and deprived of basic amenities of life.

Administration in Autonomous Council

7.129 The administration of the hill areas under Sixth schedule has been vested with the two Autonomous Council (AC). The AC consisted of maximum 30 members, with elected 26 and nominated 4 in the case of Karbi Anglong. In Dima Hasao, 28 members are elected and 2 nominated. Each AC unless dissolved earlier, continues for a period of five years from the date of its first meeting. The AC is headed by a Chairmanand assisted by a Deputy Chairman. The regular administration is carried on by an Executive Council (EC) headed by a Chief Executive Member (CEM). Besides CEM, each EC has a fixed number of Executive Members (EM); the number being 15 in KAAC and 8 in NCHAC as on June 2025. They are appointed by the Governor on the advice of the CEM. All executive functions of the AC are vested with the EC. There is a Secretariat of the AC headed by a Principal Secretary. Liaison with the State Government is maintained through the Development Commissioner for Hill Areas and separate Hill Areas Department in the State Secretariat.

7.130 The ACs are vested with enormous power relating to executive legislative and judicial functions encompassing their inherent and entrusted subjects. Their inherent subjects consist of land use, jhum cultivation, primary education, forest, fisheries, markets, cattle pounds, ferries etc. Apart from the inherent subjects, 30 subjects are delegated to them by the Govt. of Assam with fund and functionaries. Consequent upon the 73rd Amendment of the Constitution a Memorandum of Understanding (MOU) was signed between the ACs and the Govt. of Assam. As per the MOU, apart from the 30 entrusted subjects, 29 subjects listed in Schedule- XI for PRIs were delegated to the ACs. The executive power of these subjects stood delegated to the ACs by a resolution of the State Legislature under Notification No. HAD/57/95/268-269 dtd. 25-09-1996. The MOU further envisaged that to finance the expenditure on the delegated and entrusted subjects, Government of Assam will release fund to the ACs on a half yearly basis and in return the ACs will submit detailed accounts every month to the Accountant General, Assam.

7.131 In the field of financial administration, the ACs are empowered under para 8 of the Sixth Schedule to levy and collect taxes on land and building and tolls on persons, taxes on professions, trades, callings and employment, taxes on animals, vehicles and boats, taxes on the entry of goods into a market for sale therein and tolls on passengers and goods carried in ferries and taxes for the maintenance of schools, dispensaries and roads.

7.132 Apart from para 8, para 9 of the Sixth Schedule provided that such share of royalties accruing each year from licenses and leases for extraction of minerals granted by the State Govt. shall be made over to the respective Councils where from such royalties accrued.

7.133 The legislative powers of the ACs include enactment of laws in respect of management of land, forest other than reserve forests, shifting cultivation, establishment of village councils, town committees, other customary laws such as appointment / succession of village chief or head man, inheritance of property, marriage and regulation and control of money landing and trading by non-tribal.

7.134 As mentioned earlier, the BTC was created in February, 2003 under Schedule VI of the Constitution consisting of 4 administrative districts in Brahmaputra Valley viz., Kokrajhar, Udalguri, Baksa and Chirang. Now Baksa is divided into two districts namely Baksa and Tamulpur. The total geographical area of BTAD is 8970 sq. km representing 11.4 percent of the total area of the State. As per 2011 census, the total population of BTC is 31,51,047 which is about 10 percent of State's total population. The population density per sq km is 374.

7.135 By enacting the Sixth Schedule to the Constitution of India (Amendment) Act, 2003, BTC has been entrusted with 40 departments. Which have been transferred to them along with fund and functions except for relief and rehabilitation i.e. disaster management.

7.136 The organizational structure of BTC is that the policy making level rest with the Council itself. The Council consists of 46 members, 40 directly elected on the basis of adult suffrage and 6 nominated by the State Govt. Out of 40 elected representative 30 seats are reserved for ST, 5 for non-tribal communities and 5 open to all communities.

7.137 The executive power of the BTC is vested with the Executive Council. The EC is headed by the Chief Executive Member (CEM). In addition to the CEM, there is one Deputy CEM and 15 EMs as on June 2025. Besides, the council has a Speaker and a Deputy Speaker. The BTC Secretariat is headed by the Principal Secretary deputed by the Govt. of Assam. The Executive functions of BTC are exercised through the Principal Secretary. Liaison with Government of Assam is maintained through the Department of WPT&BC in the State Secretariat.

7.138 The taxation powers of BTC are the same with that of Karbi Anglong and Dima Hasao Autonomous Council as stated in the preceding paragraphs 7.80 and 7.81.

7.139 As per ToR, the Commission is required to make an assessment of the resources of local bodies under the Autonomous Councils in Sixth Schedule Areas. However, it would be pertinent to take a look into the financial position of the ACs to ascertain their fiscal capacity to support the local bodies under them. Table- 7.62 below shows internal revenue status at the council level for FY 2019-20 to 2024-25. The growth of tax revenue (28.83%) in BTC is observed to be positive during the reference period. In the case of non-tax revenue, the peak being in the FY 2019-20, the growth became negative (-) 9.74% and it influenced the total collection reflecting negative status by (-) 6.91%. The internal revenue generation of BTC during 2024-25 amounting little less than Rs.80.00 crore looks to be weak.

Table-7.62: Tax and non-tax revenue at Autonomous Council Level

(Rs. In lakh)

Sl. No.	A/C /tax category	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	CAGR (%)
A	**BTC**							
1	Tax revenue	386.86	593.31	776.76	1123.02	1247.85	1372.64	28.83
2	Non-tax revenue	11005.79	4345.4	6696.87	7452.31	5993.4	6592.74	(-) 9.74
	Total	11392.65	4938.71	7473.63	8575.33	7241.25	7965.38	(-) 6.91
B	**KAAC**							
1	Tax revenue	7412.50	8660.50	9835.00	11214.00	29449.40	33115.77	34.9

2	Non-tax revenue	1193.00	1193.00	1193.00	1275.00	2900.00	2900.00	19.1
	Total	8605.50	9853.50	11028.00	12489.00	32349.40	36015.77	34.5
C	**NCHAC**							
1	Tax revenue	52.00	59.30	32.40	69.27	52.35	60.89	3.23
2	Non-tax revenue	22.57	27.57	11.95	7.62	77.26	48.00	15.43
	Total	74.57	86.87	44.35	76.89	129.61	108.89	7.87
Source: Respective Autonomous Council								

7.140 The internal revenue generation status in the case of KAAC amounting Rs. 360.15 during 2024-25 looks reasonable and the growth over the reference years stands impressive with 34.5 % CAGR. In the case of NCHAC, the total collection amounting Rs.1.09 crore during 2024-25 stands too less an amount. The growth registering 7.87% over the years however, is a notable one.

7.141 The projected internal revenue status for period 2026-31 for three Autonomous Councils is provided in table-7.63. The projection is made accounting 10% growth for BTC, KAAC and NCHAC. During 2030-31, the amount likely to accrue stands at Rs.141.11 crore for BTC, Rs.638.04 crore for KAAC and Rs.192.9 crore for NCHAC. The projected strength of the three Autonomous Councils thus looks weak to support promotion of any grassroot level local government unless each council widen their internal revenue generation sources.

Table-7.63: Projected internal revenue generation in three Autonomous Councils

(Rs. In lakh)

	Institution	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**
A	**BTC**						
1	Tax revenue	1509.9	1660.9	1827.0	2009.7	2210.7	2431.7
2	Non-tax revenue	7252.0	7977.2	8774.9	9652.4	10617.7	11679.4
	Total	8761.9	9638.1	10601.9	11662.1	12828.3	14111.2
B	**KAAC**						
1	Tax revenue	36427.4	40070.1	44077.1	48484.8	53333.3	58666.6
2	Non-tax revenue	3190.0	3509.0	3859.9	4245.9	4670.5	5137.5
	Total	39617.4	43579.1	47937.0	52730.7	58003.8	63804.1
C	**NCHAC**						
1	Tax revenue	67.0	73.7	81.0	89.2	98.1	107.9
2	Non-tax revenue	52.8	58.1	63.9	70.3	77.3	85.0
	Total	119.8	131.8	144.9	159.4	175.4	192.9
NB: Projection is made assuming an average annual growth of 10% for all							

Status of RLBs in Sixth Schedule Areas

7.142 As stated earlier, Schedule VI areas of Assam consist of 8 (eight) districts, 3 (three) in the Hill Areas and 5 (five) in Brahmaputra Valley. The system of Panchayati Raj never existed in the two Autonomous Councils of KAAC and NCHAC. However, in the remaining five districts of Kokrajhar, Udalguri, Chirang, Tamulpur and Baksa, PRI existed before the creation of BTC. After the creation of BTC, these areas were treated as Sixth Schedule Areas and excluded from the purview of 73rd Amendment Act of the constitution of India. Accordingly, the erstwhile PRIs in these areas were gradually dismantled. Thus, Sixth Schedule Areas, as a whole, were treated as

excluded for the purpose of Central and State Finance Commission award. Notwithstanding the Constitutional restriction, the Central Finance Commission beginning from Tenth to Fifteen (except 14th CFC) had earmarked a certain portion of their local body grant for local bodies of Sixth Schedule Areas also. The Fourteenth Finance Commission did not recommend any grant for the local bodies of excluded areas citing Constitutional mandate.

7.143 Meanwhile, all the Autonomous Councils in Sixth Schedule Areas have expressed their willingness to the extension of 73rd Amendment to the excluded areas. However, the onus for enactment of required legislation in this regard rests with the Union Ministry of Home Affairs. To meet the requirement of rural local bodies, meanwhile BTC had created 415 Village Council Development Committee (VCDC), KAAC had created 26 Village Development Council (VDC) and similarly, North Cachar Hill Autonomous Council had also setup 20 VDCs. Further, there continued restructuring initiatives of rural local bodies under KAAC and NCHAC. It resulted creation of 843 Traditional Village Development Councils (TVDC)under KAAC by replacing its earlier setup of 26 VDCs vide notification No. KAAC/P&RD/Constn-VDC Office Blgd/2023/27 dated November. 6, 2023.The restructuring under NCHAC resulted creation of 28 Constituency Development Committees (CDC) by replacing its earlier 20 Village Development Committee (VDC) vide notification No.AC/CLDC/I/2023-24/62 dated July 15, 2024. These rural local bodies are like the GPs in the General Areas. Currently, these bodies are in place with the nominated members only (table-7.64).

Table-7.64: Rural Local Bodies (VCDC/TVDC/CDC) in Autonomous Council Areas

Sl. No.	Rural Local bodies under autonomous council	No. during 2020- 25	No. for 2025-31
1	BTC (Village Council Development Committee)	415	415
2	KAAC (Traditional Village Development Council)	26	843
3	NCHAC (Constituency Development Committee)	20	28
	Total	**461**	**1286**

Generation own source revenue of RLBs (2020-25)

7.144 The Sixth SFC in its report documented that there was no tax revenue collection in the all the rural local bodies created under the three Autonomous Councils i.e. BTC, KAAC and NCHAC. The tax revenue collection thus was nil during its assessment period of 2016-17 to 2019-20. The same no collection status of tax revenue was reported to the Seventh SFC for its assessment from 2020-21 to 2024-25.

7.145 As regard to the generation of non-tax revenue, it is encouraging that there had taken place some collection of revenue among the VCDCs under BTC in the form of license fees. The collection summed at Rs.32.15 lakhs in five years. This initiative however, was seen absent among the VDCs under KAAC and NCHAC (table-7.65).

Table- 7.65: Non-Tax revenue of local bodies under autonomous council areas

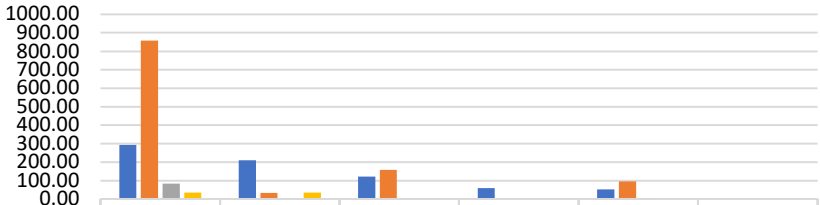
(Rs. In crore)

Sl. No.	AC	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25
1	BTC	7.2	7.3	8.75	4.24	4.66	32.15
2	KAAC	0	0	0	0	0	0
3	DHAC	0	0	0	0	0	0
	Total	**7.2**	**7.3**	**8.75**	**4.24**	**4.66**	**32.15**

Award and transfer 6th SFC grant to Local Bodies under BTC, KAAC and NCHAC

7.146 In due consideration of the progress made against the recommendation of Fifth SFC and also other development needs, the Sixth SFC awarded four types of grants to the rural local bodies under three the Autonomous Councils. The grants awarded were i) general-purpose grant, ii) special purpose grant, iii) incentive grant and iv) additional grant. The total award and transfer status of each type of grant for 2020-25 is captured and provided in Fig.-7.5.

Fig.-7.5: Award and transfer of Sixth SFC grant to Autonomous Councils by state government, 2020-25



	Award	Transfer	Award	Transfer	Award	Transfer
	BTC		KAAC		NCHAC	
General purpose grant	293.31	210.47	122.49	58.60	52.44	0.00
Special purpose grant	858.9	32.52	158.47	0.00	95.17	0.00
Incintive grant	83.00	0.00	5.20	0.00	4.00	0.00
Additional grant	33.75	33.75	5.03	0.00	0.00	0.00

7.147 The general-purpose grant awarded in total was Rs.293.31 crore for BTC, Rs.122.49 crore for KAAC and Rs.52.44 crore for NCHAC during 2020-25. Against the award, the state has already made transfer of grant equivalent to the award for first four years in respect of BTC; the total release being 210.47 crore. In KAAC areas, the transfer against the award (Rs.122.49 crore) has taken place for first three years amounting a total sum of Rs.58.60 crore. Amidst the transfer scenario in two Autonomous Councils, a scene of total non-transfer of general-purpose grant was seen w.r.to NCHAC as can be seen from Fig.-7.5.

7.148 The awarded amount in the form of special-purpose grant was a higher sum than the general-purpose grant. For BTC, KAAC and NCHAC, the total award summed at Rs.858.90 crore, Rs.158.47 crore and Rs.95.17 crore respectively. The transfer of special purpose grant against the award however, depicts a very poor scenario with

Rs.32.52 crore done in fovour of BTC and nil to KAAC and NCHAC as can be seen from Fig.-7.5.

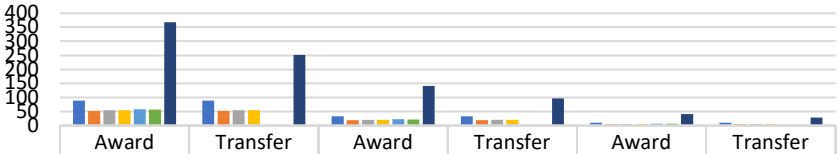
7.149 The award in the form of incentive grant amounting a total of five years was Rs.83.00 crore for BTC, Rs.5.20 crore for KAAC and Rs.4.00 crore for NCHAC. The reported transfer against the award was nil (Fig.7.5).

7.150 A small amount of award in the form of additional grant was made to BTC and KAAC only amounting a total sum of Rs.33.75 crore and Rs.5.03 crore respectively. The transfer was reported to be 100% of the award for BTC with no transfer at all to KAAC (Fig.7.5).

Award and transfer 15th CFC grant

7.151 The 15th CFC for its award period including interim (2020-26) awarded two types grants to the rural local bodies under BTC, KAAC and NCHAC; the untied and tied being the two types. The total grant period relates to six years comprising one interim year (2020-21) coinciding with Covid 19 and five standard years from 2021-22 to 205-26. The award and transfer status of the two types of grants are detailed in following paras.

Fig.-7.6: Award and transfer of untied grant under 15th CFC by Central government (Rs. In crore)

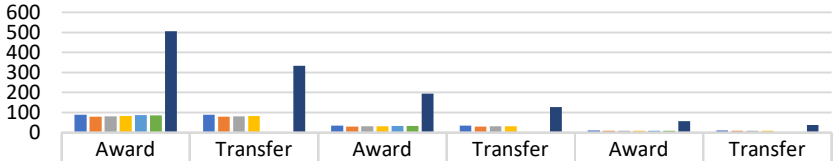


	BTC		KAAC		NCHAC	
	Award	Transfer	Award	Transfer	Award	Transfer
2020-21 (Interim)	89.32	89.32	34.11	34.11	10.01	10.01
2021-22	52.84	52.84	20.18	20.18	5.92	5.92
2022-23	54.70	54.70	20.90	20.90	6.12	6.14
2023-24	55.28	55.28	21.12	21.12	6.20	6.20
2024-25	58.58	0	22.38	0	6.56	0
2025-26	57.16	0	21.84	0	6.40	0
Total	367.88	252.14	140.53	96.31	41.21	28.27

7.152 With respect to the untied grant, the transfer from central government against the award to the rural local bodies under three Autonomous Councils is reported to be 100% for four years i.e. from 2020-21 to 2023-24 as can be seen from Fig.-7. 6. The process of transfer is reported to be on for FY 2024-25.

7.153 In regard to the tied grant also, the transfer from central government against the award to the rural local bodies under three Autonomous Councils is reported to be 100% for four years i.e. from 2020-21 to 2023-24 as can be seen from Fig.-7. 7. The process of transfer is reported to be on for FY 2024-25.

Fig.-7.7: Award and transfer of tied grant under 15th CFC by Central government (Rs. In crore)



	BTC		KAAC		NCHAC	
2020-21 (Interim)	89.32	89.32	34.11	34.11	10.01	10.01
2021-22	79.24	79.24	30.28	30.28	8.88	8.88
2022-23	82.06	82.05	31.34	31.34	9.20	9.20
2023-24	82.92	82.92	31.68	31.68	9.30	9.30
2024-25	87.87	0	33.57	0	9.85	0
2025-26	85.72	0	32.75	0	9.61	0
Total	507.13	333.53	193.73	127.41	56.85	37.39

Transfer under agency functions

7.154 The BTC, KAAC and NCHAC have never been handed over the responsibility of implementation of any the state and central government sponsored schemes/ programmes. While the state has no such sponsored scheme, the funds under centrally sponsored programmes comes directly to the office of the DRDA and the Block agencies in place. The autonomous councils except their advisory role sometimes do not play any controlling role in the implementation of the programmes. The amount received under agency functions thus, was reported to be nil during the assessment period (2020-25).

EXPENDITURE ON REVENUE ACCOUNT

7.155 The Sixth SFC awarded four types of administrative expenditure to the rural local bodies under three Autonomous Councils namely; i) salary of three office functionaries (one each Secretary, Tax Collector and Grade IV per VCDC/VDC), ii) office expenses, iii) annual maintenance expenses of rural piped water supply schemes and iv) annual maintenance expenses of rural roads. The expenditure status against the awards is detailed in following paras.

7.156 It is reported that the KAAC only could engage a number of functionaries in the VDCs comprising one each Secretary, Accountant, Junior Engineer, Chowkidar and Peon while BTC and NCHAC did not engage any of the functionaries in their rural local bodies. The KAAC for the purpose incurred a total sum of Rs.24.20 crore in five years @ Rs.4.84 crore per annum (table-7.66). The expenditure incurred in BTC and NCHAC under the salary head was nil in the entire grant period of Sixth SFC (2020-25).

Table-7.66: Expenditure on salaries of the functionaries of rural local bodies under BTC, KAAC and NCHAC during grant period of Sixth SFC

(Rs. In crore)

Particulars	BTC		KAAC		NCHAC	
	Per annum	2020-25	Per annum	2020-25	Per annum	2020-25

Salary	Nil	Nil	4.84	24.20	Nil	Nil
Office expenses	Nil	Nil	Nil	Nil	Nil	Nil

7.157 As a result of non-engagement of office functionaries in the rural local bodies under BTC and NCHAC, no expenditure was incurred under the head of office expenses in the entire grant period of Sixth SFC (2020-25). The KAAC even though engaged five office functionaries in each VDC, the expenditure on office expenses was reported to be nil (table-7.66).

7.158 The payment of remuneration to the members of the VDCs was found to be reported in KAAC. The number of members relates to 130 members and the amount spent summed at Rs.17.95 crore in five years (2020-25) @ Rs. 3.59 crore per annum. Such expenditure was not incurred on the members of rural local bodies under BTC and NCHAC (table-7.67).

Table-7.67: Expenditure on remuneration payment to the members of rural local bodies in three Autonomous Councils during grant period of Sixth SFC

(Rs. In crore)

Items	BTC		KAAC		NCHAC	
	Per annum	2020-25	Per annum	2020-25	Per annum	2020-25
Remuneration	Nil	Nil	3.59	17.95	Nil	Nil
Sitting allowance	Nil	Nil	Nil	Nil	Nil	Nil

7.159 The expenditure on sitting allowance was reported to be nil as none of the rural local bodies under BTC, KAAC and NCHAC paid members with sitting allowance.

7.160 The rural local bodies under the three Autonomous Councils are reported to be not entrusted with the responsibilities of maintenance of civic functions like piped drinking water supply schemes, streetlights, solid waste disposal and sanitation. Such empowerment similarly is not reported to be done with respect to the maintenance of various community assets created under different government programmes / schemes.

7.161 Against the empowerment back drop of rural local bodies on the maintenance of civic functions and community assets, the BTC is reported to have spent a total sum of Rs.46.55 crore in three years starting from 2022-23 to 2024-25 for maintenance rural piped water supply schemes. Also BTC in five years (2020-25) is reported to have spent another sum of Rs.194.23 crores in total on storm water drains. Such expenditure on the part of KAAC and NCHAC is reported to be not incurred during the reference period (table-7.68).

Table-7.68: Expenditure on rural piped water supply schemes

(Rs. In crore)

Particular	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Rural piped water supply						
BTC	0.00	0.00	13.14	15.91	17.50	46.55
KAAC	0.00	0.00	0.00	0.00	0.00	0.00
NCHAC	0.00	0.00	0.00	0.00	0.00	0.00
Storm water drains						

BTC	48.47	35.23	37.26	34.89	38.38	194.23
KAAC	0.00	0.00	0.00	0.00	0.00	0.00
NCHAC	0.00	0.00	0.00	0.00	0.00	0.00

SECTION II
Configuration of Revenue Gap of RLBs under three ACs
1. Salary of rural local bodies

7.162 Like the previous SFC, the Seventh SFC examined the need of two Grade III staff (one each Secretary, Office Assistant/Tax Collector) and one Grade IV staff for each rural local body under BTC, KAAC and NCHAC. The staffing pattern considered at RLB level in other wards is similar the sanctioned status of the GPs in PRI areas. The consolidated pay considered for a Secretary per year is Rs.4.44 lakh, for Jr. Administrative Assistant / Tax Collector Rs.4.20 lakh and MTS (Grade IV) Rs.3.12 lakh. The estimated amount required annually for 1286local bodies (BTC-415, KAAC- 843and NCHAC-28) has been worked out at Rs.151.23 crore during the first year. The same has been projected for the subsequent years assuming an annual hike of salary by 10 percent. The total requirement was estimated at Rs.923.30 crore as per details at Table- 7.69.

Table-7.69: Projected salary cost of RLB functionaries as per the sanctioned staffing at GP level

(Rs. In crore)

Sl. No.	A/C	Post No.	Salary PM (Rs.)	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	**BTC**								
	Secretary	415	37000	18.43	20.27	22.30	24.53	26.98	112.49
	Jr admn Asst.	415	35000	17.43	19.17	21.09	23.20	25.52	106.41
	MTS	415	26000	12.95	14.24	15.67	17.23	18.96	79.05
	Total of 1	1245		48.80	53.68	59.05	64.96	71.45	297.95
2	**KAAC**								
	Secretary	843	37000	37.43	41.17	45.29	49.82	54.80	228.51
	Jr admn Asst.	843	35000	35.41	38.95	42.84	47.13	51.84	216.16
	MTS	843	26000	26.30	28.93	31.82	35.01	38.51	160.57
	Total of 2	2529		99.14	109.05	119.96	131.95	145.15	605.24
3	**NCHAC**	28							
	Secretary	28	37000	1.24	1.37	1.50	1.65	1.82	7.59
	Jr admn Asst.	28	35000	1.18	1.29	1.42	1.57	1.72	7.18
	MTS	28	26000	0.87	0.96	1.06	1.16	1.28	5.33
	Total of 3	84		3.29	3.62	3.98	4.38	4.82	20.10
	Gr Total (1+2+3)	6331		151.23	166.36	182.99	201.29	221.42	923.30

2. Office Expenses

7.163 In order to ensure the normal functioning of the rural local bodies a lump sum amount of Rs.0.60 lakh per rural local body per year is considered and recommended. The total financial implication for 1286 rural local bodies per year will be Rs. 7.72 crore and Rs.38.58 crore for five year (table-7.70).

Table-7.70: Office expenses of the rural local bodies under three Autonomous Councils

(Rs. In crore)

	A/C	RLB (No.)	Cost per PA/RLB	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	415	0.006	2.49	2.49	2.49	2.49	2.49	12.45
2	KAAC	843	0.006	5.06	5.06	5.06	5.06	5.06	25.29
3	NCHAC	28	0.006	0.17	0.17	0.17	0.17	0.17	0.84
	Total	1286	0.006	7.72	7.72	7.72	7.72	7.72	38.58

3. Relief in disaster

7.164 Various forms of disaster used to strike rural areas every year putting life of many families out of their normal state. The RLBs become silent spectator for attending such emergency situation for want of means (resource) with them even though they are the institute most closer to the people. A relief in time even may be very small matter most under such situation and enable RLBs to attend disaster situation first, the commission recommends a grant at the rate of Rs.0.50 lakh per year for 1286 RLBs. The total grants sum to Rs.32.15 crore for five years and Rs.6.43 crore per year (table-7.71).

Table-7.71: Projected expenditure on relief in disaster for rural local bodies under three Autonomous Councils

(Rs. In crore)

Sl. No.	Tier	No. of PRI office	Rate PA/PRI (Rs.)	Amount (in crore Rs.)					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	415	50000	2.08	2.08	2.08	2.08	2.08	10.38
2	KAAC	843	50000	4.22	4.22	4.22	4.22	4.22	21.08
3	NCHAC	28	50000	0.14	0.14	0.14	0.14	0.14	0.70
	Total	**1286**		**6.43**	**6.43**	**6.43**	**6.43**	**6.43**	**32.15**

4. Maintenance of Community asset

7.165 There are total of 6786 census villages under the three Autonomous Councils. The number BTC are 3263, in KAAC 2928 and in NCHAC 695. These census village used to have number of community assets created under different programmes / schemes funded by central and state government besides Autonomous Councils. The assets used to be in the type of community hall, cultural hall, library, places of worship, play ground, storm water drains etc. While maintenance of these assets at some point of interval is a necessity, there is no specific funds available for carrying out the upkeep activities resulting a shabby look of these assets. The commission considered need for removal of the shabby look of the assets and recommended for

grants under revenue expenditure head at the rate of Rs.6.00 lakhs per village for a five years period. The amount for one year stands at Rs.81.43 crore and Rs. 407.16 crore for five years (table-7.72).

Table- 7.72: Maintenance of community assets in rural local bodies under the three Autonomous Councils

(Rs. In crore)

Sl. No.	Autonomous Council	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	37.96	37.96	37.96	37.96	37.96	189.78
2	KAAC	35.14	35.14	35.14	35.14	35.14	175.68
3	NCHAC	8.34	8.34	8.34	8.34	8.34	41.70
	Total	**81.43**	**81.43**	**81.43**	**81.43**	**81.43**	**407.16**

5. Operation and Maintenance of training institute

7.166 Followed by a peace agreement of the Ministry of Home Affairs, Government of India with DHD outfit of Dima Hasao district, an institute in the title of Sengya Sambhudhan Phonglo Institute was created (SSPI) in Kota Arda village of Diyungbra block for capacity building of the surrendered persons and the youths of the district. The SSPI is conducting skill development training following the NSDC course curriculum. The NCHAC lacks funds for operation, maintenance and upkeep of the institute. In the light of the above, the Commission considered the need for awarding funds for operation, upkeep and maintenance of the institute at a rate of Rs.1.50 crore per annum and Rs. 7.50. crore for the five years. The BTC and KAAC have no such specific training institute (table-7.73). It is advisable that the infrastructure, training aids, machinery /equipment and expertise available in SSPI are used for imparting capacity building training related to RLBs particularly belonging to KAAC and NCHAC.

Table- 7.73: Maintenance of training institute of Autonomous Councils

(Rs. In crore)

Sl. No.	Autonomous Council	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	0.00	0.00	0.00	0.00	0.00	0.00
2	KAAC	0.00	0.00	0.00	0.00	0.00	0.00
3	NCHAC	1.50	1.50	1.50	1.50	1.50	7.50
	Total	**1.50**	**1.50**	**1.50**	**1.50**	**1.50**	**7.50**

Operation and maintenance of cost of SSPI for 2026-31

Sl. No.	Particulars	Monthly Cost (Rs.)	Annual Cost (lakh Rs.)	5-Year Cost (Lakh Rs.)
1	**Human Resources & Administration**			
1.1	Estate Officer	0.65	7.80	39.00
1.2	Security Supervisor (1)	0.35	4.20	21.00
1.3	Security Guards (3)	0.60	7.20	36.00
1.4	Electrical Maintenance Staff (2)	0.40	4.80	24.00

1.5	Plumber (2)	0.40	4.80	24.00
1.6	Generator Operator (1)	0.30	3.60	18.00
1.7	Sweepers (2)	0.40	4.80	24.00
1.8	Gardeners (2)	0.40	4.80	24.00
1.9	Admn. Staff (Accounts, MIS, Office Assistant)	0.85	10.20	51.00
1.20	Office & Stationery, Communication	0.50	6.00	30.00
1.21	Audit, Compliance & Reporting	0.30	3.60	18.00
	Subtotal (1)	***4.35***	***61.80***	***309.00***
2	**Building & Equipment Maintenance**			
2.1	Annual Repairing & Renovation of Buildings	2.50	30.00	150.00
2.2	AMC of Training Aids / Machinery	2.00	24.00	120.00
	Subtotal (2)	***5.00***	***54.00***	***270.00***
3	**Utilities & Overheads**			0.00
3.1	Electricity Bill	0.85	10.20	51.00
3.2	Contingency / Miscellaneous	0.40	4.80	24.00
	Subtotal (3)	***1.25***	***15.00***	***75.00***
4	**Additional O&M Heads**			
4.1	Insurance & Risk Coverage	0.40	4.80	24.00
4.2	ICT Systems & Digital AMC	0.25	3.00	15.00
4.3	Water Supply & Sanitation / Waste Mgmt.	0.50	6.00	30.00
4.4	Transport & Logistics (if applicable)	0.30	3.60	30.00
4.5	Training & Capacity-Building of O&M Staff	0.20	2.40	12.00
	Subtotal (4)	***2.33***	***19.80***	***111.00***
	Grand Total (1+2+3+4)	**12.93**	**150.60**	**753.00**
	Say		**150.00**	**750.00**

SUMMARY OF PROJECTED REVENUE GAP OF RLBS UNDER THREE ACs

7.167 The revenue gap of RLBs under three Autonomous Councils based on the projected revenue and expenditure status as assessed above has been summarized and provided in table-7.74. The estimates of revenue gap worked out and submitted to the Commission by the three Autonomous Councils are not taken into account for their abnormality character. According to Commission's estimate, the combined revenue gap including the salary cost of all RLBs works at (-) Rs.1129.8 crore for five years and at (-) Rs.361.93crore for BTC, (-) Rs.735.9 crore for KAAC and (-) Rs.31.94 crore for NCHAC. Without salary component, the combined revenue gap works at (-) Rs.63.98 crore for BTC, (-) Rs.130.67 crore for KAAC and (-) Rs.11.84 crore for NCHAC; the total being (-) Rs.206.5 crore for five years. It is to be noted that the salary cost of the proposed functionaries of the RLBs is not born directly by the state government. Hence, the revenue gap in the case of the RLBs will be the one that include salary cost also. The details are in table-7.74.

Table-7.74: NET BUDGETARY POSITION OF RLBs (GENERAL PURPOSE GRANT) UNDER THREE AUTONOMOUS COUNCILS

(Rs. In crore)

Sl. No.	Item		Amount					
			2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A. BTC								
1	Revenue Receipt		0.06	0.06	0.07	0.08	0.08	0.34
2	Revenue Expenditure							
	i	Salary (GP pattern)	48.80	53.68	59.05	64.96	71.45	297.95
	ii	Office expenses (consumable)	2.49	2.49	2.49	2.49	2.49	12.45
	iii	Relief in disaster	2.08	2.08	2.08	2.08	2.08	10.38
	iv	Maintenance of community asset	8.30	8.30	8.30	8.30	8.30	41.50
	v	Maintenance of trg institute	0.00	0.00	0.00	0.00	0.00	0.00
Total of 2			**61.7**	**66.5**	**71.9**	**77.8**	**84.3**	**362.3**
3	Revenue gap (1-2)		-61.6	-66.5	-71.8	-77.7	-84.2	-361.93
4	Revenue gap without salary		-12.8	-12.8	-12.8	-12.8	-12.8	-63.98
B. KAAC								
1	Revenue Receipt		0.0	0.0	0.0	0.0	0.0	0.0
2	Revenue Expenditure							
	i	Salary (GP pattern)	99.14	109.05	119.96	131.95	145.15	605.24
	ii	Office expenses (consumable)	5.06	5.06	5.06	5.06	5.06	25.29
	iii	Relief in disaster	4.22	4.22	4.22	4.22	4.22	21.08
	iv	Maintenance of community asset	16.86	16.86	16.86	16.86	16.86	84.30
	v	Maintenance of trg institute	0.00	0.00	0.00	0.00	0.00	0.00
Total of 2			**125.3**	**135.2**	**146.1**	**158.1**	**171.3**	**735.9**
3	Revenue gap (1-2)		-125.3	-135.2	-146.1	-158.1	-171.3	-735.9
4	Revenue gap without salary		-26.13	-26.13	-26.13	-26.13	-26.13	-130.67
C. NCHAC								
1	Revenue Receipt		0.0	0.0	0.0	0.0	0.0	0.0
2	Revenue Expenditure							
	i	Salary (GP pattern)	3.29	3.62	3.98	4.38	4.82	20.10
	ii	Office expenses (consumable)	0.17	0.17	0.17	0.17	0.17	0.84
	iii	Relief in disaster	0.14	0.14	0.14	0.14	0.14	0.70
	iv	Maintenance of community asset	0.56	0.56	0.56	0.56	0.56	2.80
	v	Maintenance of trg institute (SSPI)	1.50	1.50	1.50	1.50	1.50	7.50
Total of 2			**5.66**	**5.99**	**6.35**	**6.75**	**7.19**	**31.94**
3	Revenue gap (1-2)		-5.66	-5.99	-6.35	-6.75	-7.19	-31.94
4	Revenue gap without salary		-2.37	-2.37	-2.37	-2.37	-2.37	-11.84
5	Combined revenue gap with salary		-192.5	-207.7	-224.3	-242.6	-262.7	-1129.8

6	Combined revenue gap without salary	-41.3	-41.3	-41.3	-41.3	-41.3	-206.5

SECTION III

Configuration of special purpose grants of RLBs under three Acs

7.168 As is provided under Section III of PART I of the Chapter, the Section III of PART II presents the configuration of various special purpose grants with recommendations for the award period of this Commission (2026-31). This is comprised of six specific areas namely; i) initiatives for capturing OSR and budgeting at RLB level including training, ii) initiatives for strengthening institutional infrastructure of RLBs iii) green initiatives of RLBs, iv) Infrastructure for rural tourism development v) socio-economic infrastructure development in RLB areas and vi) additional grant for attending critical aspects. Presented below are the works under each of the five specific areas.

i. Initiatives strengthening core capabilities of RLBs in OSR collection and budgeting

7.169 The commission under the above head recommended number of measures fallowed by award towards removal / improving three fundamental weaknesses observed into the functioning of PRIs. The RLBs being promoted by the three Autonomous Councils are also visualized to suffer from same three weaknesses. Detailed below are the measures and award towards attending the visualized weaknesses justifiably.

7.170 The revenue collection in the RLBs under three Autonomous Councils is reported to be nil KAAC and NCHAC while in BTC, it is reported but volume is too small. It is a constitutional mandate that any government institution established at local level either for rural areas or for urban areas, they must have own resource generation mechanism. In the ULBs under the three Autonomous Council, the system of own revenue collection is already in place. Therefore, this Commission makes its recommendation for development of a system of own sources revenue collection at RLB level.

7.171 The scope of revenue collection of the RLBs is appraised keeping in view the canvas indicated in the state government order No.PDA.29/2022 /11 dated April 25th, 2022. In the rural areas as one can see that private educational institutions, health establishments (not shop), brick kilns, mobile tower, petrol pump, timber saw mill, go downs and pollutant industries / establishment in the areas of food processing, farm production like broiler farm, layer farm, detergent production and so on have come up in the rural areas particularly over the last two decades. Further, the trade and business activities with improved road connectivity have also grown widely in the rural areas. These trades and shops can be levied with tax rather than the task of issuing license fee and made revenue collection sources much wider. These developments are considered as the emerging scope of revenue collection and hence are recommended as sources for levying tax or for non-tax revenue of the RLBs.

7.172 The beel fisheries or lake fisheries is another potential source of own revenue collection. There are lot of beel fisheries particularly in BTC areas. In the areas under KAAC and NCHAC, the extent of beel fisheries or water bodies in the form of lake are less but not absent. Some of the beel fisheries particularly are registered while

majority are un-registered. So is the case with the lake fisheries. In BTC, while there prevails leasing system for registered beels, the un-registered beel fisheries are remaining as untapped revenue sources. In the case of KAAC and NCHAC, the potential of both beel and lake fisheries are remaining as untapped sources of revenue collection. Apart from the potential of the above water bodies as revenue collection source, the great contribution the biotic and abiotic resources along with the macro and microorganisms are offering are enormous in two significant contexts. These resources acting as carbon sinks to the global warming and climate change phenomena is one and offering sustainable livelihood sources to the community living around through scientific conservation. Regulatory and management actions are call of the time to put these resources as valuable to natural environment, livelihoods and revenue generation sources.

7.173 Like in PRI areas, two land categories with the nomenclature of Village Grazing Reserve (VGR) and Professional Grazing Reserve (PGR) constitute another potential source of revenue collection for RLBs under three Autonomous Council areas. It is ironical that over the period time, these two categories have been subjected to various encroachment. There is possession and use of these two categories in un-authorised manner, the government on the other hand, is not benefiting at all from these valuable resources. The potential of VGR and PGR as own source of revenue collection can be tapped for strengthening the base of revenue collection of the RLBs. The RLBs being at the grassroots, these institutions can be entrusted with the mandatory roles and responsibilities of watch keeping, developer of green pockets through plantation/fodder development/livelihood activities, revenue realiser of the green pockets besides as reporting entity by mandate for any desirable /undesirable developments.

7.174 The very instrument that enables RLBs in the task of revenue collection is the Byelaws which provide the rate at which the tax and non-tax revenues are to be collected on selected items, the procedure of collection, deposit and sharing of revenues and management of collection records systematically. The abilities that the customized digital application offers in collection, deposition and sharing besides record maintenance transparently can be tapped provided there is adopted byelaws governing the capturing of own source revenue.

7.175 Like in PRIs, the OSR byelaws are not seen among the RLBs under the three Autonomous Councils. Towards preparation and adoption, the Commission recommends for a detailed study for each Autonomous Council capturing the potential collection sources enlisting the items on which either tax or non-tax revenue collection is justifiable, the collection rate/s at which tax or non-tax revenue is justifiable and the procedure to be followed for collection, deposition and sharing of revenue. The study on OSR byelaws is estimated to cost Rs.1.89 crore for BTC, Rs.1.17 crore for KAAC and Rs.0.92 crore for NCHAC and has been recommended for FY 2026-27 (table-7.75.a& 7.75.b).

Table-7.75.a:OSR Byelaw preparation study of nine-month duration

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	1	1.89	1.89	0.0	0.00	0.00	0.00	1.89
2	KAAC	1	1.17	1.17	0.0	0.00	0.00	0.00	1.17
3	NCHAC	1	0.92	0.92	0.0	0.00	0.00	0.00	0.92
	Total	**3**		**3.99**	**0.0**	**0.00**	**0.00**	**0.00**	**3.99**

Table-7.75.b:OSR Byelaw preparation study of nine-month duration

(Amount in crore Rs.)

Sl. No.	Item	Cost /Unit	BTC		KAAC		NCHAC	
			No.	Amount	No.	Amount	No.	Amount
1	Experts fee	0.02	2	0.360	2	0.360	2	0.36
2	Project Associate	0.004	6	0.227	4	0.151	3	0.11
3	Logistic/district	0.0075	6	0.405	3	0.203	2	0.14
4	Validation workshop	0.015	6	0.810	3	0.405	2	0.27
5	Misc. (5% on above)			0.090		0.056		0.044
	Total	**1.00**		**1.892**		**1.175**		**0.92**

7.176 The next recommendation as did for PRIs is made for developing a customized application for the RLBs under each of the three autonomous councils. The cost of development of customized byelaws application is estimated at Rs. 0.75 crore for BTC, Rs. 0.60 crore for KAAC and Rs. 0.50 crore for NCHAC. The amount is phased for FY 2027-28 (table-7.76).

Table-7.76: OSR capturing application including validation

(Rs. In crore)

Sl. No.	Particular	No. Proposed	Cost / Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	1	0.75	0.00	0.75	0.0	0.0	0.0	0.75
2	KAAC	1	0.60	0.00	0.60	0.0	0.0	0.0	0.60
3	NCHAC	1	0.50	0.00	0.50	0.0	0.0	0.0	0.50
	Total	**3**		**0.00**	**1.85**	**0.0**	**0.0**	**0.0**	**1.85**

7.177 The RLBs should render their functions backed by a clear budget. Towards enabling the task, it is recommended for development of an application for capturing a budget format of relevant heads of accounts. The application development is estimated to cost Rs.0.75crore for BTC, Rs. 0.60 crore to KAAC and Rs.0.50 crore for NCHAC. The award is phased for FT 2027-28 (table-7.77).

Table-7.77: Budget capturing application including validation

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	1	0.75	0.0	0.75	0.0	0.0	0.0	0.75
2	KAAC	1	0.60	0.0	0.6	0.0	0.0	0.0	0.60
3	NCHAC	1	0.50	0.0	0.5	0.0	0.0	0.0	0.50
	Total	**3**		**0.0**	**0.00**	**0.0**	**0.0**	**0.0**	**1.85**

7.178 To put the OSR byelaws and the customized application in practice a package of capacity building training programe is recommended. The training package is comprised of duration six days, batch size 30 participants per batch and cost at rate of Rs.1800/- per trainee per day. The cost recommended amounts to Rs. 0.529 crore for BTC, Rs.1.058 crore for KAAC and Rs. 0.038 crore for NCHAC. The training is phased for FY 2028-29 and FY 2029-30 (table-7.78)

Table-7.78:Training on OSR byelaws and operation of OSR application (6 days)

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	14	0.038	0.00	0.000	0.265	0.265	0.000	0.529
2	KAAC	28	0.038	0.00	0.000	0.529	0.529	0.000	1.058
3	NCHAC	1	0.038	0.00	0.000	0.019	0.019	0.000	0.038
	Total	**43**		**0.00**	**0.000**	**0.813**	**0.813**	**0.000**	**1.625**
At the rate of Rs. 1800/- per day per trainee									

7.179 Hands on training for operationalization of customized application on budget preparation is another capacity building need for RLBs. A training package towards that end with six days duration comprising 30 participants per batch at a cost rate of Rs.1800/- per trainee per day is worked out and recommended. For the purpose, a sum of Rs.0.529 crore for BTC, Rs.1.058 crore for KAAC and Rs.0.038 crore for NCHAC is recommended with equal phasing for FY 2028-29 and Fy 2029-30 (table-7.79).

Table-7.79:Training on the operation of budgeting application (6 days)

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	14	0.038	0.00	0.000	0.265	0.265	0.000	0.529
2	KAAC	28	0.038	0.00	0.000	0.353	0.529	0.000	1.058
3	NCHAC	1	0.038	0.00	0.000	0.0378	0.000	0.000	0.038
	Total	**43**		**0.00**	**0.000**	**0.655**	**0.794**	**0.000**	**1.625**
At the rate of Rs. 1800/- per day per trainee									

ii. Strengthening of institutional infrastructure of RLBs

7.180 In the institutional infrastructure of the RLBs, there are various shortfalls reported. Office building, power supply, IT facilities, office furniture, data supporting cell etc. are among the list. As functioning of institution without minimum infrastructure is a theme beyond any perspective, following recommendations therefore, are made for fulfilling the shortfall.

1. Office building of RLBs

7.181 The need for construction is assessed for 1072 RLB offices buildings under three Autonomous Councils. Out of 415 VCDCs under BTC, 214 VCDCs have their office buildings already. The building shortfall under BTC thus is for 201 VCDCs. As against, all 843 TVDCs under KAAC and 28 CDCs under NCHAC have no office building. The 6th SFC recommended construction cost at Rs.40.00 lakhs per office building. This Commission accounting escalation of the cost has revised the cost at Rs.50.00 lakhs per office building. The award for 1072 office buildings amounts to Rs. 536.0crore in total for five years and Rs.107.2 crore per year. The total amount works for BTC Ts.100.5 crore, Rs.421.5 crore for KAAC and Rs.14.00 crore for NCHAC (table-7.80).

Table-7.80: Office building grant for rural local bodies in three Autonomous Councils

(Rs. In crore)

Sl. No.	A/C	No. with building	No. required	Cost/ Unit	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	214	201	0.50	20.1	20.1	20.1	20.1	20.1	100.5
2	KAAC	0	843	0.50	84.3	84.3	84.3	84.3	84.3	421.5
3	NCHAC	0	28	0.50	2.8	2.8	2.8	2.8	2.8	14.0
	Total		**1072**		**107.2**	**107.2**	**107.2**	**107.2**	**107.2**	**536.0**
	6th SFC recommended @ Rs.40.00 lakh per office building									

2. Rooftop solar power system (5 KW) in the GP office

7.182 As an useful solution option for uninterrupted power supply and at the same time no bill to pay, rooftop solar power system with 5 KW capacity is recommended for installation in 1286 RLB office buildings under three Autonomous Councils. The unit cost of installation stands at Rs.3.30 lakhs. The total cost in five years works out at Rs.42.44 crore with annual phasing at Rs.8.49 crore. Autonomous Council wise award and phasing are given in table-7.81.

Table-7.81: Rooftop solar system in the office of rural local bodies under three Autonomous Councils

(Rs. In crore)

Sl. No.	A/C	No. required	Cost/ Unit	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	415	0.033	2.74	2.74	2.74	2.74	2.74	13.70
2	KAAC	843	0.033	5.56	5.56	5.56	5.56	5.56	27.82
3	NCHAC	28	0.033	0.18	0.18	0.18	0.18	0.18	0.92
	Total	**1286**	**0.033**	**8.49**	**8.49**	**8.49**	**8.49**	**8.49**	**42.44**

3. Digital infrastructure in the office of RLBs

7.183 Computer system and printer with internet connection are critical IT infrastructure. With a view to enable RLBs, the Commission recommends an unit to RLBs comprising i) two desktops, ii) one printer, iii) one internet connection (100 Mbps) and iv) one micro phone system. The cost of the units works at Rs.2.00 lakh. The award sums at Rs.25.72 crore for five years and Rs.5.144crore per year. Details of breakup at council level is given in table-7.82.

Table-7.82: Digital infrastructure in the office of rural local bodies under three Autonomous Councils

(Rs. In crore)

Sl. No.	A/C	No. required	Cost/ RLB	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	415	0.02	1.66	1.66	1.66	1.66	1.66	8.3
2	KAAC	843	0.02	3.37	3.37	3.37	3.37	3.37	16.86
3	NCHAC	28	0.02	0.11	0.11	0.11	0.11	0.11	0.56
	Total	**1286**		**5.144**	**5.144**	**5.144**	**5.144**	**5.144**	**25.72**

(Rs. In lakh)

Sl. No.	Item	No.	Cost	Total
1	Desktop	2	0.50	1.00
2	Printer	1	0.25	0.25
3	Internet connection 100 Mbps	1	0.12	0.12
4	Microphone system set	1	0.60	0.60
		Say	2.00	1.97
	Say in crore		0.02	

4. RLB office furniture in Autonomous Council Areas

7.184 BTC reported poor status of office furniture in 214 RLB Offices. Office building construction recommended for 1072 RLBs obviously will require office furniture. Therefore, towards meeting the furniture need, the Commission recommends for a grant to 1286 RLBs at the rate of Rs.2.00 lakh per RLB. The furniture items considered under the grant are in table-7.60. The award is recommended for a total sum of Rs.25.72 crore in five years and Rs.5.14 crore per year (table-7.83).

Table-7.83: Office furniture in the office of rural local bodies under three Autonomous Councils

(Rs. In crore)

Sl. No.	A/C	No. required	Cost/ RLB	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	415	0.020	1.66	1.66	1.66	1.66	1.66	8.30
2	KAAC	843	0.020	3.37	3.37	3.37	3.37	3.37	16.86
3	NCHAC	28	0.020	0.11	0.11	0.11	0.11	0.11	0.56
	Total	**1286**		**5.14**	**5.14**	**5.14**	**5.14**	**5.14**	**25.72**

Sl. No.	Item	No.	Cost/unit (Rs.)	Cost (Rs. In lakh)
1	Table & chair set for members	10	8000	0.80

2	Table & chair set for functionaries	3	8000	0.24
3	Office Almirah	4	10000	0.40
4	Conference hall chair	60	700	0.42
5	Dias table	2	2000	0.04
6	Dias chair	6	1500	0.09
				1.99
			Say (Cr)	0.02

5. Block office building in Autonomous Council Areas

7.185 There are 15 blocks where the office building conditions are reported to be damaged due to wear and tear. Towards rebuilding the office building infrastructure of these blocks, the Commission recommends new construction in 15 block office buildings at a rate of Rs.2.5 crore per office during its award period. The recommendation involves a total sum of Rs.37.50 crore in five years and Rs.7.500 crore per annum (table-7.84). The name of block office is enclosed.

Table-7.84: Block office building in the three Autonomous Councils

(Rs. In crore)

Sl. No.	Autonomous Council	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	8	2.5	4.00	4.00	4.00	4.00	4.00	20.00
2	KAAC	4	2.5	2.00	2.00	2.00	2.00	2.00	10.00
3	NCHAC	3	2.5	1.50	1.50	1.50	1.50	1.50	7.50
	Total	**15**	**2.5**	**7.50**	**7.50**	**7.50**	**7.50**	**7.50**	**37.50**
	6th SFC @ Rs.1.5 crore per building								

List of blocks:
Blocks under BTC: 1) Debitola, 2) Jalah, 3) Baksa, 4) Dhamdhama, 5) Tihu, 6) Barama, 7) Udalguri and 8) Mazbat
Blocks under KAAC: 1) Bokajan, 2) Nilip, 3) Chingthong and 4) Rongkhang
Blocks under NCHAC: 1) New Sangbar, 2) Diyungbra ITDP and 3) Harangajao ITDP

6. Development of Data base centre in Block office

7.186 As recommended for development of 149 block/AP level Data base centres in PRI area at cost of Rs.25.00 lakh per centre, this Commission recommends for establishment of 19 data base centres at block offices under the three Autonomous Council areas. The grant sums at Rs.4.75 crore in total for five years and Rs.0.95 crore per year (table-7.85).

Table-7.85: Development of data base centre in Block office under three Autonomous Councils

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	10	0.25	0.50	0.50	0.50	0.50	0.50	2.50
2	KAAC	6	0.25	0.30	0.30	0.30	0.30	0.30	1.5
3	NCHAC	3	0.25	0.15	0.15	0.15	0.15	0.15	0.75
	Total	**19**		**0.95**	**0.95**	**0.95**	**0.95**	**0.95**	**4.75**

iii. Green initiative of RLBs

7.187 The RLBs like the PRIs should contribute towards enhancing the green cover particularly in the plain areas. As the green cover in the areas under KAAC and NCHAC is quite reasonable, the mobilization support for convergent plantation is recommended in 415 RLBs under BTC. The target per RLB for five years is 20,000 plants and 4000 plants per year; the total being 83,00,000 plants for 415 RLBs in five years. The mobilization rate recommended is Rs.4.00 per plant. The forest department is to supply plan free of cost and the cost of labour and any other material is to be born under MGNREGA for convergent implementation of the green initiative. The mobilization cost recommended is Rs.3.32 crore for five years and Rs.0.66 crore per year for 415 RLBs under BTC (table-7.69).

Table-7.86: Mobilisation support for convergent plantation (RLB+MGNERA+Forest dept) of PRIs

(Rs. In crore)

Sl. No.	PRI tier	No./ RLB (in lakh)	Implementation unit (No.)	Mobilisation cost/ lakh plants	Amount					
					2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	0.20	415	0.04	0.66	0.66	0.66	0.66	0.66	3.32
2	KAAC	0.00	843	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	NCHAC	0.00	28	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total			**0.04**	**0.66**	**0.66**	**0.66**	**0.66**	**0.66**	**3.32**

iv. Internal revenue generating infrastructure

7.188 The theme of own revenue generation assumes high importance as it contributes directly in enhancing the core functional strength of the local government institutions. Two types of infrastructure having strength of generating own resources of RLBs have been considered and recommended as detailed below-

1. Tourism infrastructure

7.189 Over the decade, tourism in the form of homestay and visit to national wildlife parks, water bodies, waterfalls etc have grown widely and as the source of earning. With such consideration, as did in the case of PRI areas, infrastructure development in 12 highly visited tourist sites have been considered and recommended for internal revenue generation purpose for the RLBs. Three of the projects are under BTC areas, five under KAAC areas and four under NCHAC. Besides above, creation of one model tourism village in each MLA constituency has been considered and recommended at a unit cost of Rs.10.00 per model tourism village. The MLA constituencies in BTC are 15, in KAAC it is 4 and in NCHAC one. The total sum recommended for all items for five years is Rs.***155.4*** crore for BTC, Rs.***47.50*** crore for KAAC and Rs.20.00 crore for NCHAC; the grand total being Rs. **222.9** crore for the three Autonomous Councils. The details about the projects and phasing of grant are in table-7.87.

Table-7.87: Construction of tourism infrastructure of RLBs for tourist

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	**BTC**								
i	Guest House near Raimona National Park, Kokrajhar dist	1	1.50	0.30	0.30	0.30	0.30	0.30	1.50
ii	Homestay infrastructure in 12 sites (Raimona RNP), Chakrashila, Ultapani, SJN Park, Bamadi (MNP), Mazbat (ONP), Bhairabkunda, Bogamati, Dadgari, Darranga Mela, Chawki & Kalamati)	1	1.80	0.36	0.36	0.36	0.36	0.36	1.80
iii	Highway side tourist information cum rest room in five locations (Kachugaon, Chamthaibari, Bhabanipur, Tamulpur&Rowta)	1	2.10	0.42	0.42	0.42	0.42	0.42	2.10
iv	Model tourism village	15	10.00	30.00	30.00	30.00	30.00	30.00	150.0
	Total of 1	***18***	***15.40***	***31.08***	***31.08***	***31.08***	***31.08***	***31.08***	***155.4***
2	**KAAC**								
i	Tourist facilities at Hurnatpi waterfall site	1	1.00	0.50	0.50	0.00	0.00	0.00	1.00
ii	Tourist facilities at Langvoku waterfall site	1	1.00	0.50	0.50	0.00	0.00	0.00	1.00
iii	Tourist facilities at Kangthilangso waterfall site	1	1.50	0.00	0.00	0.50	0.50	0.50	1.50
iv	Tourist facilities at Dikrutpi waterfall site	1	2.50	0.50	0.50	0.50	0.50	0.50	2.50
v	Tourist facilities at Longsokangthu waterfall site	1	1.50	0.30	0.30	0.30	0.30	0.30	1.50
vi	Model tourism village	4	10.00	8.00	8.00	8.00	8.00	8.00	40.00
	Total of 2	***9***	***1.94***	***9.80***	***9.80***	***9.30***	***9.30***	***9.30***	***47.50***
3	**NCHAC**								
i	Tourist lodge at Sampardisa (BendaoBaiglai waterfall)	1	2.50	0.50	0.50	0.50	0.50	0.50	2.50

ii	Tourist lodge at Jatinga for trekker (Tumjang& Hempeupet peak)	1	2.50	0.50	0.50	0.50	0.50	0.50	2.50
iii	Tourist lodge at Bamin Hading waterfall	1	2.50	0.50	0.50	0.50	0.50	0.50	2.50
iv	Tourist lodge at Indunglo waterfall	1	2.50	0.50	0.50	0.50	0.50	0.50	2.50
v	Model tourism village	1	10.00	2.00	2.00	2.00	2.00	2.00	10.00
	Total of 3	***5***	***2.00***	***4.00***	***4.00***	***4.00***	***4.00***	***4.00***	***20.00***
	Grand total (1+2+3)	**32**		**44.88**	**44.88**	**44.38**	**44.38**	**44.38**	**222.9**

2. Market development (site preparation & construction)

7.190 Market place not only provides backward and forward linkage to various economic activities, they also become source of internal revenue generation of the provider institutions. With such consideration, the previous Commission made recommendation for construction market in each of the block in the Autonomous Council areas. As on July 2025, there has not been transfer of funds by the state for undertaking the market development activity. As the establishment of market assumes high importance, this commission also recommend for construction 34 block level rural market at a revised cost of Rs.2.00 crore per market. The total grant sums to Rs.68.00 crore for five years with annual phasing at Rs.13.60 crore. Council wise recommendation along with the phasing are given in table-7.8.

Table-7.88: Market development (site preparation & construction at block level under three Autonomous Councils

(Rs. In crore)

Sl. No.	Particular	No. proposed	Cost/ Unit	Amount					
				2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	18	2.00	7.20	7.20	7.20	7.20	7.20	36.00
2	KAAC	11	2.00	4.40	4.40	4.40	4.40	4.40	22.00
3	NCHAC	5	2.00	2.00	2.00	2.00	2.00	2.00	10.00
	Total	**34**		**13.60**	**13.60**	**13.60**	**13.60**	**13.60**	**68.00**
6th SFC recommended @ Rs.1.5 crore per market comprising site dev & construction									

8 Social infrastructure development

7.191 The need two types social infrastructures one supporting scientific handling of mortal remains and the other supporting games and sports in the RLB areas have been considered as detailed below.

1. Cremation / burial ground

7.192 The need for scientific handling of the mortal remains is the call of the time and has been recommended initiative in the PRI areas. Similarly, the infrastructure is recommended for all RLBs. The 6th SFC also recommended same infrastructure at a cost of Rs.20.00 lakh per cremation/burial ground but progress is not reported for lack of transfer of grant. This commission while recommends for fulfilling the same need revised the construction rate at Rs.40.00 lakhs per unit for 1286 RLBs. The

components considered in the unit include the cremation unit, a shed nearby, one water supply system and electricity connection provision. The total amount of grant recommended for five years is Rs.514.40 crore and Rs.102.88 crore per annum. (table-7.89).

Table-7.89: Cremation / burial ground including one shed, water supply & electricity connection in RLBs under three Autonomous Councils

(Rs. In crore)

Sl. No.	A/C	No. required	Cost/ Unit	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	415	0.40	33.20	33.20	33.20	33.20	33.20	166.00
2	KAAC	843	0.40	67.44	112.40	67.44	67.44	67.44	337.20
3	NCHAC	28	0.40	2.24	3.73	2.24	2.24	2.24	11.20
	Total	**1286**		**102.88**	**149.33**	**102.88**	**102.88**	**102.88**	**514.40**

6th SFC @ Rs.20.00 lakhs per unit

2. Playground development in the RLBs

7.193 Playgrounds are regarded as spaces for fostering various abilities of games and sports among the children and the youth in particular and promoting sense of social cohesion and collective spirit among the community that live around the play grounds. As recommended for PRI areas, one playground per RLB for 1286 RLBs at a cost of Rs.10.00 lakh per unit is recommended. The total grant for developing 1286RLB level playgrounds sums at Rs.128.60 crore for five years and Rs.25.72 crore per year. Council level grants including phasing is given in table-7.90.

Table-7.90: Playground in RLBs under three Acs

(Rs. In crore)

Sl. No.	A/C	No. required	Cost/ Unit	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	415	0.100	8.30	8.30	8.30	8.30	8.30	41.50
2	KAAC	843	0.100	16.86	16.86	16.86	16.86	16.86	84.30
3	NCHAC	28	0.100	0.56	0.56	0.56	0.56	0.56	2.80
	Total	**1286**		**25.72**	**25.72**	**25.72**	**25.72**	**25.72**	**128.60**

SUMMARY SPECIAL PURPOSE GRANT TO RLBs IN THREE AC AREAS

7.194 The aspects and the items of development initiatives that are to be taken up under special purpose grant in the RLB areas belonging to the three Autonomous Councils of the state have been recommended above under Section III of PART II. The recommendations attend five broad types of initiatives namely; 1) Strengthening RLB for OSR capturing and budgeting, 2) Strengthening of institutional infrastructure of RLBs, 3) Green initiative of RLBs, 4) Internal revenue generating infrastructure and 5) Social infrastructure development. Towards empowering and creating enabling environment, the items placed under 1), 2) and 3) are highly critical and essential. The financial scenario of the recommendations under the special purpose grant is summarized in table-7.90 below. The grand total works out at Rs.1620.3 crore at aggregate level of three Autonomous Councils for five years. The amount for BTC

works out at Rs.559.97 crore, for KAAC Rs. 990.03 crore and for NCHAC Rs.70.29 crore. The annual phasing of each items of the recommendation is given in table-7.91.

Table-7.91: Summary special purpose grants in RLB areas under three ACs

(Rs. In crore)

Sl. No.		Item	No.	Cost/ Unit	Amount					
					2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A	**BTC**									
1	**Strengthening RLB for OSR capturing and budgeting**									
	i	OSR byelaw preparation & validation study	1	1.89	1.89	0.0	0.00	0.00	0.00	1.89
	ii	OSR capturing application & validation	1	0.75	0.00	0.75	0.00	0.00	0.00	0.75
	iii	Budget capturing application & validation	1	0.75	0.75	0.00	0.00	0.00	0.00	0.75
	iv	Training on OSR byelaws and application	14	0.04	0.00	0.00	0.26	0.26	0.00	0.53
	v	Training on budgeting application	14	0.04	0.00	0.00	0.26	0.26	0.00	0.53
		Sub total of 1	31		2.64	0.75	0.53	0.53	0.00	4.45
2	**Strengthening of institutional infrastructure of RLBs**									
	i	RLB office building	201	0.5	20.10	20.10	20.10	20.10	20.10	100.50
	ii	Rooftop solar power in RLBs	415	0.0	2.74	2.74	2.74	2.74	2.74	13.70
	iii	Digital infra in RLBs	415	0.0	1.66	1.66	1.66	1.66	1.66	8.30
	iv	RLB office furniture	415	0.0	1.66	1.66	1.66	1.66	1.66	8.30
	v	Block office building	8	2.5	4.00	4.00	4.00	4.00	4.00	20.00
	vi	Block office database centre	10	0.3	0.50	0.50	0.50	0.50	0.50	2.50
		Sub total of 2	1464		30.66	30.66	30.66	30.66	30.66	153.30
3	**Green initiative of RLBs**									
	i	Convergent Plantation (20,000 plants/RLB)	415	0.04	0.66	0.66	0.66	0.66	0.66	3.32
		Sub total of 3	415		0.66	0.66	0.66	0.66	0.66	3.32
4	**Internal revenue generating infrastructure**									
	i	Tourism infrastructure	18	8.63	31.08	31.08	31.08	31.08	31.08	155.40
	iii	Market infrastructure	18	2.00	7.20	7.20	7.20	7.20	7.20	36.00
		Sub total of 4	36		38.28	38.28	38.28	38.28	38.28	191.40
5	**Social infrastructure dev.**									
	i	Cremation/burial ground	415	0.40	33.20	33.20	33.20	33.20	33.20	166.00
	ii	Playground in RLBs	415	0.1	8.30	8.30	8.30	8.30	8.30	41.50
		Sub total of 5	830		41.50	41.50	41.50	41.50	41.50	207.50
	Total of A		**2776**		**113.74**	**111.85**	**111.63**	**111.63**	**111.10**	**559.97**
B. KAAC										
1	**Strengthening RLB for OSR capturing and budgeting**									
	i	OSR byelaw preparation & validation study	1	1.175	1.175	0.0	0.000	0.000	0.000	1.175

	ii	OSR capturing application & validation	1	0.600	0.000	0.600	0.000	0.000	0.000	0.600
	iii	Budget capturing application & validation	1	0.600	0.600	0.000	0.000	0.000	0.000	0.600
	iv	Training on OSR byelaws and application	28	0.038	0.000	0.000	0.529	0.529	0.000	1.058
	v	Training on budgeting application	28	0.0378	0.000	0.000	0.353	0.529	0.000	1.058
		Sub total of 1	59		1.775	0.600	0.882	1.058	0.000	4.491
2	**Strengthening of institutional infrastructure of RLBs**									
	i	RLB office building	843	0.5	84.30	84.30	84.30	84.30	84.30	421.50
	ii	Rooftop solar power in RLBs	843	0.033	5.56	5.56	5.56	5.56	5.56	27.82
	iii	Digital infra in RLBs	843	0.020	3.37	3.37	3.37	3.37	3.37	16.86
	iv	RLB office furniture	843	0.020	3.37	3.37	3.37	3.37	3.37	16.86
	v	Block office building	4	2.500	2.00	2.00	2.00	2.00	2.00	10.00
	vi	Block office database centre	6	0.250	0.30	0.30	0.30	0.30	0.30	1.50
		Sub total of 2	***3382***		***98.91***	***98.91***	***98.91***	***98.91***	***98.91***	***494.54***
3	**Green initiative of RLBs**									
	i	Convergent Plantation (20,000 plants/RLB)	843	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Sub total of 3			***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***
4	**Internal revenue generating infrastructure**									
	i	Tourism infrastructure	9	5.28	*9.50*	*9.50*	*9.50*	*9.50*	*9.50*	47.50
	iii	Market infrastructure	11	2.00	4.40	4.40	4.40	4.40	4.40	22.00
		Sub total of 4	***20***		***13.90***	***13.90***	***13.90***	***13.90***	***13.90***	***69.50***
5	**Social infrastructure development**									
	i	Cremation/burial ground	843	0.40	67.44	67.44	67.44	67.44	67.44	337.20
	ii	Playground in RLBs	843	0.1	16.86	16.86	16.86	16.86	16.86	84.30
	Sub total of 5		***1686***		***84.30***	***84.30***	***84.30***	***84.30***	***84.30***	***421.50***
	Total of B				**198.88**	**197.71**	**197.99**	**198.17**	**197.11**	**990.03**
C. NCHAC										
1	**Strengthening RLB for OSR capturing and budgeting**									
	i	OSR byelaw preparation & validation study	1	0.922	0.922	0.0	0.000	0.000	0.000	0.922
	ii	OSR capturing application & validation	1	0.500	0.000	0.500	0.000	0.000	0.000	0.500
	iii	Budget capturing application & validation	1	0.500	0.500	0.000	0.000	0.000	0.000	0.500
	iv	Training on OSR byelaws and application	1	0.038	0.000	0.000	0.019	0.019	0.000	0.038
	v	Training on budgeting application	1	0.0378	0.00	0.00	0.0378	0.00	0.00	0.0378
		Sub total of 1	***5***		***1.422***	***0.500***	***0.057***	***0.019***	***0.000***	***1.998***
2	**Strengthening of institutional infrastructure of RLBs**									
	i	RLB office building	28	0.50	2.80	2.80	2.80	2.80	2.80	14.00

	ii	Rooftop solar power in RLBs	28	0.033	0.18	0.18	0.18	0.18	0.18	0.92
	iii	Digital infra in RLBs	28	0.02	0.11	0.11	0.11	0.11	0.11	0.56
	iv	RLB office furniture	28	0.02	0.112	0.112	0.112	0.112	0.112	0.56
	v	Block office building	3	2.5	1.50	1.50	1.50	1.50	1.50	7.50
	vi	Block office database centre	3	0.25	0.15	0.15	0.15	0.15	0.15	0.75
	Sub total of 2		***118***		***4.86***	***4.86***	***4.86***	***4.86***	***4.86***	***24.29***
3	**Green initiative of RLBs**									
	i	Convergent Plantation (20,000 plants/RLB)	28	0	0	0	0	0	0	0
	Sub total of 3				***0***	***0***	***0***	***0***	***0***	***0***
4	**Internal revenue generating infrastructure**									
	i	Tourism infrastructure in natural site	5	4.00	*4.00*	*4.00*	*4.00*	*4.00*	*4.00*	*20.00*
	iii	Market infrastructure	5	2.00	2.00	2.00	2.00	2.00	2.00	10.00
		Sub total of 4	***10***		***6.00***	***6.00***	***6.00***	***6.00***	***6.00***	***30.00***
5	**Social infrastructure development**									
	i	Cremation/burial ground	28	0.40	2.24	2.24	2.24	2.24	2.24	11.20
	ii	Playground in RLBs	28	0.10	0.56	0.56	0.56	0.56	0.56	2.80
	Sub total of 5				***2.80***	***2.80***	***2.80***	***2.80***	***2.80***	***14.00***
	Total of C		**133**		**15.08**	**14.16**	**13.72**	**13.68**	**13.66**	**70.29**
	Grand total (A+B+C)				**327.71**	**323.72**	**323.34**	**323.48**	**321.87**	**1620.3**

PART III
Review of Fiscal and Financial Management

7.195 The state has necessary Acts and Rules related to PRIs. More than three decades had elapsed since the enactment of the legislations, it is a matter of deep concern that PRIs in Assam have been languishing in a miserable state of existence. The very continuity of the presence of panchayat as third tier of government at district and below level is marked by period of non-presence. There is Election Commission but, after the expiry of one term, the constitution PRIs for the next term is marked by time gap to the extent of one to one and half years in the State. Their presence in the field of decentralized development and governance is also subliminal. Despite PRIs long presence as constitutional entity, they are yet to be equipped with functions, functionaries and fund as envisaged in the Constitution. In respect of devolution of functions and functionaries, the activity mapping was said to have been done way back in 2007 but has not yet been materialized till date. Consequently, all activities against the notified subjects are carried out by the line departments by sidelining the PRIs. In the prevailing situation, the activities of PRIs are confined to some minor jobs like identification of beneficiaries of various centrally sponsored programmes, the families living below poverty line, processing of applications and issuance of job cards, issuance of no objection certificates etc. and implementation of schemes taken up under untied component of CFC grant and SFC grant. There are huge deficiencies in physical infrastructure like functional buildings. As of now, 149 GPs do not have buildings of their own and many others are running with inadequate office accommodation. The situation is worse in respect of manpower. As per present

yardstick, a GP is run by 3 persons, one Secretary, one Tax Collector and one Grade IV. The most distressing feature is that even the full strength of 3 is not always there in position. For instance, out of 2192 GPs, at present 1197 GPs are running without a secretary in position. Similarly, 1553 posts of Tax Collector and 1758 posts of Grade IV are lying vacant. The inevitable fall out is that service delivery has hit at rock bottom level. Thus, the objectives of empowering the panchayats to function as independent institution of local self-government remained far away from achievement.

Fiscal Management

7.196 Towards fiscal administration, generation of internal revenue has been the most critical one. the Assam Panchayat Act, 1994 laid down the taxation powers of each tier of PRIs. This was followed by the enabling Rules namely; the Assam Panchayat (Financial) Rules 2002 which provided maximum limit that the GPs can levy on houses and structures and on trades and callings. Obviously, this necessitated framing of relevant Bye Laws indicating details like base and rate of tax, exemption limit, manner and time of collection etc. Incidentally, the Act itself provided for the framing of Bye Laws. It is stipulated in the Act that, each tier of PRI, within a specified period from the date of its constitution, shall frame the required Bye Laws. But as per available information such Bye Laws are yet to be in place at ZP, AP and GP level. This has severely affected the PRIs in their initiative to generate internal revenue collection. Whatever little amount is being collected is from the rent, issuance of trade license and leasing of markets, fisheries and ferry ghats. As reported, during the base year 2020-21, own revenue (tax and non-tax) collected by the PRIs at all level amounted to about Rs.40.66 crore. In 2024-25, the same was reported at 44.69 crore. In per capita terms (2011 census population), it is hardly Rs.17.00 and Rs.19.00 in the corresponding years. To the total GSDP of the state, own revenue accounted 0.012% in 2020-21 and 0.007% in 2024-25. In contrast the per capita State tax collection including non-tax revenue during 2020-21 was Rs.19930 crore and accounted for 5.72 percent of GSDP. In the year 2024-25, the own revenue accounted 5.68% of GSDP. There is no denying the fact that revenue sources allocated to PRIs are less elastic and growth potentials are also limited. Even then such a dismal performance in revenue collection by the PRIs never can be an acceptable one. On the contrary, the revenue expenditure of PRIs on the salary of the staff which accounts only 40% of the sanctioned strength alone is Rs.219.18crore in the year 2024-25. The remuneration and sitting allowances to elected PRI representatives which amounted Rs.80.22 crore and Rs. 3.93 per year respectively were nearly half of the total revenue collection of the PRIs. In the above context, the dependence of PRIs on financial support from upper levels of government has been growing steadily. Such a situation is untenable and cannot be allowed to persist. It is time, PRIs should appreciate that flow of funds from the State and Central Governments are to supplement their own resources not to supplant it and that functional autonomy is not sustainable without own resource generation and its stability. Against this back drop, internal resource mobilisation by the PRIs assumes very high significance.

7.197 Apart from the largest weakness of PRIs in internal revenue mobisation, the second largest weakness observed among the PRIs particularly at GP level is the practice being followed in financial management. Effective financial management includes practices in three core areas namely; budgeting, accounting and auditing. These three together form the bed rock on which a sound financial administration can thrive. There is prescribed format in the Assam Panchayat Financial Rule, 2022 to be followed and annual budget of every year prepared. All GPs and even majority of APs and ZPs are not following budget preparation practice. The accounting system other than those linked to programme-based portals, the standard practices like double entry method is not followed. The audit done by the Directorate of Local Audit as well as audit done by the AG, Audit are inadequate as both carry out audit on some sample units. Against this back drop, putting in place sound financial management practice assumes high importance.

1. Internal Resource Mobilisation

7.198 It is true, each tier of PRIs has been statutorily empowered to levy and collect taxes, duties, tolls and fees within their respective jurisdictions. It is equally true that confirmatory legislations enabling the PRIs to levy and collect taxes are yet in place. For instance, the relevant Act categorically stated that each tier of PRI shall, within a specified period from the date of its constitution, frame OSR Bye Laws and forward the same to the upper tier who would eventually forward it to government for approval. This would ensure uniformity of rate structure across the district. Apparently levy of tax by the PRIs without the Bye Laws has no legal sanction. Hence, whatever amount the PRIs are collecting now is supposed to be from the rent/ lease of markets, beel fisheries, ferry ghats etc. and tolls and fees.

7.199 Secondly, the PRIs even now are administratively ill equipped with manpower and office accommodation. At present a GP is manned by 3 persons. But the ground reality is that staff as per this conservative norm is not in position. As of now, posts of 1197 GPs Secretaries and 1553 Tax Collectors are lying vacant. The position is worse in respect of Grade IV staff. In the prevailing situation a GP which is empowered with enormous taxation powers cannot be expected to be pro-active.

7.200 Apart from the legal and administrative lacuna cited above, another factor retarding resource mobilization is the apathy of the elected representatives to go for taxation apprehending public criticism and erosion of vote bank. However, such apprehension is totally unfounded. It is therefore, important to create a perception that fresh tax proposals are not always at loggerhead with public interest. People will be eager to pay provided they get quality services in return.

7.201 Given the constraints noted above, the most important source of revenue allocated to the GP is the tax on houses and structures. However, the Assam Panchayat (Financial) Rules, 2002 prescribed the following maximum limit that a GP can levy.

Type of Building and Maximum annual Rate

i. Brick RCC Building for purposes other than business Rs.150.00
ii. Brick RCC Building for business Rs.250.00
iii. Assam Type House with CI sheet Roofing Rs. 50.00

iv. Assam typed house with CI Sheet Roofing used for business purpose Rs.200.00
v. Bamboo House with mud wall Rs. 10.00

7.202 The next important item of revenue allocated to the GP is tax on trades and callings. A tax on the basis of the total annual income accrued from such trades and callings. Here again the Rules prescribed a maximum limit of Rs. 350 per annum that a GP can levy on trades and callings.

7.203 There is no doubt that the tax base of PRIs is comparatively low and the taxes allocated to them are less elastic. On top of this, the maximum rates of tax prescribed by the Rules having been severely impacting their initiative toward internal revenue mobilization. Keeping in view the need to exploit the full potential from sources allocated to them, it is essential that PRIs should enjoy reasonable freedom in matters like assessment, rate fixation, revision of rate, concession, exemption etc. Therefore, instead of the present practice of fixing a upper limit, there may be a floor rate leaving the fixation of effective rate to the collective wisdom of PRIs themselves. There should also be provision for suitable periodic revision of rates.

7.204 Apart from the main sources noted above, other sources allocated to PRIs, at all levels, are in the nature of rent, lease, fees, fines, user charges etc. These are collected from market, fisheries, ferries, fee on places of pilgrimage, fare and melas, registration of boats, cart, carriages, bicycles, rickshaws and cattle sold. The sources like fines, user charges, fee on places of pilgrimage, fare and melas, registration of boats, cart, carriages, bicycles, rickshaws and cattle sold are remaining untapped for absence OSR Byelaws.

7.205 The major portion of revenue in the above categories are derived from rent/ lease of market, fisheries and ferries. These are settled annually by the APs where the annual sale value is less than Rs.1.00 lakh and by the ZPs where the sale value is more than Rs.1.00 lakh and less than Rs.3.00 lakh. Usually, markets are settled by fixing a minimum value. This value depends upon activities and size of business that takes place in each market. With a view to augmenting revenue, realistic assessment of minimum value of each market is needed through a market specific study taking into account the volume of business generated in markets, fisheries, ferry ghats etc.

7.206 In respect of beel fisheries, there are more than 1000 numbers as per the information of Directorate of Fisheries. The average lease value of these fisheries if worked out at a base value of Rs.3.00 lakhs PA, it has the potential to generate about Rs.30.00 crore PA. As on March 2025, there are 2966 Amrit Sarovars created in the state under Mission Amrit Sarovar scheme. If these are leased at an average of Rs.20,000/- per pond, this can generate revenue of about Rs. 5.93 crore PA. There are 15,615 VGRs and 2773 PGRs in the 27 PRI districts with an average size of 3.06 ha and 6.37 ha respectively(table-7.92). Even a modest lease value of Rs.1000/- per ha per year is generated, annually PRIs can generate a minimum of Rs. 6.53 crore per annum besides they keeping intact the VGR / PGR free from encroachment. The ferry ghat not operated by the Inland Water Transport Department if assumed approximately at 400 and lease value of Rs.50 lakh PA, the potential to generate own revenue works out at Rs. 2.00 crore PA. A realistic assessment of minimum value will give a tremendous boost in internal revenue mobilisation of the PRIs.

Table-7.92: Statement of VGR & PGR in 27 PRI districts, 2024-25

SI No	District	No. of VGR	VGR area (Bigha)	Avg VGR area (Ha.)	No. of PGR	PGR area (Bigha)	Avg PGR area (Ha.)
1	Bajali	163	2011.1	1.65	24	2956.2	16.42
2	Barpeta	237	13075.6	7.36	99	4433.8	5.97
3	Biswanath	580	25913.1	5.96	40	52637.0	175.46
4	Bongaigaon	252	10674.8	5.65	0	0.0	0.00
5	Charaideo	160	9248.1	7.71	2	280.4	18.69
6	Darrang	736	20495.2	3.71	243	8468.1	4.65
7	Dhemaji	37	845.5	3.05	0	0.0	0.00
8	Dhubri	115	2543.6	2.95	26	22.1	0.11
9	Dibrugarh	427	23922.8	7.47	4	244.1	8.14
10	Goalpara	3067	4693.9	0.20	27	3319.4	16.39
11	Golaghat	1082	32680.9	4.03	236	8929.1	5.04
12	Hailakandi	50	952.0	2.54	0	0.0	0.00
13	Hojai	253	7193.3	3.79	12	166.2	1.85
14	Jorhat	1216	25037.1	2.75	568	17259.8	4.05
15	Kamrup	661	7582.4	1.53	67	3625.2	7.21
16	Kamrup(M)	64	309.8	0.65	17	67.7	0.53
17	Sribhumi	16	93.2	0.78	0	0.0	0.00
18	Lakhimpur	407	13646.5	4.47	510	4396.8	1.15
19	Majuli	5	1045.2	27.87	0	0.0	0.00
20	Morigaon	1370	37039.4	3.60	392	17655.7	6.01
21	Nagaon	2049	29893.3	1.95	173	1777.2	1.37
22	Nalbari	288	10018.3	4.64	118	1035.1	1.17
23	Sibsagar	710	24081.6	4.52	197	5120.0	3.47
24	Sonitpur	836	24609.3	3.92	5	5.1	0.14
25	Cachar	523	10451.8	2.66	0	0.0	0.00
26	S Salmara	0	0.0	0.00	0	0.0	0.00
27	Tinsukia	311	19762.5	8.47	13	18.3	0.19
Total		**15615**	**357820.5**	**3.06**	**2773**	**132417.3**	**6.37**
Source: Department Revenue and Disaster Management, GoA							

7.207 There are about 1600 traditional Haats (approximately based of 1971 census records). Most of the existing markets do not have permanent structure, storage facilities, water supply, lighting, drainage, sewerage, public conveniences and other amenities. Even at an average of Rs.3.50 lakhs are considered as lease value PA; there is potential to generate about Rs.56.00 crore PA. The Fourth, Fifth and Sixth SFC had recommended generous amount of grant for renovation / creation of markets. The present

Commission would also look into the need for markets liberally. However, PRIs may identify suitable location in emerging rural business hubs where new markets can be set up to augment revenue mobilisation.

7.208 Our countryside is dotted with hoardings / bill boards of business houses advertising consumer goods, real estates, tourism and many other varieties of goods and services. At a minimum average of three hoarding if estimated per GP, the number works at 6576 at an average tax rate Rs. 20,000/- per hoarding per year works at a sum of Rs. 13.15 crore PA on such hoarding. GPs, or for that matter, APs and ZPs do not get any revenue from this. The GPs may be allowed to levy advertisement tax on such hoardings.

7.209 There are 755 tea estates and about 75500 small tea growers in PRI district. The callings at the rate Rs.50,000/- per tea estate per annum and Rs.1,500/= per grower per annum can be revenue generation source amounting Rs. 3.78 crore and Rs.11.33 crore in the PRI districts.

7.210 An estimate assuming annual base rate of items on which tax and non-tax revenue is possible to be levied has been prepared as an example to show minimum potential and provided in table-7.91. In the preparation of the estimate, the government notification dated April 25, 2022 (No.PDA.29/2022/11) has been considered duly which suspended the authority of issuing trade license and levying or impositioning of any tax or fees by ZP, AP and GP in setting up of business activities, shops etc. except foreign liquor and country liquor shops, educational institutions, health establishment, brick kilns, tower, petrol pump, timber saw mill, go down and other pollutant industries. The items selected for tax, leasing and calling, volume/ size of each item and annual base rate as given in table-7.93 is expected to generate a sum of over Rs.150.00 crore per annum in the state. The amount is capable to pay the remuneration and sitting allowance of elected representative easily which otherwise state government is bearing now. In sum, own revenue can easily meet the annual expenditures like organizing Gram Sabha (Rs.3.5 crore), distribution of relief in disaster (Rs. 13.32 crore), office expenditure (Rs. 15.98 crore), payment of sitting allowances to representatives (Rs. 3.53 crore), payment of remuneration to representative (Rs.74.7 crore) etc.

Table-7.93: Estimated potential of OSR generation among PRIs

Sl. No.	Sources	No.	Base rate (Rs.)	Amount (Rs. in crore)
A	Tax revenue			
1	House	0	0	0
2	Business establishment @ 25 Nos. / GP	54800	1000	5.48
	Sub total			***5.48***
B	Non-tax: Lease			
1	Beel fisheries (Excluding AFDC beels)	1000	300000	30.00
2	Amrit Sarovar (Phase 1)	2963	20000	5.93
3	Markets/ Haats in PRI areas (traditional)	1600	350000	56.00
4	Ferry ghats (Non IWTD)	400	50000	2.00
5	VGR/PGR (No.: VGR-15615, PGR-2773 & Total-	18388 &	1000/- per	6.53

	18388, Area: VGR-47709 ha PGR 17656 ha. Avg size: VGR 3.06 ha, PGR 6.37 & Aggregate 3.55 h)	Avg size 3.55 ha.	ha	
	Sub total		***93.93***	***100.37***
C	Non-tax: Callings			
1	Tea estates (DT Tribe &Adivasi Welfare) in PRI districts	755	50000	3.78
2	Small tea grower (Industry & Commerce) in PRI districts	75500	1500	11.33
3	Pvt educational institutions @ 4 Nos. / GP	8768	2500	2.19
4	Pvt health clinic @ 3 Nos./GP	6576	2500	1.64
5	Advertisement/ Hoarding @ 3 Nos./GP	6576	20000	13.15
6	Foreign/country liquor shop @ 5 Nos. / GP	10960	5000	5.48
7	Telecommunication Tower @ 1 Nos. / GP	2192	30000	6.58
8	Petrol pump @ 1 Nos. / GP	2192	10000	2.19
	Sub total			***46.34***
D	Non-tax: Rent from facility/ infrastructure @ 3 Nos/ GP	6576	10000	6.58
E	Non-tax: Fee from certificates (Birth/ residence/Identity etc) @100 Nos. / GP	219200	20	0.44
	Total (A+B+C)			**159.20**
NB: Inclusion of item like brick Kiln, timber saw mill, godown, pollutant industries like chemical and food processing, fabrication, concrete industries etc is expected to increase the volume.				

7.211 As reported by PHE Department, 7895 Rural Piped Water Supply Schemes have been completed so far. Out of which 1070 schemes have been handed over to the PRIs and Users' Committees have also been formed. Nevertheless, operation and maintenance of handed over schemes still rest with the PHE since the Users' Committees are lying dormant. This cannot continue indefinitely. PRIs should take immediate steps to activate the Users' Committees to collect water rates from the beneficiaries so as to meet operation and maintenance costs of the schemes.

7.212 All the previous SFCs had recommended transfer of the issuance of birth and death certificates to the PRIs. If that recommendation is implemented, PRIs may be allowed to charge a nominal fee from the beneficiaries in return for the services.

7.213 In the light of the tentative potential of internal revenue collection among the three tier PRIs in the state, the Commission has recommended for undertaking three initiatives. Commissioning of an OSR Bye preparation study including validation of the same at district level through workshop is the first. The second initiative recommended is the application development (digital) capturing not only OSR collection but also the sharing of revenue across the tier. The third initiative recommended is the training of the relevant functionaries to enable PRI functionaries to run and man the application. In the corresponding initiatives, the expenditure estimated to be incurred amounts to Rs.2.48 crore, Rs.1.50 crore and Rs.3.16 crore; the total cost being Rs.7.14 crore. This will give an opportunity to monitor the performance of each PRI unit. While the best performing unit may be rewarded the under-performing one may be cautioned to gear up.

7.214 Above all, there is great need to create awareness among the people. Given an opportunity to influence people in the right way, their mindset will start changing.

Once they are convinced, they will be inclined to pay taxes and collect receipts which serve as valid document for many other purposes. Simultaneously, there is a need to sensitize the elected representatives and official functionaries of the PRIs about the huge responsibilities thrust on them by the Constitution.

2. Financial Management

7.215 The essence of sound financial management is budgeting, accounting and auditing. These three together form the bed rock on which a sound financial administration can thrive. Transparency and accountability in public expenditure cannot be achieved unless preparation of budget, maintenance of accounts and audit are fully streamlined. In this regard, the required formats for preparation of budget and maintenance of accounts have been prescribed by the CAG and adopted by the State Government long back. As per the Report of CAG on Local Bodies, PRIs have been unable to submit the budget proposals to Government as required under Rules, 32, 33 and 34 of the AP (F) Rules, 2002. Irrespective of that, funds are being released to the PRIs which is highly irregular and violets financial discipline. Similar is the case in respect of maintenance of accounts which is not being maintained in the prescribed format. Although, DALF is the primary auditor of PRIs supplemented by CAG as the secondary auditor but the audit is conducted on selective basis and the coverage is minimal.

7.216 The need is to streamline the budget format. It is too lengthy as the format takes into account all the budget heads and sub-heads that are mandatory in the preparation of state budget. The functions operationally devolved to the PRI are few only and these only should figure in the prescribed format. It is recommended that the Commissionerate of Panchayat and Rural Development, Government of Assam in consultation with the CAG reframe the budget Format at earliest and streamline budget preparation task simple and easy.

7.217 The practice of tendering while is in practice at AP and ZP level to some extent, it is the Local Construction Committee that dominate the implementation method at GP level. There is acute shortage of technical manpower of the level of Junior Engineer and Assistant Executive Engineer in the PRIs at all levels not to talk about the level of Executive Engineer or Superintending Engineer. As against, there are plenty of Engineers under technical department at district level and it is possible constitute to Technical Resource Committee for accomplishing the task of plan and estimate preparation and accord of technical approval for the works related to PRIs. With such constraints, the financial size of most of the works used to be kept below Rs.5.00 lakhs for convenience of technical approval and has been the way forward of scheme implementation.

7.218 Assam Society for Comprehensive Financial Management System (AS-CFMS) suggest following measures related to Procurement and e Procurement Reforms

1) All ULBs, RLBs, and ACs should mandatorily register on GeM, Assam Tenders, and SPPP (Offline Bid).
2) Procurements under the Finance Commission grants should mandatorily comply with the Assam Public Procurement Act, 2017 and Rules, 2020. Compliance to Procurement norms may be linked to subsequent fund release to ULBs / PRIs.

3) Sufficient fund may earmarked for capacity building in the fields of 2 E Governance public finance, public procurement, and contract management.
4) ULBs / PRIs should mandatorily adopt the Standard Bidding Document notified by Finance Department. The P&RD and DoHUA may finalise model bidding documents for works being implemented across Assam to ensure uniformity in bidding conditions, qualification criteria, specifications, and contractual provisions, etc.
5) Online auction system is recommended and may be developed through existing portals (Assam Tenders) for transparency and fairness.

PART IV

Summary of Findings and Recommendation

Part I: In general PRI areas

Section I: Receipt of resources and Expenditure

7.219 The state has a long history of Panchayati Raj Institution. After 73rd Constitution Amendment Act 1992, the panchayat is a three-tier system in the state. After restructuring of Panchayat in 2024, there are 27 ZPs, 182 APs and 2192 GPs in place as per last election held in May 2025. The representatives of the elected government represent more than 50% women participation and SC and ST representatives in proportion to their population (Para 7.4, 7.5, & 7.6).

7.220 The detailed analysis of finances of PRIs has been made in this chapter under four sections. Section I presents the status and trend of receipt of resources from various sources as well as the expenditure status and trend for past five years i.e. FY 2020-21 to 2024-25 (Para 7.2).

1. Resources of PRIs

1.1. Internal revenue

7.221 The empowerment provisions of the Assam Panchayat At 1994 are available for levy of tax and non-tax revenue and strengthening own resource base of PRIs (Para 7.7 to 7.11). However, there are limitations observed in the empowered tax-net and the prescribed rates at each tier (Para 7.12 & 7.13).

7.222 The collection of revenue suffers from various problems. There is no OSR byelaws to collect revenues legally and even after the lapse of more than 30 years of Panchayat Act, the person necessary to collect tax is absent in majority of the GPs, whatever revenue is collected, each tier do not share it across ZP, AP and GP in the prescribed ratio of 20:40:40 and the latest notification of government dated April 25, 2022 (No.PDA.29/2022/11) suspending the authority of issuing trade license and levying or impositioning of any tax or fees by ZP, AP and GP have been the significant hindering factors impacting adversely revenue generation among the PRIs (Para 7.14, 7.15, 7.16 and 7.24).

7.223 The adverse impact is reflected as marked decline in collection of tax category by 22.35% (CAGR) (Para 7.17 & 7.18). The non-tax category marked a negligible growth (0.76% CAGR) (Para 7.20, 7.21 & 7.22).

7.224 With negative overall CAGR of 4.35%, the projected status obviously declined to reach Rs.34.15 crore by 2030-31 from the status of Rs 42.75 crore in 2025-26 (Para 7.27). Few latest positive decisions of the state Cabinet are expected to improve the

revenue collection by about 5% and under the consideration, the projected status works at Rs.49.27 crore in 2025-26 and the same is to reach Rs.59.88 crore by 2030-31 (Para 7.28).

1.2. Transfer from state government

7.225 From the state, PRIs do not receive any assigned tax (Para 7.30 to 7.32). As share of the total tax pool of the state, PRIs are awarded grant as per the recommendation of the State Finance Commission (Para 7.33). Against the award of the sixth SFC amounting Rs.2106.30 crore as general purpose grant for FY 2020-25, the release was Rs.291.77 crore for four years i.e. upto FY 2023-24 accounting mere 13.90 % only. The release for FY 2024-25 is yet to take place (Para 7.37). Under the category of special purpose grant, award was for Rs. 1799.16 crore for FY 2020-25 while release was nil till August 2025 (Para 7.39). Only PHED (water) received Rs. 105.81 crore towards maintenance of the rural piped water supply scheme against the total award of Rs.1070.2 crore to the line departments (Para 7.41). Further, release against the award of Rs.482.6 crore as Incentive grant and Rs.38.00 crore as additional grant, transfer was nil (Para 7.42 and Para 7.43). Under agency function, the state has no scheme transferred to be implemented by the PRIs (Para 7.44).

1.3. Transfer from central government

7.226 The main source of finances of the PRIs in the state is the central government. The CFC grant is one and resources transferred under agency function is the other. The grant of 15th CFC (FY 2021-26), is Rs. Rs.2085.00 crore under untied component and Rs.3127.54 crore under tied component. The transfer of untied component in three and half years (September of FY 2024-25) amounts to Rs.1433.23 crore (68.74%) and the transfer of tied component against first three years Rs.1828.11 crore (58.45%). The transfer against the remining period is under process (Para 7.47 and 7.48).

7.227 Under agency functions, the finance channelized to PRIs is in the form of centrally sponsored programmes which now include MGNREGA, PMAY G, NSAP and RGSA and NRLM (7.49). The transfer of resources under the programmes is continuous as seen during the last six years (2019-25). The sum total of the five programmes amounts to Rs.3034.05 crore during 2019-20, Rs.3088.52 crore during 2020-21, Rs.5137.32 crore during 2021-22, Rs.17467.27 during 2022-23 crore, Rs.6714.87 crore during 2023-24 and Rs.7639.60 crore during 2024-25 (Para 7. 55).

1.4. Capital Account receipt

7.228 The PRIs in Assam has not, so far, floated any loan from open market or borrowed from financial institutions and as Capital Account receipt is nil (Para 7.56).

2. Expenditure on Revenue Account

2.1. Permanent and temporary staff and salary/wage expenditure

7.229 PRIs functions with both permanent and temporary staff. All permanent staff are state government employee and hence entire salary expenditure including travel and pension benefits is borne by the state government. The staff position during 2024-25 shows that ZPs against its sanction status function with 55.6% of the staff, AP with 72.7% staff and GP with 31.5% staff. The salary expenditure incurred during 2024-25 was Rs.219.18 crore (Para 7.57 to 7.62).

7.230 The status of projected salary expenditure on permanent staff for five coming years (2026-31) has been detailed in Para 7.64 to Para 7.66. The total sums at Rs.1619.12 crore on existing staff for next five years, Rs.2139.47 crore as additional expenditure if all the vacant posts are filled in and Rs.39.82 crore if the additional posts (normative minus sanctioned) are filled in. The total of the three statuses sum at Rs.3798.41 crore for next five years.

7.231 The Commission considering the emerging, diverse and growing services need of the PRIs has made its recommendation for a modified staffing structure and enhanced strength in terms of number (Para 7.68) with 31 number per ZP, 18 number per AP and 9 number per GP. The projected cost on the recommended staffing pattern works out at Rs. 5359.81 crore for five years together (Para 7.69). The implementation of the recommended staffing pattern would mean incurring of an extra amount of Rs.1561.40 crore as compared to the prevailing staffing pattern. But definitely, the new staffing pattern will meet the emerging, diverse and growing service need of PRIs.

7.232 On payment of wages to temporary PRI staff for five years (2026-31), the projected wage cost works at Rs.383.32 crore. The projection takes into account number of temporary staff who were working in PRI during 2024-25 (Para 7.69 and 7.70).

2.2. Remuneration and sitting allowances

7.233 On remuneration payment to elected representatives of PRIs. total amount spent was Rs.401.12 crore during 2019-24 (Para 7.77). The expenditure was borne from the devolution grant of sixth SFC. At the existing remuneration rate and the present number of elected representatives, the projected cost for 2026-31 on remuneration works at Rs.373.3 crore (Para 7.72). The reduction has occurred due the decline in the number of representatives in the present term.

7.234 Sixth SFC recommended for sitting allowance to the elected representatives but was not paid. Considering the need for payment of the same, this Commission also makes its recommendation. The projected cost stands at Rs.17.63 crore for five years (Para 7.73 and 7.74).

2.3. Office expenses

7.235 The sixth SFC recommended for office expenses. Transfer was nil and no expenditure was reported (Para 7.76). Considering the importance of this expenditure head, this Commission has recommended for it which works out at Rs. 79.92 crore for coming five years (Para 7.75).

2.4. Civic functions and community assets

7.236 On civic functions although there is no service level benchmark for the PRIs, out of four core civic functions of PRIs i.e. (i) water supply, ii) sanitation, iii) solid waste disposal and iv) street lighting), a total of Rs.849.28 crore was spent out of CFC tied grant during 2020-25. 50% of total was on maintenance of piped water supply scheme and balance 50% on maintenance of sanitation. The amount projected for coming five years on both works at Rs.1190.16 crore (Para 7.77 to 7.79)

7.237 On maintenance of community assets and rural roads, Sixth SFC although awarded a total sum of Rs.678.06 crore for FY 2020-25, the transfer from state was nil (Para 7.79).

2.5. Revenue Expenditure on Agency Functions of state and central government

7.238 Under agency function, the state government had no schemes for PRIs for implementation hence no expenditure is reported (Para 7.80).

7.239 The administrative cost of implementing five centrally sponsored programmes for past five years (2020-25) was Rs. 1279.39 crore. Although out of the total, a sum of Rs. 1073.24 crore has been reported against GP, no fund was transferred practically to GP (Para 7.81 and 7.82). The recommended amount by this Commission for coming five years works at Rs. 2057.82 crore (Para 7.83).

2.7. Expenditure on interest

7.240 No expenditure on any interest payment (7.83)

Section II: Award of General-Purpose Grants to PRIs (Configuration)

7.241 Revenue account expenditure considered and projected by 7th SFC include 1) Salary cost, 2) Wages cost, 3) Remuneration cost, 4) Sitting allowance cost and 5) Office expenses (consumable), 6) Relief in disaster and 7) Maintenance of Community asset.

7.242 The combined net budgetary gap (table-7.38) without salary component works at Rs.931.0 crore for five years (2026-31). Annually, the gap amounts to Rs.191.3 crore for FY 2026-27, Rs.188.9 crore for FY 2027-28, Rs.186.3 crore for FY 2028-29, Rs.183.6 crore for FY 2029-30 and Rs.180.8 crore for FY 2030-31 (Para 7.89).

7.243 PRI staff being state government employees, it is borne by the state. Expenditure on four salary options on permanent employee i.e. OP 1. existing, OP 2. vacant, OP 3. additional and OP 4. recommended staffing is in table-7.38. With salary cost, the combined net budgetary gap on the corresponding options works at Rs. 2492.5 crore, Rs.4689.6 crore, Rs.4729.4 crore and Rs.6290.8 crore (Para 7.90).

Section III: Special purpose grants to PRIs (Configuration)

7.244 This commission considers and recommends special purpose grant to PRIs to undertake five different types of initiatives during FY 2026-31 namely; i) initiatives on OSR and budgeting ii) initiatives for strengthening institutional infrastructure, iii) green initiatives, iv) initiative enlarging internal revenue generating infrastructure and v) initiative to development of socio-cultural infrastructure (Para 7.92)

7.245 The 1st initiative is intended to address two gap areas. One is OSR and the other is budgeting. OSR include four actions namely; 1) preparation of a draft OSR byelaws through extensive study followed by adoption of the same through conduct of workshop at PRI level by a three-member committee, 2) development of an application capturing collection and sharing of the adopted tax and non-tax canvas of the byelaws, 3) training of functionaries on the OSR application and 4) government notification making mandatory OSR collection and sharing digitally. The expenditure recommended works at Rs.7.14 crore (Para 7.93 to 7.99). Budgeting also includes four actions namely; 1) preparation of a simplified budget format, 2) development of an application on budget application and 4) government notification making budget application mandatory at all levels and by all units. The expenditure recommended works at Rs.4.66 crore (Para 7.102 to 7.103).

7.246 2nd is an initiative for strengthening of institutional infrastructure. It includes recommendation for 1) construction of 156 office buildings with Rs.78.00 crore in total and Rs.15.60 crore per year (Para 7.104), 2) installation of rooftop solar power

system (5 KW) in 2192 GP offices at Rs.71.90 crore (Para 7.105), 3) digital infrastructure in all GP offices at Rs. 43.84 crore (Para 7.106), 4) office furniture for 156 GP offices at Rs.3.12 crore (Para 7.107), 5) construction of 22 AP office buildings at Rs.55.00 crore (Para 7.108), 6) development of 149 data base centres in equal number of AP offices at Rs.37.25 crore (Para 7.109), 7) construction two ZP office buildings at Rs.10.00 crore (Para 7.110) and 8) GBSIPRD infrastructure upgradation and capacity building at Rs.71.70 crore (Para 7.111).

7.247 3rd is a green initiative of PRIs. Convergent plantation of 5.58 crore plants by PRIs using resources of MGNREGA and Forest by meeting mobilization cost of Rs. 22.26 crore by PRI is recommended. (Para 7.112)

7.248 4th initiative is for construction of Internal Revenue generating infrastructure. It includes three items i.e. 1) construction of 5 tourist guest houses in 5 ZPs at Rs.25.00 crore (Para 7.113), 2) development of 109 model tourist villages at Rs.1066.00 crore (Para 7.114) and 3) development 182 AP level markets at Rs.364.00 crore (Para 7.115).

7.249 5th initiative on socio-cultural infrastructure development. Under the initiative, three activities is recommended. 1) Construction of 2192 Cremation / burial grounds in equal number of GPs at Rs.876.80 crore (Para 7.116), 2) construction of 2192 playgrounds in equal number of GPs at Rs.219.20 crore (Para 7.117), and 3) construction of six projects at Rs.13.05 crore (Para 7.118).

7.250 The functionaries and funds not being devolved by four departments to PRIs namely; Agriculture, Animal Husbandry and Veterinary, Public Health Engineering - Sanitation, Handloom Textile and Sericulture and Department of School Education, the proposals submitted by them are not recommended under special purpose grant (Para 7.119). However, the proposal of PHED (W) amounting Rs.788.17 crore as additional maintenance cost of 27920 PWSSs is recommended (Para 7.120).

7.251 The five initiatives recommended under special purpose grant amounts to a total of Rs.2905.47 crore for five award period of 7th SFC. Annual recommendation sums at Rs.587.56 crore for FY 2026-27, Rs.578.61 crore for FY 2027-28, Rs.578.61 crore for FY 2028-29, Rs.578.61 crore for FY 2029-30 and Rs.578.61 crore for FY 2030-31 (Para 7.122).

7.251a. One additional proposal is submitted by P&RD Department amounting Rs. 45.00 Crore in total is recommended (Para – 7.120a, 7.120b, 7.120c & 7.120d)

PART II:

Finances of RLBs in Schedule VI Areas

7.252 The three Autonomous Councils in the state off late have been promoting local institution at the grassroots level for rural areas. BTC has constituted 420 VCDCs, KAAC has constituted 843 TVDCs and NCHAC has constituted 28 CDCs. In total, they are 1286. These institutions have been constituted without statutory provision and function with nominated members. The number of members range from 10 to 70 in VCDC, five in TVDC and five in NCHAC. The body of the nominated members include women but without specific quota. Office establishment in own building exists in nearly half of the VCDCs while, it is in the consideration process with respect to the TVDCs and CDCs. A single functionary in the post of Secretary is in

place in the VCDCs and the CDCs while deployment of such functionaries is under active consideration in TVDCs. Dedicated functions, functionaries and funds although are specified yet, these institutions are to play role in the implementation of centrally sponsored rural development programmes and the schemes under CFC and SFC grant (Para 7. 123 to 7.143).

Section I: Resources of RLBs

1.1. Internal revenue generation

7.253 A symbolic nature of own revenue generation is seen among the VCDCs while no such status is reported at all among the TCDCs and CDCs (7.145 & 7.146).

1.2. Resources from State Government

7.254 Sixth SFC awarded four different types of grants to the RLBs under the three autonomous Council namely; general-purpose grant, special-purpose grant, incentive grant and additional grant (Para 7.147).

7.255 Transfer of general-purpose grant to BTC, KAAC and NCHAC during 2020-25 accounted 71.76%, 47.84% and 0.0% respectively against the corresponding award of Rs.293.31 crore, Rs.122.49 crore and Rs.52.44 crore (Para 7.148). The special-purpose grant during 2020-25 was transferred to KAAC only accounting 3.78% against the award of Rs. 858.90 crore (Para 7.149). Incentive grant was not released to any council (Para 7.150). Award of additional grant was made to BTC (Rs.33.75 crore) and KAAC (Rs. 5.03 crore). The release was 100% to BTC while, it was nil to KAAC (Para 7.151).

7.256 Total SFC grant (Sixth) received against four awarded items was Rs. 276.74 crore for BTC, Rs.58.60 crore for KAAC and nil for NCHAC (Para 7.147).

1.3. Resources from Central Government

7.257 15th CFC award for period (2021-26) including interim year (2020-21) was Rs. 367.88 crore to BTC under untied head. The transfer of the award for first four years (2020-25) amounting Rs. 252.14 crore was 100% (Para 7.153). Similarly, the transfer for first four years (2020-24) amounting Rs.333.53 crore against the tied component was 100% (Para 7.154). Under 15th CFC grant, the total receipt for four years (2020-24) was Rs. 585.67 crore to BTC.

7.258 In respect of KAAC also, transfer from central government was 100% for first four years (2020-24) amounting Rs.96.31 crore against untied component and Rs.127.41 crore against tied component (Para 7.153 and 7.154); the total receipt being Rs.223.74 crore.

7.259 NCHAC during the same reference period received a total sum of RS.65.66 crore of which Rs.28.27 crore against untied component and Rs.37.39 crore against (Para 7.153 and 7.154).

1.4. Transfer under agency functions

7.260 Centrally sponsored rural development programs are implemented in the rural areas of three Autonomous Councils. The Autonomous Councils however, are not the implementing agencies of the programmes and hence transfer of funds under the programmes is nil to three Autonomous Councils (Para 7.155).

2. Expenditure on Revenue Account

7.261 Sixth SFC awarded four types of expenditure to the RLBs under three Autonomous Councils namely; i) salary of three office functionaries (one each Secretary, Tax Collector and Grade IV per VCDC/VDC), ii) office expenses, iii) annual maintenance expenses of rural piped water supply schemes and iv) annual maintenance expenses of rural roads (Para 7.156).

7.262 Against the four items of award during 2020-25, BTC made no expenditure on salary and remuneration payment to members. It reported expenditure amounting Rs.46.55 crore on community assets maintenance and Rs. 194.23 crore on storm water drains maintenance (Para 7.164).

7.263 KAAC made expenditure on two heads -on salary of temporary staff Rs.24.20 crore (Para 7.157) and on remuneration payment to members Rs.17.95 crore (Para 7.159).

7.264 NCHAC did not report any expenditure on the four heads (Para 7.157 to 7.164)

Section II: Configuration of Revenue Gap of RLBs

7.265 Five items of expenditure have been considered and recommended under revenue account expenditure for FY 2026-31. They include 1) salary for three RLB staff - Secy., Jr. Admn. Asst & MTS (Para 7.163), 2) office expenses (Para 7.164), 3) relief in disaster (Para 7.165), 4) maintenance of community assets (Para 7.166) and 5) maintenance of training institute (Para 7.167).

7.266 The combined revenue gap including the salary cost of all RLBs works at Rs.1129.8 crore for FY 2026-31. It works at Rs. 361.93 crore for BTC, Rs. 735.9 crore for KAAC and Rs. 31.94 crore for NCHAC. Without salary component, the combined revenue gap works at Rs.63.98 crore for BTC, Rs.130.67 crore for KAAC and Rs.11.84 crore for NCHAC; the total being Rs.206.5 crore for FY 2026-31 (Para 7.168).

Section III: Configuration of special purpose grants of RLBs

7.267 Six type of initiatives have been considered and recommended under special-purpose grant to the RLBs under three Autonomous Councils namely; i) initiatives for capturing OSR and budgeting at RLB level including training (Para 7.176 to 7.180), ii) initiatives for strengthening institutional infrastructure of RLBs (Para 7.182 to 7.187), iii) green initiatives of RLBs (Para 7.188), iv) Initiatives on developing internal revenue generating infrastructure (Para 7.190 to 7.191) and v) socio-economic infrastructure development in RLB areas (Para 7.193 to 7.194).

7.268 The cost projected recommend on the initiative on OSR works at Rs. 3.17 for BTC, Rs.2.83 crore for KAAC and Rs.1.46 crore for NCHAC. On budgeting, the recommended cost works at Rs.1.28 crore for BTC, Rs. 1.66 crore for KAAC and Rs.0.54 crore for NCHAC (Para 7.176 to 7.180).

7.269 Towards strengthening institutional infrastructure of RLBs during grant period 2026-31, six items have been considered and recommended under the initiative namely; 1)Office building of RLBs (Para 7.182), 2) Rooftop solar power system (5 KW) in RLB office (Para 7.183), 3) Digital infrastructure in the office of RLBs (Para 7.184), 4) RLB office furniture (Para 7.185), 5) Block office building construction (Para 7.186), and 6) Development of Data base centre in Block office (Para 7.187). The grant recommended for six items sums at Rs.153.30 crore for BTC, Rs.494.54 crore for KAAC and Rs.24.29 crore for NCHAC, the total being Rs.672.13 crore for the three Autonomous Council.

7.270 The green initiative for award period 2026-31 has been recommended for 415 RLBs under BTC. Mobilisation grant of Rs. 3.32 crore has been recommended for plantation 83 lakhs plants for convergent implementation with MGNREGA and Forest (Para 7.188)

7.271 The initiative on Internal revenue generating infrastructure considers and recommends for two items for the award period (2026-31) i.e. tourism infrastructure and market infrastructure. The grant on two items sums at Rs. 191.40 crore for BTC, Rs.69.50 crore KAAC and Rs.30.00 crore for NCHAC and at aggregate level at Rs.290.90 crore (Para 7.190, 7.91).

7.272 Under social infrastructure development initiative, Commission considers and recommends for two items namely; construction of cremation ground and construction of play grounds in each RLBs. The grant recommended on two items at aggregate level sums at Rs.643.00 crore for 2026-31. It works at Rs.207.50 crore for BTC, Rs.421.50 crore for KAAC and Rs.14.00 crore for NCHAC.

7.273 The total grant recommended for five initiatives sums at Rs.559.97 crore for BTC, Rs. 990.03 crore for KAAC and Rs. 70.29 crore for NCHAC. The aggregate works at 1620.3 crore for FY 2026-31. Annual grant details can be seen from table-7.90 (Para 7.195).

Part III:
Review of Fiscal and Financial Management

7.274 Despite Acts and Rules being in place and their long continuity, PRIs are yet to be equipped with functions, functionaries and fund as envisaged in the Constitution. The activities of PRIs therefore, are confined to some minor jobs like identification of beneficiaries of various centrally sponsored programmes, the families living below poverty line, processing of applications and issuance of job cards, issuance of no objection certificates etc and implementation of schemes taken up under untied component of CFC grant and SFC grant.

7.275 The finances have remained as the biggest weakness of PRIs. The reach of resources under SFC grant is very minimum against the award (Sixth SFC). Of the CFC grant, the untied component only reaches the PRI directly. The internal revenue generation after government ban on house tax and trade licenses is now confined to only lease value of some beel fisheries, traditional market places and the ferry ghats (Para 7.204).

7.276 There is lot of potential for mobilization of internal revenue to the extent over Rs.150.00 crore per year as tentative estimate of this Commission indicates. The measures recommended in this chapter for capturing OSR is expected to realize the potential and improve the status of finances of PRI (Para 7.197 to 7.213).

7.277 Budgeting, accounting and auditing being the essence of sound financial management, under huge shortage of functionaries, non-preparation of budget is rampant. Audit conducted by CAG, DLFA and internal audits done by the department indicates various anomalies, shortcoming and non-follow up as per prescribed formats in the account maintenance practices. The Commission has recommended digital budgeting as mandatory to bring change in the system (Para 7.102 & 7.104).

7.278 The suggestion provided by Assam Society for Comprehensive Financial Management System (AS-CFMS) is recommended to make Procurement and e Procurement Reforms mandatory (Para 7.217).

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CHAPTER- 8
Assessment of Finances of Urban Local Bodies

8.1 A peep into the history of development of Municipal Administration in India and for that matter in Assam, shows that prior to the introduction of statutory municipalities there were voluntary associations for the purpose of providing civic amenities to urban dwellers. Statutory Municipal Administration was first introduced in Assam during the colonial period by the enactment of the Assam Municipal Act, 1923. The Act of 1923 continued till a decade after attainment of Independence. Subsequently it was replaced by the Assam Municipal Act, 1956. Thereafter, the Assam Municipal Act, 1956 was amended in May, 1994 in conformity with the 74th Amendment of the Constitution. This Act, as amended from time to time, is now in force in the General Areas of Assam. However, it is not operational in the Excluded Areas. The Urban Local Bodies (ULB) in the Excluded Areas are governed by Acts and Rules framed by the respective Autonomous Councils.

8.2 The 74th Amendment of the Constitution, for the first time, accorded Constitutional status to the ULBs and treated them as the third tier of government. In this regard, Article 243 Q in Part IX A of the Constitution provided for setting up of three distinct categories of ULBs in every State as noted below:

(a) a Nagar Panchayat (by whatever name called) from a transitional area, that is to say, an area in transition from a rural area to an urban area;
(b) a Municipal Council for a smaller urban area;
(c) a Municipal Corporation for a larger urban area.

8.3 In conformity with the above Constitutional provision, Assam had three categories of ULBs as under:

(a) a Town Committee (TC) for a transitional urban area;
(b) a Municipal Board (MB) for a comparatively smaller urban area, and
(c) a Municipal Corporation for a large urban area.

8.4 The above classification of ULBs into three tiers continued as such up to October 2018. Thereafter, Government of Assam (GoA) under Notification No. UDD (M) 263/2017/13 dated 11th October, 2018 (Copy at Annexure 8.1) had converted the existing TCs into MBs. Thereby retaining a two tier structure of ULBs as against the Constitutional provision of three tiers. Further, the reclassified MBs are divided into five categories based on population as shown at Table- 8.1

Table – 8.1 Classification of MBs

Sl. No.	Population	Category of MB	No. of MB
1.	Above 100,000	Category- I	3
2.	50,001- 1,00,000	Category- II	10
3.	20,001- 50,000	Category- III	24
4.	10,000-20,000	Category- IV	41
5.	Below 10,000	Category V	22

8.5 It appears from the above Table that on the date of aforesaid notification, the total number of MBs both in the Normal and Excluded Areas of Assam was 100. Out of

that, 80 were in General Areas and the remaining 20 in Sixth Schedule Areas. Besides, there was one Municipal Corporation at Guwahati.

8.6 Thereafter, as per records available till now, the number of ULBs has gone up substantially due to creation of new bodies during the last five years. However, most of the new civic bodies came up in Excluded Areas. In the General Areas the number of MB went up to 82 from the existing 80 due to creation of Sipajhar MB in Darrang district in 2020 and Patharkandi MB in Sribhumi district (erstwhile Karimganj district) in 2024. Further, during this period, Dibrugarh MB and Silchar MB have been upgraded to Municipal Corporation on 6th March, 2024 and 28th November, 2024 respectively.

8.7 Likewise, the number of ULBs in Excluded Areas went up to 45 from the existing 20 reported earlier. Out of 45 ULBs in the Excluded Areas, 16 MBs located in Bodoland Territorial Council (BTC) area, 22 MBs in Karbi Anglong Autonomous Council (KAAC) area and 7 in Dima Hasao Autonomous (DHAC) area. Along with indiscriminate creation of ULBs in Excluded Areas, the average population per MB has gone down approximately to 14000 from earlier 18000. Moreover, it compares unfavourably with the General Areas where the ratio is about 30,000 per MB.

8.8 A comprehensive list of ULBs in General Areas showing the number of ULBs in each district with number of wards, population and area is at Annexure-8.2

8.9 As per 2011 Census report, Assam had been lagging behind the rest of the country in the matter of urbanization with only 14.1 per cent of the population living in urban areas compared to 31.2 percent for the country as a whole. In the preceding decade Assam's rate of urbanization had been 12.9 per cent against the national average of 28 percent. More importantly, the decadal growth rate of urban population has been much faster than rural population growth which was 27.89 per cent and 15.47 per cent respectively in the last decade. This has happened due to large scale urban centric migration of rural population in search of better livelihood option. Consequently, apart from creating new civic bodies, the existing one is required to be equipped properly with adequate fund and functionaries to meet the growing challenge.

8.10 As stated earlier, with the abolition of TCs, the urban civic bodies are now grouped into two tiers viz. Municipal Corporation and Municipal Board. Moreover, MBs are categorized into six groups based on population in place of five groups earlier. For the purpose of our analysis, all MBs are proposed to be treated in a single category as their duties, responsibilities and source of finance are the same. Moreover, they are governed by the same set of Acts and Rules. They are also under the administrative control of the same department of Government and the same directorate. Dibrugarh and Silchar MBs though upgraded into Municipal Corporation recently are yet to be brought under separate statute for them. Hence, for the purpose of this analysis, they will all be treated under the category of MB. In the second category, Guwahati Municipal Corporation (GMC) stand alone as a separate entity. It is governed by the Guwahati Municipal Corporation Act, 1971 and is directly under the administrative control of the Department of Housing and Urban Affairs (DoHUA).

A. Revenue of Guwahati Municipal Corporation

8.11 The Guwahati Municipal Corporation came into being by virtue of the enactment of the Gauhati Municipal Corporation Act 1971. However, it became functional on 15th February, 1974- the day first meeting of the newly elected Councilors was held. It administers an area of 216.76 sq km. The total population of GMC as per 2011 census was 9,62,334 of which 4,98,450 was male and 4,63,884 are female. It may be recalled that the population of Guwahati was a modest figure of 11,661 in 1901 census and it rose to 9,62,334 in 2011 census registering an increase of nearly 83 times over a period of 110 years. The exponential growth of population occurred particularly during the decade 1951 to 1961 which was supposed to be the fall out of the partition of the country. For instance, 1951 census recorded the population of Guwahati city at 43,615 which swelled to 1,00,707 during 1961 census recording a decadal growth of more than 130 percent. In contrast the decadal growth during 1991-2001 was 38.28 percent and 18.82 percent during 2001-2011. Apart from the recorded population, on an average floating population that visit the city per day running various errands is estimated at about 10 percent of the total population of the city. This phenomenal growth of population of Guwahati city is indicative of the tremendous responsibilities thirst on GMC to cater to the day to day basic civic needs of the residents including the floating population.

Sources of Revenue of GMC

8.12 By and large, the financial resources of GMC accrue from the following sources viz.

(a) Own sources of revenue (OSR) collected from tax and non-tax measures allocated statutorily to them.

(b) Devolution (Share of State taxes) and grant from the State Government under the award of SFC.

(c) Grant from Central Government under the award of CFC.

(d) Grant from Central Government against Centrally Sponsored Schemes (CSS) including State's share thereof, if any.

8.13 Given the above sources of revenue and the corresponding expenditure, any realistic analysis of the trend of Municipal finances cannot be made unless reliable data are available. In this regard, the Commission observed the constraint in availability of data particularly in the manner required. The basic task of the Commission is to work out the revenue gap of the civic bodies and for this purpose, proper classification of receipt and expenditure under revenue and capital account is necessary. While tax and non-tax receipt and corresponding expenditure thereof can be treated as revenue receipt and revenue expenditure, the problem arises in respect of grant. In budgetary classification, grant and loan are treated as revenue and capital receipt respectively. Whereas, the corresponding expenditure against grant maybe either revenue or capital expenditure depending on the nature of expenditure. When the expenditure is intended to create tangible assets of durable nature, it is treated as capital expenditure, otherwise revenue expenditure. In this context, GMC receives grant under the award of both SFC and CFC. In so far as SFC grant is concerned it has two components, viz. devolution which is untied and sector specific grant which is tied. Likewise, CFC grant has also two component: 40 percent of it is untied while 60 percent tied to

specific schemes. Hence, for the purpose of assessing its revenue gap, untied grant from SFC and CFC may be treated as revenue receipt and corresponding expenditure as revenue expenditure. Here again the problem arises due to non- availability of data since receipt and expenditure under united and tied funds are clubbed together.

1. Tax Revenue of GMC

8.14 The taxation powers of GMC are laid down under Sector 144 and 145 of the Gauhati Municipal Corporation Act 1971 as listed at Annexure- 8.3. The overall performance of GMC in the matter of revenue collection from own resources of revenue (OSR) during the five year period 2019-20 to 2023-24 is summarized at Table- 8.2 below:

Table - 8.2 Internal Revenue Mobilisation of GMC

(Rs in crore)

Tax Head	2019-20 Actual	2020-21 Actual	2021-22 Actua1	2022-23 Actual	2023-24 Actual	CAGR (%)
A. Tax Revenue						
1. Property Tax						
i) General Property Tax	16.24	22.97	20.67	47.39	40.18	11
ii) Water Tax	8.00	11.31	10.18	23.34	19.79	11
iii) Scavenging Tax	6.06	8.57	7.71	17.68	14.99	11
iv) Lighting Tax	2.42	3.43	3.09	7.07	6.00	11
v) Urban Immovable Property Tax	7.27	10.29	9.25	21.21	17.99	11
Total- A Property Tax	**39.99**	**56.57**	**50.90**	**116.69**	**98.95**	11
B. Non Tax Revenue						
i) Trade License Fee	19.74	20.38	9.63	26.97	32.18	7
ii) Market Fee	0.54	0.61	1.06	1.01	1.11	9
iii) Sale of Water	0.33	0.84	1.00	1.42	0.58	7
iv) Parking Fee	1.34	1.48	0.70	1.14	4.10	14
v) Slow Moving Vehicle	0.36	0.38	0.36	-	-	-
vi) Others	14.39	10.37	13.01	12.86	14.15	(-)4
Total- B Non Tax Revenue	36.70	34.06	25.76	43.40	52.12	6
Grand Total (A+B)	**76.69**	**90.63**	**76.66**	**160.09**	**151.07**	**9**

Source – GMC

CAGR – Compounded Annual Growth Rate

8.15 It appears from the above Table that the trend of collection of tax and non tax revenue by GMC during the five years under consideration is rather erratic and does not follow an uniform growth path. The year on year growth trajectory is marked by haphazard rise and fall in collection figure which remains inexplicable. In this backdrop, any accurate projection for the next five years is likely to be unfounded. However, a notable feature that emerges from the above Table is that property tax is the bedrock upon which the internal revenue mobilization of GMC depends entirely as it contributes nearly sixty to seventy percent of its OSR.

(a) Property Tax

8.16 It is evident from Table 8.2 above that property tax is the single largest source of revenue of GMC. It is a composite tax having four components viz. (1) general property tax, (ii) water tax, (iii) scavenging tax, and (iv) lighting tax. That apart,

Urban Immovable Property Tax, which was once collected by State Government is now collected by GMC along with property tax.

8.17 As per Section 150 of the Gauhati Municipal Corporation Act 1971, the basis of property tax is the Annual Rateable Value (ARV) which is determined having regard to the annual rent at which such land or buildings might reasonably be expected to let from year to year. And, in conformity with the Assam Urban Areas Rent Central Act, 1972, ARV is equal to 7.5 percent of the total cost of land and cost of construction of the buildings. Deduction of 10 per cent of ARV is allowed for annual maintenance and repairs. Rebate of 25 percent of ARV is allowed if the building is exclusively used for residential purpose. The land area not covered by the plinth area of the house is deemed as vacant land. In determination of total ARV, 5 percent of the land value of the vacant land is added to the ARV of the plinth area.

8.18 Once the ARV is determined, general property tax is levied at 15 percent of ARV if the property is used for commercial purpose or rented. It is 10 percent of ARV if the property is used for residential purpose. Water tax is levied at 10 percent of ARV if the property is connected to pipe water supply scheme, otherwise it is 7.5 percent. Scavenging and lighting taxes are levied at 2.5 percent of ARV. On top of it, Urban immovable Property Tax is levied at 3 percent of ARV which is collected along with property tax.

8.19 It may be mentioned that Central and State Governments properties are exempt from payment of property tax by virtue of Articles 285 and 289 respectively of the Constitution. However, there is no bar in imposing service charges on such property. Moreover, the Constitutional restriction does not apply on properties of Central and State Governments undertakings and GMC is eligible to levy both property tax and service charges on such properties.

8.20 Property tax is levied by GMC based on the procedure of assessment as discussed above and subject to the limitations imposed by the Constitution. As reported by GMC, the total number of assessments is 3,53,984 and annual tax demand for the year 2019-20 was Rs.141.79 crore, consisting of current demand Rs.68.58 crore and arrear demand of Rs.73.21 crore. As against the total demand of Rs.141.79 crore, the reported collection during the year was Rs.39.98 crore representing a merely 28.2 percent of total demand. It will appear from Table-8.2 that property tax collection by GMC which was Rs.39.98 crore during 2019-20 accounted for 52 percent of its Own Sources of Revenue (OSR). It is gradually picked up to Rs.116.69 crore in 2022-23 representing 73 percent of its OSR. However, it again dropped down to Rs.98.95 crore the next year representing 65 percent of its OSR. The Compounded Annual Growth Rate (CAGR) of property tax over a period of five years was about 11 percent.

8.21 In per capita terms, collection of property tax by GMC has registered an increase from Rs. 415 in 2019-20 to Rs. 1026 in 2023-24. In per capita collection, the performance of GMC seems impressive compared to similarly placed States like Odisha. As reported in Fifth SFC Report of Odisha, the average per capita collection of property tax for three years 2015-2018 by some of the Municipal Corporations of Odisha was as follows :

1. Bhubaneshwar Municipal Corporation - Rs. 389
2. Cuttack Municipal Corporation - Rs. 207
3. Behrampur Municipal Corporation - Rs. 115
4. Rourkella Municipal Corporation - Rs. 104
5. Sambalpur Municipal Corporation - Rs. 87

8.22 Notwithstanding the impressive performance as noted above, there remains enough room to garner much more revenue from this source merely by deepening the collection machinery. This is evident from taking a close look at the ratio between demand and collection in each year as shown at Table 8.3 below:

Table 8.3: Demand, Collection and Balance of Property Tax

(Rs. in Crore)

Year	Current Demand	Arrear Demand	Total Demand	Total Collection	Percentage of Collection	Arrear
2019-20	68.58	73.21	141.79	39.98	28.20	101.81
2020-21	70.46	93.24	163.70	56.57	34.56	107.13
2021-22	72.82	93.96	166.78	50.90	30.52	115.88
2022-23	73.84	97.71	171.55	116.69	68.02	54.86
2023-24	116.43	92.93	209.36	98.94	47.25	110.42

8.23 The above Table reveals the unduly poor ratio of collection to demand in each year from 2019-20 onwards. In each year the percentage of collection to demand is well below 50 percent except during 2022-23. Further, the collection of property tax as percentage of GSDP varies from 0.01 to 0.02 year to year. Anyway, from the present state of affairs it is abundantly clear that there is lot of elbow room available for augmenting revenue collection even without altering the basis and rates of taxation by broading the coverage and stepping up demand- collection ratio to a reasonable limit.

(b) Non – Tax Revenue of GMC

(I) Trade License Fees

8.24 In the category of non-tax revenue, Trade License Fee is the most potent source of revenue for GMC and in terms of annual yield it is next only to property tax. Under Section 180 of the Gauhati Municipal Corporation Act 1971, any person who exercises or carries in the city, either by himself or any agent or representative, any of the professions, trades or callings indicated in the Fourth Schedule, shall annually take out a license on payment of such fees as is mentioned in that behalf on the schedule.

8.25 It appears from Table 8.2 that the annual yield from trade license fees went up from Rs. 19.74 crore during 2019-20 to Rs. 32.18 crore in 2023-24 registering CAGR of about 7 percent over last five years. It is beyond doubt that this source of revenue holds untold promises for urban civic bodies particularly due to the mushrooming growth of trading enterprises like shopping malls, multiplexes, restaurants, marriage halls, PG hostels, nursing homes, clinical laboratories etc. In addition there is a rapid boom in the growth of road side eateries, vegetable and fish vending stalls and other sheds displaying all sorts of household wares. Without being judgmental, the

Commission endorse the view that GMC may impose either fees, fines or penalties on such unauthorized vendors to augment its own resources.

Market Fees

8.26 GMC is authorized under Section 314 of the GMC Act, 1971 to levy license fee annually as may be fixed by the Corporation to license private markets, slaughter house and stock yards. Further, Section 315 of the said Act also empowered it to levy stallages, rents rents and fees as may, from time to time be fixed by it, for the occupation and use of any shop, stand or shed in a Municipal market. As of now, there are 13 daily Municipal markets and 4 weekly markets apart from several private markets. The actual collection from market fees during the FY 2023-24 was Rs. 1.11 crore which was increased from Rs. 54 lakh in 2019-20 recording a CAGR of nearly 9 percent over a period of 5 years.

Sale of Water

8.27 As reported, GMC provides 72 million litres of water per day to the habitats by its piped water supply schemes. By and large nearly, 33 percent of the habitats of the city are covered under the scheme. The total number of household covered is 33, 550 out of which 3,547 are metered connection is 30,003 unmetered. It has a total storage capacity of 3 overhead tanks and 25 ground level reservoirs with total capacity of 6.2 lakh litres and 23.65 lakh litres respectively. Apart from the piped water supply scheme, GMC on demand, supplies water to the doorstep of the consumers through truck mounted water tanks. For this purpose, GMC has altogether 13 truck mounted water tanks of which 2 has a capacity of 10, 000 litres, 2 having capacity of 6000 litres, 2 with capacity of 3000 litres, 4 of 2000 litres and 3 of 1200 litres.

8.28 As reported by GMC, the actual collection of revenue from sale of water was Rs. 33 lakh in 2019-20 gradually rising to 84 lakh in 2020-21, Rs.100 lakh in 2021-22 and further to Rs.1.42 crore in 2022-23. Thereafter, it dropped down to Rs. 58 lakh in 2023-24. It may be mentioned that water supply in Guwahati is run concurrently by GMC, PHE and Urban Water Supply and Sewage Board. Of late, the Guwahati Metropolitian Drinking Water and Sewerage Board, popularly known as Guwahati Jal Board (GJB) has entered the fray as a major partner. It is likely that along with full fledged launching of GJB, the existing clientele of GMC is experted to be subsumed by GJB, in course of time. As such, it would not be appropriate to assume any revenue during the forecast period.

Parking Fees

8.29 Under Section 144 (2) (J), GMC may, with the prior approval of the State Government, levy parking fees on vehicles parked within the municipal area. The parking slots are leased annually by inviting sealed tenders. The reported annual yield from this measure was Rs. 1.34 Lakh in 2019-20 and gradually went up to Rs. 4.10 crore in FY 2023-24 recording a CAGR of 14 percent over a period of 5 years.

Other Tax and Non tax Revenue

8.30 Other sources of tax and non tax revenue for which segregated figures of collection are not available, include tax on non-motorised vehicles, taxes on advertisement and hoarding, fees, fines etc. The actual collection from these sources amounted to Rs. 14.75 crore in FY 2019-20 but it gradually declined to Rs. 14.15 crore in FY 2023-24.

8.31 The Foregoing paragraphs read with table- 8.2 give an overview of OSR collected by GMC, both from tax and non-tax measures, during the five year period 2019-2024. It further reveals that the CAGR of tax revenue over the last five years was 11 percent while the CAGR from the non tax revenue during the same period was 6 percent. However the overall CAGR, taking into consideration both tax and non-tax revenue, in the same period was 9 percent. Hence, for the purpose of projection of revenue receipt of GMC, the Commission has adopted an annual growth of 9 percent over the actual of FY 2023-24. Table 8.4 below shows the Projected Own Source of Revenue (OSR) of GMC during the forecast period 2026-31.

Table – 8.4: Projected OSR of GMC

(Rs. in crore)

Tax Head	2023-24 Actual	2026-27 Est	2027-28 Est	2028-29 Est	2029-30 Est	2030-31 Est	2026-31 Total
A. Tax Revenue							
1. General property Tax	40.18	52.03	56.72	61.82	67.38	73.45	311.40
2. Water tax	19.79	25.63	27.94	30.45	33.19	36.18	153.39
3. Scavenging Tax	14.99	19.41	21.16	23.06	25.14	27.40	116.17
4. Lighting tax	6.00	7.77	8.47	9.23	10.06	10.97	46.50
5. Urban Tax	17.99	23.30	25.39	27.68	30.17	32.89	139.43
Total – A	98.95	128.14	139.68	152.24	165.94	180.89	766.89
B. Non Tax Revenue	32.18	41.67	45.42	49.51	53.97	58.83	249.40
1. Trade License Fee	1.11	1.44	1.57	1.71	1.86	2.03	8.61
2. Market Fee	0.58	-	-	-	-	-	-
3. Sale of water	4.10	5.31	5.79	6.31	6.88	7.50	31.79
4. Parking fee	14.15	18.32	19.97	21.77	23.73	25.87	109.66
5. Others	52.12	66.74	72.75	79.30	86.44	94.23	399.46
Total -B							
Grand Total (A+B)	**151.07**	**194.88**	**212.43**	**231.54**	**252.38**	**275.12**	**1166.35**

B. Transfer from State Government

(a) Share in State Taxes

8.32 In terms of Article 243 Y (a) (i), the SFC is required to make recommendations as to the principle which should govern the distribution between the State and the Municipalities of the net proceeds of taxes, duties, tolls, and fees leviable by the State which may be divided between them and its allocation between municipalities at all

levels of their respective share of such proceeds. In terms of the above Constitutional provision, the Sixth SFC during its award period 2020-25 assessed the revenue gap of GMC at Rs. 212.63 crore and recommended tax devolution to cover the assessed revenue gap. The year-wise phasing of tax devolution and the corresponding release made by the State Government is shown at Table – 8.5 below:

Table 8.5: Tax Devolution to GMC by VI-SFC

(Rs in crore)

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25 Total
1. Recommended by VI-SFC	32.82	36.22	42.17	47.64	53.78	212.63
2. Release by State Govt.	14.77	15.00	5.00	-	-	34.77

(b) Assigned Taxes

8.33 Article 243-Y (a) (ii) authorizes the SFC to determine the taxes, duties, tolls and fees which may be assigned to or appropriated by the Municipalities. In this regard, all the previous SFCs of Assam had recommended global sharing of the net proceeds of all taxes and duties levied by the State Government. In view of the global sharing of the taxes, assignment of any particular tax or its appropriation by the municipalities has not been considered so far. In this regard VI-SFC recommended devolution of Rs 212.63 Crore to GMC during 2020-25. Against this release made by GoA was only Rs 34.77 Crore. However, the Urban Immovable Property Tax which was once under the domain of State taxation has been transferred to the municipalities long back. Apart from this, GMC is authorized to levy a surcharge on stamp duty under Section 178 of the GMC Act, 1971.

(c) Grant-in-Aid

8.34 Article 243 Y (a) (iii) authorizes the SFC to recommend grant-in-aid to Municipalities from the Consolidated Fund of the State Grants may be either for general purpose or for special purpose. While general purpose grant is untied without any conditionality attached to it and usually intended to wipe out the revenue gap of the recipient body. On the contrary, special purpose grant is tied to specific scheme or project and cannot be diverted for spending somewhere else. The State Government has, so far, not released any unconditional or general purpose grant to GMC. However, special purpose grant as recommended by VI-SFC during the five year period 2020-25 amounted to Rs. 184.23 crore. The year wise phasing of the recommended special purpose grant and the corresponding release made by the State Government is shown at Table 8.6 below:

Table – 8.6: Grant to GMC by SFC

(Rs. in crore)

Purpose	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25
1. Improvement of Service delivery	36.94	36.94	36.95	36.70	36.70	184.23
2. Release by Govt. of Assam	17.00	18.54	3.93	2.30	-	41.77

Source : Finance Department, Government *of Assam*

C. Transfer From Central Government

Central Finance Commission

8.35 Local bodies grant recommended by XV-CFC is tenable for six years beginning from 2020-21 to 2025-26. The ratio of the grant between tied and untied is 50:50 during 2020-21. Whereas, for the remaining five years, the ratio was 60:40 between tied and untied respectively. The tied portion of the grant was earmarked for water supply, solid waste management and rainwater harvesting. Out of local body grant recommended by XV-CFC, the amount allocated to GMC and the corresponding release made by Government of India at Table – 8.7 below:

Table- 8.7: Grant to GMC by CFC

(Rs. in crore)

Purpose	2020-21	2021-22	2022-23	2023-24	2024-25	2020-25
1.General Purpose (untied)						
a) Recommended	93.92	56.84	58.87	62.27	65.88	337.78
b) Release	93.92	56.84	58.87	60.86	-	270.49
2.Special Purpose (tied)						
a) Recommended	93.92	85.24	88.31	93.41	98.82	459.70
b) Release	93.92	85.24	88.31	97.62	-	365.09

Source : Finance Department, Government *of Assam*

9 Agency Functions

8.36 The agency functions by urban civic bodies refer to implementation of different Centrally Sponsored and Central Sector Schemes sponsored by the municipalities on behalf of Government of India. It is reported that the agency functioning on behalf of the Central Government is not undertaken by GMC. Agency functions are routed through a separate agency called Guwahati Metropolitan Development Authority (GMDA). As such receipts and expenditures on agency functions are omitted from revenue receipt and expenditure.

D. Capital Receipts & Debt Status

8.37 Capital account receipts accrue mainly from loans raised from market, financial institutions, banks or government. That apart, recoveries of loans and advances also form part of capital receipt. As reported by GMC, no loan has been raised by them from market, financial institutions, bank or government, during this period. As such capital receipt and debt status may be treated as nil. However, for the purpose of assessing the revenue gap of GMC, the Commission has treated tied grants from SFC and CFC as capital receipts since these are expected to create durable assets.

E. Expenditure on Revenue Account of GMC

8.38 By and large, the main components of revenue expenditure of GMC consists of the following (i) expenditure on administration which include salary of regular employees, consolidated pay of contractual employees, wages of muster roll workers, remuneration of elected representatives, pension & terminal benefits and office expenses, (ii) operation and maintenance of civic services and (iii) expenditure incurred against untied funds received under the award of SFC and CFC.

8.39 The overall trend of revenue expenditure of GMC during the preceding 5 years from 2019-2020 to 2023-2024 is summarized at Table- 8.8 below:

Table 8.8: Revenue Expenditure of GMC

(Rs. in Crore)

Item	2019-20	2020-21	2021-22	2022-23	2023-24
1. Total Salary	62.51	63.19	73.18	83.07	91.38
i) Regular Employee	39.11	43.06	51.88	55.09	61.36
ii) Consolidated Pay	3.38	3.63	3.90	4.20	4.52
iii) Wages	17.14	13.62	14.52	20.90	22.62
iv) Remuneration of Elected Representative	2.88	2.88	2.88	2.88	2.88
2. Pension & Retirement Benefit	39.94	41.52	69.71	46.27	50.90
3. Office Expenses	2.62	2.14	8.87	2.13	2.34
4. Operation & Maintenance	71.46	35.97	32.53	45.21	48.11
i) Water Supply	3.23	4.51	4.94	3.31	2.22
ii) SWM	5.48	0.66	2.45	0.01	0.01
iii) Roads	2.66	0.51	0.01	0.20	0.22
iv) Drains	44.36	15.86	5.32	21.04	23.14
v) Street Lights	15.73	14.43	19.81	20.65	22.52
Grand Total	**176.53**	**142.82**	**184.29**	**176.68**	**192.73**

8.40 It appears from the above Table that the expenditure on pay and pension taken together was Rs. 102.45 crore during 2019.20 and it constituted 58 percent of total revenue expenditure. It gradually increased to Rs. 142.28 crore during 2023-24 recording 74 per cent of total revenue expenditure. On the contrary, expenditure on service delivery and maintenance of community assets which was Rs. 71.46 crore in 2019-20 representing 40 per cent of total revenue expenditure gradually scaled down to Rs.48.11 crore in 2023-24 representing 25 per cent of total revenue expenditure. More importantly, expenditure on solid waste management including drainage, which is supposed to be one of the major components of civic services, has declined from Rs. 49.84 crore in 2019-20 to Rs. 23.15 crore in 2023-24. It follows from the existing pattern of expenditure that the ratio between administrative expenditure and service delivery expenditure is not only irrational but unethical too. Because citizen pay Municipal taxes in anticipation of getting better civic services and this lop sided ratio between overhead expenditure and service delivery expenditure means depriving them of the expected level of civic services. It is therefore imperative that the present pattern of expenditure should be reversed giving more weightage to service delivery and reducing overhead expenditure as far as possible.

(i) Expenditure on Administration

8.41 The administrative structure of GMC consists of nine departments viz. (1) Administrative (2) Revenue and Taxation, (3) Accounts and Audit, (4) Engineering,

(5) Enforcement, (6) Planning, (7) Veterinary, (8) Health and (9) School. Each department is further sub-divided into several branches under them.

8.42 As reported the present sanctioned strength of posts covering all departments is 2728 out of which the staff in position is 1237 and another 191 posts are filled up by employees with consolidated pay. Thereby, 1300 posts are still lying vacant against the sanctional strength of 2728 posts. Apart from the regular employees, they also engage, on an average, 800 daily wage workers per year.

The existing staffing scenario is dismissal, no doubt particularly in respect of health and school services. In health branch out of sanctional posts consisting of one Chief Medical Officer and 6 Health Inspectors all are lying vacant. Similar is the position in school services, 2 posts of Head Master and Assistant Head Master in high schools and 4 posts of Head Master in primary schools are lying vacant. Out of 14 graduate teachers in high schools, 13 posts are lying vacant. Out of 24 Assistant teachers in primary schools, 18 posts are lying vacant.

Salary and Wages

8.43 The salary and wage bill of GMC can be grouped under four categories, (i) Pay and allowances of regular employees numbering 1237 borne on time scale of pay plus usual allowances, (ii) On consolidated pay numbering 191 in different cadres and drawing on an average, consolidated pay of Rs. 22,000 per month. They are also eligible to 7 percent hike in pay annually, (iii) On an average, GMC engages about 800 muster roll workers per month at average wage of Rs 1800 per month and (iv) remuneration of elected representatives, numbering 60 Councillors at a monthly rate of 40,000.

8.44 It transpires from Table-8.8 that actual expenditure on salary, wage and remuneration in the base year 2023-2024 was Rs.91.38 crore as per details below:

	(Rs. Crore)
1. Salary of regular employee	61.36
2. Salary of fixed pay employee	4.52
3. Wages of MR	22.62
4. Remunerations of Elected Members	2.88
Total	**91.38**

8.45 The actual expenditure of FY 2023-24 has been adopted as the base and projected during subsequent years assuming an annual growth of 10 percent in case of salary of regular employees, 7 per cent in case of fixed pay employees and 3 percent in case of MR workers. The remuneration of elected members has been kept constant.

Pension and Terminal Benefits

8.46 In the category of administrative expenditure, pension and terminal benefits comes next to salary and wages. It includes pension, family pension, commuted value of pension, death-cum-retirement gratuity (DCRG) and leave encashment benefit. The actual expenditure on pension and terminal benefit in FY 2023-24 was Rs 50.90 crore and this has been projected during subsequent years assuming annual growth of 10 percent.

Office Expenditure

8.47 The next item of expenditure on administration is office expenditure. The actual level of expenditure on this account in the base year 2023-24 was Rs. 2.34 crore and this has projected during the subsequent years assuming annual growth of 10 per cent.

(11) Civic Functions and Maintenance of Community Assets

Water Supply

8.48 As reported, the piped water supply scheme of Guwahati covers 30,550 residential and commercial connections of which only 3547 connections are metered and the remaining 3,003 unmetered. Its treatment plant capacity is 72 MLD and supplies 72 MLD water to its consumers. The length of its pipeline distribution netork is 420 KM. Its storage capacity includes three overhead tanks of 6.2 lakhs litres each and 25 ground reservoir of 23.65 lakh litres each. In addition to piped water supply, they also supply water door to door on demand. For this purpose, they deploy 13 truck mounted water tank of different capacity varying from 1200 litres to 10, 000 litres. As reported, the actual level of expenditure on water supply was Rs. 3.23 crore during 2019-20 and it gradually came down to Rs. 2.22 crore in 2023-2024. This has happened due to competition from Guwahati Jal Board. The actual level of 2023-2024 has been retained for the subsequent years.

Solid Waste Management

8.49 The solid waste generated in Guwahati city is approximately 550 MT per day which is collected daily for disposal at the yard. For collection of waste there 101 dust bins spread over the city. For disposal of generated waste, there is one disposal yard measuring 55 bighas of land at a distance of 25 km from the city. The garbage so collected is segregated between bio-degradable and non-degradable at the collection point. The compost and garbages are sent to processing facilities and non-degradable waste sent to cement factories. For collection, and maintenance of solid waste, GMC owns 252 mini trucks, 32 tippers, 20 compactors, 23 JCBs , 18 SSL and 120 E-carts. That apart, 4 tippers are engaged on hire basis.

8.50 It is supported that actual expenditure on solid waste management was Rs 5.48 crore in FY 2019-20. But strangely, the level of expenditure has been plummeting year to year and reached its nadir at Rs 1 lakh in 2023-24. This situation is untenable and may be due to some accounting mis-classification. Anyway, SWM is the primary function of a civic body and the performance of GMC in Swachh Survekshan Movement launched by the country is not remarkable as it is poorly placed in the country-wise list. Besides, Guwahati is counted as one of the most polluted cities in the country. However, the entire blame for this undesirable happening cannot be put squarely on GMC alone, citizens have an equal stake in keeping the city clean. It needs adequate emphasis to highlight the importance of community participation in addressing the menace of waste management. Fortunately, the GMC has launched a three-month long, cleanliness campaign from December, 2024. The Commission urged the citizen to actively participate in the cleanliness drive in creating a cleaner and greener city.

8.51 Having regard to the priority accorded to SWM as a core civic function, the Commission has been inclined to adopt Rs. 5 crore as the level of expenditure in the base year and project it at an annual growth of 10 per cent for the subsequent years.

Roads

8.52 The length of the roads maintained by GMC during the last 3 years 2022 to 2024 are shown at Table -8.9 below:

Table 8.9: Length of Roads maintained by GMC

(in KM)

Type of Road	As on 31-03-2022	As on 31-03-2023	As on 31-03-2024
1. Cement Concrete	20.76	32.89	36.71
2. Black Topped	36.10	54.29	60.01
Total	**56.86**	**67.18**	**96.72**

8.53 Apart from 96.72 Km roads maintained by GMC, all the roads within the city limit are maintained by state PWD. The base year level of expenditure was Rs. 22 lakh and this has been projected at an annual growth of 10 per cent for subsequent years.

Drains

8.54 GMC could not furnish data relating to pucca open drains and Katcha drains. However the length of pucca closed drains is reported at 11.35 Km. The cost of maintenance during the base year 2023-24 is reported at Rs. 23.14 crore which has been projected at an annual growth of 10 per cent for subsequent years.

Street lights

8.55 The existing number of streetlights maintained by GMC is 49,000 out of which 1000 are tube lights and 48000 are LED lights. The actual level of expenditure during the base year was Rs.22.52 crore and this has been projected in subsequent years assuming annual growth of 10 per cent.

Expenditure on Schemes Assigned by State Government

8.56 The State Government has not, so far, assigned any scheme to GMC and hence there is no expenditure on this account. However, expenditure met from untied fund of SFC are treated as revenue expenditure.

Expenditure on Schemes Assigned by Central Government

8.57 This category of expenditure relates to expenditure against Centrally Sponsored and Central Sector Schemes. Such schemes are implemented through GMDA, expenditure may be treated as nil

Expenditure on Interest

8.58 The Corporation has not raised any loan from market, financial institution or government, as such expenditure on interest payment is nil.

8.59 The foregoing paragraphs read with Table 8.8 give an elaborate account of the revenue expenditure of GMC during the five year period 2019-2024. Based on analysis and assumptions made in the foregoing paragraphs and adopting the actual expenditure of 2023-24 as the base, the revenue expenditure of GMC has been projected during the period 2026-31 as at Table- 8.10 below.

Table 8.10: Projected Revenue Expenditure of GMC

(Rs. in Crore)

Item	2023-24 Actual	2026-27 Est	2027-28 Est	2028-29 Est	2029-30 Est	2030-31 Est	2026-31 Total
1.Total Salary	91.38	114.81	124.10	134.26	145.37	157.53	676.07
i)Regular Employee	61.36	81.67	89.84	98.82	108.70	119.57	498.60
ii)Fixed Pay Employee	4.52	5.54	5.92	6.34	6.78	7.26	31.84
iii)Wages	22.62	24.72	25.46	26.22	27.01	27.82	131.23
iv)Remuneration	2.88	2.88	2.88	2.88	2.88	2.88	14.40
2. Pension & Retirement Benefit	50.90	67.75	74.52	81.97	90.17	99.19	413.60
3. Office Expenses	2.34	3.11	3.43	3.77	4.15	4.56	19.02
4. Total Operation & Maintenance	48.11	69.93	76.71	84.16	92.36	101.36	424.52
i)Water Supply	2.22	2.22	2.22	2.22	2.22	2.22	11.10
ii)SWM	0.01	6.65	7.32	8.05	8.86	9.74	40.62
iii)Roads	0.22	0.29	0.32	0.35	0.39	0.43	1.78
iv)Drains	23.14	30.80	33.88	37.27	40.99	45.09	188.03
v)Lights	22.52	29.97	32.97	36.27	39.90	43.88	182.99
Grand Total	**192.73**	**255.60**	**278.76**	**304.16**	**332.05**	**362.64**	**1533.21**

F. Expenditure incurred directly by the State Government (On behalf of GMC)

8.60 Recently, Government of Assam has created the following 17 posts for GMC in the scales of pay plus usual allowances as noted against each.

Designation of post	No. of Post	Scale of Pay (Rs)	Grade Pay (Rs)
Executive Officer	6	30,000 – 1,10,000	12,700
Financial Management Officer	5	-do-	-do-
Urban Technical Officer	6	-do-	-do-

8.61 The average salary per month of each post is about Rs. 80,000 and the annual financial involvement for 17 posts is worked out at Rs.1.63 crore. This amount is being met from the State Budget. As such, this amount although reflected in revenue expenditure of GMC, it will be deducted in computation of their revenue gap.

G. Deferred Expenditure

8.62 GMC has preferred claim on account of deferred liabilities amounting to Rs. 40.48 crore as on 31-03-2024 with break up as follows-

1.	Interest due to Employees Provident fund but not adjusted in accounts	Rs.11.98 crore
2.	Arrear pension of 580 retired employees under count cases	Rs. 13.50 crore

3.	Arrear pension of 1782 retired employees	Rs. 10 crore
4.	DCRG and leave encashment	Rs. 5.00 crore
		Total – 40.48 crore

8.63 It may be mentioned that GMC employees who entered job on or after 01-01-1996, barring those appointed after 01-02-2005 are covered by the old pension scheme of GoA. However, the appointees subsequent to 01-02-2005 are covered by the new pension scheme. Incase of interest accrued on employees PF but not adjusted in accounts, there seems to be no need for immediate disbursement of the amount. It can be gradually credited to PF account out of revenue deficit grant recommended by the Commission. On the contrary, dues relating to arrear pension, gratuity and leave encashment are obligatory liabilities of GMC which can not be deferred indefinitely. As such, the Commission recommends release of Rs. 28.50 crore to GMC. However, with a view to reducing pressure on State Finances , the release may be made in two installments of Rs. 14.25 Crore each during 2026-27 and 2027-28. This amount has been built in the revenue estimates of GMC in respective years and will be first charge on release of devolution fund.

H. Capital Expenditure

8.64 As reported by GMC, their capital expenditure during the period 2019-20 to 2023-24 is summarized at Table 8.11 below:

Table- 8.11: Capital Expenditure of GMC

	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Actual)
Total Capital Expenditure	**29.66**	**67.09**	**103.86**	**42.76**	**37.14**

. in Crore)

Net Budgetary position of GMC

8.65 The net budgetary position of GMC is summarized at Table 8.12 below:

Table 8.12: Net Budgetary Position

(Rs. in Crore)

Particulars	**2019-20 Actual**	**2020-21 Actual**	**2021-22 Actual**	**2022-23 Actual**	**2023-24 Actual**
A. Revenue Receipt					
1. Tax Revenue (As per Table 8.2)	39.99	56.57	50.90	116.69	98.95
2. Non Tax Revenue (As per Table 8.2)	36.70	34.06	25.76	43.40	52.12
3. SFC Devolution	-	14.77	15.00	5.00	-
4. CFC Untied Grant	53.21	93.92	56.84	58.87	60.86
Total A Revenue Receipt	**129.90**	**199.32**	**148.50**	**223.96**	**211.93**
B. Capital Receipt					
1. SFC Grant	-	17.00	18.54	3.93	2.30
2. CFC Grant Tied	-	93.42	85.24	88.31	97.62
Total B					

Capital Receipt	-	**110.92**	**103.78**	**92.24**	**99.92**
C. Grand Total Receipt (A+B)	**129.90**	**310.24**	**252.28**	**316.20**	**311.85**
D. Revenue Expenditure (As per Table -8)	176.53	142.82	184.29	176.68	192.73
E. Capital Expenditure	29.66	67.09	103.86	42.76	37.14
F. Grand Total Expenditure (D+E)	206.19	209.91	288.15	219.44	229.87
G. Net Budgetary Position (C-F)	-76.29	100.33	-35.87	96.76	81.98

8.66 Given the projected own sources of revenue (OSR) of GMC at Table-8.4 below paragraph 8.31 and its projected revenue expenditure at Table 8.10 below paragraph 8.59, the Net Balance from Current Revenues (BCR) of GMC for the period 2026-31 has been worked out as below at Table- 8.13

Table 8.13: Balances From Current Revenues, GMC

(Rs. in Crore)

Particulars	**2026-27 Est**	**2027-28 Est**	**2028-29 Est**	**2029-30 Est**	**2030-31 Est**	**2026-31 Est**
A. Total Revenue Receipt	194.88	212.43	231.54	252.38	275.12	1166.35
1) Tax Revenue	128.14	139.68	152.24	165.94	180.89	766.89
2) Non Tax Revenue	66.74	72.75	79.30	86.44	94.23	399.46
B. Revenue Expenditure	255.60	278.76	304.16	332.05	362.64	1533.21
C. Deferred Expenditure	14.25	14.25	-	-	-	28.50
D. Expenditure met by Government	1.63	1.79	1.97	2.17	2.39	9.95
E. Total Expenditure (B+C+D)	271.48	294.80	306.13	334. 22	365. 03	1571.66
F. BCR (A-E)	-76.60	-82.37	-74.59	-81.84	-89.91	-405.31
G. Net BCR (F-D)	-74.97	-80.58	-72.62	-79.67	-87.52	-395.36

(28)



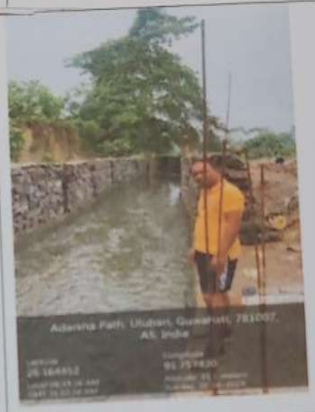
Desilting at Mora Bharalu River



Desilting at Bharalu River



Stormwater drain at AGP Goli



Stormwater drain near Superspeciality Hospital



Public Toilet at Dispur Supermarket



Cremation ground at Jyotikuchi

(27)

8.68 GIVEN BELOW ARE A FEW PANORAMIC VIEW OF INFRASTRUCTURAL MILESTONES CREATED BY GMC.





150 TPD RTScum 100 TPD MRFatOld Jail Campus





300 TPD Waste to Compost Plant at Belortol Plant

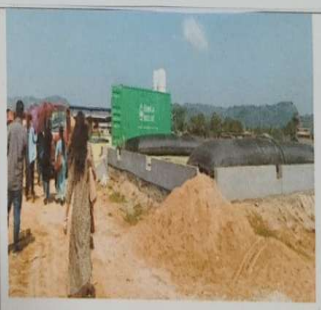


Mechanised road sweeping



Water sprinkler





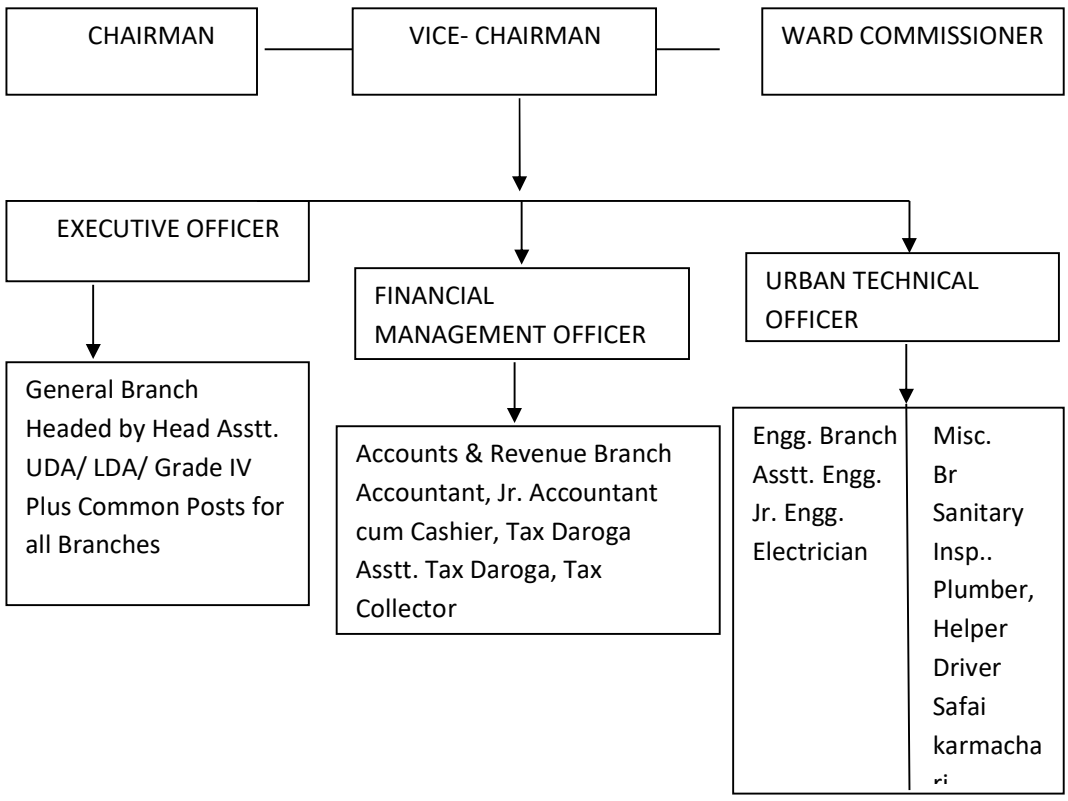
20 KLD Faecal Sludge Treatment Plant at Belortol

A. Revenue of Urban Local Bodies in General Areas

8.67 Having made an assessment of the finances of the Municipal Corporation, we now embark upon a review of the finances of other Urban Local Bodies (ULB) known as Municipal Board (MB). As stated in paragraph 8.6, there are now 82 MBs in the General Areas of Assam. However, two of the existing MBs have recently been upgraded to Municipal Corporations. Although upgraded, separate administrative structure for them are yet to be put in place. Having considered their fledgling status, for the purpose of their analysis, they are clubbed together with the MBs. Mention may be made that the previous SFC dealt with 80 MBs and thereafter only two new MBs have been created so far in the General Areas of Assam. The total population of the ULBs, other than GMC, is 24,61,212 as per 2011 census. The area covered by them is about 630 Sq KM and the number of ward is 1029 as per details at Annexure – 8.2.

8.68 The organizational structure of ULBs in the General Areas of Assam is as below :

Organisational Chart of ULBs



Sources of Revenue of ULBs

8.69 Broadly speaking, the principal sources of revenue of the ULBs are the following:

1. Own sources of revenue (OSR) from tax and non-tax measures statutorily allocated to them.
2. Devolution and grants-in-aid from GoA under award of SFC.

3. Grants-in-aid from GoI under award of SFC
4. Discretionary grants from GOI against Centrally Sponsored Schemes.

Tax Revenue of ULBs

8.70 The municipalities in the General Areas of Assam are vested with powers to impose taxes, fees and tolls within their respective limits under Section 68 of the Assam Municipal Act, 1956. The list of taxes, fees, and tolls leviable by them is at Annexure – 8.4.

8.71 In addition under Section 148, the Municipalities may use their own land or land acquired by them for the purpose of establishing or improving municipal markets, bus/truck/taxi/auto stand and parking lots and levy rent , tolls or fees on such amenities at rates prescribed by the Board.

8.72 The Municipalities are also vested with powers to impose tax upon immovable Property as per the provisions of the Assam Urban Immovable Property Tax Act, 1969 at the rate of the 3 per cent of the annual value of holdings.

8.73 Armed with taxation powers as noted above, the overall performance of the 82 MBs in General Areas of Assam in mobilizing OSR from tax and non-tax sources during the 5 year period 2019-2024 is summarized at Table – 8.14 below :

Table 8.14 OSR Mobilised by ULBs

(Rs Crore)

Tax Head	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	CAGR (%)
A. Tax Revenue						
1. Property Tax (Total)	25.12	28.94	31.33	47.02	57.65	10.4
i) House Tax	18.29	20.74	23.19	35.00	50.17	
ii) Water Tax	0.59	0.58	0.76	2.04	1.97	
iii) Scavenging Tax	1.25	1.60	1.00	1.23	0.66	
iv) Lighting Tax	1.46	1.79	1.61	2.25	0.62	
v) Urban Tax	3.53	4.23	4.77	6.50	4.23	
2. Market Tax	0.61	0.57	0.97	1.05	1.31	9.7
3. Others	1.81	1.71	2.35	3.84	3.35	8.2
Total-A-Tax Revenue	27.54	31.22	34.65	51.91	62.31	10.3
B. Non-Tax Revenue						
1. Trade License Fee	8.46	9.44	10.70	12.04	11.30	
2. Market Fee	19.26	13.94	17.46	25.40	25.19	

3. Slow Moving Vehicle	0.39	0.18	0.20	0.82	0.72	
4. Sale of Water	2.38	2.43	2.68	7.67	6.72	
5. Parking Fee	3.94	3.45	3.32	6.35	6.29	
6. Others	25.04	19.95	23.84	36.24	40.99	
Total-B-Non Tax Revenue	59.47	49.39	58.20	88.52	91.21	6.6
Grand Total (A+B)	**87.01**	**80.61**	**92.85**	**140.43**	**153.52**	**7.8**

8.74 It appears from the above Table that the trend of collection of both tax and non-tax revenue by the ULBs do not conform to any set pattern and the growth trajectory fluctuates up and down in an erratic manner. It has made the task difficult for the Commission to make an accurate projection for the future. An important feature emerges from the above Table is that property tax is the largest component of revenue for the ULBs. The yield from property tax varies from 30 percent to 38 percent of the total OSR of ULBs.

(a) Property Tax

8.75 The principal source of tax revenue of the ULBs is the property tax which in municipal parlance is also known as holding tax or house tax. It is a composite tax having four components (i) house tax, (ii) water tax, (iii) latrine tax and (iv) lighting tax. In addition, urban immovable property tax is also collected by the ULBs along with property tax.

8.76 As per Section 68(1) (a) read with Section 79 of the Assam Municipal Act, 1956, the basis of house tax is the Annual Rental Value (ARV) which is determined having regard to the rent that a holding is capable of fetching over a period of one year. Once the annual value is determined the rates of holding tax and other ancillary taxes collected along with it are fixed at a certain percentage of the annual value.

8.77 It will appear from Table-8.14 that holding tax collected by the ULBs was Rs 25.12 Crore in 2019-20 representing 28.9 percent of its OSR. It gradually went up to Rs 57.65 Crore in 2023-24 representing 37.5 percent of its OSR. The compounded annual growth rate (CAGR) over a period of 5 years being 10.4 percent.

8.78 In per capita terms, the collection of holding tax has gone up from Rs 102 in 2019-20 to Rs 234 in 2023-24. In this regard the performance of ULBs is far from impressive compared to GMC which has registered an increase in per capita collection from Rs 415 to Rs 1026 during the same period. It points to the need for ULBs to make an earnest endeavor to garner more revenues from this potential source allocated to them. That there is ample scope to do so is evident from taking a close look at the Demand Collection and Balance Statement (DCB) of property tax at Table-8.15 below:

Table – 8.15 Demand, Collection and Balance Statement of Holding Tax,

(Rs Crore)

Year	Current Demand	Arrears Demand	Total Demand	Total Collection	Percentage of Collection	Balance
2019-20	36.83	59.75	96.58	25-12	26	71.46
2020-21	39.03	85.34	124.37	28.94	23	95.43
2021-22	41.53	81.72	123.25	31.33	25	91.92
2022-23	45.96	85.61	131.57	47.02	36	84.55
2023-24	105.54	67.96	173.50	57.65	33	115.85

8.79 The above Table shows the extremely poor ratio between demand and collection of holding tax which varies from 23 percent to 36 percent during the period under consideration. It is abundantly clear from the DCB statement that there is enough scope to augment revenue collection from this source simply by tightening collection machinery.

8.80 Further, as per Section 79F of the Assam Municipal Act, 1956, the rate of tax once determined shall remain valid for a period of five years. At the expiration of every five year determination of rates shall take place afresh. This salient provision of the Act has not been meticulously followed by the ULBs and revision of rates remained over due for pretty long period entailing heavy sacrifice of revenue.

(b) Market Tax

8.81 The ULBs are authorized by Section 68 (1) (f) read with Section 74 of the Assam Municipal Act, 1956, to impose a tax on private market payable by the owner at rates determined by them with the approval of State Government, depending on the size and importance of such markets. In conformity with the above provision, market tax collected by the ULBs in FY 2019-20 was Rs 61 lakh which gradually went up to Rs 1.31 Crore in 2023-24.

(c) Other Taxes

8.82 Other taxes collected by the ULBs during 2019-20 amounted to Rs 1.81 Crore which gradually shot up to Rs 3.35 Crore in 2023-24. It is evident from Table 8.14 that the compounded annual growth rate of tax revenue mobilized by ULBs over the period of past five years was 10.3 percent. As such for the purpose of projection during the subsequent years, annual growth rate of 10 percent has been assumed.

2. Non-Tax Revenue of ULBs

8.83 By and large, the ULBs collect non-tax revenue from following sources like trade license fees, market fees, fees on slow moving vehicles, sale of water, parking fees,

fines and penalties etc. However, for a realistic analysis of item-wise performance, relevant data regarding number of registered trades, annual turnover, number of registered vehicles, markets, parking slots etc are not available. As such, the Commission has to rely on data furnished by the nodal department.

(a) Trade License Fees

8.84 In the category of non-tax revenue, trade license fee is the most prolific source of revenue for the ULBs. The ULBs are authorized to levy license fee in connection with trades and business under Section 68 (gg) of the AM Act, 1956. The aggregate collection from this source in 2019-20 was Rs 8.46 Crore and it went up to Rs 11.30 Crore in 2023-24 registering a compounded annual growth rate of 5.7 percent over the period of five years.

(b) Market Fees

8.85 In terms of annual yield, the collection from market fees tops the list in the group of non-tax revenue. The ULBs are authorized under Section 148 of the Act to use their own land or land acquired by them for the purpose of establishing or improving municipal markets and levy fees in such markets at the rates prescribed by them. In pursuance of the aforesaid provision, the aggregate collection from market fees in 2019-20 was Rs 19.26 Crore and it reached to Rs 25.19 Crore by 2023-24 displaying a compounded annual growth rate of 5.5 percent over a period of five years.

(c) Slow Moving Vehicles

8.86 The ULBs are permitted under Section 68 (g) of this Act to impose licence fees on carts, carriages and animals used for riding or burden. However, the collection from this sources is nominal and only Rs 39 lakh was collected in 2019-20 which went up to Rs 72 lakh in 2023-24.

(d) Sale of Water

8.87 The aggregate collection from sale of water in 2019-20 was Rs 2.38 Crore and it picked up to Rs 6.72 Crore in 2023-24 displaying CAGR of 13 percent

(e) Parking Fees

8.88 The ULBs are authorized under Section 148 of the Act to use their own land or land acquired by them for the purpose of establishing or improving bus stand, taxi stand, rickshaws stand and parking yard and levy fees at rates prescribed by them. The total collection from parking fees in 2019-20 was Rs 3.94 Crore and Rs 6.29 Crore in 2023-24 registering a CAGR of 7 percent over five years.

8.89 The overall collection from non-tax revenue during 2019-20 was Rs 59.47 Crore and Rs 91.21 Crore in 2023-24 recording a compounded annual growth rate of 6.7 percent over five years. The Commission has therefore adopted an annual growth of 7 percent over the actual of 2023-24 for the purpose of projection of non-tax revenue in

subsequent years. Based on the foregoing analysis and assumptions, the projected OSR of ULBs for the period 2026-27 to 2030-31 is at Table -8.16 below:

Table-8.16 Projected OSR of ULBs

(Rs Crores)

Tax Head	2023-24 Actual	2026-27 Est	2027-28 Est	2028-29 Est	2029-30 Est	2030-31 Est	2026-2031 Total
A. Tax Revenue							
1. Holding Tax	57.65	76.73	84.41	92.85	102.13	112.34	468.46
2. Market Tax	1.31	1.74	1.92	2.11	2.32	2.55	10.64
3. Others	3.35	4.46	4.90	5.40	5.93	6.53	27.22
Total-A	62.31	82.93	91.23	100.36	110.38	121.42	506.32
B. Non Tax Revenue							
1. Trade License Fee	11.30	13.84	14.81	15.85	16.96	18.15	79.61
2. Market Fee	25.19	30.86	33.02	35.33	37.80	40.45	177.46
3. Slow Moving Vehicle	0.72	0.88	0.94	1.01	1.08	1.16	5.07
4. Sale of Water	6.72	8.23	8.81	9.42	10.08	10.79	47.33
5. Parking Fee	6.29	7.71	8.24	8.82	9.44	10.10	44.31
6. Others	40.99	50.21	53.73	57.49	61.51	65.82	288.76
Total-B	91.21	11.73	119.55	127.92	136.87	146.47	642.54
Grand Total(A+B)	**153.52**	**194.66**	**210.78**	**228.28**	**247.25**	**267.89**	**1148.86**

B. Transfer from State Government

8.90 Transfer from State Government to the ULBs is usually routed through three channels (a) Share in State taxes as per recommendations of the SFC, (b) State taxes assigned to or appropriated by the local bodies and (c) grant-in-aid recommended by the SFC. Government of Assam has not, as yet, assigned any State taxes to the municipalities. Share of State taxes are transferred to the municipalities as devolution under the award of SFC. Grants recommended by SFC are tied to specific schemes intended to

create durable assets. As such, these grants may be treated as capital receipts. Table-9.17 below shows the devolution and grant recommended by the SFC and the corresponding release made by GoA.

Table-8.17 Transfer from State Government

(Rs Crores)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1. Devolution					
a) As recommended	135.83	87.76	96.86	112.79	127.42
b) Release by GoA	44.48	39.49	47.37	109.41	69.92
2. Grant					
c) As recommended	320.51	253.30	264.34	248.34	254.09
d) Release by GoA	-	48.41	-	-	-

Source: SFC Report, Finance Department, GoA

C. Transfer from Central Government

8.91 Transfer of funds from Central Government to local bodies usually takes place in the shape of grants-in-aid recommended by the CFC as well as funds provided by Central Ministries for performance of agency functions on behalf of them in respect of various Centrally Sponsored Schemes.

(i) CFC Grant

8.92 Local body grant as recommended by the CFC are of two types- (i) general purpose grant which are untied and left at the discretion of the local bodies for improved basic services and (ii) specific purpose grant which are tied and earmarked for schemes of national priorities. For the purpose of our analysis untied grant intended to improve basic services are treated as revenue receipt whereas earmarked grants are treated as capital receipt. Table 8.18 below shows the grant recommended by CFC vis-à-vis the release made by GoI.

Table-8.18 Transfer from Central Government

(Rs Crores)

Particulars	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual
1. Untied Grant					
a) Recommended	179.71	251.12	151.96	157.45	166.57
b) Released	179.71	251.12	151.96	157.45	148.83
2. Tied Grant					
a) Recommended	-	251.15	227.98	236.17	249.83
b) Released	-	251.12	227.98	236.17	220.34

(ii) Agency Functions

8.93 The agency functions by urban civic bodies relate to implementation of various Centrally Sponsored Schemes by them on behalf of GoI against funds received for this purpose from different Central Ministries. Some of the important Centrally Sponsored Schemes implemented by the ULBs are National Slum Development Programme, SJSRY, VAMBAY, JNNURM, IDSMT etc. Fund received for this purpose are treated as capital receipts as shown at Table-8.19 below:

Table-8.19 Fund for Agency Function

(Rs Crore)

Purpose	2019-20 Act	2020-21 Act	2021-22 Act	2022-23 Act	2023-24 Act
C.S.S	53.33	48.30	15.50	24.22	43.57

D. Capital Account Receipt

8.94 As stated earlier, tied grant from State Government under the award of SFC and tied grant from Central Government under the award of CFC have been treated as capita receipts. Besides, grant from Central Government against various Centrally Sponsored Schemes has also been treated as capital receipts. Table-8.20 below summarises capital receipts.

Table-8.20 Capital Receipts

(Rs Crores)

Sl. No.	Item	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual
1.	Tied Grant from SFC	-	48.41	-	-	-
2.	Tied Grant from CFC	-	251.12	227.98	236.17	220.34
3.	Grant from C.S.S	53.33	48.30	15.50	24.22	43.57
4.	Others	53.27	17.50	59.96	54.08	34.59
	Total	**106.60**	**365.33**	**303.44**	**314.47**	**298.50**

Expenditure on Revenue Accounts of ULBs

8.95 By and large, revenue expenditure of ULBs can be grouped under four broad categories viz., (a) expenditure on administration, (b) civic functions including maintenance of community assets, (c) expenditure incurred against untied funds from SFC and CFC and (d) agency functions on behalf of the Central Government against funds received for Centrally Sponsored Schemes. Again, expenditure on administration include (i) salary of regular employees, (ii) salary of employees drawing consolidated pay, (iii) wages of muster roll workers, (iv) remuneration of elected representatives, (v) employer's contribution to CPF, (vi) terminal benefits admissible to retired employees and (vii) office expenditure.

8.96 The overall trend of revenue expenditure of ULBs during the preceding five years from 2019 to 2024 is summarized at Table 8.21 below:

Table-8.21 Revenue Expenditure of ULBs

(Rs Crore)

Items	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual
1. Total Salary	92.94	90.33	98.45	120.38	115.18
i) Regular Employee	29.37	27.36	32.10	42.53	38.59
ii) Fixed Pay Employee	30.01	28.59	31.95	39.32	36.53
iii) Wages	20.52	21.34	21.36	25.49	27.02
iv) Remuneration	13.04	13.04	13.04	13.04	13.04
2. CPF Contribution	7.98	6.72	6.80	10.41	8.08
3. Terminal Benefits	4.23	1.86	3.17	7.10	7.91
4. Office Exp	11.77	13.70	10.73	15.78	16.21
5. Operation & Maintenance (Total)	32.58	29.27	36.66	53.58	55.47
i. Water Supply	2.98	2.67	4.35	6.76	7.97
ii. S.W.M	6.62	6.73	8.61	10.91	11.98
iii. Roads	5.93	5.56	4.86	8.83	9.31
iv. Drains	4.73	3.46	4.10	5.14	5.63
v. Street Lights	6.97	5.53	7.87	11.44	9.36
vi. Discretionary Services	5.35	5.32	6.87	10.50	11.22
6. C.S.S	14.52	12.12	5.94	14.03	8.66
7. Grand Total Rev Exp.	164.02	154.00	161.75	221.28	211.51

8.97 The above Table presents a dismal trend of revenue expenditure lacking consistency year to year. More importantly, the ratio between overhaul expenditure and expenditure on service delivery is totally unfair. For instance, in 2019-20 the expenditure on administration totaled to Rs. 116.92 crore constituting 71 percent of total revenue expenditure. In contrast, the expenditure on service delivery and maintenance of community assets in 2019-20 was Rs. 32.58 crore which accounted for barely 20 percent of total revenue expenditure. This position improved somewhat and the expenditure on service delivery went up to 26 percent of total revenue expenditure by 2023-24. However, this is not enough because citizens pay taxes on the expectation of getting better civic services both qualitatively and quantitatively. This points to the urgent need of curtailing establishment expenditure with a view to augmenting expenditure on core civic services.

(a) Expenditure on Administration

8.98 As stated at paragraph 8.70, the administrative structure of ULBs in General Areas of Assam consists of four branches, viz, (i) General Branch, (ii) Accounts & Revenue Branch, (iii) Engineering Branch and (iv) Miscellaneous Branch. It is reported that the existing sanctioned strength of posts in all branches covering 82 MBs is 3385 out of which regular staff in position now is 1523. Besides the regular posts another 1671 posts are filled up by employees drawing consolidated pay at different rates depending on the posts they hold. Accordingly, 191 posts are still lying vacant against the sanctioned strength of 3385 posts. Apart from the regular and fixed pay employees, the ULBs also engage muster roll (MR) workers on wage basis. As of now, there are 2332 MR workers.

8.99 It may be pointed out that unlike the PRIs the ULBs do not have any approved staffing pattern. Moreover, their employees are not provincialised like that of PRIs. On top of this their employees are not pensionable like that of their counterpart in GMC. The ULBs have simply adopted the State Government scales of pay for identical posts in their organization. However, salary burden rests squarely on the respective MB. In the absence of approved staffing pattern for ULBs, the number of employees varies from unit to unit depending on the size of the MB and more importantly on the paying capacity of each. The prevailing ground reality has led to an unprecedented situation where 54 MBs have reported accumulation of arrear pay of its employees amounting to a whopping sum of Rs. 102.32 crore and asked for redressal from the Commission.

(i) Salary & Wages

8.100 Salary and wages grab the lion share of administrative expenditure of ULBs. It is evident from Table-8.21 that expenditure on salary and wages went up from Rs. 92.94 crore in 2019-20 to Rs. 115.18 crore in 2023-24 displaying compounded annual growth rate of 5.2 percent over a period of five years. For the purpose of our analysis the salary and wage bill of ULBs has been broken down to four parts, (i) Pay and allowances of regular employees numbering 1523 borne on regular time scales of pay plus usual allowances as admissible, (ii) fixed pay employees numbering 1671 drawing on a average consolidated pay of Rs.18,000 pm. They are also eligible 7 percent hike in pay packet annually, (iii) Wages of muster roll workers numbering 2332 drawing average wage of Rs.10,000 pm and (iv) remuneration of elected representatives. The prescribed rate of remuneration for Chairman, Vice-Chairman and Ward Commissioner are Rs. 15,000, Rs. 12,000 and Rs. 10,000 respectively. The total number of wards covering 82 MBs are 1029. As such, there are 82 Chairman, 82 Vice-Chairman and 865 Ward Commissioners. The total financial implication per year is Rs. 13.04 crore as worked out at Table-8.22 below:

Table -8.22 Remuneration of Elected Representative of ULBs

Sl. No.	Designation	No.	Rate Per Month (Rs.)	Per Year (Rs. Crore)
1.	Chairperson	82	15,000	1.476
2.	Vice-Chairperson	82	12,000	1.18
3.	Ward Commissioner	865	10,000	10.38
	Total	**1029**		**13.036**

8.101 The actual expenditure on salary, wages and remuneration in the base year 2023-24 was Rs. 115.18 crore as per details shown below:

1.	Salary of Regular Employees	Rs. 38.59 crore
2.	Salary of Fixed Pay Employee	Rs. 36.53 crore
3.	Wages of MR	Rs. 27.02 crore
4.	Remuneration	Rs. 13.04 crore
	Total	**Rs. 115.18 crore**

8.102 The actual expenditure of 2023-24 has been adopted as the base and projected during the subsequent years assuming annual growth rate of 10 percent in respect of salary of regular employees, 7 percent in case of fixed pay employees, 3 percent in case of wages and keeping the remuneration of elected representatives as constant.

8.103 Employer's contribution to CPF and terminal benefits of retired employees have been projected at an annual growth rate of 5 percent over the base year figures of Rs. 8.08 crore and Rs. 7.91 crore respectively.

8.104 Office expenditure during 2019-20 was Rs. 11.77 crore and it went up to Rs. 16.21 crore in 2023-24 which has been projected at a annual growth of 7 percent in subsequent years.

8.105 The foregoing paragraphs (8.100 to 8.106) read with Table-8.21 reveals that establishment expenditure went up from Rs. 116.92 crore in 2019-20 to Rs. 147.38 crore in 2023-24, while in the same period own revenue collection by the ULBs, both from tax and non-tax sources, varied from Rs. 87.01 crore to Rs. 153.52 crore. It indicates that in 2019-20, own revenue collection failed to keep pace with establishment expenses and it exceeded own revenue significantly. However, the position improved somewhat and in 2023-24 own revenue not only covered the overheads but left a modest surplus of Rs. 6.14 crore. It is absolutely necessary to carry forward this trend vigorously in coming years.

Operation and Maintenance Expenditure

8.106 Operation and maintenance expenditure includes cost of service delivery covering water supply, sanitation and solid waste management, roads, drains, street light and other discretionary services. It also includes maintenance of community assets. The aggregate expenditure on O&M during 2019-20 was Rs. 32.58 crore and it shot up to Rs. 55.47 crore in 2023-24. The actual level of expenditure in 2023-24 has been adopted as the base and projected at an annual growth of 10 percent for the subsequent years.

8.107 Based on the analysis and assumptions above, and adopting the level of expenditure attained in 2023-24, as the base, the revenue expenditure of ULBs has been projected as at Table-8.23 below:

Table -8.23 Projected Revenue Expenditure of ULBs

(Rs. Crore)

Sl. No.	Item	2023-24 Actual	2026-27 Est.	2027-28 Est.	2028-29 Est.	2029-30 Est.	2030-31 Est.	2026-31 Total
1.	Salary Total	115.18	138.68	147.83	157.75	168.48	180.13	792.87
	I. Regular Employees	38.59	51.36	56.50	62.15	68.36	75.20	313.57
	II. Fixed Pay Employees	36.53	44.75	47.88	51.24	54.82	58.66	257.35
	III. Wages	27.02	29.53	30.41	31.32	32.26	33.23	156.75
	IV. Remuneration	13.04	13.04	13.04	13.04	13.04	13.04	65.20
2.	CPF Contribution	8.08	9.35	9.82	10.31	10.83	11.37	51.68
3.	Terminal Benefit	7.91	9.16	9.61	10.10	10.60	11.13	50.60
4.	Office Expenditure	16.21	19.86	21.25	22.74	24.33	26.03	114.21
5.	Operation & maintenance	55.47	73.83	81.21	89.33	98.27	108.10	450.74
6.	CSS	8.66	-	-	-	-	-	-
	Grand Total	**211.51**	**250.88**	**269.72**	**290.23**	**312.51**	**336.76**	**1460.10**

E. Expenditure Incurred Directly by State Government

8.108 Recently, State Government has created the following 292 posts for the ULBs in the scale of pay noted against each plus usual allowance as admissible:

Sl. No.	Designation	No. of Post	Scale of Pay (Rs.)	Grade Pay (Rs.)
1.	Executive Officer	96	30,000-1,10,000	12,700
2.	Finance Management Officer	100	30,000-1,10,000	12,700
3.	Urban Tech Officer	96	30,000-1,10,000	12,700

8.109 The average salary per month for each of the posts is about Rs. 80,000 and the annual financial involvement for 292 posts has been worked out at Rs. 28.03 crore. This amount is being met by budgetary support extended by State Government. Accordingly, this amount though reflected in revenue expenditure has been deducted while calculating the revenue gap of ULBs.

G. Deferred Expenditure

8.110 Out of 82 MBs, 54 MBs have preferred a claim amounting to Rs. 102.32 crore on account of accumulated arrears of pay to their employees. However, the proposal lacks further details about the periodicity of the arrear. The list of defaulting MBs

with the amount of arrear against each is at Annexure-8.5. The Director of Municipal Administration has forwarded the list to the Commission seeking redressal. It is a whopping sum indeed, and its liquidation in a single installment is likely to create budgetary imbalance for the State. Nevertheless the problem cannot be wished away. With a view to reducing one time pressure on State Finance, the Commission recommends the amount may be liquidated in five equal installments of Rs. 20.464 crore each beginning from FY 2026-27. This amount has been built in the revenue estimates of ULBs in respective years, which will constitute the first charge on release of devolution fund.

H. Capital Expenditure

8.111 Capital expenditure is incurred by ULBs against grants received from SFC, CFC and also for agency functions performed on behalf of GoI against funds received from them. However, segregated figures of expenditure related to sources of fund are not available. Total capital expenditure incurred during the period 2019-20 to 2023-24 is summarized at Table-8.24.

Table -8.24 Capital Expenditure of ULBs

(Rs. Crore)

	2019-20 Actual	**2020-21 Actual**	**2021-22 Actual**	**2022-23 Actual**	**2023-24 Actual**
Total Capital Expenditure	221.61	168.03	210.00	210.21	340.26

I. Net Budgetary Position of ULBs

8.112 Net budgetary position of ULBs during the five year period under consideration from 2019-20 to 2023-24 is summarized at Table-8.25 below:

Table -8.25 Net Budgetary Position

(Rs. Crore)

Sl. No.	**Particular**	**2019-20 Actual**	**2020-21 Actual**	**2021-22 Actual**	**2022-23 Actual**	**2023-24 Actual**
A.	Revenue Receipt					
I.	Tax Revenue (Table-8.14)	27.54	31.22	34.65	51.91	62.31
II.	Non-Tax Revenue (Table-8.14)	59.47	49.39	58.20	88.52	91.21
III.	SFC Devolution	44.48	39.49	47.37	109.41	69.92
	Total-A-Rev. Rec.	131.49	120.10	140.22	249.84	223.44
B.	Capital Receipt					
1.	SFC Grant		48.41			
2.	Tied Grant CFC		251.12	227.98	236.17	220.34

3.	Untied Grant CFC	179.71	251.12	151.96	157.45	148.83
4.	CSS Grant	53.33	48.30	15.50	24.22	43.57
5.	Others	53.27	17.50	59.96	54.08	34.59
	Total-B-Cap. Rec.	286.31	616.45	455.40	471.92	447.33
C.	Grand Total Rec. (A+B)	417.80	736.55	595.62	721.76	670.77
D.	Total Rev. Exp. (Table 8.21)	164.02	154.00	161.75	221.28	211.51
E.	Total Capital Exp.	221.61	168.03	210.00	210.31	340.26
F.	Grand Total Exp. (D+E)	385.63	322.03	371.15	431.59	551.77
G.	Net Position (C-F)	32.17	414.52	223.87	290.17	119.00

Source: State Finance Department for CFC, SFC Grant, Directorate of MAD for others.

8.113 In the above Table, the net budgetary position of ULBs exhibited an uncommon feature of budgetary surplus occurring in all the years under consideration. This has given rise to a paradox of having plenty of money on the one hand and on the other scarcity of fund to pay employees salary. This has happened due to less spending against tied grants received under the award of both SFC and CFC. If these grants are taken out from the receipt side, the budgetary surplus will turn into deficit. Anyway, the budgetary surplus cannot be diverted to any other purpose less so for meeting salary burden. The budgetary surplus also got widened due to divergence of data relating to fund received from SFC and CFC. As reported by Directorate of MAD, fund received under the award of SFC and CFC during the concerned five-year period was Rs. 1910.11 crore. Whereas the figure reported by the State Finance Department for the same period was Rs. 2189.76 crore. The Commission has adopted the figures obtained from Finance Department. As a result, budgetary surplus has increased by Rs. 273.65 crore during this period. Anyway, these accumulated budgetary surpluses are subject to adjustment in course of time based on submission of utilization certificates by the concerned ULBs. However, it is commonplace that submission of utilization certificates by the ULBs in time bound manner is a matter of deep concern.

8.114 Given the projected own source of revenue of ULBs for the period of 2026-2031 as at Table-8.16 below para-8.91 and its projected revenue expenditure for the same period at Table-8.23 below paragraph 8.109, the BCR of ULBs for the five-year period 2026-31 has been worked out at Table-8.26 below:

Table -8.26 Balance from Current Revenues of ULBs

(Rs. Crore)

Sl. No.	Item	2026-27 Est.	2027-28 Est.	2028-29 Est.	2029-30 Est.	2030-31 Est.	2027-31 Total
A.	Revenue Receipt						
i.	Tax Revenue (Table-8.16)	82.93	91.23	100.36	110.38	121.42	506.32
ii.	Non-Tax Revenue (Table-8.16)	111.73	119.55	127.92	136.87	146.47	642.54
	Total-A-Rev. Rec.	194.66	210.78	228.28	247.25	267.89	1148.86
B.	Revenue Expenditure (Table-8.23)	250.88	269.72	290.23	312.51	336.76	1460.10
C.	Deferred Expenditure (Arrear Salary)	20.464	20.464	20.464	20.464	20.464	102.32
D.	Exp. Met by GoA	28.03	30.83	33.92	37.31	41.04	171.13
	Total-B-Rev. Exp.	299.374	321.014	344.614	370.284	398.264	1733.55
E.	BCR (A-B)	(-) 104.714	(-) 110.234	(-) 116.334	(-) 123.034	(-) 130.374	(-) 584.69
F.	Net BCR (E-D)	(-) 76.684	(-) 79.414	(-) 82.414	(-) 85.724	(-) 89.334	(-) 413.56

KEY ACHIEVEMENTS OF THE, Directorate of Municipal Administration, ASSAM
(FY 2021-22 to FY 2024-25)

Group picture of the newly inducted Assam Urban Administrative Cadre- Eos





Group picture of the newly inducted Assam Urban Financial Service -FMO & Assam Urban Engineering Service- UTO

NEWSPAPER CLIPPINGS FOR LEGACY WASTE MANAGEMENT WORKS

Tinsukia in Assam becomes first district in NE to be legacy waste-free

GUWAHATI MAR 11: Tinsukia District Administration in coordination with five Municipal Boards in the district viz Tinsukia, Doomdooma, Digboi, Margherita & Makum Municipal Board had started an ambitious initiative of making the district legacy waste free in the month of March, 2023.

The first project was started by pooling in Oil India Limited CSR fund for bio-mining of Legacy Waste of Tinsukia and Makum Municipal Board. 75,000 Metric Ton (MT) of waste has been treated in the dumpsite at Tingrai, Tinsukia since then. This has been an emotional issue for the people of the region since a long time, as people were not able to pass the area in Tinsukia Duliajan Road due to bad smell and filthy flies buzzing all around.

Additionally, in Doomdooma Municipal Board 18,000 Metric Ton (MT) has been treated while in Digboi and Margherita 25,000 and 30,000 Metric Ton (MT) of wastes respectively have been processed utilising the bio-mining technique, making the district total of 1.53 Lakh Metric Ton (MT) within the span of a year.



It marks the commitment of Assam government in fulfilling its Green Agenda in line with the guidelines issued by the NGT. The agency trusted to execute these projects in all the ULBs is M/s Call And Fix.

Swapneel Paul, District Commissioner, Tinsukia has stated that treatment of waste in all the sites combined have yielded more than 80 Bighas of reclaimed land near the Urban Centres of the district which can now be used for developmental activities.

He has also mentioned that an MoU was executed with Dalmia Cement where refuse- derived fuel (RDF) coming out as a by-product of the process are sent to the cement factories for their utilization. This initiative has made Tinsukia a model district in reclamation of land through biomining of legacy wastes.

SNAPSHOTS OF THE TRANSFORMATION UNDERTAKEN FOR LEGACY WASTE MANAGEMENT



SNAPSHOTS OF THE TRANSFORMATION UNDERTAKEN FOR LEGACY WASTE MANAGEMENT










NORTH LAKHIMPUR
BEFORE
AFTER
DOOMDOOMA
MUNICIPAL BOARD
BEFORE
AFTER
Neglected and cluttered
Clean and vibrant


Before & After (Tinsukia MB)
Before & After (Titabar MB)
Before & After (Goalpara MB)
Before & After (Mariani MB)
OPERATIONAL FSTPS IN ASSAM

Installation of Streetlights

- 15,535 standalone all-in-one solar LED streetlights installed across all ULBs to promote renewable energy and improve urban lighting
- 1,438 high mast LED streetlights installed across all ULBs to enhance safety and security for urban residents, especially children, women, and the elderly

Nalbari ULB

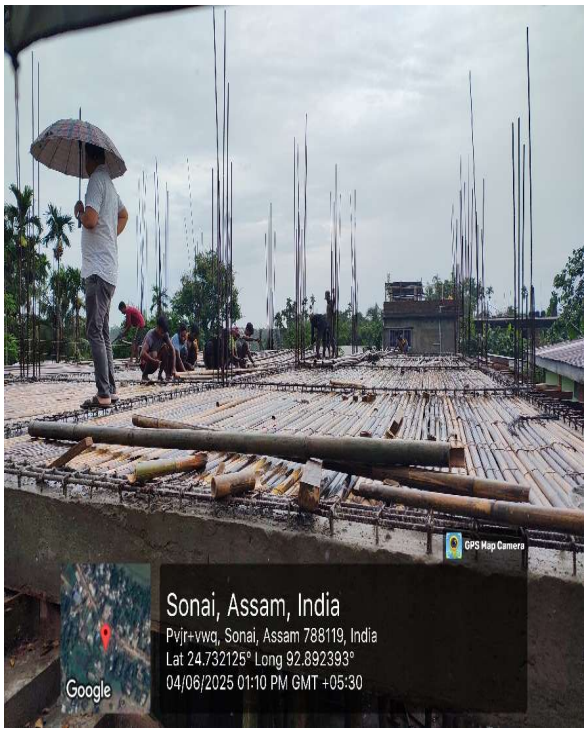




COMPILATION OF SNAPSHOTS FROM THE FIELD

1. Construction of new office buildings for newly created MBs-

a) Sonari ULB









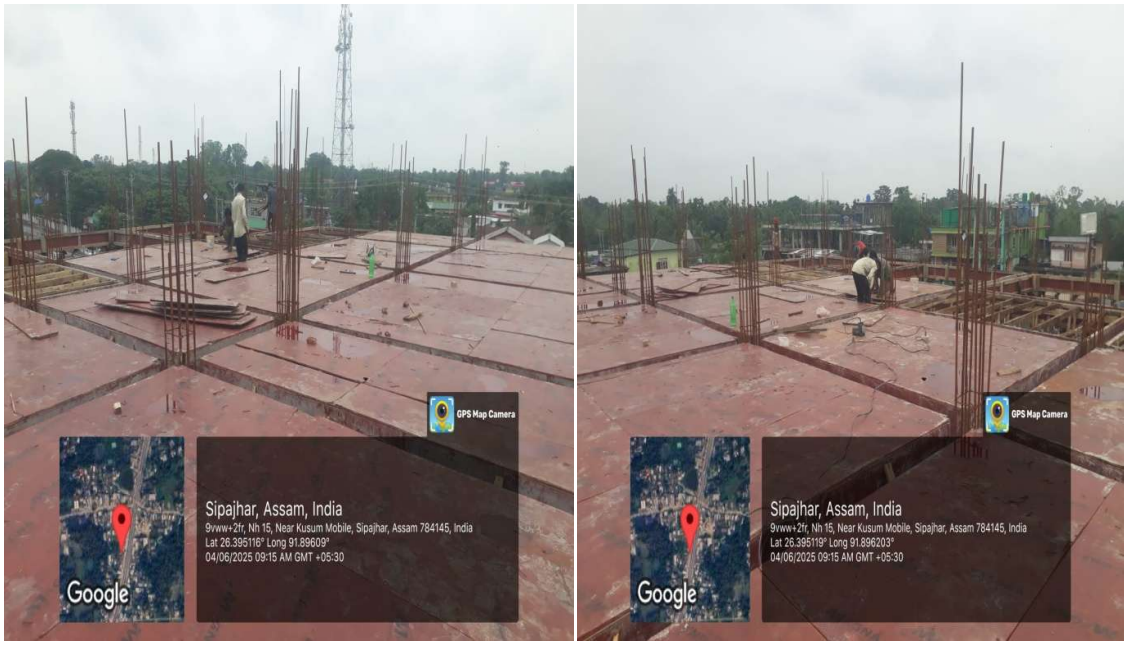
b) Gokulganj ULB







c) Sipajhar ULB



d) Dhubri ULB



e) Nagaon ULB



I. Review of Fiscal and Financial Management

8.115 It can be said without mincing words that municipal administration in Assam is yet to be put in place on a firm footing in conformity with the basic tenets envisaged in the 74th Constitutional Amendment followed by the Twelfth Schedule. A cursory look into the ground realities will reveal the prevailing deplorable condition. The present scenario is marked by rapid growth of urbanization followed by large scale migration of people from rural to urban areas in search of better life and livelihood. This urban centric mad rush of people has thrown a fresh challenge before the urban civic bodies in terms of required land and physical infrastructure for providing quality services. Notable features discernible in urban areas in general are gradual degradation of wet land, indiscriminate felling of trees, rampant earth cutting on hilly slopes removing top soils leading to chocking up of outlets through which rain water could be discharged. On top of this, haphazard constructions of multi-storied buildings with scant regard to norms have further worsened the situation. It has generally been observed that promoters/builders very often build some extra floor violating the approved blue print thereby hazarding the life of inmates. They also pay little regard in constructing approach road with required breadth to ensure free movement of fire brigade and other service vehicles. Needless to say all new constructions should have proper drainage system accompanied by water harvesting/recycling facilities as well as greenery and parking slots within the campus. The concerned authority granting building permission will make regular visit to the construction sites to ensure compliance of these norms by the builders. In this backdrop, a common sight in almost all cities and towns of Assam after a mild or moderate shower is flashflood

inundating vast stretches of land making life miserable for urban dwellers. In this trying situation, the ULBs face the uphill task of providing core civic services, with limited resources at their command.

8.116 As a matter of fact, complete decentralization of functions along with functionaries and fund is the sine qua non for effective fiscal and financial management. In this context, the 12th Schedule inserted by 74th Amendment of the Constitution listed 18 subjects for devolution to ULBs, 9 subjects form part of the traditional functions of ULBs and as such may be construed as their inherent subjects for which activity mapping is redundant. The Assam Municipal Act, 1956 as amended in 2011 also treated the 9 traditional functions of ULBs as their inherent subjects but did not consider transfer of Fire Service to municipalities. Further, the Act stipulated that the remaining 8 subjects listed in the 12th Schedule shall stand transferred to the respective municipalities with functionaries partially placed at their disposal. Thus activity mapping seems to have been completed with the passing of the Amendment Act. However, the transfer of functionaries and funds to municipalities remained rather elusive. Moreover, placing of functionaries partially at the disposal of municipalities seems an untenable proposition. On the whole the extent of decentralization as it stands now remained to be seen. In this context the Amended Act entrusted the follow up action to a Committee headed by the Minister-in-charge of the nodal department which shall meet from time to time to monitor the progress. However, any report from the Committee is still lacking.

8.117 In the matter of devolution of functionaries a notable feature is that recently GoA, with a view to mitigating the shortage of staff in the ULBs has created 17 posts for GMC and 292 posts for other ULBs in the ranks of Executive Officer, Financial Management Officer and Urban Technical Officer. This is, no doubt, a laudable effort in the sphere of manpower deployment.

8.118 Given the present position of decentralization it is apparent that complete devolution of 3Fs to the ULBs is yet to take place. While an attempt has been made to transfer the relevant subjects this has not been equally supported by corresponding transfer of funds and functionaries. As a result nothing tangible has happened so far. Moreover, the Committee constituted to oversee the progress of devolution of 3F's has not met so far, thus the most important aspect of evaluation and monitoring remained unaddressed.

8.119 Coming back to the issue of fiscal and financial management it is pertinent to mention that a sound management system, inter alia, implies how best the civic bodies have been able (i) to exploit the own sources of revenue, (ii) to focus rationally on expenditure management, (iii) to maintain transparency and accountability in all transactions and (iv) to mobilize additional resources from sources available to them.

Internal Revenue Mobilisation

8.120 As a matter of fact, internal revenue mobilization (IRM) by the ULBs refer to full exploitation of the potential of tax and non-tax sources of revenue allocated to them staying within the existing framework of tax rate, tax base etc. By and large, it also indicates the extent of their efforts in mobilizing resources and their efficiency in collection.

8.121 Property tax is the single largest source of revenue for the ULBs and it virtually forms the bed rock of their Own Source of Revenue (OSR). For instance, property tax constituted 52 percent of the OSR of GMC in 2019 and it gradually soared to 65 percent in 2023. Similarly, in ease of other ULBs put together this ratio was 29 percent in 2019 and 38 percent in 2023. In per capita terms, the yield from property tax raised from Rs 415 in 2019 to Rs 1026 in 2023 in case of GMC. In case of other ULBs, it raised from Rs 102 to Rs 234 in the same period. Nevertheless, it is a matter of serious concern that ULBs in general have failed to exploit the full potential of this important source of revenue. This is evident from the poor demand-collection ratio and the ratio of assessed property to total property. In 2023, GMC collected only 47 percent of the total demands for that year. The position is worse in respect of other ULBs which collected only 33 percent of total demand for that year. On top of this, the average collection of property tax by the ULBs in Assam as a proportion of GSDP was 0.01 per cent 2023. This ratio in respect of the country as a whole was 0.2 percent in 2016, which itself is considered very low compared to other countries of the world. In this context, the XV-CFC, quoting World Bank Report, observed that India compares unfavourably with OECD (Organisation for Economic Cooperation and Development) countries in terms of revenue from property tax. In 2016, while the average collection from property tax as proportion of GDP was about 1.1 percent in OECD countries, it was only about 0.2 percent in India. The position is worse compared to other countries like Canada, the UK and the USA where the ratio between property tax and their respective GDP is about 3 percent.

8.122 Several factors are responsible for low yield from property tax. These are under-valuation of land and property, incomplete tax register due to absence of formal count of properties liable to tax, policy inadequacy and ineffective administration. More importantly, it is the lack of accurate property tax records with the ULBs that adversely affect collection. In fact, these bottlenecks hold good to all other sources of revenue collected by the ULBs besides property tax. As a matter of fact, the performances of ULBs in the matter of IRM leave much to be desired. There is enough scope to augment revenue without raising tax rates simply by broadening and deepening the base, improving collection efficiency, increasing demand-collection ratio, updating valuation method, reducing undesirable exemption and penalizing habitual offenders of tax default.

Expenditure Management

8.123 In the matter of rational expenditure management, the track record of ULBs is far from satisfactory. It is a common feature that staff salary and other administrative expenditure grab the lion share of their total revenue expenditure thereby leaving precious little for delivery of core civic services. It appears from the pattern of expenditure of GMC, that in FY 2019-20 its expenditure on salary and administration was about Rs 105 Crore representing 60 percent of its revenue expenditure of Rs 176 Crore in that year. Likewise in FY 2023-24 its salary and administrative expenditure mounted to Rs 145 Crores representing 75 percent of its revenue expenditure. It indicates that expenditure on service delivery has declined from 40 percent of revenue expenditure in 2019-20 to 25 percent in 2023-24, which is not at all desirable.

8.124 Similarly in case of other ULBs put together, the expenditure on salary and administration in FY 2019-20 was about Rs 117 Crore representing 71 percent of their total revenue expenditure of Rs 164 Crore. On the contrary, in FY 2023-24 the overhead expenditure was Rs 147 Crore constituting 69 percent of its total revenue expenditure of Rs 212 Crore. Consequently, expenditure on service delivery which was 29 percent of revenue expenditure in 2019-20 marginally increased to 31 percent in 2023-24 which is not very significant.

8.125 It appears from the above that the existing expenditure pattern of ULBs is not congenial to tax payers who expect more and better civic services in return for tax paid. This points to the need of expenditure compression, wherever possible avoidable expenditure should be curtailed so as to increase expenditure on service delivery. This can be achieved through out sourcing of services in areas like solid waste management, street lighting, garbage collection, parking lots, etc.

Transparency and Accountability

8.126 In the matter of financial and fiscal consolidation, transparency and accountability are of paramount importance. The basic parameters in sustaining transparency and accountability are budgeting, accounting and audit of accounts in a time bound manner. At the first instance, budget should be prepared annually in the format prescribed by the Comptroller and Auditor General of India (CAG) and adopted by the State Government. Second, accounts should be maintained in the format prescribed by the CAG and Internal Auditor appointed by each unit. Finally, accounts should be audited initially by the Internal Auditor followed by statutory auditor. Director of Audit, Local Fund (DALF) Assam is the primary auditor of ULBs in the State besides all tiers of PRIs. The Directorate conducts audit of local funds with the help of 20 Circle Offices each headed by an Assistant Director at the district level. It is entrusted to conduct audit of about 9357 accounts including that of 2401 PRIs and 128 ULBs in the state. Considering the enormity of the task the Directorate is not properly equipped to cope with it more so to extend full coverage. Accordingly, they carry out audit on a selective basis. As such, the number of units taken up for auditing in a particular year is decided in advance which is always far less than the total number of ULBs. Moreover, the number of units actually audited falls far short of the target fixed. For instance, in 2020-21 the number of units planned for auditing was 69, but the number of units actually audited was 37 resulting in a shortfall of 32 in a single year. Similar is the position of ULB audit by DALF in every year. Further, the follow up action on the Annual Consolidated Audit Report of DALF remained unattended thereby weakening the accountability mechanism.

8.127 Besides DALF, audit of ULBs is also conducted by the CAG. However, CAG being the secondary auditor for the local bodies in Assam, only selective audit of ULBs done by them. As such, during the span of 5 years from 2017 to 2021, accounts of 115 ULBs were audited by the CAG. The follow up actions on the audited ULBs was dismal. The Principal Accountant General (Audit) Assam issued altogether 72 Inspection Reports (IR) and 758 outstanding paragraphs to the concerned ULBs relating to the 5 years under consideration asking for compliance with the observations contained in the IRs and audit paragraphs. Regrettably, compliance from

either the audited ULBs or the State Government is still pending indicating that audit observation was not taken seriously. Further, the report of CAG on Local Bodies is required to be laid before the State legislature for discussion by the Committee on Local Fund Accounts constituted by the State legislature. However, it is observed that the Report of CAG for the year 2013-14 has so far been discussed by the said Committee.

8.128 Thus the prevailing position of audit reveals that the twin objectives of transparency and accountability, so vital in the functioning of a democratic organization have been seriously undermined in case of ULBs in Assam.

Additional Resource Mobilisation

8.129 Additional resource mobilization (ARM) is an integral part of effective fiscal management. Moreover, the perennial mis-match between revenue and expenditure of ULBs points to the urgent need of augmenting revenue through ARM. Resources can be mobilized additionally through (i) tapping full potential of existing sources, (ii) imposing fresh levies in areas hitherto remained unexploited, (iii) loan from government and financial institutions and (iv) entering the market through floatation of bonds.

8.130 Raising additional resources from the existing sources available to the ULBs has already been discussed in the foregoing paragraphs relating to IRM. However, some of the salient features bear repetition. Undoubtedly, property tax is the most potent source of revenue for the ULBs but it suffers from a heavily skewed demand-collection ratio which needs to be rectified immediately. The register of properties needs to be updated on a regular basis so as to bring new properties within the fold of taxation. For this purpose, GIS system of mapping properties may be adopted. The Assam Municipal Act, 1956 provides for reassessment of properties at the expiration of every 5 years. There is no such provision in the Gauhati Municipal Corporation Act, 1971. Nonetheless, reassessment of properties should unvariably be done at the expiry of every 5 years with a view to augmenting revenue from this source. The under valuation of land adversely affect the yield from property tax. The land value may be periodically revised so as to keep pace with the soaring market price of land.

8.131 The ULBs shall be able to increase their revenue substantially from trade license fees through periodic revision of rates adjusted to inflation. There is tremendous scope of expanding the tax base through inclusion of numerous new trades and professions that are coming up abundantly.

8.132 Municipal markets may be settled by lease inviting e-tenders fixing minimum value.

8.133 There is immense scope to augment municipal revenue by dispensing with unauthorized and undesirable exemption of taxes and also by imposing penalties on habitual tax dodgers.

8.134 Tax defaulters seeking any kind of civic services from the municipalities should be asked to clear their tax dues first before extending the service sought for.

8.135 Hotels, restaurants and other business premises may be appropriately penalized for violation of waste disposal norms in their door steps.

8.136 It may be considered to display the names of habitual tax defaulters in prominent public places.

Fresh Taxes

8.137 It is a matter of common knowledge that imposition of fresh taxes evokes public ire and very often meets with stiff resistance. However, if quality and quantity of service can be assured by the municipalities, public apathy to fresh taxes is likely to be wiped out.

8.138 There is sufficient scope for the ULBs to augment their revenue from trade license fees by revising the rates regularly and incorporating new enterprises, trades and professions that are growing rapidly like shopping malls, multiplexes, restaurants, eateries, marriage halls, paying guest (PG) hostels, nursing homes and clinics etc. All these emerging trades and professions should be incorporated in the schedule of taxes under trade license fees.

8.139 Another important source of revenue for the urban civic bodies is tax on advertisements and hoardings, other than advertisements published in news papers. Under Section 173 of the GMC Act, GMC is authorized to levy tax on advertisements and hoardings and GMC collects fairly large amount from this source. In the absence of similar provision in the Assam Municipal Act, 1956, other ULBs are deprived of this prolific source of revenue. The other ULBs may also be authorized to levy tax on advertisement and hoarding, if necessary, by making amendment to relevant Act and Rules.

Loan From Financial Institution

8.140 Additional resources mobilization by local bodies through raising of loan from financial institutions like LIC. GIC, Banks etc had been experimented many times in the past but with disastrous effect. The concerned civic bodies failed to pay interest regularly, not to speak of repayment of principal. As a result, the amount of loan snow-balled disproportionately over the years. Ultimately, the State Government, as the guarantor of loan, had to shoulder the burden of repayment. Therefore, utmost circumspection will be necessary to consider thus option once again.

Issue of Bonds

8.141 In regard to raising of loan from the market by the municipalities through issue of bonds, the Third and the Fourth ASFC looked into this aspect and observed that the ULBs in Assam were not in a position to access the capital market on a standalone basis because of their lack of credit worthiness and professional skill. Rather, the Third ASFC recommended that as in Tamil Nadu, GoA may nominate a State level financial entity like Assam Financial Corporation or NEDFi to raise funds by issue of bonds for a small number of ULBs combined in a group, who otherwise would not be able to issue bonds on their individual financial strength. The Fourth ASFC also upheld the views of the Third.

8.142 Finally, additional resources mobilization is of paramount importance for attaining fiscal and financial consolidation. Hence, local bodies should appreciate the urgent need of mobilizing resources additionally so as to reduce their perennial dependence on State and Central governments for financial support. Further, financial autonomy is not sustainable merely by depending on external sources of finance. Against the backdrop of dismal financial position of ULBs, it is incumbent upon them to make no holds barred efforts to mobilize resources from OSR. In order to make the effort result

oriented, a target of collection may be fixed at the beginning of each year and review of performance done at the close of the year with reference to the target. Those who fulfilled the target may be suitably rewarded while under performer may be taken to task.

Assessment of Finances of ULBs
(Schedule VI Areas)

8.143 It may be recalled that in terms of the provision of Article 243 (ZC) inserted under 74th Amendment of the Constitution, the Schedule VI Areas of Assam were kept outside the purview of the Amendment and treated as excluded areas. However, despite the exclusion factor, the Tenth Central Finance Commission (CFC) which submitted its report during the intervening period, recommended a portion of its local body grant for the excluded areas also. Similarly, following the precedent of Tenth CFC, the Eleventh, the Twelfth and the Thirteenth CFCs also recommended certain portion of their local body grant for the excluded areas. For the first time, the Fourteenth CFC concluded that they cannot recommend grant to areas where the Amendments do not apply. In view of the stand taken by the Fourteenth CFC, the Government of Assam (GoA) has to reconstitute the Fifth Assam State Finance Commission (ASFC) to revisit its report earlier submitted, having regard to the finances of local bodies in Schedule VI Areas.

8.144 As a matter of fact, the role of ASFCs in treatment of local bodies belonging to the excluded areas had rather been limited. For instance, the First to Fifth SFCs of Assam did not consider the requirements of local bodies in the excluded areas as they were not entrusted to do so by their respective ToR. As stated earlier, only the reconstituted Fifth ASFC looked into this aspect for the remaining four years of its report 2016-2020.

8.145 For the first time, the ToR of the Sixth ASFC required that Commission to make an assessment of the resources of local bodies in the excluded areas and to make recommendations for devolution and grants-in-aid to them.

8.146 In this regard, sl No 7 of the ToR of the present Commission entrusted it to make recommendations on devolution and grants-in-aid to the local bodies of three Autonomous Councils (AC) under the Sixth Schedule. In accordance with the said provision of ToR, the Commission has undertaken a review of the finances of local bodies in Schedule VI Areas.

Profile of Sixth Schedule Areas of Assam

8.147 Before embarking on a review of finances of local bodies in Sixth Schedule Areas, it may not be out of context, to take a look at the demographic features of Schedule VI Areas of Assam as it stands now. Following the enactment of North Eastern Areas (Reorganisation) Act, 1971 the Sixth Schedule Areas of Assam were confined to two hill districts of Karbi Anglong and North Cachar Hills. The latter was subsequently renamed as Dima Hasao district. Meanwhile, Karbi Anglong district has been split into two by creation of a new district viz., West Karbi Anglong district. The jurisdiction of Schedule VI Areas of Assam remained as such till the creation of Bodoland Territorial Council (BTC) in February, 2003.

8.148 In accordance with the Sixth Schedule to the Constitution of India (Amendment) Act, 2003, the BTC was created consisting of four districts, viz., Kokrajhar, Udalguri, Chirang and Baksa. Subsequently, Tamulpur was upgraded to a district, taking the number of districts in BTC to five. The BTC was carved out of the existing 8 plain districts of the Brahmaputra Valley viz., Kokrajhar, Dhubri, Bongaigaon, Barpeta, Nalbari, Kamrup, Darrang and Sonitpur. Out of the 5 districts of BTC, only Kokrajhar was an existing district HQ while Udalguri was a sub-division. The remaining three were below sub-divisional level entities. As such, physical infrastructures were not commensurate with that of a district HQ and had to be gradually upgraded involving large expenditure.

8.149 The demographic feature of Schedule VI Areas of Assam as it stands now after creation of BTC us depicted at Table-8.27

Table- 8.27 Demographic Feature of Schedule VI Areas of Assam

SI No.	Features	KAAC	DHAC	BTC	Total
1.	Date of Creation	23-06-1952	29-04-1952	10-02-2003	-
2.	Area (sq km)	10,434	4,890	8,970	24,294
3.	Population Total (2011 Census)	9,56,313	2,14,102	31,51,047	43,21,462
	i) Rural	8,43,347	1,51,613	30,10,953	40,05,913
	ii) Urban	1,12,966	62,489	1,40,094	3,15,549
4.	Density (sq km)	91.65	43.78	351.29	177.88
5.	No. of Districts	2	1	5	8
6.	No. of Villages	2922	695	3128	6745
7.	No. of TVDC/VDC	843	28	420	1291
8.	No. of Sub-Division	4	2	10	16
9.	No. of Revenue Circle	4	5	31	40
10.	No. of Dev. Block	11	5	33	49
11.	No. of Executive Member	14	14	17	45
12.	No. of ULB	22	7	16	45
	i) MB	9	4	16	29
	ii) TC	13	3	-	16

Source: Population- Statistical Handbook Assam 2020
Others: Respective AC

8.150 The above Table reveals that after creation of BTC the area under Sixth Schedule of Assam totalled to Rs 24,294 sq km which accounts for about 31 percent of the geographical area of the state. As per 2011 Census, the total population of Sixth Schedule Areas is 43,21,462 constituting about 14 percent of State's total population. The average density of population of the excluded areas is about 178 per sq of km.

8.151 The two hill districts of Karbi Anglong and Dima Hasao which originally constituted the excluded areas of Assam together occupy an area of 15,324 sq km and inhabitated by 11,70,415 people representing nearly 19 percent of the total area and about 4 percent of the total population. The combined density of population per sq km being 76.

8.152 On the other hand, the total area of BTC is 8970 sq km representing 11.4 percent of the total area of the State. Its total population is 31,51,047 which is about 10 percent of State's total population. The population density per sq km is about 351.

Administration of Excluded Areas

8.153 The administration of excluded areas has been entrusted to duly constituted Autonomous Councils. At present, there are three ACs for Karbi Anglong, Dima Hasao and BTC with headquarters at Diphu, Haflong and Kokrajhar respectively. The AC consist of maximum 30 Members, both elected and nominated. In KAAC, 26 Members are elected and 4 nominated. Whereas in DHAC, 24 members are elected and 4 nominated. On the contrary, BTC consists of 46 members, 40 elected and 6 nominated. Out of 40 elected members, 30 seats are reserved for ST, 5 for non-tribal community and 5 open to all communities. The AC is headed by a Chairperson assisted by Deputy Chairperson. However, the day to day administration is carried on by the Executive Council (EC) headed by Chief Executive Member (CEM). Besides the CEM, each AC has a fixed number of Executive Members appointed by the Governor on the advice of the CEM. All executive functions of the ACs are vested with the EC. There is a separate Secretariat for each AC headed by a Principal Secretary deputed by GoA.

8.154 The ACs have been vested with executive, legislature and judicial functions encompassing their inherent and entrusted subjects. By and large, their inherents subjects consist of land use, jhum cultivation, primary education, forests, fisheries, markets, cattle ponds, ferries, etc. Apart from their inherent subjects, 30 subjects have been delegated to KAAC and DHAC with funds and functionaries by GoA.

8.155 Similarly, 39 subjects have been delegated to BTC. Consequent upon the 73rd and 74th Amendments, the subjects listed in Schedules XI and XII are also supposed to be delegated to them. It was further envisaged that to finance the expenditure on entrusted and delegated subjects, the GoA will release funds on half yearly basis and the ACs will submit detailed accounts monthly to the Accountant General (AG), Assam.

Taxation Powers of Autonomous Councils

8.156 In respect of taxation powers of AC's, para 8 of the Sixth Schedule empowers them to levy and collect (i) taxes on land and buildings and tolls on person, (ii) taxes on professions, trades, callings and employment, (iii) taxes on animals, vehicles and boats, (iv) taxes on entry of goods into a market for sale and tolls on passengers and goods carried in ferries and (v) taxes for the maintenance of schools, dispensaries and roads.

8.157 Apart from the above, para 9 of the Sixth Schedule provides that such share of royalties accruing each year from licences and lesses for extraction of minerals granted by the State Government, shall be made over to the respective Council where from such royalties accrued.

Profile of Revenue Account of ACs

8.158 Based on revenues collected from own sources pitted against their revenue expenditure, the resultant revenue gap of the ACs for FY 2020-21 to FY 2023-24 is summarised at Table 8.28 below:

Table-8.28 Profile of Revenue Account of ACs

(Rs Crore)

Autonomous Council	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual
A. KAAC				
1. Tax Revenue	65.07	95.69	101.11	128.02
2. Non Tax Revenue	23.99	13.96	13.69	16.50
3. Total Revenue	89.06	109.65	114.8	144.52
4. Total Revenue Expenditure	207.01	192.14	283.89	338.23
5. Revenue Gap(3-4)	-117.95	-82.49	-169.09	-193.71
B. DHAC				
1. Tax Revenue	89.99	48.91	79.57	132.87
2. Non Tax Revenue	-	-	-	-
3. Total Revenue	89.99	48.91	79.57	132.87
4. Total Revenue Expenditure	127.73	82.80	99.66	195.68
5. Revenue Gap (3-4)	-37.74	-33.89	-20.09	-62.81
C. BTC				
1. Tax Revenue	7.01	8.99	13.48	15.41
2. Non Tax Revenue	46.20	70.14	79.26	64.54
3. Total Revenue	53.21	79.13	92.74	79.95
4. Total Revenue Expenditure	276.65	266.69	355.98	325.10
5. Revenue Gap (3-4)	-223.44	-187.56	-263.24	-245.15
D. Grand Total (A+B+C)				
1. Tax Revenue	162.07	153.59	194.16	276.30
2. Non Tax Revenue	70.19	84.10	92.95	81.04
3. Total Revenue	232.26	237.69	287.11	357.34
4. Total Revenue Expenditure	611.39	541.63	739.53	859.01
5. Total Revenue Gap (3-4)	-379.13	-303.94	-452.42	-501.67

Source: State Government*'s Memorandum to the 16th Finance Commission*

8.159 It appears from the above Table that the three ACs together collected own revenues worth Rs 232.26 Crore during FY 2020-21. In per capita terms it works out to Rs 538. In contrast, their expenditure during the year amounted to Rs 611.39 Crore representing Rs 1415 in per capita terms. Similarly, in FY 2023-24 their own revenue collection amounted to Rs 357.34 Crore accounting for Rs 827 in per capita terms. Whereas, their expenditure in the same period went up to Rs 859.01 Crore or Rs 1988 in per capita terms. This gives a rough account of the perennial mis-match between their receipt and expenditure.

Status of ULBs in Sixth Schedule Areas

8.160 It may be mentioned that, Panchayati Raj System never existed in the two hill districts of Karbi Anglong and Dima Hasao. It was only after the enactment of 73rd Amendment, that they felt the necessity of creating Village Development Council with a view to availing Finance Commission grant. However, in BTC areas, PRIs existed before creation of BTC which were subsequently abolished with the creation of BTC. Again they also felt the need of creating VDC for the purpose of availing FC grant.

8.161 On the contrary, in all Sixth Schedule areas, ULBs function in the same manner as in the General areas. However, the Assam Municipal Act, 1956 which is applicable to ULBs in General Areas has also been adopted for the ULBs in BTC. Whereas, KAAC and DHAC have framed separate set of rules for their ULBs. As in General Areas, the distinction between Municipal Boards (MB) and Town Committees (TC) has been abolished in case of ULBs in BTC. However, KAAC and DHAC retained the distinction between MB and TC.

8.162 As listed at Annexure-8.6, there are altogether 45 ULBs in Sixth Scheduled Areas of Assam of which 29 are MBs and 16 TCs. The Council wise breakup is KAAC- 9 MBs and13 TCs, DHAC-4 MBs and 3 TCs and BTC-16 MBs. Table-8.29 below shows the breakup of ULBs among the three Autonomous Councils.

Table-8.29 Number of ULBs in Scheduled-VI Areas

Sl. No.	Name of Autonomous Councils	Municipal Board	Town Committee	Total
1.	KAAC	9	13	22
2.	DHAC	4	3	7
3.	BTC	16	-	16
	Total	**29**	**16**	**45**

8.163 It may be recalled that total number of ULBs in Scheduled-VI areas as reported by the previous SFC was 22 consisting of 9 each in KAAC and BTC and 4 in BTC. Surprisingly, within a short span, 23 new ULBS have been created taking the total number to 45 which is more than double the existing number. Out of 23 newly created bodies, 13 were in KAAC, 3 in DHAC and 7 in BTC. Accordingly, on an average the ratio of population per MB in Excluded Areas as a whole stands at about 15,000. Council wise average ratio is 12,000 in KAAC, 14,000 in DHAC and 19,000 in BTC. In contrast, during the same period only 2 new ULBs have been created in the General Areas of Assam and the average population per MB is about 30,000. Needless to say,

this indiscriminate expansion in number of ULBs, with utter disregard to viability consideration, has raised obligatory expenditure tremendously. This has resulted in huge accumulation of arrear pay to the employees which are beyond the capacity of the concerned ULBs to pay. Eventually, the financial burden will pass on to the State Government. Hence, in future the Autonomous Councils may exercise utmost circumspection in creating new bodies be it rural or urban. Further, while mulling the idea of creating a new local body, measures like administrative, economic and financial viability considerations may take precedence over other issues.

Net Budgetary Position of ULBs

(Scheduled-VI Areas)

8.164 Based on data collected from the respective Autonomous Councils regarding the income and expenditure of ULBS and further from the State Finance Department about the release of funds to local bodies under the awards of State and Central Finance Commissions, the net budgetary position of ULBs in the Excluded Areas for the 5 years period 2019-24 is summarized in Table-8.30 below:

Table-8.30 Net Budgetary Position of ULBs

(Rs in crore)

Sl. No.	Item	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual
	KAAC					
1.	Own Source of Revenue	2.52	3.15	3.39	4.47	4.88
	I) Tax Revenue	1.27	1.28	1.89	2.23	2.74
	II) Non Tax Revenue	1.25	1.87	1.5	2.24	2.14
2.	SFC Devolution	3.24	6.61	16.13	17.74	19.52
3.	CFC Untied Grant		16.2	9.8	10.16	8.24
4.	Total Revenue Rec(1+2+3)	5.76	25.96	29.32	32.37	32.64
5.	Total Capital Receipt	24.42	39.82	33.46	57.28	28.45
	I) SFC Grant		7.26	1.8		
	II) CFC Tied Grant		16.2	14.72	15.24	16.13
	III) Others	24.42	16.36	16.94	42.04	12.32
6.	Total Receipt (4+5)	30.18	65.78	62.78	89.65	61.09
7.	Revenue Expenditure	27.85	21.48	20.56	28.87	76.48
	I) Establishment	12.75	10.4	12.02	18.16	66.11
	II) Operation & Maintenance	15.08	11.08	8.51	10.66	10.34
	III) Others	0.02		0.03	0.05	0.03
8.	Capital Expenditure	33.99	32.64	25.89	68.52	38.37
9.	Total Expenditure (7+8)	61.84	54.12	46.45	97.39	114.85
10.	Net (6-9)	-31.66	11.66	16.33	-7.74	-53.76
	DHAC					

1.	OSR	2.09	3.1	1.92	2.67	3.38
2.	SFC Devolution	6.41	2.24	5.46	6.01	6.61
3.	CFC Untied Grant		7.88	4.78	4.94	4.51
4.	Total Revenue Receipt (1+2+3)	8.5	13.22	12.16	13.62	14.5
5.	Total Capital Receipt	15.11	9.45	8.14	8.68	10.36
	I) SFC Grant			1		
	II) CFC Tied Grant		7.88	7.14	7.41	7.85
	III) Others	15.11	1.57		1.27	2.51
6.	Total Receipt (4+5)	23.61	22.67	20.3	22.3	24.86
7.	Revenue Expenditure	7.56	5.98	4.96	6.59	14.86
8.	Capital Expenditure	15.14	12.89	7.51	11.95	7.79
9.	Total Expenditure (7+8)	22.7	18.87	12.47	18.54	22.65
10.	Net (6-9)	0.91	3.8	7.83	3.76	2.21
	BTC					
1.	Total Own Source of Revenue	3.5	3.76	4.32	6.9	7.5
	I) Tax Revenue	1.01	1.08	1.23	2.25	2.94
	II) Non Tax Reveue	2.49	2.68	3.09	4.65	4.56
2.	SFC Devolution	2.7	8.2	20.31	23.65	13.36
3.	CFC Untied Grant		16.88	10.22	10.38	10.34
4.	Total Revenue Rec(1+2+3)	6.2	28.84	34.85	40.93	31.2
5.	Total Capital Receipt	56.24	25.08	18.31	15.87	16.78
	I) SFC Grant	16.14	8.2	2.99		
	II) CFC Tied Grant		16.88	15.32	15.87	16.78
	III) Others	40.1				
6.	Total Receipt (4+5)	62.44	53.92	53.16	56.8	47.98
7.	Revenue Expenditure	18.96	15.69	14.32	19.54	17.88
	I) Establishment	5.16	4.49	3.85	12.17	7.77
	II) Operation & Maintenance	12.9	4.36	7.29	3.8	8.32
	III) Others	0.9	6.84	3.18	3.57	1.79
8.	Capital Expenditure	56.48	10.78	24.9	8.72	20.79
9.	Total Expenditure (7+8)	75.44	26.47	39.22	28.26	38.67
10.	Net (6-9)	-13	27.45	13.94	28.54	9.31

8.165 From the above table one point that brings out prominently is that the main source of revenue of the ULBs in all the Councils is funds receives under the dispensation of Central and State Finance Commissions. But there is wide divergence between the amounts as reported by the respective Autonomous Councils and that received from State Finance Department. The figures reported by Finance Department is much

larger than the amount as reported by the respective Autonomous Councils. The Commission adopted the figures obtained from Finance Department. As a result, the net budgetary position of ULBs as submitted by the respective Autonomous Councils has been substantially improved.

Projected Revenue Receipt and Expenditure of ULBs
(Schedule VI Areas)

8.166 Given the latest available actual of revenue receipt and expenditure for the FY 2023-24 which has been adopted as the base, the estimates of subsequent years up to 2031 has been made assuming appropriate annual growth rate. In the absence of item wise details of collection of tax and non-tax revenue, the own sources of revenue of the ULBs has been proposed to be projected assuming as annual growth of 8 percent over the base year level. Similarly, in case of revenue expenditure salary component is the main item of expenditure. However, the breakup of salary having fixed elements like consolidated pay, wage and honorarium are not reported separately. Hence, for the purpose of projection an annual growth of 8 percent over the base year level on total salary has been assumed. However, in case of KAAC, 2022-23 has been adopted as the base since the level of salary expenditure in 2023-24 was unduly high. Operation and maintenance of community assets being the core civic service of ULB, an annual growth of 10 percent has been assumed over the base level.

8.167 In this context a major challenge before the Commission is the treatment of deferred liability. Both KAAC and DHAC have reported huge accumulation of arrear pay to their employees. The reported amount is Rs. 34.7348 crore for KAAC and Rs. 24.9784 crore for DHAC totalling to Rs.59.7132 crore. Further, the arrear started accumulating from FY 2013-14 in case of KAAC and FY 2008-09 in case of DHAC. It is beyond comprehension why this has been allowed to accumulate over such a long period instead of preferring the clalim earlier to previous Finance Commissions or the Government. It has now assumed a serious proportion which is much beyond the size of their annual revenue budget. Considering the size of the amount, one time settlement seems out of question. Since, the liability cannot be ignored, the payment may be phased over a period of 5 years. The ULB wise break up of deferred liability is listed below:

List of Deferred Liability

A. KAAC

Sl. No.	Name of ULB	Amount (Rs lakh)
1.	Diphu MB	615.87
2.	Bakalia MB	471.86
3.	Langhin MB	114.58
4.	Howraghat MB	80
5.	Dokmoka MB	91.44
6.	Dongkamokham MB	347.76
7.	Baithgalangso MB	64.7
8.	Hamren MB	750.37
9.	Bokajan MB	432.49
10.	Manja TC	120.43

11.	Phuloni TC	37.53
12.	Dengaon TC	32.39
13.	Samalangso TC	56.78
14.	Rongmengre TC	68.09
15.	Deither TC	10.12
16.	Dolamara TC	10.12
17.	Borlangpher TC	32.09
18.	Zirikindeng TC	103.41
19.	Jengkha TC	27.61
20.	Dhansiri TC	5.64
	Total-A-KAAC	**3473.48**

B. DHAC

Sl. No.	Name of ULB	Salary	Pension	Amount (per lakhs)
1	Haflong MB	842.76	402.36	1245.12
2	Maibong MB	272.49	31.41	303.90
3	Mahur MB	908.82	40.00	948.82
	Total-B-DHAC	**2024.07**	**473.77**	**2497.84**

C. Grand Total (A+B) - 5971.32

8.168 Based on the analysis and assumptions in foregoing two paragraphs, the projected revenue receipt and expenditure of the ULBs in Excluded Areas and the resultant revenue gap during the 5 years commencing from 2026-27 has been worked out at Table-8.31.

Table-8.31 Revenue Gap of ULBs (Excluded Areas)

(Rs Crore)

Particulars	2023-24 Actual	2026-27 Est.	2027-28 Est.	2028-29 Est.	2029-30 Est.	2030-31 Est.	2026-31 Total
1.KAAC							
A.Total OSR	4.88	6.15	6.64	7.17	7.74	8.36	36.06
B.Total Revenue Expenditure	29.98	45.5	48.86	52.51	56.49	60.5548	263.9148
I) Salary	19.61	24.7	26.68	28.81	31.12	33.61	144.92
II) Operation & Maintenance	10.37	13.8	15.18	16.7	18.37	20.21	84.26
III) Deferred Expenditure		7	7	7	7	6.7348	34.7348
C.Revenue Gap (A-B)	-25.1	-39.35	-42.22	-45.34	-48.75	-52.1948	-227.8548
2.DHAC							
A.Total OSR	3.38	4.26	4.6	4.97	5.36	5.79	24.98
B.Total Revenue Expenditure	14.86	23.72	25.22	26.83	28.58	30.4484	134.7984
I) Salary							
II) Operation &	14.86	18.72	20.22	21.83	23.58	25.47	109.82

Maintenance							
III) Deferred Expenditure		5	5	5	5	4.9784	24.9784
C.Revenue Gap (A-B)	-11.48	-19.46	-20.62	-21.86	-23.22	-24.6584	-109.8184
3.BTC							
A.Total OSR	7.5	9.45	10.2	11.02	11.9	12.85	55.42
B.Total Revenue Expenditure	17.88	23.25	25.37	27.7	30.24	33.02	139.58
I) Salary	7.77	9.79	10.57	11.42	12.33	13.32	57.43
II) Operation & Maintenance	10.11	13.46	14.8	16.28	17.91	19.7	82.15
C.Revenue Gap (A-B)	-10.38	-13.8	-15.17	-16.68	-18.34	-20.17	-84.16
Total Revenue Gap of Excluded Areas		**-72.61**	**-78.01**	**-83.88**	**-90.31**	**-97.0232**	**-421.8332**

8.169 To sum up, the Commission has so far undertaken a detailed discussion on finances of ULBs both in the General and Excluded Areas of Assam. In respect of General Areas the discussion has been confined to two groups. The first one deals with the Municipal Corporation i.e, GMC leaving aside two other nascent corporations which were recently upgraded. The second group deals with all other MBs in General Area including two newly created corporations. In Excluded Areas our study relates to MBs and TCs in there ACs of KAAC, DHAC and BTC. Accordingly, in the process of our discourse the BCR or the revenue gap of the concerned ULBs has been worked out separately as shown in Table-8.32.

Table-8.32 Balance from Current Revenues of ULBs

(Rs Crore)

Particulars	**2026-27 Est**	**2027-28 Est**	**2028-29 Est**	**2029-30 Est**	**2030-31 Est**	**2026-31 Total**
A. General Areas						
1.GMC (As per para 8.67, Table-8.13)	-74.97	-80.58	-72.62	-79.67	-87.52	-395.36
2.Other ULBs (para 8.116, Table-8.26)	-76.684	-79.404	-82.414	-85.724	-89.334	-413.56
Total-A	-151.654	-159.984	-155.034	-165.394	-176.854	-808.92
B. Excluded Areas						
1.KAAC (para 8.170, Table-8.31)	-39.35	-42.22	-45.34	-48.75	-52.1948	-227.8548
2.DHAC	-19.46	-20.62	-21.86	-23.22	-24.6584	-109.8184

3.BTC	-13.80	-15.17	-16.68	-18.34	-20.17	-84.16
Total-B	-72.61	-78.01	-83.88	-90.31	-97.0232	-421.8332
C.Grand Total (A+B)	**-224.264**	**-237.994**	**-238.914**	**-255.704**	**-273.8772**	**-1230.7532**

8.170 From the above it appears that the overall revenue gap of ULBs , both in the General Areas and Excluded Areas of Assam has been estimated at (-) Rs.1230.7532 crore over a period of 5 years. The revenue gap so estimated is proposed to be covered by devolution recommended by the Commission as per annual phasing shown in the above Table.

Grant-in-Aid for meeting felt needs of ULBs in General Areas

8.171 On assumption of office the Commission started its proceedings by circulating a well calibrated questionnaire asking data on various aspects of local bodies concerning their demographic, physical, financial and economic features. In reply to the questionnaire the data received were not in the manner desired mostly unkempt and full of inconsistencies. In a word these were grossly inadequate to serve the intended purposes i.e., to make an accurate assessment of their need vis-à-vis finances available under the present dispensation. More importantly, the questionnaire asked the local bodies to indicate the requirements of funds for their felt needs intended to improve service delivery in areas like public health and sanitation, solid waste management, roads, drainage, street lighting, public toilets, parks etc.

8.172 In response to the questionnaire, the Commission received fairly large number of proposals from the concerned authorities seeking additional funds for creation and upgradation of physical infrastructures so as to enable them to deliver civic services most efficiently and effectively. However, the proposals received lacked essential details about number of units, measurement of units, unit cost etc. Moreover, in financial term the proposals involve a staggering sum which will be difficult for the Commission to accommodate fully. Obviously, the Commission has to keep in view the financial position of the State Government. In this conspectus, there is no option before the Commission but to be selective and pick and choose. It is expected that the recommendations made by the Commission in the shape of devolution to cover revenue gap will enable the local bodies to retain substantial surplus funds after meeting current liabilities which can be utilized for meeting their felt needs.

8.173 In respect of creation/upgradation of physical infrastructure, the Commission received two proposals simultaneously from GMC, one from the Mayor and another from the Commissioner, indicating the funds required for five year period 2026 to 2031. The details of both the proposals are shown at Table-8.33 below:

Table -8.33

(Rs. Crore)

Sl. No.	Item	Proposal from Mayor GMC	Proposal from Commissioner, GMC
1.	Storm Water Drainage	95.57	1.00
2.	Solid Waste Management (Equipment)	196.44	76.80

3.	Roads and Drains	318.54	900.00
4.	Street light	61.23	175.00
5.	Public Toilet	80.70	12.00
6.	Culverts	-	4.00
7.	Markets	80.00	-
8.	Urban Flood Mitigation (Equipment)	53.97	-
9.	Urban Flood Mitigation	345.10	0
10.	Buildings	50.00	3.00
11.	Revenue Expenditure	1017.96	-
12.	e-Governance	5.30	-
13.	Preservation of Water bodies and Cultural Heritages	-	50.00
	Total	**2304.81**	**1221.80**

8.174 It is evident from the above Table that the proposals submitted by GMC are not only voluminous in monetary terms but also contain some overlapping and superfluous items as well. Hence, it is considered appropriate to moderate the proposals combining the essence of both. The proposal as moderated by the Commission is shown at Table-8.34 below:

Table -8.34 Felt Needs of GMC

(Rs. Crore)

Sl. No.	Item	Amount Recommended by the Commission
1.	Construction/Renovation of Roads	300.00
2.	Storm Water Drainage	100.00
3.	Solid Waste Management (Equipment)	76.85
4.	Street Light	61.25
5.	Public Toilet	12.00
6.	Market Development	65.00
7.	Flood Mitigation Equipment	53.95
8.	Office Building	50.00
9.	e-Governance	5.30
10.	Preservation of Water bodies and Cultural Heritages	20.00
	Total	**744.35**

8.175 The Commission recommends Grant-in-Aid of Rs. 744.35 crore to GMC for five years commencing 2026-27 at the rate of Rs. 148.87 crore annually against items and amount noted against each in the above Table.

8.176 The Director, Municipal Administration (DMA), Assam, has submitted two separate proposals for grants for infrastructure development of ULBs in General Areas of Assam covering 82 MBs. The total financial implication of both the proposals put together amounted to a hefty sum of 3947.45 Crore over a period of 5 years.

However, having regard to its probable impact on State finances, the Commission has reduced the amount asked for to some extent. The amount proposed by DMA vis-à-vis the amount recommended by the Commission is shown at Table-8.35 below:

Table-8.35 Grants-in-Aid to ULBs in General Areas

(Rs. in Crore)

Sl. No.	Items	As proposed by DMA	Recommended by Commission (Rs	Remarks
	A. First Proposal			
1.	Road and Culvert	1435.00	410.00	Rs 1 Cr per MB per year.
2.	Storm Water Drainage	320.00	307.50	0.75 Cr
3.	SWM (Equipment)	103.70	102.50	0.25 Cr
4.	Street Light, LED	60.00	60.00	
5.	Street Light, High	72.00	70.00	
6.	Preservation of Water Bodies	20.00	20.00	
7.	Cultural Heritage	17.50	15.00	
8.	E- Governance	17.50+40.00	55.00	
	B. Second Proposal			
9.	Social Forestry	103.75	41.00	0.10 Cr
10.	Conservancy (Equipment)	100	-	
11.	Cremation/Burial Ground	95.00	41.00	0.10 Cr
12.	Market Complex	275.00	61.50	0.15 Cr
13.	Green Wood Park	88.00	41.00	0.10 Cr
14.	Maintenance of Water Supply	200.00	-	
15.	Maintenance of Assets	500.00	-	
16.	Drain and Road	500.00	-	
	Total (A+B)	**3947.45**	**1224.50**	

8.177 From the above Table it appears that against the proposal of Rs 3947.45 Cr submitted by Director, MAD, the Commission has recommended grants amounting to Rs 1224.50 Crore for the five year period 2026-31 at the rate of Rs 244.90 Crore per year against items and amount noted against each. The interse distribution among 82 MBs will be made by DMA with the approval of DoHUA.

8.178 In addition the DMA has submitted a proposal for grant of Rs 62.10 Crore for meeting the spillover liability of Sixth SFC. It is stated that the said amount has been approved by SLMC and administrative approval has also been accorded but unlikely to be spent during the current financial year. In this regard it may be pointed out that the tenure of Sixth SFC has been extended upto FY 2025-26 and there is still 7 months left for the year to come to an end. Hence, it is too early now to treat this as a spillover scheme to

the next year. In spite of this if it does happen, it can be accommodated next year under SOPD.

8.179 In this context, it is pertinent to mention that the Director, MAD has submitted another proposal for one time incentive grant to 7 newly created MBs as listed below:

Table -8.36

Sl. No.	Name of MB	Date of Creation	Annual Grant (Rs. Crore)	Total (Rs. Crore)
1	Sonari	02/05/2015	1	5
2	Golukganj	27/09/2016	1	5
3	Sootea	31/07/2017	1	5
4	Jamugurihat	31/07/2017	1	5
5	Ramkrishna Nagar	22/12/2017	1	5
6	Sipajhar	22/12/2017	1	5
7	Patharkandi	2024	1	5
		Total	**7**	**35**

8.180 It appears from the above list that other than Sipajhar and Patharkandi, all other MBs were created between 2015 to 2017, thereby, they were benefited by the award of previous State and Central Finance Commissions. Nevertheless, during our field visits, it has been observed that the small ULBs irrespective of their date of creation had been facing acute problems of own resource generation due to lack of administrative and infrastructural facilities. In view of this the Commission recommends grant of Rs 17.50 Crore for five years at the rate of Rs 0.50 Crore per year to each MB listed above.

Grants to ULBs in Excluded Areas

8.181 In the matter of recommending grants to the ULBs in Excluded Areas, the Commission has been greatly handicapped due to absence of formal proposals from the respective Councils. Hence, grants to ULBs in Excluded Areas has been recommended for 2026-31 based on the analogy of General Areas. Amount recommended item wise is shown at Table-8.37 below.

Table -8.37

SI No	Items	KAAC (22 ULB) Amount Recommended	DHAC (7ULB) Amount Recommended	BTC (16 ULB) Amount Recommended	Remarks
1.	Construction of Road	110.00	35.00	80.00	Per ULB Per Year 1 Cr
2.	Storm Water Drainage	82.50	26.25	60.00	0.75 Cr
3.	SWM (Equipment)	27.50	8.75	20.00	0.25 Cr
4.	Street Lights	33.00	10.50	24.00	0.30 Cr
5.	Social Forestry	11.00	3.50	8.00	0.10 Cr

6.	Cremation/Burial Ground	11.00	3.50	8.00	0.10 Cr
7.	Market Complex	16.50	5.25	12.00	0.15 Cr
8.	Green Wood Parks	11.00	3.50	8.00	0.10 Cr
9.	E-Governance	11.00	3.50	8.00	0.10 Cr
Total		**313.50**	**99.75**	**228.00**	

8.182 In this context it may be pointed out that during this period new ULBs created in the Excluded Areas are 23 consisting of 13 TCs in KAAC, 3 TCs in DHAC and 7 MBs in BTC. As in the General Areas, the Commission recommends grant-in-aid of Rs. 0.50 crore annually and Rs. 2.50 crore for 5 years to each of the newly created ULB in Excluded Area. The total amount recommended is Rs. 11.50 crore annually and Rs. 57.50 crore for five years as per Council wise break up shown at Table-8.38 below:

Table -8.38

Sl. No.	Name of AC	No. of ULBs	Rate per year (Rs. Crore)	Annual (Rs. Crore)	Total (Rs. Crore)
1.	KAAC	13	0.50	6.50	32.50
2.	DHAC	3	0.50	1.50	7.50
3	BTC	7	0.50	3.50	17.50
	Total	**23**	**1.50**	**11.50**	**57.50**

8.183 The purpose wise and year-wise phasing of grants-in-aid recommended for the ULB in General and Excluded Areas is summarized at Table-8.39

Table -8.39 Configuration of Grants-in-Aid to ULBs

(Rs. Crore)

Sl. No.	Purpose	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
	A-General Areas						
	(i) GMC						
1.	Construction / Renovation of Rods	60.00	60.00	60.00	60.00	60.00	300.00
2.	Storm Water Drainage	20.00	20.00	20.00	20.00	20.00	100.00
3.	S.W.M. (Equipment)	15.37	15.37	15.37	15.37	15.37	76.85
4.	Street Light	12.25	12.25	12.25	12.25	12.25	61.25
5.	Public Toilet	2.40	2.40	2.40	2.40	2.40	12.00
6.	Market Development	13.00	13.00	13.00	13.00	13.00	65.00
7.	Flood Mitigation (Equipment)	10.79	10.79	10.79	10.79	10.79	53.95
8.	Office Buildings	10.00	10.00	10.00	10.00	10.00	50.00
9.	e-Governance	1.06	1.06	1.06	1.06	1.06	5.30
10.	Preservation of Waterbodies & Cultural Heritages	4.00	4.00	4.00	4.00	4.00	20.00
	Total (i) GMC	148.87	148.87	148.87	148.87	148.87	744.35

	(ii) ULBs other than GMC						
1.	Roads and Culvert	82.00	82.00	82.00	82.00	82.00	410.00
2.	Storm Water Drainage	61.50	61.50	61.50	61.50	61.50	307.5.0 0
3.	S.W.M. (Equipment)	20.50	20.50	20.50	20.50	20.50	102.50
4.	Street Light (LED)	12.00	12.00	12.00	12.00	12.00	60.00
5.	Street Light (High Mast)	14.00	14.00	14.00	14.00	14.00	70.00
6.	Preservation of Water Bodies	4.00	4.00	4.00	4.00	4.00	20.00
7.	Preservation of Cultural Heritage	3.00	3.00	3.00	3.00	3.00	15.00
8.	e-Governance	11.00	11.00	11.00	11.00	11.00	55.00
9.	Social Forestry	8.20	8.20	8.20	8.20	8.20	41.00
10.	Cremation/ Burial Ground	8.20	8.20	8.20	8.20	8.20	41.00
11.	Market Complex	12.30	12.30	12.30	12.30	12.30	61.50
12.	Green Wood Park	8.20	8.20	8.20	8.20	8.20	41.00
13.	Incentive Grant to 7 Small MBs	3.50	3.50	3.50	3.50	3.50	17.50
	Total (ii) Other ULBs	248.40	248.40	248.40	248.40	248.40	1242.00
	Total-A-General Areas (i) + (ii)	397.27	397.27	397.27	397.27	397.27	1986.35
	B-Excluded Areas						
	(i) KAAC						
1.	Roads	22.00	22.00	22.00	22.00	22.00	110.00
2.	Drains	16.50	16.50	16.50	16.50	16.50	82.50
3.	SWM (Equip)	5.50	5.50	5.50	5.50	5.50	27.50
4.	Street Light	6.60	6.60	6.60	6.60	6.60	33.00
5.	Social Forestry	2.20	2.20	2.20	2.20	2.20	11.00
6.	Cremation/ Burial Ground	2.20	2.20	2.20	2.20	2.20	11.00
7.	Market Complex	3.30	3.30	3.30	3.30	3.30	16.50
8.	Parks	2.20	2.20	2.20	2.20	2.20	11.00
9.	e-Governance	2.20	2.20	2.20	2.20	2.20	11.00
10.	Incentive Grant to 13 TCs	6.50	6.50	6.50	6.50	6.50	32.50
	Total- KAAC	69.20	69.20	69.20	69.20	69.20	346.00
	(ii) DHAC						
1.	Roads	7.00	7.00	7.00	7.00	7.00	35.00
2.	Drains	5.25	5.25	5.25	5.25	5.25	26.25
3.	Street Light	2.10	2.10	2.10	2.10	2.10	10.50
4.	SWM	1.75	1.75	1.75	1.75	1.75	8.75
5.	Social Forestry	0.70	0.70	0.70	0.70	0.70	3.50
6.	Cremation/ Burial Ground	0.70	0.70	0.70	0.70	0.70	3.50
7.	Market Complex	1.05	1.05	1.05	1.05	1.05	5.25
8.	Parks	0.70	0.70	0.70	0.70	0.70	3.50

9.	e-Governance	0.70	0.70	0.70	0.70	0.70	3.50
10.	Incentive Grants to 3 TCs	1.50	1.50	1.50	1.50	1.50	7.50
	Total –II DHAC	21.45	21.45	21.45	21.45	21.45	107.25
	(iii) BTC						
1.	Roads	16.00	16.00	16.00	16.00	16.00	80.00
2.	Drains	12.00	12.00	12.00	12.00	12.00	60.00
3.	SWM (Equip)	4.00	4.00	4.00	4.00	4.00	20.00
4.	Street Light	4.80	4.80	4.80	4.80	4.80	24.00
5.	Social Forestry	1.60	1.60	1.60	1.60	1.60	8.00
6.	Cremation/ Burial Ground	1.60	1.60	1.60	1.60	1.60	8.00
7.	Market Complex	2.40	2.40	2.40	2.40	2.40	12.00
8.	Parks	1.60	1.60	1.60	1.60	1.60	8.00
9.	e-Governance	1.60	1.60	1.60	1.60	1.60	8.00
10.	Incentive Grant to 7 MBs	3.50	3.50	3.50	3.50	3.50	17.50
	Total BTC	49.10	49.10	49.10	49.10	49.10	245.50
	Total-B-Excluded Areas	139.75	139.75	139.75	139.75	139.75	698.75
	Grand Total (A+B)	**537.02**	**537.02**	**537.02**	**537.02**	**537.02**	**2685.10**

8.184 In addition to the above, cost on one more item has been considered and recommended as additional grant for meeting the liability of fine schemes namely;

i. Conservancy for 18 ULBs amounting to Rs. 9.17 Crore
ii. Cremation / Burial ground for 35 ULBs amounting to Rs. 8.77 Crore
iii. Green Wood park for 9 ULBs amounting to Rs. .59 Crore
iv. Development of MIS amounting to Rs. 2.85 Crore, and
v. Harizon Colony in 17 ULBS amounting to Rs. 36.45 Crore.

The total sums to Rs. 61.82 Crore. The year wise grant in for Rs. 12.364 Crore for FY 2026-2031.

Summary

8.185 Due to conversion of TCs into MBs, the structure of ULBs in General Areas of Assam assumed two tier system i.e. Municipal Corporation and Municipal Board (para-8.4)

8.186 A list of ULBs in General Areas of Assam is Annexure-8.2 (para-8.8)

8.187 Property tax constitutes nearly 60 to 70 percent of the OSR of GMC (para-8.15)

8.188 Central and State Government proportions are exempted from paying property tax under Article 285 and 289 of the Constitution respectively. However, this restriction does not apply to Central and State PSUs. So, ULBs can levy both property tax and service charges on such proportions (para-8.19)

8.189 In FY 2019-20, GMC has collected property tax worth Rs. 39.98 crore against total demand of Rs. 141.79 crore, representing nearly 28 per cent of total demand for that year (par-8.20)

8.190 In per capita terms, collection of property tax by GMC raised from Rs. 415 in 2019-20 to Rs. 1026 in 2023-24 (para-8.21)

8.191 From the demand collection ratio it is evident that there is sufficient scope for GMC to augment own revenue without rate revision (para-8.23)

8.192 Trade License Fees hold untold promises to ULBs to augment their OSR (para-8.25)

8.193 Keeping in view the emergence of GJB as the sole provider of potable water in the city, revenue from sale of water by GMC during the forecast period has not been assumed (para-8.28)

8.194 Salary expenditure incurred directly by the State Government on behalf of GMC has been set off while computing their revenue gap (para-8.61)

8.195 GMC preferred a claim of Rs. 40.48 crore on account of deferred liabilities of which Rs. 28.50 crore has been accepted and provided in their revenue estimates in two installments of Rs. 14.25 each in 2026-27 and 2027-28 (para-8.62, 8.63)

8.196 The BCR of GMC has been estimated at (-) Rs. 395.36 crore for the 5 year period 2026-31 (para-8.66)

8.197 Apart from GMC, there are 82 other MBS, in the General Areas of Assam of which two have been recently upgraded to that of Municipal Corporation (para-8.67 read with Anx 8.2)

8.198 Like GMC, property tax is the main source of revenue of all other MBs and it constitutes nearly 30 to 38 per cent of their OSR (para-8.74)

8.199 In per capita terms, collection of property tax by the MBs increased from Rs. 112 in 2019-20 to Rs. 258 in 2023-24 (para-8.78)

8.200 In case of MBs as well, the demand-collection ratio is unduly skewed thereby leaving enough scope to augment revenue merely by tightening collection machinery (para-8.79)

8.201 Salary expenditure met by the State Government on behalf of the MBs though reflected in the revenue expenditure of MBs, has been deducted in computation of their revenue gap (para-8.108 and 8.109)

8.202 Deferred liabilities of ULBs on account of arrear pay of their employees amounting to Rs.102.32 crore has been proposed to be liquidated in five equal installments of Rs.20.464 crore and accordingly accommodated in the revenue estimate of 2026-27 onwards (para-80.110)

8.203 The BCR or revenue gap of 82 MBs taken together has been estimated at (-)Rs.413.56 crore for the forecast period (para-8.114)

8.204 The concerned authority granting building permission should ensure that the builder abide by the norms laid down in the approved blue print of the building and other ancillary provisions like appropriate approach road, facilities for water harvesting, recycling etc. (para 8.115)

8.205 Decentralization of 3Fs is the sine qua non of effective fiscal and financial management. In this regard, the Assam Municipal Act, 1956 as amended in 2011 stipulates that the relevant subjects stands transferred to the respective municipalities with functionaries partially placed at their disposal. There is no mention about transfer of funds. Moreover, partial transfer of functionaries also seems to be an untenable proposition. Thus transfer of 3Fs to municipalities remained rather elusive (para-8.116)

8.206 The Committee constituted under the Amended Act of 2011 to oversee the progress of devolution of 3 Fs has not met so far. As such the most important aspect of evaluation and monitoring remained unaddressed (para-8.118)

8.207 In respect of property tax, the demand-collection ratio is worrisome. As a proportion of GSDP, property tax collection is Assam is 0.01 percent compared to 0.2 percent in India and 1.1 percent in OCED countries (para-8.121)

8.208 There is enough scope to augment revenue without raising tax rate (para-8.122)

8.209 In case of GMC, expenditure on service delivery has decelerated from 40 percent of revenue expenditure in 2019-20 to 25 percent in 2023-24 (para-8.123)

8.210 In case of other ULBs, expenditure on service deliver marginally increased from 29 percent of revenue expenditure in 2019-20 to 31 percent in 2023-24 (para-8.124)

8.211 There is an urgent need of expenditure compression in overheads so as to increase expenditure on service delivery (para-8.125)

8.212 The vital parameters of transparency and accountability are severely undermined as audit of accounts is done partially (para-8.128)

8.213 In the field of ARM, property tax is the most potent source of revenue for ULBs. Reassessment of properties should invariably be done at the expiry of every 5 years (para-8.130)

8.214 Measures suggested for ARM (paras-8.131-139)

8.215 To make the efforts of ARM result oriented, a target of collection may be fixed at the beginning of each year and review of performances done at the close of the year (para-8.142)

8.216 Article 243 (ZC) of the Constitution kept schedule VI Areas of Assam outside the purview of 74th Amendment Act. However, in spite of the exclusion factor, successive CFCs recommended a portion of their local body grant to the Excluded Areas also (para-8.143)

8.217 In case of Assam, SFCs beginning from First upto Fifth did not look into the affairs of Schedule-VI Areas being not covered by their TOR (para-8.144)

8.218 The present Commission is mandated by its TOR to make recommendations on devolutions and grants-in-aid to local bodies of Excluded Areas (para-8.146)

8.219 The size and dimension of Excluded Areas of Assam in depicted at para-8.149

8.220 The taxation powers of the ACs are governed by provisions contained under paragraphs 8 and 9 of the Sixth Schedule of the Constitution (paras-8.156, 157)

8.221 The revenue account of the three ACs showed large and continuous revenue deficit from 2020-21 onwards (para-8.158)

8.222 In the Excluded Areas through Panchayati Raj System did not exist, ULBs functioned in the same manner as in the General Areas. However, the Assam Municipal Act has been adopted by BTC alone. On the contrary, KAAC and DHAC have their own Acts and Rules. Moreover, they also retain the distinction between MB and TC (paras-8.160, 161)

8.223 As of now, there are 45 ULBs in the Excluded Areas (para-8.162)

8.224 The number of ULBs in Excluded Areas suddenly leap-froged from existing 22 to 45 over a couple of years. Thereby, the ratio of population per ULB in Excluded Areas has dropped to 15000 as against 30000 in General Areas. This has not only escalated

salary expenditure but resulted in accumulation of huge deferred liabilities. In future, the ACs must exercise utmost circumspection in creating new local bodies (para-8.163)

8.225 The net budgetary position of ULBs in Excluded Areas during 2019-20 onwards showed budgetary surplus except in case of ULBs in KAAC. This is mainly due to substantial flow of funds under the dispensation of CFC and SFC (para-8.164, 165)

8.226 The deferred liabilities on account of arrears pay and terminal benefits claimed by KAAC and DHAC amounted to nearly Rs.59.71 crore of which Rs.34.73 crore relates to KAAC and Rs.24.98 crore to DHAC. The amount is proposed to be liquidated in five annual instalments of Rs.12 crore approximately per year. Accordingly, this amounts has been accommodated in the revenue estimates (para-8.167)

8.227 The BCR or the revenue gap of ULBs in Excluded Areas has been estimated at (-) Rs.421.83 crore for the 5 year period 2026-31 (para-8.168)

8.228 The overall revenue gap of ULBs both in General and Excluded Areas has been estimated at (-) Rs.1230.75 crore for the period of 5 years commencing from 2026-27. The estimated gap of Rs.1230.75 is proposed to be covered by devolution recommended by the Commission (para-8.170)

8.229 Apart from devolution, the Commission has also recommended grants-in-aid to the ULBs of both General and Excluded Areas amounting to Rs. 2685.10 crores as per year-wise phasing and purpose of the grant shown at Table-8.39 (para-8.183)

8.230 Additional grant for meeting the liability for five years i.e. FY 2026-2031 amounting Rs.61.82 Crore. The year wise grant is Rs.12.364 Crore. (para 8.184).

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CHAPTER – 9
Recording of Best Practices

Introduction

9.1 Local Body Institutions (both PRIs and ULBs) across the state and the nation often face similar governance challenges. In response, some have implemented innovative projects, programmes or reforms that have led to measurable improvements in service delivery and institutional performance. These are recognized as "**Best Practices"**. Documenting and sharing these successful initiatives are essential. It enables replication of proven solutions across other Local Bodies, promoting consistency, efficiency and capacity building in local governance.

9.2 The 6th ASFC has already recorded several best practices specific to PRIs and ULBs in its report. Building on that, this Commission is compiling additional examples from various states. These initiatives aim to inspire Local Bodies here in the state to adopt and adapt effective models, ultimately strengthening grassroots governance as envisaged in the 73rd and 74th Constitutional Amendments.

Recognition and Awards

9.3 Recognizing the contributions of the Local Bodies of Assam towards adoption of innovative methods for improvement in provision of core services, following awards have been given at various forums during the last five years:-

1. **Swachh Survekshan Award to Guwahati, 2024**

At the prestigious **Swachh Survekshan 2024** awards ceremony held at Vigyan Bhawan, Hon'ble Minister Shri Manohar Lal Khattar conferred the "Promising Swachh Shehar of Assam" award to **Guwahati,** recognizing its exceptional efforts in urban sanitation reform. Guwahati, Assam's largest city, has demonstrated a commendable transformation- rising spectacularly from a category rank of 402 in 2023 to a formidable **44th position in 2024**, with a robust score of **8563 out of 12500**. The city has earned an **ODF+** certification along with a **1-Star Garbage Free City (GFC)** rating — a testament to its evolving sanitation standards and systemic reforms under the Swachh Bharat Mission (U) 2.0.

2. **Assam Gourav Award to NULM Branch, GMC, 2022**

Smti Kalyani Rajbongshi, Community Resource person of CMMU, GMC received Assam Gourav award for the year 2022 for community development work in Guwahati. She has formed around 2000 women Self Help Groups and strengthened them through DAY-NULM components.

3. **PMSVANIDHI PRAISE AWARD to DAY-NULM Branch, GMC**

Guwahati Municipal Corporation received PRADHAN MANTRI STREET VENDORS ATMANIRBHAR NIDHI PRAISE AWARD, 2024 in two categories:

A. Best performing ULBs – loan performance at national level

B. Best performing ULBs – loan performance at State level (Major cities)



4. **Promising Swachh Shehar Award to North Lakhimpur, MB**

The prestigious **Swachh Survekshan Award** as the *Promising Swachh Shehar of Assam is awarded to North Lakhimpur Municipal Board.* This recognition is the result of the Board's dedicated efforts, systematic planning and strong community engagement.

5. **One-star ranking to Guwahati, Dibrugarh, Silchar, and Nagaon as Garbage Free City (GFC)**

According to the Swachh Survekshan 2024-25 report, Assam has made commendable progress in urban sanitation and cleanliness. All four Amrut cities—Guwahati, Dibrugarh, Silchar, and Nagaon—have achieved the Garbage Free City (GFC) one-star ranking, reflecting improved solid waste management practices. Additionally, six cities—North Lakhimpur, Mariani, Makum, Bilaspara, Kokrajhar and Tinsukia—have been awarded the ODF++ certification, recognizing their efforts in maintaining open defecation-free status with advanced sanitation infrastructure. The state summary highlights further achievements, 51 cities classified as ODF+, marking a significant step toward holistic sanitation coverage across Assam's Urban Local Bodies.

6. **National Panchayat Award 2023-24 to Jengrai GP, Majuli district and Bebejia Dimow Bangthai GP, Nagaon District**

In the year 2023-24, the Jengrai Gram Panchayat of Majuli district and Bebejia Dimow Bangthai Gaon Panchayat of Nagaon District have made our state proud by receiving National Panchayat Award. 1st position in National Panchayat Award under Child Friendly Panchayat category and 2nd best Panchayat Award in "NANAJI DESHMUKH SARVOTTAM PANCHAYAT SATAT VIKAS PURASKAR" Category respectively.

Urban Local Bodies

Background of the 6th Assam State Finance Commission (ASFC)

9.4 The 6th ASFC emphasized the need to build ULBs into robust institutions of self-government. It highlighted persistent gaps across key domains such as financial autonomy, service delivery, administrative capacity, functional devolution and offered a roadmap for strengthening the urban governance framework.

9.5 A central concern was the weak financial base of ULBs, particularly the poor performance in property tax collection, which remains the primary source of own revenue. The Commission attributed low collection to outdated assessments,

incomplete registers, weak enforcement, and reluctance among both officials and elected representatives. **It recommended a comprehensive set of reforms, including expanding the tax base, improving collection efficiency through technology and manpower, revising property valuations periodically, and establishing an independent valuation authority.**

9.6 The Commission expressed serious concern over the poor state of municipal services, especially in solid waste management and urban drainage. It urged the State Government to identify land and provide funding for scientific waste disposal and emphasized the conversion of kutcha drains into pucca, covered systems, along with regular maintenance. It observed that inadequate service delivery eroded public trust and contributed to poor tax compliance.

9.7 In terms of institutional reform, the 6th ASFC called for the adoption of e-governance to improve recordkeeping, service delivery, and transparency and advocated for the adoption of e-governance to improve recordkeeping, service delivery, and administrative transparency. It proposed the development of an integrated Directorate website and recommended a shift to accrual-based accounting across all ULBs. To support this transition, the Commission called for regular training of accounts personnel and elected representatives, adequate staffing, full-time Executive Officers, and the finalization of service rules.

9.8 Fully endorsing the observations of the 6th Assam State Finance Commission for best Practices, the 7th ASFC builds on the foundational concerns of the 6th Commission by shifting focus from diagnosis to implementation. It recognizes that while the structural constraints of ULBs remain, several reform pathways such as property tax reform, integrated service delivery in legacy and used water management, and the rollout of digital governance platforms are now underway. The 7th ASFC seeks to anchor these efforts by identifying scalable practices, incentivizing institutional performance, and strengthening systems for financial accountability with the aim of enabling ULBs to deliver predictable, equitable, and citizen-responsive services in a fiscally sustainable manner.

9.9 To enhance financial discipline and accountability, the Commission highlighted the need for implementation of the Local Self-Government Fiscal Responsibility Act, 2011. It noted a recurring cycle wherein poor service delivery weakened public willingness to pay taxes, and insufficient revenues further constrained service improvement. It identified structural fiscal constraints such as a limited economic base, low tax productivity, weak expenditure control, and administrative inefficiencies as key barriers to urban transformation.

9.10 Taken together, the 6th ASFC's recommendations laid the foundation for several ongoing reforms. They underscored the urgency of strengthening municipal finances, improving service delivery standards, and building the institutional capacity of ULBs to deliver on their constitutional mandate.

Compendium of exemplary practices from ULBs

9.11 Below are selected best practices that demonstrate innovative and impactful approaches adopted by ULBs in the state:

Revenue Mobilization & Management

i) **Property Tax**

The Commission emphasized the need to strengthen the assessment and collection of municipal revenues to prevent revenue losses and curb the accumulation of arrears. Also, there was a mandate of the 15th Finance Commission to notify Floor rates of property tax with the condition of growth in property tax collection. Accordingly, the property tax collection was made fully online.

Property tax is a critical source of own revenue for ULBs and a key indicator of fiscal self-reliance. In Assam, ULBs have historically struggled to optimize this source due to recognizing persistent challenges such as low coverage, poor compliance and outdated assessments. The Government of Assam has undertaken a series of systemic reforms in recent years.

ii) **Key highlights of these reforms include:**

a. **Expansion of coverage:** Property tax assessment was revised based on new land and building construction value.
b. **GIS-Based assessment:** A state-wide GIS-based property tax register was developed with unique IDs and geo-tagged holdings, validated using satellite imagery and APDCL electricity data (covering over 4.1 lakh properties).
c. **Digitization and self-assessment:** An online portal and mobile app were launched to enable self-assessment and digital payments, including UPI and NEFT.
d. **Institutional reforms:** Uniform methodology, reassessments, and structured arrears recovery plans were introduced, improving consistency and discipline.
e. **Innovative local practices:** ULBs adopted measures such as SHG-based collection, linking tax payment to municipal services, incentive-based compliance, and integration of grievance redress and service quality with tax efforts.

As a result, total property tax collections (excluding GMC and ULBs under sixth scheduled areas) increased to **₹80.41 crores** in FY 2024–25, reflecting a significant growth of **31.3%** over the previous year's (FY 2023-24) collection of **₹55.22 crores**.

A total of 23 ULBs have achieved their 15th Finance Commission (FC) targets in respect of property tax for the FY 24-25. Few notable achiever ULBs are:

Class I & II (Population 50000 & above)	Class III & Class IV (Population 10000 to 49999)	Class V (Population 5000 to 9999)
Dhubri MB (119.46%)	Demow MB (304.84%) Chapakhowa MB (280.20%) Titabar MB (177.27%) Dhemaji MB (153.54%) Chapar MB (149.19%) Silapathar MB(146.58%) Kharupetia MB (139.61%) Naharkatia MB123.84%)	Narayanpur MB (143.80%) Teok MB (130.05%) Patacharkuchi MB (116.03%)

9.12 Several ULBs have innovated locally linking tax compliance to service delivery, mobilizing SHGs, deploying incentive-based models, and fostering citizen ownership. Present case studies from ULBs have indicated measurable success through adaptive, community-driven strategies. Following outlines the key reform measures highlighting best practices-

i) **Incentivizing Compliance through Multi-Stakeholder Rewards**

ULBs implemented a range of incentives to improve compliance across stakeholder groups.

- At the institutional level, ward-wise property tax performance was linked to untied grant allocations under 15th CFC, creating clear development-based rewards.
- At the community level, SHGs engaged in tax collection received performance-based commissions, with bonuses for achieving high collection rates.
- Municipal staff were also incentivized through monthly rewards and regular performance tracking to maintain motivation and accountability.
- For citizens, timely taxpayers were rewarded by proving rebates, dustbins and prioritized municipal services reinforcing voluntary compliance.

ii) **Linking Tax Compliance to Accessing Municipal Services**

Administrative tools were used effectively to reinforce compliance. Tax clearance was made a prerequisite for the issuance and renewal of trade licenses, thereby improving collections from commercial establishments. Similarly, property tax payment was mandated for availing essential municipal certificates, such as Proof of Residence and Birth Certificates. In several ULBs, access to Government schemes and eligibility for Municipal tenders were also made conditional on up-to-date tax receipts, reinforcing accountability through service-linked enforcement.

Case Study - Chapakhowa Municipal Board

Chapakhowa Municipal Board, a relatively small Urban Local Body, demonstrated significant progress in strengthening property tax administration. Following the lifting of the Model Code of Conduct in July 2024, the Board achieved 100 per cent of its annual property tax target within 45 days and reached 280 percent of the target by December 2024. This performance was enabled by a combination of measures, including the introduction of ward-level incentives linked to revenue performance, mandatory tax clearance for issuance and renewal of trade licenses and municipal certificates, and a cost-bracket-based approach that prioritized high-value properties. The Board also undertook efforts to enhance transparency and citizen trust by publicly linking civic infrastructure improvements to property tax compliance. In addition, targeted engagement with commercial defaulters and other stakeholders contributed to greater buy-in for the reforms. These interventions resulted in a substantial increase in commercial tax compliance—from 11 per cent to 78 per cent within one year—and generated cost savings of approximately 10 per cent through the avoidance of external collection arrangements.

iii) **Strengthening Monitoring and Recovery through Targeted Collection:** A data-driven approach was adopted to enhance efficiency in tax recovery. Daily monitoring of tax collection activities, performance reviews, and staff reassignment ensured sustained momentum. High-value defaulters were identified using data analytics and targeted through focused notice drives and personal follow-ups. Additionally, properties were segmented by cost brackets to optimize collection strategies and focus recovery efforts where the potential returns were highest.

iv) **Driving Compliance through Citizen Outreach and Behavior Change:** Citizen-facing strategies played a pivotal role in improving compliance. ULBs directly engaged commercial defaulters through warnings, fines, and public disclosures, which proved effective in shifting behavior. Door-to-door IEC campaigns were undertaken to explain the link between municipal services and tax obligations, resulting in better understanding and participation. Weekly ward-level campaigns helped ensure continuous visibility and community engagement.

v) **Leveraging Technology for Responsive Revenue Management:** Technology was systematically deployed to enhance responsiveness and improve collections. Solar-powered CCTV cameras installed in garbage dumping hotspots had a behavioral impact and were associated with higher tax compliance in those areas. Dedicated call centres staffed for follow-up calls provided a soft-touch recovery mechanism, particularly effective for large defaulters. Regular automated phone and SMS alerts institutionalized reminders; mirroring practices used in the private sector.

Case Study - Morigaon Municipal Board

a) Morigaon Municipal Board adopted a structured, data-centric approach to enhance property tax mobilisation. Within a single financial year, total collections increased from ₹14 lakh to ₹36 lakh, driven by targeted recovery efforts and focused engagement with defaulters, including government properties.

b) Three dedicated recovery teams were constituted and assigned specific ward-level responsibilities. These teams operated under a performance-linked framework, with a 1 per cent incentive provided for collections exceeding ₹7 lakh. A dedicated staff member was appointed to conduct follow-up calls with high-value defaulters, significantly improving responsiveness and payment compliance.

c) In addition to recovery efforts, the Board implemented an outreach programme wherein teams distributed educational materials during door-to-door visits, explaining municipal services, the benefits of tax compliance, and available grievance redressal mechanisms. Specific efforts were also made to recover arrears from government departments by raising the issue in District Development Committee (DDC) meetings and through official correspondence with concerned Heads of Departments.

d) These efforts resulted in over 60 high-value defaulters settling their dues and several government institutions clearing longstanding arrears for the first time. The initiative underscores the effectiveness of combining structured enforcement with civic communication to improve municipal revenue performance.

vi) Demonstrating the Tax–Service Delivery Link: Municipalities showcased infrastructure improvements—such as roads, drains, and streetlights—as directly funded by property tax revenue. This transparent communication strategy helped reinforce citizen trust and strengthen the link between compliance and service outcomes.

vii) Institutional Strengthening and Organised Recovery: Dedicated tax collection teams, often including SHG members or reassigned municipal staff, were created with clear ward-level targets and monitored regularly. Formal enforcement mechanisms such as red notices and field visits were combined with personalized outreach to recover arrears. In addition, ULBs pursued pending dues from government holdings by engaging with departmental heads and raising the issue in district coordination platforms.

viii) Integrating Sanitation and Compliance: An integrated behavioral model was introduced through the 'Mur Ghor, Swachh Ghor' campaign. Under this initiative, households were graded based on tax compliance, visible cleanliness, and waste segregation practices. 'A'-graded homes received benefits including tax rebates, dustbins, and faster grievance redressal. This approach effectively linked tax payment to sanitation outcomes, encouraging civic participation while improving revenue performance.

Case Study - Narayanpur Municipal Board

a) Narayanpur Municipal Board adopted a localized, incentive-driven strategy by integrating property tax collection with sanitation efforts and citizen engagement. The initiative, branded as Mur Ghor, Swachh Ghor, aimed to promote timely tax payment alongside improvements in household cleanliness and source segregation. Under the programme, households were graded (A/B/C) based on tax compliance and sanitation indicators, with 'A'-grade households receiving benefits such as a 5 per cent rebate on subsequent property tax, provision of waste bins, cloth bags, and expedited grievance redressal.

b) The Board also engaged SHGs for tax collection on a performance-linked basis, offering additional incentives for achieving high collection efficiency at the ward level. Infrastructure improvements, such as the installation of streetlights, were strategically deployed in low-performing wards using tax data analytics to reinforce the tax–service delivery link. A city-wide civic engagement campaign under the Swachhata Mahaparba initiative 300obliged over 3,000 residents—approximately 50 per cent of the town's population indicating a high level of community ownership.

c) As a result, property tax collections increased from ₹19.35 lakh in FY 2023–24 to ₹31.17 lakh in FY 2024–25. The initiative also led to a substantial rise in voluntary compliance, particularly in historically underperforming wards, and fostered stronger collaboration between citizens and the municipal administration in delivering cleanliness-related services.

Waste Management

9.13 Legacy Waste Management: Solid Waste Management (SWM) is a foundational element of urban service delivery, closely linked to public health, environmental sustainability, and quality of life. Assam has made significant progress in strengthening urban solid waste management by investing in infrastructure, equipment, and institutional capacity under SBM-U 2.0 and the 15th Finance Commission grants.

As of early 2024, five ULBs have operational waste processing facilities, while construction is underway in 37 more, with phased targets for completion by 2026. To support efficient collection, the State has distributed over 110 e-carts, 116 tippers, and114 skid steer loaders across ULBs.

Several towns have adopted innovative practices—ranging from SHG-led collection to convergence with sanitation services—marking a shift toward integrated and sustainable waste management. Assam's approach combines state-level support with local adaptation to improve service delivery and environmental outcomes. Key measures adopted by the ULBs are:

9.14 **Improving Readiness for Waste Processing:** Several ULBs have demonstrated strong project execution and operational preparedness by commissioning SWM facilities ahead of or in alignment with SBM-U 2.0 timelines. Key enabling actions included ensuring timely land availability, streamlining tendering processes, and proactively training local teams for plant operations. These early movers have set benchmarks in operational readiness for waste-to-compost cum Material Recovery Facility (MRF) units.

Case Study- Hojai MB - Early Adoption of Fecal Sludge Treatment Systems

a) Hojai Municipal Board has positioned itself as a front-runner in implementing used water management solutions by commissioning a Fecal Sludge Treatment Plant (FSTP) with funding support from the 15th Finance Commission. In the absence of a conventional sewerage system, this plant serves as a critical component of the town's sanitation infrastructure. The FSTP operates through a decentralized desludging model, providing low-cost, high-impact services for septic tank-based households. The Board has further aligned the FSTP's operations with its solid waste management system, allowing for more effective utilization of staff and service routes. Community engagement has played a central role in the initiative, with regular information, education, and communication (IEC) campaigns and grievance redress activities helping residents understand the importance of timely desludging and safe disposal practices. As a result, the town has achieved widespread safe treatment of fecal sludge, along with notable improvements in environmental safety and public health. Hojai's experience presents a scalable model for decentralized wastewater treatment, especially relevant for medium-sized ULBs in Assam.

b) Assam is transitioning from fragmented waste handling to more structured, sustainable systems for managing both solid and liquid waste. As infrastructure becomes operational and decentralized sanitation gains ground, the next phase must focus on completing infrastructure, strengthening operations, and fostering accountability.

9.15 **Enhancing Efficiency Through Mechanization and Clean Mobility:** ULBs are adopting mechanical and low-emission solutions to reduce manual handling and enhance the efficiency of waste collection. Skid steer loaders have been deployed for drain cleaning and street sweeping, particularly in congested areas. Simultaneously, over 110 battery-operated e-carts have been introduced in 64 ULBs to enable quiet, fuel-free door-to-door waste collection, especially in narrow lanes and residential

areas. These efforts reflect a transition toward safer, cleaner, and more sustainable SWM operations.

9.16 Strengthening SWM Infrastructure and Service Integration: The Government of Assam has played a key role in supporting ULBs by providing capital investments, logistics equipment, and funding under the 15th Finance Commission and SBM-U 2.0. Distribution of tippers, skid steer loaders, and e-carts has strengthened operational readiness across towns. Concurrently, several ULBs have taken steps toward integrating solid waste management and sanitation systems by co-locating Fecal Sludge Treatment Plants (FSTPs) with SWM facilities. This convergence enables efficient land use, shared resources, and unified service delivery—particularly beneficial for smaller urban areas. Titabar MB, Barpeta MB, and Hojai MB have functional or soon-to-be-commissioned FSTPs alongside their SWM facilities.

Case Study - Titabar MB– Integrated Management of Solid and Liquid Waste

Titabar Municipal Board has emerged as a leading example of integrated urban sanitation by simultaneously operating a Fecal Sludge Treatment Plant (FSTP) and a Solid Waste Management (SWM) facility under the support of the 15th Finance Commission and SBM-U 2.0. This convergence of services within a single site has enabled efficient use of land, human resources, and logistical arrangements, especially in a small-town setting. The Board has adopted a co-location strategy, with shared operational teams managing both facilities. This approach has helped reduce overheads and allowed for cross-training of sanitation staff, thereby improving service continuity. Notably, Titabar was among the first ULBs in the state to commission an FSTP, addressing the lack of a sewerage network through a decentralized, container-based treatment system for fecal sludge. The integrated model has led to the safe and scientific treatment of fecal waste, improved urban health indicators, and reduced operational costs. Titabar's experience is increasingly being referenced as a replicable model for other similarly sized towns aiming to develop joint sanitation infrastructure.

9.17 Engaging Communities and SHGs in Waste Management: Community-based organizations, particularly SHGs, have played an increasing role in supporting door-to-door waste collection, segregation at source, and plant-level operations. These partnerships have been accompanied by targeted public awareness campaigns and incentive mechanisms, which have significantly improved segregation compliance and utilization of SWM infrastructure. ULBs have increasingly engaged community-based organizations to support waste collection, segregation, and plant operations.

Case Study - Chapar MB– Community-Led Integrated Waste Management

Chapar Municipal Board, a smaller ULB in Assam, successfully established a decentralized and inclusive solid waste management system by combining state infrastructure support with active community participation. The Board operationalized a compost-cum-MRF unit and adopted a community-based approach by engaging local Self-Help Groups (SHGs) in door-to-door waste collection and source segregation. This model not only improved the effectiveness of waste handling but also created local employment opportunities. To strengthen citizen participation, the Board implemented behavior change initiatives, including structured door-to-door information, education, and communication (IEC) campaigns that promoted

segregation and cleanliness. As a result of these interventions, Chapar MB achieved over 80 per cent coverage of segregated door-to-door waste collection, sustained community engagement in composting and recycling activities, and facilitated livelihood generation through decentralized waste management practices.

Case Study-Solid Waste Management System, Diphu Municipal Board

i) The Diphu Municipal Board has introduced a door-to-door collection and other Swachh Bharat Mission related initiatives in an effort to raise awareness on cleanliness and waste management in the district. The main focus of the initiative was to educate people on the importance on Swachhata, waste segregation, the 3R (Reduce, Reuse, Recycle) methodology, and the harmful effects of single use plastic on the environment. The Diphu Municipal Board has collaborated with Self Help Groups, who are tasked with spreading awareness and door-to-door collection of garbage.

ii) The initiative not only focuses on promoting hygiene but also aims at generating employment opportunities for the members of the SHGs in the community, The SHG members have been trained to conduct door-to-door waste collection activities, providing them with the necessary tools and vehicles in carrying out their responsibilities. The SHGs are authorized to collect fees from the householders at an approved rate of Rs.100 per month for their services which has provided a source of income for the members of the SHGs.

9.18 **Promoting Source Segregation and Resource Recovery:** ULBs are placing greater emphasis on source segregation and material recovery to reduce reliance on landfills and promote composting. Operational facilities are now processing segregated waste into compost and recoverable recyclables. Pilot initiatives linking household-level incentives to segregation efforts have further contributed to improved compliance and awareness.

9.19 **Enabling Infrastructure and Logistics Support by the State:** The Government of Assam has provided substantial support to ULBs in strengthening SWM systems through capital investments and equipment distribution under the 15th Finance Commission and SBM-U 2.0. Distribution of tippers, skid steer loaders, and e-carts has bolstered operational capacity across most ULBs. In addition, funding for operations and maintenance (O&M), information, education and communication (IEC), and staff training has facilitated effective rollout and sustained functioning of waste management systems.

9.20 **Addressing Legacy Waste Management in ULBs:** Legacy waste management has emerged as a critical component of Assam's urban sanitation strategy. As of early 2024, 52 out of 105 ULBs have been identified with legacy waste dumpsites, amounting to an estimated 33 lakh metric tonnes of accumulated waste. Remediation efforts are underway in all identified ULBs, supported by a combination of 15th Finance Commission Tied Grants, the North-East Special Infrastructure Development Scheme (NESIDS-OTRI) of the Ministry of DoNER, and state budgetary allocations.

9.21 Out of these 52 ULBs, 07 ULBs have already completed 100 per cent legacy waste remediation works, with reclaimed land now being repurposed for secondary solid waste infrastructure such as MRFs, proposed biogas plants and conversion to urban

forests etc. Legacy Waste Remediation works are being taken up by this Directorate of Municipal Administration, Assam in 39 ULBs under NESIDS-OTRI, Ministry of DoNER with a budgetary allocation of Rs. 71.52 crores to meet up the Hon'ble NGT Orders and in Jorhat Municipal Board with funding assistance of Rs. 10.88 Crores under SOPD fund. In the remaining ULBs, legacy waste remediation works are being taken up by the ULBs themselves with funding assistance from 15th FC Tied Grants.

9.22 This coordinated effort represents a best practice in scaling legacy waste remediation across diverse municipal contexts. It demonstrates the value of integrating long-standing waste clearance into mainstream SWM planning, leveraging regional infrastructure, and aligning financial resources from multiple sources. Assam's model offers a replicable framework for other states aiming to eliminate legacy dumpsites while building future-ready waste management systems.

Used Water Management

9.23 Used water management—including safe collection, treatment, and disposal of grey water and black water—has become a priority for urban Assam. With most towns lacking conventional sewerage systems, the State has adopted a decentralized and phased approach to address fecal sludge and septage management (FSSM) and promote sustainable sanitation practices.

9.24 Assam has adopted a strategic, phased approach to liquid waste management by scaling up the establishment of FSTPs across ULBs using 15th Finance Commission tied grants. A total of 32 FSTPs, with a combined treatment capacity of 337 KLD, have been taken up as decentralized solutions in towns without conventional sewerage networks. Of these, 10 plants are operational and treating fecal sludge scientifically and safely; six are completed and ready for commissioning, while the rest are under various stages of construction or tendering and with targets of completion by end of 2025.

9.25 This approach reflects several best practices leveraging inter-governmental fiscal transfers for essential sanitation infrastructure; adopting decentralized, container-based treatment models suited to small and medium towns; and coordinating project execution at the ULB level. Operational FSTPs have demonstrated the viability of desludging-based sanitation in improving public health outcomes and reducing environmental risks. The initiative also integrates liquid waste management into broader sanitation and SWM frameworks in several towns, enabling shared staffing and logistical efficiencies. Assam's model of distributed FSTP development offers a replicable pathway for other states aiming to meet urban sanitation targets under SBM-U 2.0. Initiatives are also being taken up for developing and institutionalizing the urban-rural convergence of FSSM thus extending the services of the Urban FSTPs to rural areas as well.

9.26 **E-Governance & Digital Transformation:** Assam has made significant strides in digitizing urban governance through the deployment of integrated e-governance platforms. The cornerstone of this transformation is the Unified Portal and the adoption of the UPYOG platform, developed under the National Urban Digital Mission (NUDM). These platforms enable ULBs to offer citizen-centric digital

services while strengthening internal governance processes like accounting, budgeting, property tax, trade licensing, and grievance redressal.

9.27 Enabling Accountable and Transparent Urban Services through the Unified Portal: Assam has demonstrated significant progress in urban governance by developing and operationalizing a Unified Portal that serves as a single-window digital platform across ULBs. This platform integrates core municipal services including property tax, trade licenses, building permissions, grievance redressal, and birth and death registration into a seamless, citizen-facing interface. By facilitating online applications, digital payments, and real-time service tracking, the portal has enhanced transparency, accessibility, and administrative efficiency.

A notable example of effective digital service delivery is the Trade License module, which has been widely adopted across ULBs. Each ULB defines and approves rates for different trade categories within the portal, ensuring transparency and standardization.

In FY 2024–25, total trade license collections reached ₹2.15 crore, reflecting increased digital adoption and improved revenue mobilization. These digital interventions represent a scalable best practice in leveraging technology to strengthen urban financial systems, improve service delivery, and build citizen trust in municipal governance.

9.28 Institutionalizing Digital Financial Management through Statewide Onboarding of the F&A Module: Assam has taken a significant step toward strengthening urban financial governance by successfully onboarding all ULBs onto the UPYOG F&A module. It has enabled ULBs to shift toward real-time financial monitoring, digital record-keeping, and enhanced fiscal transparency. The F&A module rollout represents a foundational reform in institutionalizing digital financial management and building long-term capacity for accountable and efficient urban governance.

Best Practices under GMC

9.29 Augmentation of Waste Processing Capacity: - Over the past four years, Guwahati Municipal Corporation (GMC) has significantly enhanced its solid waste processing capacity. Three new solid waste processing plants have been installed and made operational, adding a total processing capacity of 405 TPD (tonnes per day). An additional facility — MRF at Adabari, with a capacity of 100 TPD, is currently in the pipeline and will be operational soon.

i) **Plastic Waste Processing Facility at Adabari**: The plastic waste processing facility at Adabari (operational since Mar 2024) processes 5 TPD of plastic waste, enabling re-cycling and thus reducing the landfill load.

ii) **MRF at Old Jail Campus, Fancy Bazar**: The Material Recovery Facility (MRF) (operational since Dec 2024) processes 100 TPD of dry waste. This facility efficiently segregates, processes, and recovers materials from waste. With a capital cost of approx. ₹14.00 crore, this is a significant addition to the waste management infrastructure.

iii) **Waste to Compost cum RDF plant**: The Waste to Compost cum Refuse Derived Fuel plant, Belortol (operational since Oct 2024) processes 300 TPD of

mixed waste with the output as Compost and RDF (Refuse Derived Fuel). With a project cost of ₹35 crore funded under SOPD grant, this initiative enhances GMC mixed waste processing capacity.

9.30 Addition of faecal sludge treatment plant

i) A Faecal Sludge Treatment Plant (FSTP) with processing capacity of 20 KLD has been established at Belortol, Boragaon and is in the process of expanding its capacity to 80 KLD, addressing critical issues related to wastewater treatment.

ii) This facility treats faecal sludge collected from septic tanks using mechanized desludging vehicles, eliminating the need for manual scavenging and ensuring a safer, more hygienic sanitation process.

9.31 Legacy Waste Remediation at Boragaon for a Cleaner, Greener Guwahati

i) A total of 15 lakh metric tonnes (MT) of legacy waste at Boragaon is being remediated under a project worth ₹172.5 crore, funded through state resources. Initiated in June 2022, the project is slated for completion by July 2026.

ii) So far, 6.6 lakh MT of waste has been successfully remediated. Upon completion, the project is expected to reclaim 40 acres of valuable land previously occupied by waste.

9.32 GMC's Expansion of Public Toilet Facilities for Better Hygiene and Accessibility

i) In the last four years, GMC has significantly improved public sanitation services by increasing the number of public toilets.

ii) GMC has constructed 59 new toilet blocks across the city, increasing the total number of public toilets to 108. This initiative has significantly strengthened urban sanitation infrastructure, ensuring improved access to clean and hygienic facilities for all citizens.

iii) Collaboration with the Lions' Club, GMC has established several aspirational public toilets across the city, significantly improving public convenience and accessibility.

9.33 Enhancing Urban Air Quality: GMC's Expansion of Dust Mitigation Measures

i) Over the last four years, the Guwahati Municipal Corporation (GMC) has significantly enhanced its dust mitigation fleet, adding four mechanized sweeping machines and six water sprinklers to improve air quality across the city.

ii) The mechanized sweeping machines, procured under the National Clean Air Programme (NCAP), effectively remove fine dust from road surfaces, contributing to a significant reduction in dust-related air pollution.

iii) The water sprinklers are strategically used across the city to help suppress dust on the roads, further improving air quality and public health.

9.34 GMC's Transition to Efficient, Sustainable Waste Management Solutions

i) In Guwahati, the Door-to-Door Collection (D2DC) system has been made significantly more efficient. Currently, 90% of GMC's primary garbage collection fleet has been upgraded to ensure segregated collection at the source.

ii) GMC has become one of the first municipalities in India, and the first in Northeast India, to adopt electric waste collection vehicles. The fleet now includes 60 EVs and 120 E-carts, with an investment of ₹8.34 crore.

iii) For secondary waste collection, GMC has procured 12 dumpers, 6 backhoe loaders, and 6 skid steer loaders, further strengthening its fleet to improve operational efficiency.

9.35 Waste reduction initiatives: GMC has undertaken initiatives for reduction in waste generation. These initiatives aim to reduce the waste generated by inculcating a culture of circular economy.

i) RRR centres: GMC has created 12 RRR (reduce, reuse, recycle) centres. An RRR centre is a facility where people can drop off their unused materials such as clothes, books, e wastes etc. These centres encourage the people to reduce, reuse, and recycle their domestic wastes.

ii) Waste to Wonder Parks: GMC has developed two waste to wonder parks, at Nehru Park, Pan Bazaar, and at Swahid Udyan, Fatashil. These have been setup with waste materials, showcase the potential for waste materials to be repurposed and upcycled into something valuable and beautiful products.

iii) Swachh School initiative: GMC has signed an MOU with 12 schools to inculcate the habit of responsible waste management among young school students. Students are encouraged to domestic plastic waste to schools to foster recycling. The students are awarded based on their performance.

iv) Installation of twin bins: The Guwahati Municipal Corporation has strategically installed twin bins in commercial and public areas to minimize littering and enhance collection efficiency.

9.36 Efforts in Modernizing Market Infrastructure: GMC has made significant efforts in the construction of three market buildings at Ganeshguri, Beltola, and Ulubari. All the market complexes are near completion, and after completion, they will enhance the shopping experience for customers while providing better vending zones for vendors and citizens.

9.37 Ease of paying property taxes and obtaining trade license

i) The property tax payments as well as generation of holding number to access civic facilities have been completely digitized. This has significantly enhanced Ease of Living in the city.

ii) The trade license generation as well as renewal process has been completely digitized. This has significantly enhanced Ease of Doing Business in the city with small and medium businesses greatly benefitting.

9.38 Strengthening Community Infrastructure: A total of 61 community halls has been constructed. These community halls serve as vibrant hubs for social connection and cultural expressions. Additionally, 29 cremation grounds have been constructed at various locations.

9.39 National Urban Livelihood Mission: -

i) Under National Urban Livelihood Mission, GMC has been selected as one of the pilot cities out of 25 cities for Deen Dayal Ajeevika Yojana (Saheri). Self Help Groups (SHGs) under NULM have been engaged in segregation of wastes in Material Recovery Facilities. On 5th June, 2025, GMC has been able to get a chance to showcase the SHGs role in Swachh Bharat Mission where they showed how they segregated wastes at MRF Centre.

ii) To enhance Doorstep property tax payment facility, GMC has engaged 158 SHG Members termed as "Paura Sakhi". They have collected additional property tax of Rs. 2.39 crores in FY 2024-25. Rs. 11.93 lakhs were earned by the Paura Sakhi members as incentive amounts.

Best Practices of ULBS of Karnataka

9.40 A Seventh Assam State Finance Commission Team headed by Hon'ble Chairman, 7th ASFC visited some PRIs and ULBs of Karnataka as well as the Office of the 5th Karnataka State Finance Commission as the pioneering state for successfully decentralizing power to the Local Bodies. During the visit, the Team got enlightened regarding some best practices adopted by the ULBs of Karnataka which are indicated in brief as follows:

Puttur's Wet Waste to Bio-CNG Plant:

9.41 The Puttur Wet Waste to BioCNG Project converts organic waste into clean energy, reducing landfill waste and emissions while promoting sustainability. Implemented through public-private partnerships, it supports a circular economy and is scalable for replication. The Puttur Wet Waste to BioCNG Project is an initiative by Puttur City Municipal Council, Karnataka, to convert organic waste into BioCNG. This project, aligned with the Swachh Bharat Mission, promotes sustainable waste management and renewable energy generation. It involves waste segregation, anaerobic digestion, and gas purification to produce clean fuel for municipal and commercial use. The initiative reduces landfill waste, mitigates greenhouse gas emissions, and supports a circular economy. Implemented through public-private partnerships, it is scalable and replicable for other municipalities, enhancing economic, environmental, and social sustainability.

Wadi Recycled Plastic Paver Block & Tiles Initiative by TMC Wadi

9.42 The Wadi Recycled Plastic Paver Block & Tiles Initiative transforms plastic waste into usable paver blocks and tiles, reducing pollution and landfill waste. A scalable, low-cost solution, it promotes circular economy and sustainable urban waste management. The Wadi Recycled Plastic Paver Block & Tiles Initiative by TMC Wadi, Karnataka, focuses on waste minimization and circular economy principles. Launched in 2022 in collaboration with Revive Waste Management, Kalaburagi, it converts plastic waste into paver blocks and tiles, reducing environmental pollution and drainage blockages. The project involves stakeholder participation, including shop owners and market associates, promoting waste segregation and recycling. It has economic benefits through revenue generation and environmental impact by reducing landfill waste. Scalable and replicable, it offers a low-cost, high-impact solution for sustainable urban waste management.

Incense Sticks Making from Flower Waste (Belagavi)

9.43 The Belagavi Flower Waste to Agarbatti Initiative repurposes flower waste into incense sticks, reducing pollution and landfill waste. A scalable, circular economy model, it transforms waste into a valuable product while promoting sustainability. The Belagavi Flower Waste to Agarbatti Initiative by City Corporation Belagavi, Karnataka, converts flower waste into incense sticks, reducing waste accumulation and environmental pollution. Launched in 2023-2024, it processes 300-500 kg of

flower waste daily from markets and temples. Through public-private collaboration, dried petals are powdered and used for Agarbatti production, promoting a circular economy. The initiative minimizes landfill waste, generates economic benefits, and is scalable for replication across India. Recognized at the International Municipalika Event and by NGT Karnataka, it transforms bad smell into good smell, aligning with sustainable urban waste management.

Mysore's Non-Reusable Plastic Waste into Interlocking Tiles

9.44 Mysore Municipal Corporation, in collaboration with Jagruth Tech Pvt Ltd, has pioneered an eco-friendly initiative by converting non-reusable plastic waste into interlocking tiles for footpaths. Processing 2 tons of plastic waste daily, the project has repurposed 100 out of 350 tonnes collected over six months. Mysore, now India's second-highest plastic-recycling city, has received an EPR certificate from the Central Pollution Control Board, affirming its commitment to sustainable waste management and environmental responsibility.

Coconut Husk to Coconut Bricks Initiative at SWM Plant, Chittapur TMC, Kalaburagi District

9.45 In an innovative towards sustainable waste management and resource efficiency, the Chittapur Town Municipal Council (TMC) in Kalaburagi district has successfully implemented a pioneering initiative to convert coconut husk waste into eco-friendly bricks. Recognizing the environmental challenges posed by the improper disposal of coconut husks, which are abundantly generated in local markets and households, the TMC collaborated with local entrepreneurs and self-help groups to establish a decentralized coconut husk processing unit. Through a simple yet effective process, coconut husks are shredded, mixed with natural binding agents, and compressed into durable bricks suitable for construction and landscaping purposes. This initiative not only addresses the issue of organic waste accumulation but also promotes circular economy principles by creating a value chain for agricultural by-products.

Waste to Wonder Park at Hagaribommanahalli TMC

9.46 The Waste to Wonder Park at Hagaribommanahalli Town Municipal Council (TMC) is a unique initiative that creatively disseminates messages of cleanliness and Swachhatam. Developed with various themes of the park features artistic installations and sculptures that symbolize environmental sustainability and the importance of waste management. Serving as both a recreational space and an educational hub, it attracts residents, students, and visitors, raising awareness about the value of recycling and resource recovery. The park not only promotes eco-friendly practices but also reflects Hagaribommanahalli TMC's commitment to the Swachh Bharat Mission's goals of a cleaner, greener future.

Best practice- a PPP model for faecal sludge treatment plant, Devanahalli, Bengaluru

9.47 This being India’s first of its kind faecal sludge treatment plant, is a step towards closing the sanitation loop. The project covers all elements of sanitation value chain, namely (i) co-compost with organic solid waste, (ii) business model development using byproducts and (iii) wider application across all ULBs. The key features are gravity-based system, treating in absence of electro-mechanical equipment, 6000

metric tons designed treatment capacity, low operation and maintenance cost and no skilled labor is required.

Best Practices under Ministry of Panchayati Raj, Govt. of India

9.48 **e-Governance:** e-Governance is the application of Information and Communication Technology (ICT) for delivering Government services, exchange of information communication transactions, integration of various standalone systems and services between Government- to-Citizen (G2C), Government-to-Business (G2B), and Government-to-Government (G2G) as well as back-office processes and interactions within the entire Government framework. The Government of India is visioning to promote e-Governance through 'Digital India' programme for electronic delivery of services uniformly throughout the country and it is playing a pivotal role in delivering information and services to the poor and underserved citizens living in the rural areas of the country. e-governance in rural development refers to the use of digital technologies and online platforms to improve governance and service delivery in rural areas. The implementation of e-governance in PRIs and equivalents presents both significant challenges and promising prospects. One of the main problems is the lack of digital infrastructure in rural areas, where access to reliable internet and technology can be limited. Additionally, there is often a shortage of skilled personnel to manage and operate e-governance systems effectively. Resistance to change and a lack of digital literacy among panchayat members and the rural population can also hinder successful adoption. However, the prospects are equally promising. E-governance can enhance transparency, accountability, and efficiency in local governance by enabling quicker and more effective delivery of services. It can also foster greater citizen participation by providing a platform for communication and feedback. With proper training, infrastructure development, and government support, e-governance in panchayats can contribute to more inclusive and responsive governance, leading to better public service outcomes in rural areas.

9.49 **e-GramSwaraj**: eGramSwaraj application has been monumental in bringing together a tech-based, integrated system of information gathering, micro level planning, work-based accounting for last tier of local self-government called Panchayats. The application has a user base of more than 2.7 Lakh PRIs; spread across 28 States and 6 UTs. The application has been ever evolving because of the continuous feedback from various critical stakeholders such as State officials, end users at Gram Panchayat level, Ministry of Panchayati Raj and National Informatics Centre. Based on the inputs received from various stakeholders, Ministry of Panchayati Raj (MoPR) has initiated a technical and functional refresh of the eGramSwaraj application. The intended objective is to enhance the application with latest technical advancements and Emerging Tech integrations as per suitability. On the functional front, design of new Key Performance Indicators (KPIs) and Process Reengineering shall be focused upon.

9.50 **eGramSwaraj Architecture**: eGramSwaraj is designed with the following 3 key target user groups in consideration:

i) **Local Bodies**: Rural and Urban local bodies, together, forms up the primary end users of this application. These users, working at the field level, are primary custodians of numerous critical processes such as formulation of Gram Panchayat

Development Plan (GPDP), Works progress monitoring, Vendor and employee management, and Financial Management.

ii) **Line Departments**: GPDP cuts across 29 subjects and 18 Ministries of Government of India. These Line Departments are responsible for driving various social welfare programs and schemes. Data driven Planning and Monitoring, naturally, forms the foundation of successful, last-mile, service delivery, especially for robust financial management.

iii) **Citizens**: While the Gram Panchayat is operated by the elected and selected representatives of the citizens and administration respectively, it is the right and more importantly, the responsibility, of each and every citizen to be vigilant and aware of the status of progress and development taking place in their region. Equipped with ratified and readily available data, the general population plays a significant role in inclusive decision-making process.

9.51 Considering the above high-level user persons, the following 6 Modules form the backbone of eGramSwaraj application:

i) **Panchayat Profile**: This module consists of General profile of the Gram Panchayat, elected member details (Sarpanch – President to Ward members), Committee member details and employee details. This information helps the citizens and visitors of the website to reach the Gram Panchayat's Elected Representatives and employees easily.

ii) **Planning:** In the Gram Sabha meeting, a plan of works to be undertaken within a specific period of time is proposed. The Approved works in the Gram Sabha are entered as an activity on the eGramSwaraj website by the PRIs. Administrative sanction is provided by District Administration for only those works entered in eGramSwaraj with respect to Budget allocation. The Ministry has also developed a Spatial Planning Application, *Gram Manchitra*. The application facilitates the creation of various planning scenarios for facility planning and management, integrated with the priority and needs of the people, ensuring basic facilities, avenues for livelihood, and productive use of resources. It has added objectivity to the planning process by acquiring relevant data and performing planning at the panchayat level with the use of geographic data for sustainable development. It enables the user to take a decision based on geographical data. Drone images, large scale & high-resolution Villages maps can serve for feature extraction of all visible features such as buildings, roads, land parcels, water tanks, open plots, etc. and for preparation of base map layers in Gram Manchitra Application.

iii) **Progress Reporting**: This module facilitates reporting of physical and financial progress of the activities included in the Action Plan(s), utilizing various Central/ State specific schemes and/ or other sources of funds. The progress is reflected in the Technical and Administrative approval sections. Technical Approvals keep track of approved cost of the work. Administrative approvals keep track of Implementing and executing agency names along with the amount sanctioned for a work.

iv) **Accounting**: For exercising proper control and securing better accountability, the formats for the preparation of budget & accounts and database on finances of

PRIs; MoPR along with C&AG has introduced Model Accounting System (MAS) for Panchayats. Users can select and map the available Central and State schemes, add vendor and employee details, and perform voucher-based, Digital Signature verified transactions. Based on the transaction records and book closings, cash book and bank account reconciliation is performed.

v) **Asset Directory**: This module allows updating of the status of an asset as and when it changes. The system captures the status details of the asset including Status Updated To (abandoned/ active/ demolished/ damaged natural causes/ not due to in use (seasonal)/ stolen), Reason for Status Updating, Date on which the Asset Status is Updated, etc.

vi) **User Management**: This module enables the system administrators at various levels in management of user accounts and their extent of access to various modules and functionalities of the system, along with user credential management for privileged access.

9.52 Founded on these modules and their respective functionalities, eGramSwaraj enables seamless, end-to-end digitization of the works planning and monitoring lifecycle for the Gram Panchayats. From development plan creation to geo-tagged physical progress monitoring and finally to financial progress tracking and PFMS linked online disbursement of funds, eGramSwaraj serves as a one-stop solution to all the critical stakeholders of the Gram Panchayat development ecosystem.

9.53 **e-Panchayat:** Objectives of e-Panchyat initiative is to strengthen e-Governance in Panchayati Raj Institutions (PRIs) in the State and build associated capacities of the PRIs for effective adoption of the e-Governance initiative. Under e-Panchayat initiative, following applications are conceptualized and rolled out in the state.

i) PRIASoft: Captures receipt & expenditure details through voucher entries and automatically generates cash book, registers, utilization certificates etc.Website:

ii) National Panchayat Portal (NPP): Dynamic Website for each Panchayat to share information in public domain.

iii) Plan Plus: Assists Panchayats in preparation of Annual Action Plans (GPDP). Also includes separate dashboards for monitoring preparation and implementation of GPDP and & progress of release and utilization of FFC funds.

iv) A new programme has been initiated to convert feasible panchayats into 'Digital Gaon Panchayats'. The aim of Digital Gaon Panchayat is to provide free WiFi Access to Citizen, Provide Digital literacy training to Citizen especially on e-Commerce and e-Services. This project is piloted in Khetri Gaon Panchayat in Dimoria Block of Kamrup Metro District.

9.54 **MIS of Rural Development Programs:** All three major rural development programs are equipped with strong Information Systems. These systems maintain beneficiary data, photographs of beneficiaries and schemes, vouchers, financial data and reporting system with multiple reports etc. These Information systems also provides for transfer of funds directly into accounts of beneficiaries using Digital Signatures.

i) MGNREGA : NREGASoft

ii) PMAY-G : AWAASSoft

iii) NSAP : NSAP MIS

9.55 **eGramSwaraj GeM Interface:** eGramSwaraj GeM Interface was launched by Hon'ble Prime Minister on 24th April 2024. The interface enables all the Panchayats to utilize 15th Central Finance Commission grants to procure their items/services through GeM and make plan/ payments through eGramSwaraj in a seamless manner.

9.56 **SVAMITVA (Survey of Villages and Mapping with Improved Technology in Village Areas):** SVAMITVA is a central Sector Scheme aiming to provide "record of rights" to rural households owning property in inhabited areas and issue them property cards. The Scheme covers all inhabited villages across 31 States/ UTs that have signed MoU for implementation. This will create accurate land records for improved rural planning and to reduce property related disputes.

9.57 **Achieving the Sustainable Development Goal (SDG):** Recognizing the role of PRI in localizing SDG, MoPR, Govt. of India had set up an Expert Group on "Localizing SDGs, through PRI". The report of the Expert Group was released on 7th December, 2021 which recommended adopting a thematic approach by aggregating the 17 SDGs into 9 themes of LSDGs to enable any understanding, acceptance and implementations by PRI. The goals in these themes are to be attained by 2030 in a graduated manner by convergence of all flagship development and welfare programmes at Panchayat level, saturation of various activities in all villages in a planned manner and using digital technology for ensuring transparency and accountability.

Case Study of Best Practices of PRIS

Gova Gaon Panchayat under Mayong development block of Morigaon district – An initiative to become self-sufficient panchayat

9.58 Gova Gram Panchayat under Mayong Development Block, Morigaon with a population of 10856 residents is a beacon of rural transformation in the field of self-sufficient environment to the needs of its community. In Gova, enterprising youths have started a cooperative movement through dairy development around Sitajakhala Dughda Utpadak Samabai Samiti which is the only milk producers cooperative society in Central Assam producing 15000 litres of milk daily. 1200 households produces an impressive 50 liters of milk daily. This initiative generates an annual income of ₹3,00,000 per farmer. To sustain this model, the Panchayat makes every effort to ensure continued growth and income of these families. The Gaon Panchayat through MGNREGA has provided cultivation of nutritious fodder by involving 500 families. The Gaon Panchayat has also constructed 35 cattle sheds in the area through which 500 families have benefited.

9.59 With the help of 15th Finance Commission Grant, the Panchayat has constructed 1 weekly, 1 daily and 15 small markets where local vegetables and local produce is sold by 75 families. These families earn around ₹3000/- daily by selling their rural produce. Poultry farming is also carried out by the locals which boosts their revenue generation. 32 nos of Solar lights have been installed by the Panchayat which has drastically reduced the burden of electricity consumption and electric bills. People's lives and accessibility to markets has become much easier due to the easy availability of light. 100 nos Lakhpati Didis and 20 nos Mahalakhpati Didis are engaged in handloom,

handicrafts, and animal husbandry. Through creation of beautiful crafts and weaves and rearing of livestock these women are earning ₹20,000 monthly, and anywhere between ₹3-4 lakh yearly. With the initiative of ASRLMS and support from the Gaon Panchayat, nearly 300 Lakhpati Didis are now self-reliant and thriving. With the implementation of two Jal Jeevan Mission (JJM) schemes, 300 families now have access to safe and clean water. The Water User Association receives ₹100/- per family per month for supplying clean water which is an additional source of revenue for the Panchayat. 2 nos Amrit Sarovar of 12 bighas each are a valuable source of income. Through Self-Help Groups (SHGs) almost 100 families are engaged in fish cultivation and dry fishing farming which is sold in the local weekly and daily markets earning each household almost ₹3,00,000 per year. The locals carry out fish farming at the Killing River. The raw material is then supplied to nearby Jagi Road dry fish market which is the largest dry fish market in Asia. In return, 25% of this revenue goes to the Panchayat, reinforcing a self-sustaining ecosystem. With innovative schemes and unwavering commitment Gova GP is a force driving rural progress. Along with its 2000 families Gova GP has transformed itself into a self-reliant and self-sufficient GP, creating a model for sustainable rural development.

Self-Sufficient Integrated Village Panchayat - Bebejia Dimou Bangthai Gaon Panchayat

9.60 Bebejia Dimou Bangthai Gram Panchayat, located in Nagaon district of Assam, spans 1,939.35 hectares and serves a population of 2,049 residents. The Panchayat is dedicated to fostering a self-sufficient infrastructure that caters to the needs of its community. Key achievements of Bebejia Dimou Bangthai GP include :

a) A community health centre and 2 healthcare sub-centers providing accessible medical services.
b) 22 Anganwadi centers supporting child nutrition and education for 956 children.
c) 11 schools equipped with smart classes and playgrounds for holistic development.
d) Toilet facilities in all households as well as public buildings
e) A railway station, a bus stand, and an all-weather road ensuring seamless connectivity.
f) 4 ATMs and a bank, enhancing financial accessibility for the community.

9.61 Despite these achievements, the Panchayat encountered challenges in fully integrating services for its economically disadvantaged population which necessitated innovative solutions. To address these challenges, the Panchayat invested in infrastructure development, establishing a dedicated Panchayat Bhawan with computers and internet connections for community meetings and governance. The introduction of Amrit Sarovars for water conservation, along with the establishment of a Common Service Center (CSC), facilitated access to various government services. The Panchayat also promoted local entrepreneurship through Self-Help Groups (SHGs) involved in producing bags, pickles, and gamusas, empowering women and enhancing local economies.

9.62 Collaboration with state and local stakeholders has been pivotal in securing the necessary resources and support. Benefitting from the Pradhan Mantri Awas Yojana

Gramin Scheme, every family in the gaon panchayat resides in their own pucca houses. Under the Jal Jeevan Mission and the Public Health Engineering Department, the villagers have access to clean drinking water too. Looking ahead, Bebejia Dimou Bangthai GP aims to further strengthen its infrastructure by expanding services, improving transportation networks, and supporting sustainable local industries. This commitment ensures a self-sufficient and resilient community, ready to face the challenges of tomorrow.

9.63 With the above initiative taken by the panchayats, the Bebejia Dimou Bangthai Gaon Panchayats has received 2nd prize under the category of Nanaji Deshmukh Sarvottam Panchayat Satat Vikas Puraskar from the Ministry of Panchayati Raj Government of India for their exemplary works in the particular field.

Child-Friendly Village Panchayat - No 18 Jengrai Gaon Panchayat

9.64 Jengrai Gram Panchayat, located in the heart of Majuli, spans over 1,939.35 hectares and is home to a thriving community of 14,059 residents. The Panchayat is dedicated to creating a safe, supportive, and nurturing environment for its younger citizens. The significant strides in promoting child welfare including the following:

a) 29 Anganwadi centers, providing nutritional support and early education to 856 children.

b) A Model Hospital and 3 sub-centers, ensuring comprehensive healthcare services for children and their families.

c) 21 primary schools and 7 well-maintained playgrounds, creating a conducive environment for learning and physical development.

d) A strong focus on children's physical well-being with the construction of 2 stadiums for sports and recreational activities.

9.65 The support from government agencies, local NGOs, and community leaders played a crucial role in building a child-friendly environment. The panchayat remains vigilant regarding the health of children based on various government schemes. Regular vaccination and health check-ups are organized to ensure appropriate physical and mental development. ASHA workers routinely visit homes to monitor both mother and child development.

9.66 With the activities taken up for making the child friendly Gaon Panchayats, the Jengrai Gaon Panchayat of Ujani Majuli Development Block, Majuli district has received 1st prize in the category of Deen Dayal Upadhyay Panchayat Satat Vikas Puraskar.

Case Study of RLB under BTC: Subungthini Thandwi Bineswar Brahma Bodoland Knowledge Centres (STBBBKC)

9.67 Revitalizing reconciliation, co-existence and peace through community knowledge spaces.

i) Introduction: The Subungthini Thandwi Bineswar Brahma Bodoland Knowledge Centres (STBBBKC) are envisioned as transformative community institutions to be established across **204 Village Council Development Committee (VCDC) offices** in Bodoland Territorial Region (BTR). These centres aim to heal past traumas and foster peaceful co-existence by promoting indigenous knowledge,

creativity, innovation, counselling, and capacity building. By involving all communities, the STBBBKCs will serve as inclusive platforms for social dialogue, reconciliation, and grassroots development.

ii) Objectives

- Serve as VCDC-level resource and information hubs for government schemes, entitlements, and beneficiary databases.
- Promote scientific temperament, lifelong learning, and community dialogues.
- Offer counselling, skilling, and vocational training aligned with local needs and traditions.
- Provide safe spaces and well-equipped libraries for life-skill development and recreation of children and youth.
- Foster inclusive community discussions on peace, harmony, and local development.
- Enable women and children to engage in co-curricular and social bonding activities.

iii) Facilities Proposed (Per VCDC)

- Fully furnished **20-seater Meeting Hall**
- **1 Computer** for digital access
- **Internet Connectivity** for digital training and seamless browsing

iv) Organizational Structure

The STBBBKC initiative will be governed by a **two-tiered committee system**:

- **Council-Level Committee**: Responsible for policy, budgeting, convergence with departments and external stakeholders
- **VCDC-Level Committee**: Responsible for operations, utilization and community awareness.

Best Practice of PRIS in Karnataka

9.68 During the visit of 7th ASFC to Karnataka several best practices were observed which are given in following paragraphs:

Best practice in the supply of pure drinking water

9.69 One of the state government's flagship programmes launched in 2013 is the installation of Reverse Osmosis (RO) units to ensure that the people were provided pure drinking water. Apart from water, this has helped in preventing water borne diseases in rural Karnataka to a great extent.

Best Practice - Gourav Ghatak for Community Services

9.70 "Gourav Ghatak", a multi utility programme initiated by the Government of Karnataka. This would include facilities like power connection, sustained water supply, toilet facility, bathing facility, changing room, maintenance room for the staff, washing platform, washing machine, hair dryer, incinerator etc. for the community locally.

Best Practice - A PPP model for lake restoration

9.71 A lake in Kaikondrahalli village in Bengaluru has been successfully restored using PPP model. The problems faced by the lake were (i) severe inflow of sewage, (ii) silting and settled deposits, (iii) dumping of debris and waste, (iv) land formation

owing to eutrophication and (v) encroachments. The restoration drive in phases involved the development of inlets and outlets to improve the flow of water, embankments and revetments, and a pathway around the lake. Now, it has become an aesthetic and recreational urban space, with facilities like walking/jogging pathway around the lake perimeter, a 2.5 km cycling track, an amphitheatre for cultural performances, and pergolas' and toilets.

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CHAPTER-10
Assessment of the Gap in Financial Resources and Scheme of Devolution

A1 Assessment of Gap (General Areas)

10.1 The basic responsibility of the State Finance Commissions (SFC) is to make recommendations about distribution of the net proceeds of taxes, duties, tolls and fees leviable by the states between the state and the urban and rural local bodies. While deciding on the distribution of such proceeds, the SFCs are also to frame the rules and formulas to govern the allocation of such proceeds between the rural and urban local bodies at all levels. As the internal revenue generation of local bodies has been generally sub-optimal, the resource transfer from the State and Central governments under the award of the SFC and the CFC assume great significance. Their own resources being limited, funds received from the State and Central governments primarily meet the revenue and capital expenditure requirements of these bodies. The local bodies are expected to provide basic civic services to the citizens. However, no prescribed standard of service delivery is available in case of PRIs. Hence, it is difficult for the Commission to assess the present level of services provided by the PRIs and the gap thereof. In case of ULBs, however, some service level benchmarks are made available. But the situation has been made complex due to duplication of services at the level of local bodies and the State and other parastatal bodies.

10.2 Considering the low base of local taxes, the Commission recognized the need for larger transfer of resources to local bodies to provide better civic services. The Commission has made an attempt to find out the requirements of local bodies, keeping in view their own limited resources and obligatory expenditures, their absorption and implementation capacity and also the focused areas where grant is needed to improve the standard and quality of service delivery. The task of assessing the gap in financial resources of local bodies is daunting particularly due to limitation of data availability. The Commission has done its best to gather required data from the field level through questionnaire method. But the data collected from the field level were totally cumbersome and needed a lot of clarification over several rounds of discussions with the concerned stake holders to make them usable. Based on the available data, a forecast of receipt and expenditures of the local bodies has been made for our award period 2026-31.

10.3 Simultaneously, the Commission has made an assessment of the financial position of the State Government to ascertain its fiscal capacity to sustain the impact of possible resource transfer to the local bodies. Based on the assessment of State Finances, the Commission has made a forecast of revenue receipts and expenditures of the State Government for the award period 2026-31 for determination of the Divisible Pool (DP) for transfer to the PRIs and ULBs. As the state consists of two distinct administrative divisions, namely, the General Areas and the Sixth Schedule Areas, the

gap and the recommended financial resources have been estimated separately for both these areas.

Revenue Gap of Rural Local Bodies
(General Areas)

10.4 The revenue gap of rural local bodies in General Areas has been worked out separately for ZP, AP and GP. The tier-wise details of receipt and expenditure are shown at Table-7.38 in Chapter-7. The tire-wise revenue gap of ZP, AP and GP is summarized at table 10.1.

Table 10.1 Projected Revenue Gap of PRIs during 2026-31 (General Areas)

(Rs. in Crore)

Sl. No.	Items	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast	2026-31 Forecast
A. ZP							
1	Rev. Receipt	16.34	17.15	18.01	18.91	19.86	90.27
2	Rev. Expenditure	33.99	36.68	39.63	42.88	46.45	199.62
3	Rev. Gap with Salary	-17.66	-19.52	-21.62	-23.96	-26.59	-109.35
	Rev. Gap without Salary	9.18	10.00	10.86	11.76	12.70	54.50
B. AP							
1	Rev. Receipt	24.49	25.72	27.01	28.36	29.77	135.35
2	Rev. Expenditure	109.98	117.66	126.11	135.40	145.63	634.79
3	Rev. Gap with Salary	-85.49	-91.94	-99.11	-107.05	-115.85	-499.44
	Rev. Gap without Salary	-8.69	-7.47	-6.18	-4.83	-3.41	-30.58
C. GP							
1	Rev. Receipt	7.66	8.05	8.45	8.87	9.32	42.35
2	Rev. Expenditure	361.02	377.18	394.95	414.50	436.00	1983.65
3	Rev. Gap with Salary	-353.36	-369.13	-386.50	-405.63	-426.69	-1941.30
	Rev. Gap without Salary	-191.78	-191.40	-191.00	-190.58	-190.13	-954.89
Grand Total (A+B+C) Revenue Gap with Salary		**-456.50**	**-480.60**	**-507.22**	**-536.64**	**-569.13**	**-2550.10**
Grand Total (A+B+C)Revenue Gap without salary		**-191.29**	**-188.87**	**-186.32**	**-183.65**	**-180.84**	**-930.98**

10.5 It is clear from Table 10.1 that the combined revenue gap of PRIs at all levels has been worked out at Rs.191.29 Crore during 2026-27 and Rs.930.98 Crore for the five-year period 2026-2031. This amount is proposed to be covered by devolution recommended by the Commission.

Grants to PRIs
(General Areas)

10.6 Apart from revenue gap, the Commission has also recommended specific purpose grants to PRIs in General Areas mainly for creation/upgradation of infrastructural facilities. The Commission has recommended special purpose grants in the following heads- Strengthening PRIs for OSR byelaws and budgeting, strengthening of institutional infrastructure of PRIs, Green Initiatives of PRIs, Internal revenue generating infrastructure and creation of Socio-economic infrastructure. Details including year wise phasing against the initiatives are in Table-7.60 of Chapter-7. The year-wise and purpose-wise phasing of the amount of grants recommended by the Commission is summarised in Table 10.2.

Table 10.2 Projected Special Purpose Grants to PRIs during 2026-31
(General Areas)

(Rs. In crore)

Sl. No.	Item	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Strengthening PRIs for OSR byelaws and budgeting	8.64	3.10	0.00	0.00	0.00	11.80
2	Strengthening of institutional infrastructure of PRIs	61.48	61.48	61.48	61.48	61.48	307.36
3	Green Initiative of PRIs	4.45	4.45	4.45	4.45	4.45	22.26
4	Internal revenue generating infrastructure	291.00	291.00	291.00	291.00	291.00	1455.00
5	Socio-economic infrastructure	221.99	221.99	221.69	221.69	221.69	1109.05
Total		**587.56**	**582.02**	**578.62**	**578.62**	**578.62**	**2905.47**

10.7 Combining the assessed revenue gap at Table 10.1 and grant recommended at table 10.2, the total requirement of fund for PRIs in General Areas during the five-year period 2026-31 has been estimated at Rs.3836.42 Crore. It includes assessed revenue gap of Rs.930.95 Crore and recommended grant-in-aid of Rs.2905.47 Crore. The Commission recommends phasing of the required fund as summarised in table 10.3.

Table 10.3 Fund Required for PRIs
(General Areas)

(Rs. in Crore)

Sl. No	Purpose	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Revenue Gap	191.29	188.86	186.32	183.64	180.84	930.95
2	Special purpose Grant	587.56	582.02	578.62	578.62	578.62	2905.47
Total		**778.85**	**770.88**	**764.94**	**762.26**	**759.46**	**3836.42**

10.7a Two addition items related to PRIs are added as follows:-

a) Rural digitization end to end budgeting and accounting for 5 years amounting Rs.20 crore in total.

b) Digital Panchayat Common Service Centre for 5 years of award period amounting to Rs.25 crore in total.

Revenue Gap of Urban Local Bodies
(General Areas)

10.8 Since Guwahati Municipal Corporation (GMC) is the biggest ULB in the state with a total population of 9,57,352, the Guwahati Municipal Corporation has been treated as a separate entity in the assessment of revenue gap of the ULBs. Thus, the assessment of revenue gap of the ULBs has been made in two parts- all other urban local bodies have been grouped under a single category whereas the GMC has been treated as a separate category. The revenue gap of the ULBs has been assessed based on the actual level of receipt and expenditure as on 2024-25. For estimation of projected revenue receipt and expenditure, growth of various components has been assumed to grow at various rates. The projected year-wise revenue gap of Guwahati Municipal Corporation and all other ULBs are summarised in table 10.4.

Table 10.4
Projected Revenue Gap of GMC & Other ULBs

(Rs.in Cr.)

Sl. No	Purpose	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
		Forecast	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
A. **GMC**							
1	Revenue Receipt	194.88	212.43	231.54	252.38	275.12	1166.35
2	Revenue Expenditure	269.85	293.01	304.16	332.05	362.64	1561.71
3	Revenue Gap	-74.97	-80.58	-72.62	-79.67	-87.52	-395.36
B. **Other ULBs**							
1	Revenue Receipt	194.66	210.78	228.28	247.25	267.89	1148.86
2	Revenue Expenditure	271.34	290.18	310.69	332.97	357.22	1562.42
3	Revenue Gap	-76.68	-79.40	-82.41	-85.72	-89.33	-413.56
Grand Total (A+B)		**-151.654**	**-159.984**	**-155.034**	**-165.394**	**-176.854**	**-808.92**

10.9 As is evident from table 10.4, the cumulative projected revenue gap of ULBs (both municipalities and GMC) for the period 2026-31 is estimated as Rs. 808.92crore. This includes revenue gap of Rs. 395.36 crore for GMC and revenue gap of Rs. 413.56 crore for all other ULBs. It is clear from table 10.4 that the shortfall in allocation over the assessed gap is Rs.60.97 crore for the year 2026-27 to 2028-29 as per technical supplement appended to this report. The Commission recommends revenue deficit grants of Rs.60.97 crore for the three-years period to cover the gap assessed by the Commission. This amount will be treated as an addition to the DP

Grant to ULBs
(General Areas)

10.10 The year wise phasing of grants recommended for ULBs in General Areas including GMC is summarized in table10.5. The purpose wise details of recommended grants are given at table- 8.39 in Chapter 8.

Table 10.5 Grants to ULBs
(General Areas)

(Rs. in Crore)

Sl. No.	ULBs	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	**GMC**	148.87	148.87	148.87	148.87	148.87	744.35
2	**ULBs other than GMC**	248.40	248.40	248.40	248.40	248.40	1242.00
Total		**397.27**	**397.27**	**397.27**	**397.27**	**397.27**	**1986.35**

10.11 It is evident from table 10.4 and 10.5 that the projected requirement of fund for covering the revenue gap and grants to ULBs of Assam in General Areas during 2026-31 is Rs.2795.27 crore. It consists of assessed revenue gap of Rs.808.92 crore (Table 10.4) and recommended grants amounting to Rs.1986.35 crore (Table 10.5).

10.12 The projected distribution of required fund for ULBs including GMC in General Areas for the period 2026-31 is shown in table 10.6.

Table 10.6 Total Fund Required for ULBs
(General Areas)

(Rs. in Crore)

Sl. No.	Particulars	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Revenue Gap of ULBs	151.654	159.984	155.034	165.394	176.854	808.92
2	Grant to ULBs	397.27	397.27	397.27	397.27	397.27	1986.35
	Total	**548.924**	**557.254**	**552.304**	**562.664**	**574.124**	**2795.27**

10.12a Recommendation for two more items has been made as additional grant. One is related to meeting the expenditure of five liability schemes (Para 8.184). The total sums to Rs.61.82 crore for 5 years with annual breakup of Rs.12.364 Crore. The other is related to the establishment of an Urban Training Institute in the Capital City and the cost of conduct of Capacity Building activities. The amount recommended for the

two corresponding components works at Rs.19.43 Crore and Rs.26.23 Crore for five years (Table - 13.18). The annual phasing may be seen from the following table–

Table – 10.6a: Additional Grant

(Rs. In Crore)

Sl. No.	Additional Schemes	FY					
		2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Liability Schemes	12.364	12.364	12.364	12.364	12.364	61.82
2	Construction of Urban Training Institute	3.886	3.886	3.886	3.886	3.886	19.43
3	Capacity Building of functionaries and elected representatives of all ULB etc.	5.246	5.246	5.246	5.246	5.246	26.23
TOTAL		**21.496**	**21.496**	**21.496**	**21.496**	**21.496**	**107.48**

10. A.2 Assessment of Gap
(Sixth Schedule Areas)
Revenue Gap of Rural Local Bodies

10.13 The system of Panchayati Raj did not exist in the three Autonomous Councils under the Sixth Schedule. Consequent upon 73rd Amendment of the Constitution, all the Autonomous Councils have constituted Village Development Councils (VDC) which are analogous to *gaon panchayats* (GPs) in General Areas. At present, there are 1286 VCDCs/TVDCs/ CDCs in the Sixth Schedule Areas.

10.14 The projected revenue gap of rural local bodies in Sixth Schedule Areas (Council-wise and year-wise) is presented in table 10.7.

Table No.10.7 Projected Revenue Gap of RLBs during 2026-31
(Sixth Schedule Areas)

(Rs. in Crore)

Sl. No.	Items	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
A. BTC							
1	Rev. Receipt	0.06	0.06	0.07	0.08	0.08	0.34
2	Rev. Expenditure	61.67	66.55	71.92	77.82	84.32	362.28
3	Rev. Gap with Salary	-61.61	-66.49	-71.85	-77.75	-84.24	-361.93
	Rev. Gap without Salary	-12.81	-12.80	-12.80	-12.79	-12.78	-63.98
B. KAAC							
1	Rev. Receipt	0.00	0.00	0.00	0.00	0.00	0.00
2	Rev. Expenditure	125.27	135.18	146.09	158.08	171.28	735.91
3	Rev. Gap with Salary	-125.27	-135.18	-146.09	-158.08	-171.28	-735.91
	Rev. Gap without Salary	-26.13	-26.13	-26.13	-26.13	-26.13	-130.67
C. NCHAC							
1	Rev. Receipt	0.00	0.00	0.00	0.00	0.00	0.00
2	Rev. Expenditure	5.66	5.99	6.35	6.75	7.19	31.94

3	Rev. Gap with Salary	-5.66	-5.99	-6.35	-6.75	-7.19	-31.94
	Rev. Gap without Salary	-2.37	-2.37	-2.37	-2.37	-2.37	-11.84
Grand Total (A+B+C) Revenue Gap with Salary		-192.54	-207.66	-224.29	-242.58	-262.70	-1129.78
Grand Total (A+B+C) Revenue Gap without salary		-41.31	-41.30	-41.30	-41.29	-41.28	-206.49

10.15 It is clear from table 10.7 that the projected revenue gap of rural local bodies under sixth schedule areas without the salary component during 2026-31 is Rs.206.49 crore. However, if the salary component is taken into account the gap shots up to Rs.1,129.78 crore.

Projected Salary Expenditure for RLBs (2026-31)

(Sixth Schedule Areas)

10.16 Unlike the ULBs in the Sixth Schedule Areas, the salary of the employees of rural local bodies (RLB) in these areas is not paid directly by the State government. As the revenue generating capacities of these RLBs are extremely limited, the Commission is of the view that these expenditures are to be met with provisions of specific grants to the RLBs in the Sixth Schedule Areas. An assessment of the requirement for payment of salary of the employees during the period under consideration (2026-31), therefore, is important. The projected salary expenditure of the employees in RLBs during this period is presented in table 10.8.

Table 10.8 Projected Salary Expenditure for RLBs (Sixth Schedule Areas)

(Rs. in Crore)

Sl. No	Purpose	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	48.80	53.68	59.05	64.96	71.45	297.95
2	KAAC	99.14	109.05	119.96	131.95	145.15	605.24
3	DHAC	3.29	3.62	3.98	4.38	4.82	20.10
Total		**151.23**	**166.36**	**182.99**	**201.29**	**221.42**	**923.30**

10.17 As is evident from table 10.8, the cumulative projected salary expenditure for the employees of RLBs under Sixth Schedule Areas during 2026-31 is estimated at Rs.923.30 crore, out of which the share of KAAC is the highest at Rs.605.24 crore. This unusually high share of KAAC in the salary requirement of the three Councils is due to the fact that KAAC has increased the number of TVDCs within its jurisdiction to 843 from the present 26 through Council notification. The projected salary expenditure for the employees of RLBs during 2026-31 is sought to be met through grants from the Divisible Pool (DP) estimated by the Commission.

Grants to PRIs (Sixth Schedule Areas)

10.18 The projected special purpose grant recommended for the rural local bodies in the Sixth Schedule Areas is presented in table 10.9.

Table 10.9 Projected Grants for the RLBs in the Sixth Schedule Areas (2026-31)

(Rs. in Crore)

Sl. No	Purpose	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	**BTC**	113.74	111.85	111.62	111.62	111.1	559.97
2	**KAAC**	198.875	197.7	197.982	198.158	197.1	990.031
3	**DHAC**	15.074	14.152	13.7088	13.671	13.652	70.2878
	Total	**327.689**	**323.702**	**323.3108**	**323.449**	**321.852**	**1620.289**

10.19 It is clear from table 10.9 that the projected grants for the rural local bodies under sixth schedule areas is Rs.1620.289 crore, out of which Rs.990.031 crore is recommended for KAAC. The details of the allocation are provided in Annexure 10.1.

10.20 Combining the assessed revenue gap at Table 10.7 and grant recommended at table 10.10, the total requirement of fund for PRIs in Sixth Schedule Areas during the five-year period 2026-31 has been estimated at Rs.2,750.05 crore. It includes assessed revenue gap Rs.1129.77 crore and recommended grant-in-aid of Rs.1620.289 crore. The Commission recommends phasing of the required fund as summarised in Table-10.10.

Table 10.10 Fund Required for RLBs
(Sixth Schedule Areas)

(Rs. in Crore)

Sl. No	Purpose	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A.	**BTC**						
1	Revenue Gap (with Salary & Office Expenditure)	61.61	66.48	71.85	77.75	84.24	361.93
2	Special purpose Grant	113.74	111.85	111.62	111.62	111.10	559.97
	Total	**175.35**	**178.33**	**183.47**	**189.37**	**195.34**	**921.90**
B.	**KAAC**						
1	Revenue Gap (with Salary & Office Expenditure)	125.27	135.18	146.08	158.08	171.28	735.90
2	Special purpose Grant	198.87	197.70	197.98	198.16	197.10	990.03
	Total	**324.14**	**332.88**	**344.06**	**356.24**	**368.38**	**1725.93**
C.	**DHAC**						
1	Revenue Gap (with Salary & Office Expenditure)	5.66	5.99	6.35	6.75	7.19	31.94
2	Special purpose Grant	15.07	14.15	13.70	13.67	13.65	70.28
	Total	**20.73**	**20.14**	**20.05**	**20.42**	**20.84**	**102.22**
Grand Total (A+B+C)		**520.22**	**531.35**	**547.58**	**566.03**	**584.56**	**2750.05**

10.21 It is clear from the table that the projected amount of fund required for RLBs under the three Councils in Sixth Schedule Areas during 2026-31 is estimated at 2750.05 crore.

b) Urban Local Bodies
(Sixth Schedule Areas)

10.22 There are 45 ULBs in the Sixth Schedule Areas of Assam-16 in BTC, 22 in KAAC and 7 in DHAC. The revenue gap of ULBs in Sixth Schedule Areas has been worked out separately for each Autonomous Council. The year-wise and Council-wise break up of receipt and expenditure and the assessed revenue gap is shown at table 10.11.

Table 10.11 Revenue Gap of ULBs
(Sixth Schedule Areas)

(Rs.in Crore)

Sl. No	Purpose	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
A.	**BTC**						
1	Rev. Receipt	9.45	10.20	11.02	11.90	12.85	55.42
2	Rev. Expenditure	23.25	25.37	27.70	30.24	33.02	139.58
3	Rev. Gap	-13.80	-15.17	-16.68	-18.34	-20.17	-84.16
B.	**KAAC**						
1	Rev. Receipt	6.15	6.64	7.17	7.74	8.36	36.06
2	Rev. Expenditure	45.50	48.86	52.51	56.49	60.55	263.91
3	Rev. Gap	-39.35	-42.22	-45.34	-48.75	-52.19	-227.85
C.	**DHAC**						
1	Rev. Receipt	4.26	4.60	4.97	5.36	5.79	24.98
2	Rev. Expenditure	23.72	25.22	26.83	28.58	30.45	134.80
3	Rev. Gap	-19.46	-20.62	-21.86	-23.22	-24.66	-109.82
Total Rev. Gap (A+B+C)		-72.61	-78.01	-83.88	-90.31	-97.02	-421.83

10.23 It is clear from table 10.11that the combined revenue gap of ULBs in three Autonomous Councils has been assessed at Rs. 421.83 crore for the five- year period, 2026-31. This amount is proposed to be covered by devolution recommended by the Commission.

Grant to ULBs
(Sixth Schedule Areas)

10.24 The Commission has recommended special purpose grants for the ULBs under Sixth Schedule Areas mainly for creation of infrastructural facilities. This includes construction of roads, drains, streetlight, market complex, parks, etc. Additionally, some grants are proposed for carrying out e-governance initiatives. Some incentive grants for a few ULBs are also proposed. The year-wise and Autonomous Council-wise phasing of grants recommended for the ULBs in Sixth Schedule Areas is summarised in table 10.12. The detailed break up of recommended grants is provided in table-8.39 in Chapter 8.

Table 10.12: Special purpose Grants to ULBs (Sixth Schedule Areas)

(Rs. in Crore)

Sl. No	AC	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	BTC	49.10	49.10	49.10	49.10	49.10	245.50
2	KAAC	69.20	69.20	69.20	69.20	69.20	346.00
3	NCHAC	21.45	21.45	21.45	21.45	21.45	107.25
Total		**139.75**	**139.75**	**139.75**	**139.75**	**139.75**	**698.75**

10.25 As is evident from table 10.12, the total amount of grant recommended for the ULBs under the three Councils is Rs. 698.75 crore, out of which the largest share is proposed for the KAAC at Rs. 346.00 crore.

10.26 Apart from specific purpose grant recommended for the PRIs and ULBs, the Commission has also recommended the following amount.

Strengthening of SFC Cell

10.27 As the State Finance Commission is constituted every five year, creation of a specific cell is felt necessary for carrying out the activities of the Commission. Keeping this in mind, the 6th State Finance Commission had recommended a sum of Rs. 20 crore for setting up of the SFC Cell during 2020-25. However, not much progress has been made regarding instituting the cell. In view of the enormous need of the cell, the Commission has further recommended a sum of Rs. 20 crore to be allocated equally every year in the five-year period, 2026-31 for strengthening of SFC Cell under Finance (Economic Affairs) Department. As such, an amount of Rs.4.00 crore may be earmarked in each year against the appropriate head of account in State Budget.

10.28 To sum up, the overall requirement of fund for rural and urban local bodies in General and Sixth Schedule areas consisting of devolution and grant has been estimated at Rs.2464.22 crore during 2026-27 and Rs.15433.56 crore during the five-year period 2026-31. The year-wise phasing is shown in table 10.10 with further details at **Annexure-10.1.**

Table 10.13 Summary of Assessed Gap and Grants Recommended

(Rs. in Crore)

Sl No	Purpose	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
A.	**General Areas**						
1	Revenue Gap	633.73	847.49	1067.70	1337.55	1642.55	5529.02
2	Specific Grant	1015.33	1009.78	1006.38	1006.38	1006.36	5044.23
3	SFC Cell	4.00	4.00	4.00	4.00	4.00	20.00
	Total A	**1653.06**	**1861.27**	**2078.08**	**2347.93**	**2652.91**	**10593.25**
B.	**Sixth Schedule Areas**						
1	Revenue Gap	201.49	254.90	313.38	378.08	450.41	1598.26
	Salary for RLBs (grant)	**151.23**	**166.36**	**182.99**	**201.29**	**221.42**	923.30
2	Specific Grant	467.44	463.45	463.06	463.20	461.60	2318.75
	Total B	**820.16**	**884.71**	**959.43**	**1042.57**	**1133.43**	**4840.31**
	Grand Total (A+B)	**2473.22**	**2745.98**	**3037.51**	**3390.5**	**3786.34**	**15433.56**

10.29 The summary of fund required under revenue gap and specific grant are provided in table 10.11.

Table 10.14 Summary of Fund Required

(Rs. in Crore)

Sl. No	Purpose	2026-27	2027-28	2028-29	2029-30	2030-31	2026-31
1	Revenue Gap	835.22	1102.39	1381.08	1715.63	2092.96	7127.28
2	Specific Grant	1486.77	1477.23	1473.44	1473.58	1471.94	7382.98
3	Grant for salary (RLB)	151.23	166.36	182.99	201.29	221.42	923.30
Total		**2473.22**	**2745.98**	**3037.51**	**3390.5**	**3786.32**	**15433.56**

B. Strategy for Bridging Normative Vertical Gap

10.30 Ensuring proper functioning of different tiers of local self-government depends critically on the availability of resources. Given the gaps in financial resources of the State and the rural and urban local bodies, as stated in foregoing paragraphs, the next critical issue before the Commission is to determine the strategy for bridging the vertical gap. The vertical dimension of resource transfer refers to the flow of funds from the State to the local bodies and also among different tiers of local bodies. The size and dimension of vertical transfer depends critically on the fiscal capacity of the state vis-à-vis the need and assessed revenue gap of the local bodies. The vertical transfer of resources between the State and the local bodies is sought to be addressed by creating a divisible pool (DP) consisting of the net proceeds of taxes and duties levied and collected by the state. However, the vertical dimension of revenue transfer between different tiers and categories of PRIs and ULBs is sought to be addressed by assigning appropriate weightage to each tier.

11 Scheme of Devolution

a) Assigned Taxes

10.31 Clause (a) (ii) under Article 243I and 243Y of the Constitution require the SFC to make recommendations as to the principle which should govern the determination of taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Panchayat and Municipalities.

10.32 Normally, assignment of taxes is feasible in respect of origin based taxes such as land revenue, entry tax, entertainment tax, professional tax etc. However, the base of such tax is narrow and cost of collection is disproportionately high. As such, it would be administratively and economically more convenient to collect such taxes by the State and share the net proceeds thereof with the local bodies. Moreover, the local bodies with their present strength of human resources and administrative set up is unable to tap the full potential of taxation sources allocated to them. Against this backdrop,

assignment of taxes is likely to be counterproductive to local bodies. In view of this, assignment of taxes to local bodies is not considered by the Commission.

b) Share in State Taxes

10.33 Clause (a) (i) under Articles 243I and 243Y of the Constitution require the SFC to make recommendations as to the Principle which should govern the distribution between the State and the rural and urban local bodies of the net proceeds of taxes, duties, tolls and fees leviable by the State, which may be divided between them and the allocation between the Panchayats and urban local bodies at all levels of their respective share of such proceeds.

10.34 The major sources of state's tax revenue are (i) State's own taxes and duties, (ii) non-tax revenue and (iii) State's share of Central taxes. Since the Constitution has clearly stipulated that taxes and duties leviable by the State may be divided between the State and the Panchayats and urban local bodies, hence, the State's share of Central taxes has not been considered for inclusion in the Divisible Pool (DP). Likewise, non-tax revenue, barring royalty on minerals and forest revenue, are collected from user charges and fees from beneficiaries in lieu of services rendered by the State. Keeping in view the nature of non-tax revenue, it has not been considered for inclusion in the D.P. Under the circumstances, only the net proceeds of State's own taxes and duties have been considered for sharing by the State with the rural and urban local bodies.

10.35 Having decided on the type of taxes and duties to be considered for sharing, the next important issue is to determine the amount of net proceeds of State taxes and duties for the purpose of creating the D.P. In this regard, the previous SFCs till the 5th SFC had deducted 10% as collection cost from the gross amount of taxes collected to arrive at the net proceeds. Deviating from that practice, 6th Finance Commission had considered to deduct the actual cost of collection for the purpose of estimation of net tax proceeds. As the latest available data for actual cost of collection of state taxes was for the year 2017-18, the 6th SFC had adopted the actual cost of collection in 2017-18 as the base amount, and projected the cost of collection for future years considering an annual increase of 10%. The present Commission has proceeded in the same direction and estimated the cost of tax collection during 2026-31 by considering an increase of 10% every year. The projected amount for cost of collection has been deducted from the projected gross collection of state taxes for estimation of the net proceeds. The projected gross collection of State taxes as worked out vis-à-vis the net collection is shown year-wise in table10.15.

Table10.15 Gross and Net Proceeds of State Taxes

(Rs. in crore)

Year	Projected Gross Proceeds	Collection Cost	Net Proceeds
2026-27	39,588	400.51	39,187.49
2027-28	44,339	440.56	43,898.44
2028-29	49,659	484.62	49,174.38
2029-30	55,618	533.08	55,084.92
2030-31	62,292	586.39	61,705.61
2026-31	**2,51,496**	**2445.15**	**2,49,050.85**

10.36 Given the overall requirement of fund for PRIs and ULBs both for General and Sixth Schedule areas as worked out in Table-10.13 and the net proceeds of State taxes in Table-10.15, the next step is to design a suitable mechanism for transfer of funds from the State to the Local Bodies. As per the assessment of the Commission, the amount of fund proposed to be transferred from the State to the Local Bodies is Rs.2,473.22 crore during 2026-27. This includes Rs.835.22 crore as revenue gap and Rs.1,629 crore as grant. The total amount proposed for the period 2026-31 is Rs.15,433.56 crore which includes Rs.7,127.28 crore as revenue gap, Rs.7,382.98 crore as grant and Rs.923.30 crore as grant for salary component of RLBs in Sixth Schedule Areas.

Divisible Pool

10.37 Having assessed the revenue gaps of urban and rural local bodies and focused areas where grant is needed by them, the vertical dimension of resource transfer from the State to the Local Bodies is sought to be addressed by creating a Divisible Pool (DP) out of the net proceeds of taxes and duties collected by the State Government.

10.38 Since the Commission was unable to assess the revenue gaps unit-wise of the PRIs and ULBs both in General and Sixth Schedule areas due to lack of data, the DP is proposed to be kept larger than the amount estimated by the Commission at Table10.13. It is apprehended that unless the DP is suitably augmented, the smaller units will be hard hit in a formula-based distribution mechanism due to their small population. With a small share of the DP, these smaller units will not be able to meet their obligatory expenditure, let alone maintenance and upkeep of assets and service delivery. As such, it was considered essential to leave some cushion in the DP. The net proceeds of state taxes have been worked out at Table-10.15 and based on that the DP is worked out. The divisible pool and its distribution during different years of the period are presented in table 10.16. The recommended DP is kept at 6% of the projected net proceeds of state taxes during 2026-31.

Table10.16 Divisible Pool

(Rs. in crore)

Year	Projected Net Proceeds of State Taxes	DP (6%)	Additional Shortfall allocation	Total DP
2026-27	39,187.49	2351.249	121.946	2473.196
2027-28	43,898.44	2633.906	112.076	2745.986
2028-29	49,174.38	2950.463	87.056	3037.516
2029-30	55,084.92	3305.095	85.396	3390.496
2030-31	61,705.61	3702.337	84.036	3786.376
2026-31	**2,49,050.85**	**14, 943.05**	**490.51**	**15433.56**

Bifurcation between General and Sixth Schedule Areas

10.39 Having worked out the size of the DP at Rs.15,433.56 crore for the five-year period 2026-31 as indicated in table 10.16, at the first instance, the grant element of Rs.8153.81crore will be set apart for disbursement to PRIs and ULBs at all levels in General and Sixth Schedule Areas excluding the additional shortfall allocation. The balance amount of Rs.6789.24 crore as devolution will be apportioned between

General and Sixth Schedule Areas at the ratio of 80.54% and 19.46% respectively on the basis of the formula adopted for distribution of the Plan Outlay during the Planning period. Table 10.17 presents the year-wise phasing of devolution between General and Sixth Schedule Areas.

Table 10.17
Year-wise Phasing of Devolution

(Rs. in crore)

Year	DP	Grant Component	Net DP	General Areas	Sixth Schedule Areas
2026-27	2351.249	1607.49	743.76	599.02	144.74
2027-28	2633.906	1613.10	1020.81	822.16	198.65
2028-29	2950.463	1625.94	1324.52	1066.77	257.75
2029-30	3305.095	1644.37	1660.73	1337.55	323.18
2030-31	3702.337	1662.91	2039.43	1642.55	396.87
2026-31	**14, 943.05**	**8,154.16**	**6,789.24**	**5,468.05**	**1,321.19**

Rural-Urban Bifurcation
(General Areas)

10.40 Given the break-up of devolution amount between General and Sixth Schedule areas in table 10.17, the amount allocated to General areas may be apportioned between the rural and urban bodies on the basis of population and density of population as per 2011 census. The Commission has decided to go with the weightage proposed by the previous State Finance Commission (6th SFC) at the ratio of 80% weightage to population and 20% weightage to population density. The rural-urban distribution of the devolution amount is provided in table-10.18.

Table 10.18 Rural-Urban Distribution of Devolution
General Areas

(Rs. in crore)

Year	Devolution Amount	Rural Part	Urban Part
2026-27	599.02	429.97	169.05
2027-28	822.16	590.13	232.03
2028-29	1066.77	765.71	301.06
2029-30	1337.55	960.07	377.48
2030-31	1642.55	1179.00	463.55
2026-31	**5468.05**	**3924.88**	**1543.17**

Share of PRIs
(General Areas)

10.41 After bifurcation of the DP into rural and urban component, the amount allocated for the rural areas is to be distributed among the districts in General Areas. Deviating from the practice adopted by earlier State Finance Commissions, a few new components have been introduced in the formula for distribution of the devolution amount this time. In addition to the parameters considered by the previous FCs, such as population, area net of forest and per capita district domestic product, two

additional parameters, namely, flood vulnerability and women and children health have been incorporated in the formula for devolution of fund to the rural areas. As flood has been known to cause extensive damage to the life and property of people in the state thereby affecting economic growth of the state, the devolution of fund is thought to be taking into account this aspect. To capture this, a flood vulnerability index is constructed taking into account two variables, namely, the area affected by flood and value of the loss of property, crops and livestock. Similarly, Assam has been performing poorly in terms of women and child health indicators. As such, a health indicator comprising women married before 18 years and children between 6-59 months who are anaemic is constructed. Allocation based on these two additional parameters are expected to contribute towards controlling of child marriage and improving child health in the state and also recognizing the effect of natural calamities on the economy and thereby contribute towards the overall goal of balanced development of the state. The various dimensions and their weightage in the formula are presented in table 10.19.

Table 10.19 Formula for Determination of Devolution in Rural Areas

Sl. No.	Parameters	Weightage (%)
1	Rural Population	50
2	Area net of forest area	20
3	Per Capita NDDP for Agriculture Sector	20
4	Flood Vulnerability	5
5	Child and women health (Women married before 18 years and children between 6-59 months who are anaemic)	5

10.42 In the second stage, the district-wise allocation is proposed to be apportioned among the 3 tier of PRIs. The Fifth SFC recommended distribution of fund in the ratio of 30:30:40 for the ZP, AP and GP respectively. The Sixth State Finance Commission had also gone ahead with the same formula. This Commission is of the opinion that the proportion of the fund should be based on the felt need, absorption capacity, administrative set up and availability of functionaries. Considering the bigger role GPs are expected to play in the rural development of the state, a relatively greater share for the GPs is felt necessary. Thus, the Commission recommends distribution of fund in the following ratio- 20:20:60 for the ZP, AP and GP respectively.

10.43 In the final stage of devolution of fund for rural areas, the share of each AP and GP shall be determined on the basis of their respective population as per 2011 census.

Share of ULBs
(General Areas)

10.44 The Commission has not proposed any change in the parameters included and their weightages in the formula adopted by previous SFCs for devolution of fund for urban local bodies. Thus, following the formula adopted by the 6th SFC, the devolution for urban local bodies may be done on the basis of weighted average of a composite index of four parameters, namely, (i) population 50%, (ii) geographical area 25%, (iii) index of infrastructure 12.5% and (iv) per capita tax collection 12.5%. The index of

infrastructure has been constructed based on three variables, namely, (i) length of surface road, (ii) length of *pucca* drains and (iii) number of streetlights, giving equal weightage to each variable.

The various dimensions and their weightage in the formula for devolution of fund for urban local bodies are presented in table 10.20.

Table 10.20 Formula for Determination of Devolution in Urban Areas

Sl. No.	Parameters	Weightage (%)
1	Urban Population	50
2	Geographical Area	25
3	Infrastructure	12.5
4	Per Capita Tax Collection	12.5

Grant to PRIs
(General Areas)

10.45 As mentioned in the beginning of this chapter, the total amount of grant recommended by the Commission to PRIs in General Areas is Rs. 2,905.47 crore. The purpose wise and year wise phasing of the recommended grant is provided in table 10.2.

Grant to ULBs
(General Areas)

10.46 The amount of grant recommended by the Commission to ULBs in General Areas is Rs.1986.35 crore, of which the share of GMC is Rs. 744.35 crore while Rs. 1242 crore is the amount recommended for ULBs other than GMC in Table-10.5.

Release of Fund
(General Areas)

10.47 The fiscal package recommended by the Commission for the local bodies in General Areas consists of two parts viz. (i) tax devolution intended to cover revenue gap, maintenance and upkeep of community assets and to improve service delivery, and (ii) specific purpose grant routed through PRIs and ULBs.

Tax Devolution to PRIs and ULBs

10.48 Tax devolution is sort of untied fund intended to cover revenue gaps as well as to meet maintenance cost of community assets, pension &retirement benefit of employees and improvement of physical service delivery. The amount recommended as devolution to PRIs in General Areas is Rs.429.97 crore during 2026-27 and Rs.3924.91 crore for five years i.e. for 2026-31. Detailed elaborations are in Annexure 10.1. Similarly, for the ULBs, the recommended amount of devolution is Rs.203.76 crore during 2026-27 and Rs.1604.11 crore for entire award period i.e. 2026-31. This devolved amount for ULBs also takes into account the arrears of pension and retirement benefits. The year-wise breakup is at **Annexure- 10.1**. The budgetary allocation related to the recommended amount for each year may be made in the State budget under the respective major head of account showing the minor and detail head separately for each tier of PRI and each category of ULB. The inter-se distribution of funds among the PRIs and ULBs at all levels shall be as per technical supplement appended to this report at Volume III. After presentation of the Budget and passing of the Appropriation Bill, SFC Cell may formally issue an allocation

order showing the entitlement of PRIs and ULBs at all levels and circulate it to the nodal departments. The release of the devolved funds may be in two equal installments in June and October each year. The release is to be done on-line to the bank accounts of the respective DDOs without approval of State Level Monitoring Committee (SLMC). Release of second installment will be subject to utilization of at least 50% of the first installment.

Special purpose Grant to PRIs and ULBs (Excluding additional shortfall allocation)

10.49 Specific purpose grant recommended directly to PRIs in General Areas during 2026-27 is Rs.587.56 crore while the total grant recommended to PRIs for the five-year period 2026-31 is Rs.2,905.40 crore. The amount of grant recommended to ULBs in General Areas during the same period is Rs.397.27 crore and Rs.1,986.35 crore respectively.

10.50 The recommended amount of each year may be provided in the State Budget of the respective year under the concerned major head of account indicating the minor and detail heads for each level of PRIs and ULBs. The release of fund may be made through the departments concerned on receipt of proposal from the concerned DDO's after approval of State Level Monitoring Committee. Release may be made in two equal monthly installments in June and October each year. However, release of second installment will be subject to submission of UC for at least 50% expenditure against first installment.

Sixth Schedule Areas
(Rural-Urban Bifurcation)

10.51 The distribution of devolution amount between General and Sixth Schedule Areas is provided at Table 10.17. The amount allocated to Sixth Schedule areas may be apportioned, at the first instance, between the rural and urban local bodies on the basis of population and area giving 80% weightage to population and 20% to area. The distribution is provided in table 10.21.

Table-10.21 Rural-Urban Bifurcation
(Sixth Scheduled Areas)

(Rs. In Cr.)

Year	D.P	Rural Part			Urban Part			Total (Rural & Urban)		
		BTC	KAAC	DHAC	BTC	KAAC	DHAC	BTC	KAAC	DHAC
2026-27	144.74	89.69	30.37	8.82	6.42	7	2.44	96.11	37.37	11.26
2027-28	198.65	123.1	41.69	12.1	8.81	9.61	3.34	131.91	51.3	15.44
2028-29	257.75	159.71	54.09	15.7	11.44	12.47	4.34	171.15	66.56	20.04
2029-30	323.18	200.26	67.82	19.69	14.34	15.63	5.44	214.6	83.45	25.13
2030-31	396.87	245.93	83.28	24.18	17.61	19.19	6.68	263.54	102.47	30.86
Total	**1321.19**	**818.69**	**277.25**	**80.49**	**58.62**	**63.9**	**22.24**	**877.31**	**341.15**	**102.73**
N.B.-As per weightage 80% population and 20% area of sixth scheduled areas										

Share of RLBs

10.52 At the second stage, the rural part of this Divisible pool for Excluded Area is proposed to be allocated among BTC, KAAC and DHAC at the ratio of 69.59% for

BTC, 23.56% for KAAC and 6.85% for DHAC. After retaining 20% for the Autonomous Councils, the share of each village council within each Autonomous Council will be determined on the basis of their respective population as per 2011 census.

Share of ULBs

10.53 In case of ULBs the urban part of the Divisible Pool for Excluded area is proposed to be allocated among BTC, KAAC and DHAC at the rate of 40.49% for BTC, 44.14% for KAAC and 15.37% for DHAC. Having determined the allocation for each Autonomous Council, the share of each Municipal Board will be determined on the basis of the criteria adopted for the General Areas. However, in case of ULBs, the allocated share does not cover the revenue gap of ULBs as assessed by the Commission. The year-wise shortfall is shown at Table 10.22.

Table-10.22 Shortfall in Allocation of ULBs under 6thschedule Areas

(Rs. In Cr.)

Item	2026-27	2027-28	2028-29	2029-30	2030-31	Total 2026-31
A. BTC						
i) Gap as Assessed	13.8	15.17	16.68	18.34	20.17	**84.16**
ii) Share Allocated	6.42	8.81	11.44	14.34	17.61	**58.62**
iii) Shortfall	**7.38**	**6.36**	**5.24**	**4**	**2.56**	**25.54**
B. KAAC						
i) Gap as Assessed	39.35	42.22	45.34	48.75	52.19	**227.85**
ii) Share Allocated	7	9.61	12.47	15.63	19.19	**63.9**
iii) Shortfall	**32.35**	**32.61**	**32.87**	**33.12**	**33.00**	**163.95**
C. DHAC						
i) Gap as Assessed	19.46	20.62	21.86	23.22	24.66	**109.82**
ii) Share Allocated	2.44	3.34	4.34	5.44	6.68	**22.24**
iii) Shortfall	**17.02**	**17.28**	**17.52**	**17.78**	**17.98**	**87.58**
Grand Total shortfall (A+B+C)	**56.75**	**56.25**	**55.63**	**54.90**	**53.54**	**277.07**

10.54 It is clear from table 10.22 that the shortfall in allocation over the assessed gap is Rs.56.75 crore for the year 2026-27 and Rs.277.07 crore for the five-year period, 2026-31. The Commission recommends revenue deficit grants of Rs.277.07 crore for the five-year period to cover the gap assessed by the Commission. This amount will be treated as an addition to the DP.

Release of Fund

(Sixth Schedule Areas)

10.55 The fiscal package recommended by the Commission for the Sixth Schedule areas consists of three parts viz., (i) tax devolution, (ii) salary of RLBs (iii) revenue deficit grant to ULBs and (iv) specific purpose grant to both rural and urban bodies.

Devolution

10.56 The amount recommended as tax devolution, which is a sort of untied fund including arrears of Pension and retirement benefits, the details of which are elaborated in Para 8.169 of Chapter-8, may be provided annually in the State Budget under the major

head of account "3604 – Compensation and Assignment to Local Bodies" followed by prescribed minor and detail heads and this Head of Account be exempted from the purview of ceiling. The release of fund may be in two equal installments in June and October every year to the DDOs of the respective Councils. Similarly, the revenue deficit grant recommended to BTC, KAAC and DHAC may be released in two equal installments in June and October. The inter-se distribution of fund among the RLBs (i.e. councils/ VCDCs/TVDCs/ CDCs) and ULBs at all levels shall be as per technical supplement appended to this report at Vol. IV. The salary components of VCDCs/TVDCs/CDCs may be released in monthly basis as a Grants-in -aid under devolution of the 7th State Finance Commission.

Grant

10.57 The specific purpose grant recommended by the Commission for the rural and urban civic bodies may be provided in the State budget under the concerned head of account mentioned above. In the first instance 50% of the recommended amount for the year may be released on receipt of proposal from the concerned DDOs. The release of second installment will be subject to submission of at least 50% utilization against the first installment. The purpose wise and year wise allocation of grants to ULBs in Sixth schedule Areas is at **Annexure- 10.1**.

Release of Fund

10.58 The devolution of fund to local bodies consists of mainly two components viz, (i) tax devolution to cover revenue gap, and (ii) specific purpose grant to PRIs and ULBs Fund is released after receipt of UC against the fund released earlier. Fund may be released to the DoHUA, P&RD and Finance who in their turn release directly to the Drawing and Disbursing officers as follows for the Local Bodies of General Areas as well as Sixth Schedule Areas:-

(i) Chief Executive Officers of ZPs in the case of PRI.
(ii) Executive Officer in the case of MBs.
(iii) Commissioner, Guwahati Municipal Corporation for GMC.
(iv) Concerned line Departments operates their Head of Account as per government procedure.
(v) Accountant General of Assam will accept the UCs as per GFR 19A prescribed by AG issued by the Drawing and Disbursing Officers as mentioned above.
(vi) The Principal Secretaries of the 3 ADCs should submit proposals to Finance (EA) Department through administrative line departments for release of fund under award of State Finance Commission and Central Finance Commission. Finance Department will release fund directly to ADCs PLA into their respective PLA accounts through the "Head-to-Head Financial Sanction" mechanism using the FinAssam (FMIS) portal. This digitized system, combining both offline and online financial sanctions, was designed to streamline fund flow. The Principal Secretaries of the ADCs should submit UCs as per GFR-19(A) duly countersigned by the competent authority to Finance (EA) Department as well as to AG, Assam.

Sanction procedure

10.59 The present procedure of sanction and release of shared taxes is long and circuitous involving several Departments of Government of Assam. There is, however, sufficient scope to simplify procedures and to eliminate delays. In this connection, the procedure for release of the share of Central taxes and duties to the State Governments by GOI through the Union Finance Ministry is worth mentioning. It is also indicated that GOI, MOF has already mentioned in the guideline of the 15th Finance Commission that the State Finance Department will transfer each installment of Local Bodies grant received from the Department of Expenditure (Finance Commission Division, Ministry of Finance, Government of India) to concerned entities without any deduction under intimation to their nodal Department on PFMS platform or e-governance system integrated with PFMS. The 7th ASFC, therefore, recommends that the Finance Department of Govt. of Assam make budget provision under head of Account "3604 – Compensation and assignment to Local Bodies" sanction and release the amounts due to PRIs and ULBs with the help of a software package (both SFC and CFC both general and Sixth Schedule Areas) which is similar to the practice followed by the Ministry of Finance, Government of India. The Finance Department should also explore the possibility of opening personal ledger accounts for each individual PRI and ULB to facilitate prompt credit of the share of devolution due to be transferred to them. This Head of Account may be exempted from the purview of ceiling.

10.60 Moreover, the State Finance Commission has recommended the revenue gap grant to the local bodies out of the "share of net proceeds of States own taxes assigned under recommendation by state Finance Commission" as per provision in the Indian Constitution. Similarly, Central government has released fund shares of central taxes monthly to State Government as per recommendation of central Finance Commission. 7th Assam State Finance Commission recommends that Finance Department, Govt. of Assam release fund to each tier of Local Bodies (PRIs, ULBs) as per their allocation recommended by the 7thAssam State Finance Commission in both general and sixth schedule areas.

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CHAPTER- 11
GENERAL OBSERVATION AND CONCLUDING REMARKS IMPLEMENTATION STRATEGY OF THE BACKDROP

Introduction

11.1 Assam is a state in northeastern India, south of the eastern Himalayas along the Brahmaputra and Barak River valleys. Assam covers an area of 78,438 sq. km (30,285 sq mi). It is the second largest state in northeastern India by area and the largest in terms of population, with more than 31 million inhabitants. The state is bordered by Bhutan and Arunachal Pradesh to the north, Nagaland and Manipur to the east, Meghalaya, Tripura, Mizoram and Bangladesh to the south and West Bengal to the west via the Siliguri Corridor, a 22 kilometre wide strip of land that connects the state to the rest of India. The state has 35 districts with 5 divisions. Guwahati (containing the state capital Dispur) is the largest city in northeastern India. Assam is known for Assam tea and Assam silk. The state was the first site for oil drilling in Asia. Assam is home to the one-horned Indian rhinoceros, along with the wild water buffalo, pygmy hog, tiger and various species of Asiatic birds, and provides one of the last wild habitats for the Asian elephant. Assam receives more rainfall than most parts of India. This rain feeds the Brahmaputra River, whose tributaries and oxbow lakes provide the region with a distinctive hydro-geomorphic environment.

11.2 Assam is faced with some unique challenges owing to its geographic location and heterogeneous population. Balancing ecological preservation with infrastructure development poses significant challenges in achieving sustainable growth. Located in a high to very high seismic hazard region, Assam witnesses extensive flooding and landslides, rock falls, ground subsidence and changes in river courses which impact livelihood of the people as well as causes major damage to life and property. While Assam's economy has been growing consistently, the growth has not been rapid enough to transform the economic base of the state which continues to be an overwhelmingly subsidence agrarian economy with limited industrial base. Assam has been recognized as a Special Category State since 1969 due to its unique challenges and continues to face substantial developmental goals. Historically, the state has relied heavily on Central Grants and its share of central Taxes, with its own revenue contributing only about 34% of total revenues in 2022-23.

State Finance Commission

11.3 The composition of the 7th Assam State Finance Commission shows that other than the Chairman all members including the Member Secretary are State Government officials with primary responsibilities in the department being headed by them. Two other members were available only for about 15 meetings because of capping of Rs.2 Lakh as reimbursement per member. This put additional loads on the Chairman and the Member Secretary. It is desirable that the Finance Commission be composed of the Chairman, two full time members, three full time consultants from eminent field and the Member Secretary from Finance Department to ensure their availability and to

do justice to the mandate given to the Commission. The full-time members can be retired Bureaucrats, eminent personality and State Government Employees with experiences in Local governance and Finance.

11.4 Whenever a new SFC is appointed, a good deal of time is wasted in finalizing the administrative arrangements including office accommodation, furniture, IT hardware etc. As a result, the smooth functioning of the Commission is greatly hampered during the initial period. Much of this situation can be averted if the process of arrangement of office accommodation and engagement of staff can be started well before the constitution of the SFC, since the date for constitution of a new SFC, as prescribed in the Constitution of India is known, well in advance.

11.5 State Finance Commission is not given functional and financial autonomy resulting in delay in discharging their duty as mandated by the statutory provisions of SFC. Giving functional and financial autonomy will enable the commission to function smoothly. The model followed in the state of Karnataka may be given a look.

Permanent SFC Cell

11.6 All the previous SFCs of Assam beginning from First to Sixth unequivocally emphasized the need for a permanent SFC Cell in Finance Department. In this regard, the Fourth ASFC went a step further and allocated a sum of Rs. 20 Crores for construction of a building of its own. Further, it recommended a staffing pattern on the model of Maharashtra and Kerala SFC Cell. The issue was also highlighted by the successive Central Finance Commissions. A temporary Cell is functional with miniscule staffs that are also saddled with other duties of the department. As a result, the basic task of updating data remains unaddressed. Consequently, when a new SFC is appointed, it has to pick up the thread from where it was left by the previous Commission. In the process, a lot of time gets wasted. In order to tide over such awkward situation and to maintain continuity of approach, setting up of a permanent SFC Cell in Finance Department is once again reiterated.

11.7 The SFC Cell in Finance Department is supposed to act as the fulcrum in the framework of decentralized governance. As per Constitutional arrangement, SFCs are appointed at a regular interval of five years. In the inter-regnum between two SFCs, it is the SFC Cell that serves as a missing link and ensures continuity in approach and data base. On the other hand, they will follow up and monitor the recommendations of the previous SFCs as well as collect, compile, collate and update relevant data for the ensuing SFC.

11.8 In the wake of Constitutional Amendments, the flow of funds to PRIs and ULBs under the award of both CFCs and SFCs has increased manifold. It will be the primary responsibility of the SFC Cell to disburse these huge funds timely to Panchayats and Municipalities at all levels numbering several thousand. Before release of fund, it is their additional responsibility to ensure compliance of conditionality attached to these grants. Besides this, when a new SFC is set up, the SFC Cell is supposed to provide logistical support including arrangement of office accommodation, engagement of temporary staff etc.

Devolution of 3Fs

11.9 As per Constitutional provisions, the Panchayats and Municipalities are endowed with wide powers, authority and responsibilities including raising of revenue so as to enable them to function as institutions of self-government. The devolution of powers and responsibilities involve preparation of plans for economic development and social justice and its implementation including 29 subjects listed in the Eleventh Schedule for the Panchayats and 18 subjects listed in the Twelfth Schedule for the Municipalities. As per various Acts and Rules enacted by the State of Assam for ULB six functions have been transferred and four partially transferred to the ULB, and for RLBs activity mapping was done for 22 out of 29 functions for devolution. However, on grounds very few functions have been devolved. Nearly three decades have elapsed and during that period the Panchayats and Municipalities of Assam had benefitted from the award of 6th State Finance Commissions and 15th Central Finance Commissions. For a positive turnaround of this deplorable scenario, what is needed is devolution of 3Fs in letter and spirit rather than on paper.

Functioning of RLBs and ULBs in Assam

11.10 The 35 administrative districts of Assam are divided into 27 Zilla Parishads, 182 Anchalik Panchayats and 2192 Gaon Panchayats. There are 83 nos. of ULBs in General Areas and 45 nos. of ULBs in Sixth Schedule Areas. Guwahati is the largest metropolitan area and urban conglomeration administered under the highest form of urban local body – Guwahati Municipal Corporation in Assam. The Corporation administers an area of 216.79 km^2. Apart from Guwahati Municipal Corporation, Dibrugarh Municipal Corporation and Silchar Municipal Corporation, all other urban centers are managed under Municipal Boards.

11.11 The local bodies both RLBs and ULBs are to be given more autonomy in terms of finance and their functioning. Since financial autonomy cannot be achieved merely by depending on external source of finance, adequate emphasis should be laid on internal revenue mobilization by local bodies. The instrument that enables PRIs in the task of revenue collection is the byelaws as prescribed in the Panchayat Act, 1994 and Rule, 2002 (Assam Panchayat) which are yet to be functional.

Own Source of Revenue generation

11.12 Special efforts must be made by all local bodies to augment their own source of revenue by resorting to innovative ways utilizing the local resources and avenues available in the area. Also, byelaws as mentioned above is must to formally enable the local bodies in the generation of their own source of revenue.

11.13 For ULB, the full potential of property tax and other tax and non-tax revenues are not being actualized. Reassessment of properties is not done with regular periodicity. The demand-collection ratio is unduly skewed thereby leaving enough scope to augment revenue merely by tightening collection machinery.

11.14 The scope of revenue collection of the PRIs also needs to be enhanced. Over the last two decades many private educational institutions, health establishments (not shop), brick kilns, mobile towers, petrol pumps, timber saw mills, go downs and pollutant industries / establishment in the areas of food processing, farm production like poultry

etc. have come up in the rural areas. Further, the trade and business activities with improved road connectivity have also grown widely in the rural areas. These developments are considered as the emerging scope of revenue collection and may be considered as sources for levying tax or for non-tax revenue of the PRIs. The un-registered beels, fisheries in the state present a large scope of revenue generation which is remaining untapped till now.

Maintenance of Database

11.15 A questionnaire with Format for Datas required by the commission for preparation of the Report was sent to all ZP, AP, GP and ULB, as also to the relevant departments for collection of data. During the field visits of the Commission the questionnaires were discussed with the local bodies. Regrettably, the data was not forthcoming and despite repeated requests and interactions the data lacked authenticity and were inadequate. There is a definite need to maintain all relevant data by the local bodies which need to be uploaded periodically on a dashboard recommended to be created separately for Urban and Rural Local Bodies. In analyzing the financial position of the local bodies, the Commission got greatly handicapped due to non-availability of reliable data in the manner required. Regular online data updating will bring in transparency as well as make work of subsequent Commissions easier.

11.16 There is a need to create and maintain a comprehensive database for the districts, encompassing manpower, buildings, equipment, and other relevant infrastructure for various sectors like health, welfare and people centric service delivery schemes. This will assist district program managers and officials in formulating district work plans aligned with national and state goals and mandates of the Constitution of India, including participatory planning processes like Gram Sabha meetings. Development reports are required to be prepared based on felt needs from Gram Sabhas and collected data from various sources to analyze problems and identify future development directions.

Budgeting and Book Keeping

11.17 Correct budgeting and methodical book keeping, though mandated vide financial norms and reiterated by successive Central and State Finance Commissions, are not being followed by the local bodies. Timely upkeep and uploading to various e-governance portals is mandatory but is not being done in letter and spirit. One of the main reasons assessed for these lapses by the Commission is inadequate financial literacy of the functionaries of the local bodies. In addition to correct book keeping and budgeting, the rural bodies must get timely audit done and make the accounts available in digital platforms for public scrutiny to ensure transparency.

Capability to fulfill mandate

11.18 While the local bodies are flush with funds and responsibilities to implement projects granted from CFC, SFC and centrally sponsored schemes, the process of execution get adversely impacted due to lack of capability on part of the elected representatives and the functionaries. They are also handicapped due to inadequate infrastructure and lack of capable manpower.

11.19 As per inputs made available 54 GPs out of 2192 are running without office building of their own, and many of those having buildings do not have adequate space for normal functioning. With reorganization of blocks in early 2025, there is shift of office location with respect to 102 GPs; meaning thereby need for construction/ establishment of equal number of GP offices in new locations. The position is worse in respect of manpower in position. As of now, a GP is manned by three persons – one Secretary, one Tax Collector and one Grade IV. The revised staffing pattern recommended by the previous SFC has not yet been implemented. It is reported that at present 995 GP Secretaries (2024-25) were running as many as 2192 GPs. The GPs after reorganization are 2192 and the gap of GP Secretary stands at 1197 numbers. The situation is worse in respect of Tax Collectors. Given the prevailing situation, it would be unrealistic to expect the GPs or other tiers of PRIs to be effective in internal revenue mobilization. However, with the recent initiative of State Government, the persisting gaps are expected to get bridged.

11.20 The present rate of remuneration of Rs.10,000, Rs.7,500 and Rs.4,000 for the President, Vice-President and Members respectively of the ZP. It is Rs.7,500, Rs.5,000 and Rs.3,000 for the President, Vice-President and Member of the AP. For the GP, it is Rs.5,000, Rs.3,000 and Rs.2,000 respectively for the President, Vice-President and Member. It is felt to be quite meager and therefore the same are recommended to be considered for an upward revision by the State Government.

Autonomous Councils

11.21 The state has three autonomous councils under the sixth schedule of the Constitution of India.

a) Bodoland Autonomous Territorial Council
b) Karbi Anglong Autonomous Council.
c) Dima-Hasao Autonomous Council.

11.22 There are different systems in place in General Area and Sixth Schedule Areas, as far as composition of RLB are concerned. All autonomous councils are following different model of their local bodies. BTC has constituted 415 Village Council Development Committee (VCDC), the Dima-Hasao Autonomous Council has constituted 28 CDC and Karbi-Anglong Autonomous Council (KAAC) has constituted a huge 843 rural local bodies comprising 754 Tribal Village Development Council (TVDC) and 89 Community Welfare Development Council (CWDC) by replacing its earlier setup of 26 VDCs which does not commensurate with the population size. The arbitrary composition of RLB results in disparity in release of funds and various schemes. The Commission recommends that the State Government adopts uniform composition of RLB in sixth Schedule areas for better functioning and allotment of fund, commensurate with population and aspirations of the people.

11.23 The Commission observes that there are different systems in place for implementation and monitoring of schemes in General and in Sixth Schedule Areas. It is recommended that the differences may be narrowed as far as possible and progressive monitoring models be adopted so that the benefits of good practices percolate to Sixth Schedule areas. The monitoring cell in all councils is inadequate and needs to be

enhanced. There is a need to streamline the monitoring & evaluation process at grass root level by members of the council along with technical & accounting staff.

11.24 As of now, there are 45 ULBs in the Excluded Areas (para-8.164). The number of ULBs in Excluded Areas suddenly jumped from existing 22 to 45 over a couple of years. Thereby, the ratio of population per ULB in Excluded Areas has dropped to 15000 as against 27000 in General Areas. The net budgetary position of ULBs in Excluded Areas from 2019-20 onwards shows budgetary surpluses except in case of ULBs in KAAC. This is mainly due to substantial flow of funds from the dispensation of CFC and SFC.

Shortcomings Observed

11.25 Unlike the ULBs, there is no service level benchmark for the PRIs which need to be formulated. Nevertheless, the core civic functions of PRIs relate to water supply, sanitation, solid waste disposal and street lighting particularly in cluster of market places.

11.26 Various forms of disaster used to strike rural areas every year putting life of many families out of their normal state. The PRIs particularly the GP become silent spectator for attending such emergency situation for want of means (resource) even though they are the institute most closely to the people. A relief in time even may be very small, matter most under such situation and enable GPs to attend disaster situation first.

11.27 The global concern for initiative towards childcare and development is eminent. While at national and state level there are various government agencies involved besides the NGOs in the areas of health care, education and welfare, the areas of recreation have remained less attended. Under the overall mandate umbrella of developing rural infrastructure, the PRI can play a definite role by creating green parks that are friendly to the children.

Construction Committee

11.28 As per guidelines issued by Commissionerate of Panchayat & Rural Development, various schemes/projects are implemented and monitored by Construction Committee at the GP level. However, on ground due to the ad-hoc system being followed by the construction committees, they are not being able to produce optimal output. The Construction Committees are required to purchase materials for construction from empaneled and registered vendors. However, it is seen that Construction Committees are purchasing the materials for construction mostly from un-registered vendors and getting the work done by engaging local skilled and unskilled workers.

11.29 The Commission is of the view that the present system of execution of schemes and construction by construction committees be done away with and recommends that construction for execution of any schemes be done only through tendering process as followed by other Government Departments. This will lead to better transparency and output

Issues associated with Auditing of Local Bodies

11.30 It is observed that local audits of all the local bodies are not being done every year regularly. As informed by the local audit authorities (DALF) due to lack of adequate staff, the local audit of all GPs is not being done every year. The issue needs to be examined by concerned authorities.

11.31 Non adherence of the instructions and guidelines provided by the grant sanctioning authority in spending public money, resulted in irregular and doubtful expenditure/unfruitful expenditure and time and cost overrun. Reluctances and improper use of manpower in collection of revenue and non-revision of rates resulted in huge loss of revenue and accumulation of outstanding taxes, fees and duties. Local bodies often face shortage of qualified auditors for maintaining accounts which lead to inadequate or superficial audit missing critical issues. General public and local community members often lack awareness of the audit processes and their significance, leading to reduced public scrutiny and accountability.

11.32 It has also been observed by the commission that no sincere effort is made for rectification and compliance of recommendation and observation made by CAG and local audit authorities. There should be a proper regular monitoring system to check the compliance of the observations.

Scheme of Devolution

11.33 While deciding on the scheme of devolution, the commission observed that two important factors impacting the state i.e. Flood Vulnerability and Women & Children development have not been considered by the earlier SFC. Flood, which impacts the state almost every year and State government aligned priorities of women and children development were therefore considered as factors under Scheme of devolution to the RLB.

Implementing Strategy

11.34 The status of implementation of previous State Finance Commission Recommendations has been outlined in Chapter 3 of this report. It is observed that despite approval of majority of recommendations of previous SFC by the Government of Assam which are generally followed by action taken report, the on-ground implementation leaves much to be desired. The percentage of release of devolution and grant amounts against the recommendation of all previous SFC have been well below 20 percent except for Fourth SFC where in it was 34 percent. Even the non-monetary recommendations remain unaddressed. All previous SFC, have offered numerous cogent recommendations which if implemented in letter and spirit would bring in transparency and efficiency in functioning of the local bodies as envisaged by the 73rd and 74th Constitutional amendments.

11.35 The present instrument to monitor implementation of the SFC recommendation is ATR. Though the ATR lays down the responsibility for implementing the recommendation, there is no system to follow up and monitor the implementation. In this context, a permanent SFC cell if established in the Finance department can discharge the responsibility of monitoring implementation of the recommendations of both SFC and CFC. The SFC cell can also be entrusted with the responsibility of

collecting detailed data on the income and expenditure of the local bodies and maintains the dashboard created for the same.

11.36 The procedure for planning and implementing various projects/schemes out of funds allotted by SFC are archaic and involves procedural delays. The process of execution of schemes including release of funds and approving authority needs a review. The commission recommends review of the same involving the Department of P&RD, DoHUA and Finance.

11.37 Improving Data Base

a) The inaccuracies and inadequacies of financial data in respect of the local bodies have also been highlighted by all previous SFC and was experienced by the commission, while preparing the report. The process of maintenance of accounts as well as the capability and financial literacy of the functionaries were observed to be major drawbacks.

b) Majority of e-Governance portals were also not uploaded regularly. The 15th CFC has made it mandatory for all local bodies to prepare provisional accounts of previous year and audited accounts for the year before the previous year, and upload them online to receive further grants from the year 2023-24. Similar requirement can be made mandatory for SFC grants as well. To improve data management, separate dashboard for RLB & ULB should be configured for uploading the budget and updated accounts. These dashboards can also be linked to existing e-Governance portals like e-Gram Swaraj etc. Simultaneously, a database management mechanism should be established to ensure timely submission of authentic data on these portals.

11.38 Capacity Building and Training: The commission observed that the local bodies are recipient of funds and grants from CFC, SFC, state grants and are also implementing agencies for numerous centrally sponsored schemes. The capacity of individuals and organizations of the local bodies need significant enhancement to ensure optimal execution of all the projects/schemes and judicious utilization of allotted funds. Realizing the importance of capacity building, a separate chapter has been added by the commission to this report.

11.39 Procurement and e-Procurement Reforms

a) All ULBs, RLBs and ACs should mandatorily register on GeM, Assam Tenders, and SPPP (Offline Bid).

b) Procurements under the Finance Commission grants should mandatorily comply with the Assam Public Procurement Act, 2017 and Rules, 2020. Compliance to Procurement norms may be linked to subsequent fund release to ULBs and PRIs.

c) Sufficient fund may be earmarked for capacity buildings in the field of public finance, public procurement and contract management.

d) ULBs/PRIs should mandatorily adopt the Standard Bidding Document notified by Finance Department. Further, P&RD and DoHUA may finalize model bidding documents for works being implemented across Assam to ensure uniformity in bidding conditions, qualification criteria, specifications and contractual provisions etc.

e) Online auction system is recommended and may be developed through existing portals (Assam Tenders) for transparency and fairness.

Computerization and e-Governance

11.40 The commission observed that various e-Governance portals as prescribed by the Central and State are not being maintained in letter and spirit. The authenticity of data uploaded is also a suspect. Since digitization brings in transparency, the commission reiterates the importance of its strict adherences. Suitable implementation directives with an effective monitoring mechanism need to be put in place by the line departments of the local bodies.

11.41 All processes in local bodies from planning and budgeting to implementation, monitoring and expenditure booking are recommended to be carried out in a fully digital, paperless format. A statewide digital platform for capturing, monitoring and forecasting the Own Source of Revenue (OSR) of all local bodies is recommended for implementation.

Suggestions for the National Finance Commission

11.42 Assam, which is the hub of the North East, is faced with numerous unique challenges that demand special consideration from the 16th CFC. At the state level the challenges include constraints imposed by the geography being a land locked state, high transportation costs and infrastructure maintenance, susceptibility to natural disasters, uniqueness of Char areas characterized by erosion, long and unpredictable monsoon impacting agrarian economy etc. The state's path to development is also impacted by the need to balance infrastructure development with ecological preservation.

11.43 The States' own tax and non-tax revenue base, though showing modest growth over the years, are inadequate and will remain so in the short-to-medium term. Assam, thus, has been overwhelmingly dependent on the central transfers that form the backbone of the economy of the State. There is little scope for reducing revenue expenditure now and in the near future, this would mean that unless substantial steps are taken to increase the capital expenditure, the state would remain caught with a poor economic base for perpetuity. The progress made by the state over the last few years is impressive but is inadequate and the state needs humongous investments across all sectors of the economy to enable it to bring its economic standards back to the Top 5 States where the State was at the time of Independence. The 16th Finance Commission should consider the development deficit of the State and make a realistic assessment of financial needs so that Assam can catch up with the rest of the country and emerge as one of the front-ranking States.

11.44 Looking at the socio-economic development of the states, the 16th CFC may consider increasing share of state's in vertical devolution from the current 41% to 45%. The state has also recommended a two stage horizontal devolution approach in the memorandum submitted to the 16th CFC which needs active consideration.

11.45 Assam, with its 35 districts, including recent additions of Tamulpur and Bajali, has various Panchayat and Municipal bodies governed by the 73rd and 74th Constitutional Amendments. While the 10th to 13th CFCs allocated funds to excluded areas, the 14th CFC did not allocate due to constitutional constraints. The 15th Finance Commission

recommended Rs.11,862 crore for local bodies, including those in the Sixth Schedule Areas, and it is hoped that the 16th Finance Commission will continue this support. A special dispensation is needed for excluded areas to ensure equitable development, with grants based on a 90% population and 10% area weightage, to address their unique challenges and foster growth.

11.46 The percentage share of Assam in the divisible pool of local body grants gradually declined from 2.92% in 11th FC to 2.63% in 12th to 2.13% in 13th FC with marginal increase to 2.22% in 14th FC and to 2.64% in the 15th FC. We urge that the 16th FC would revisit the criteria enunciated by the earlier CFCs and put added emphasis on variables like deprivation index, infrastructure index etc., so that backward States are benefited.

11.47 Promotion of Renewable Energy Solutions in Rural Assam through Panchayati Raj Institutions: Based on the average energy needs of the Gaon Panchayat offices, it is estimated that the investment on material and installation of 3 KiloWatt will approximately cost up to Rs 3.0 lac per Gram Panchayat. An estimated amount of Rs.65 Cr will be required for installation of Hybrid systems in all the 2192 Rural Local Bodies. The 16th CFC is requested to recommend a quantum of Rs.878.80 Cr. (2192 X 1 X 40 lakh) for 1 km of paver block roads in all the GPs @ rate of 40 lakh per Km (as per MGNREGA secure estimate). A quantum of funds of Rs.109.50 Cr (219 X @50 Lakh per Rural Haat) recommended for allocation by the 16th CFC.

11.48 Some of the special issues of ULBs that are recommended for consideration by 16th CFC as under-

a) The ULBs created within last five years find it difficult to raise revenue during the transition period which impacts their ability to provide essential services. Hence, provision of one-time incentive grant of an amount of Rs.12 crore is recommended for these ULBs.

b) The current tied grant allocation of 50:50 split between Solid Waste Management and Water Supply and Sanitation be revised to 40:40:20 with 20% dedicated to rejuvenation of water bodies. The 16th CFC may also consider setting aside 30% of untied components for one major infrastructural project.

c) For providing essential support for capacity building, guiding and overseeing ULB operation and also to develop a robust monitoring and evolution system and address capacity gaps, particularly in smaller ULBs, it is requested that Rs.10 crore be allocated to the Directorate of Municipal Administration of Assam.

d) A certain percentage of grant is recommended to be earmarked for high performing ULBs. The grant be allocated directly to the ULB.

e) It is requested by the 16th CFC that the grant transfers as well as agencies responsible for submitting compliance documents on Central Finance Commission grants be kept separately for General Area ULBs and Sixth Schedule Areas which would make the compliance exercise more effective and streamlined.

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CHAPTER-12
Monitoring and Evaluation

Introduction

12.1 Monitoring and evaluation is an essential ingredient in the formulation of a successful implementation strategy. In simple terms, monitoring means the regular collection, reporting, reviewing and analysis of relevant information pertaining to a project/scheme/activity while the work is in progress. It helps identifying the shortfalls, deviations, problems and causes thereof, so that appropriate and timely action can be initiated by the management. It aims at all round improvement and efficiency of an organization. It is related to target set before hand and helps in keeping the work on right track in tune with the fixed target. Thus it is an important tool of management and provides valuable inputs to ascertain whether scarce resources are being put to right use or not.

12.2 Evaluation, on the other hand, refers to mid-term appraisal of a project in term of its laid down objectives, time frames and goal. Thereby it provides valuable feedback to the implementing agency in proper planning, programming and decision making.

12.3 Given the importance of monitoring and evaluation in influencing successful implementation of policies and programmes, it is imperative that an effective monitoring system in respect of the local bodies handling large volume of funds must be put in place. However, strong monitoring systems are yet to be put in place.

12.4 Local Body institutions, both PRIs and ULBs are executing developmental schemes and programme in the rural and urban sector respectively. Fund flow to Local Bodies is increasing in the form of own Revenue Receipts, transfer from SFC and CFC grants, fund under State Plan Schemes, Centrally Sponsored Schemes (both Central and State share) etc. Albeit these institutions are functioning more or less independently in a decentralized set up of governance. The situation demands a multilevel multipronged well-built monitoring mechanism for guiding the implementation of various schemes effectively, besides overseeing the overall functioning of the PRIs and ULBs. A strong monitoring mechanism is sine-qua-non in keeping the line of action in right track. The present monitoring system in Assam for guiding and overseeing the implementation of various schemes undertaken by ULBs and PRIs is not very effective and needs to be improved.

General

12.5 One of the key monitoring mechanisms in this context is the continuous social auditing of the performance of PRIs and ULBs. At the grass root level the Gaon Sabha shall be the forum for conducting Social Audit of the Gaon Panchayats. Similarly Ward Committee/Area Sabha may be given the responsibilities for Social Audit of Urban Bodies. The concept of Social Audit and participation of people should be encouraged. The objective of Social Audit is to make people aware of the activities of PRIs and ULBs by way of enabling them to access its records and

documents, thereby promoting transparency and accountability in the activities of Local Bodies.

12.6 Usually, the current practice of Gaon Sabha is that the income and expenditure details are read out and the approval of the people is taken for granted. It is apparent that the objective of Goan Sabha and Social Audit has not been materialised.

12.7 The Finance Dept. of Govt. of Assam issued guidelines (May 2009) for Social Audit as follows

a) Use of Gram Sabhas and ward Committees as important vehicles for spread of awareness about Social Audit.
b) Appointment of nodal officer at the level of Gram Sabhas and Ward Committees who would register complaints and fix the date for social audit.

12.8 The Central Finance Commission emphasized the need of a monitoring system particularly for the grant element in Finance Commission transfers. Specific purpose grant necessitates better targeting of expenditure in certain important areas so identified. In order to ensure this end objective for which grant is released it was considered desirable to put an effective monitoring mechanism in place. Accordingly, the Commission recommended that the State should constitute a State Level Monitoring Committee headed by the Chief Secretary with the Finance Secretary and the Secretaries, Heads of Department concerned as members. The Committee shall be responsible for monitoring both financial and physical targets and for ensuring adherence to the specific conditionalities in respect of each grant. In the beginning of the year, the Committee is to approve the projects to be undertaken in each sector, quantify the targets both in physical and financial terms and also lay down the time frame for achieving specific milestones. The Committee should meet at least once every quarter to review the utilization of the grants and to issue directions for mid-course correction, if necessary. However, in view of streamlining release of Devolution Grant to Local Bodies, the Commission recommends that Finance Department should release Devolution Grant to Local Bodies without any condition and obtaining approval of State Level Monitoring Committee (SLMC). Subsequent installment of release of Devolution Grant may be considered subject to submission of Utilization Certificates of previous release installments.

12.9 Having regard to the large volume of resource transfer to the local bodies mainly in the shape of grants flowing from the recommendations of State Finance Commissions and for proper utilization of such grants, this Commission realized the necessity of a strong monitoring mechanism. Accordingly, the Commission recommends that the scope of the existing State Level Monitoring Committee headed by the Chief Secretary with Finance Secretary and Secretaries of concerned departments as members be enhanced to cover monitoring and utilization of State Finance Commission grants as well.

The Benefits of Monitoring and Evaluation (M&E) Process

12.10 The evaluation process provides an objective way to measure the success of a project or initiative. It consists of a series of steps that start with analysis, which is followed

by evaluation and finally, assessment. This process helps to identify what has been successful and what areas need improvement.

12.11 By analyzing the data, it's possible to make informed decisions and make changes that can help to optimize success. The evaluation process ensures that projects are successful and are carried out with integrity. The process can also help identify areas of improvement and ensure that the desired outcomes are achieved. This can be done by setting measurable objectives and then evaluating the progress made towards those objectives.

12.12 The process of monitoring and evaluation helps to highlight any areas that need attention or any changes that is needed to be made to ensure that the desired outcomes are met. It's important to remember that the process of evaluation should be ongoing, regularly evaluating performance and making adjustments as needed to ensure the desired results are achieved. However, in order to properly evaluate the results of a project or initiative, organizations should also have a regular monitoring process. This will enable them to identify areas of improvement while also recognizing successful elements. By keeping an eye on the progress of projects and initiatives.

12.13 To ensure maximum success, the evaluation process should be ongoing, with regular reviews and updates. This monitoring process should be consistent and carried out in order to properly evaluate the effectiveness of any plan.

12.14 The evaluation process should also involve collecting data from all stakeholders, such as beneficiaries, customers, employees and partners. Once the data is collected, it should be analyzed and used to inform decisions going forward. Thus, it is clear from the evaluation process that accurate steps have been taken to ensure the results of the process can inform future decision- making within the organization.

12.15 Developing a comprehensive monitoring evaluation plan is essential to ensure the monitoring and evaluation process will be successful. It's important to evaluate the data objectively, without bias, to ensure that the results of the evaluation process are accurate and relevant. Documenting the process is also essential to ensure that the evaluation results are reproducible, keeping the evaluation process transparent and accountable.

12.16 Besides establishing clear and consistent criteria to access progress against goals and objectives, it is also important to continuously monitor the implementation of the evaluation process itself. This monitoring helps organizations ensure that their evaluation process remains transparent, efficient and effective over time.

Optimizing the Benefits of and Effective Monitoring and Evaluation Process

12.17 An effective monitoring and evaluation process can provide more accurate and timely data to inform decision-making. A well-thought-out process is vital for any organization that wants to measure effectively the impact of its activities. Developing a process for monitoring and evaluating activities should include steps such as defining goals and objectives, creating a timeline and budget, collecting data, and analyzing the results. It is also important to ensure the process is consistent, clear, and regularly revised with the changing needs of the organization.

12.18 By implementing an effective evaluation process, organizations can ensure they are making informed decisions that will have positive long-term impacts. Establishing clear objectives, metrics, and indicators can help to ensure that evaluations are focused on the right areas and make the process more efficient. This can help define the parameters and expectations for the evaluation so that everyone involved is on the same page.

12.19 Additionally, this can help to streamline the process by outlining the criteria that must be met and creating metrics to measure progress and success. Establishing a detailed evaluation process can help to ensure that the process is as smooth and successful as possible.

12.20 Also, the process of evaluation needs to be refined and improved regularly by leveraging feedback from stakeholders. This helps to ensure that evaluations are meaningful and relevant to their purpose, which is critical for organizations that are looking to grow and develop.

12.21 By working collaboratively with stakeholders on the process of evaluation, organizations can craft meaningful assessments that help them move forward in an efficient and effective manner.

Social Audit

12.22 Social audit is based on the principle that democratic local governance should be carried out, as far as possible, with the consent and understanding of all concerned. It is thus a process and not an event. A social audit is a way of measuring, understanding, reporting and ultimately improving an organization's social and ethical performance. A social audit helps to narrow gaps between vision/goal and reality, between efficiency and effectiveness. It is a technique to understand, measure, verify, report on and to improve the social performance of the organization. Social auditing creates an impact upon governance. It values the voice of stakeholders, including marginalized/poor groups whose voices are rarely heard. Social auditing is taken up for the purpose of enhancing local governance, particularly for strengthening accountability and transparency in local bodies. Conduct of social audit by the local bodies will ensure transparency and participative local governance.

12.23 The objectives of social audit are as under-

i. Assessing the physical and financial gaps between needs and resources available for local development.
ii. Creating awareness among beneficiaries and providers of local social and productive services.
iii. Increasing efficacy and effectiveness of local development programmes.
iv. Scrutiny of various policy decisions, keeping in view stakeholder interests and priorities, particularly of rural poor.
v. Estimation of the opportunity cost for stakeholders of not getting timely access to public services.

PRI

12.24 Rural local body institutions, the democratically elected governance bodies in rural areas, are progressively becoming the central hubs for rural development initiatives. These institutions are responsible for executing various developmental schemes and programs. There has been a significant increase in the flow of funds to rural local bodies through sources like local revenue, transfers from the State Finance Commission, grants from the Central Finance Commission, Centrally Sponsored Schemes, and funding under State Plan Schemes. Given this substantial funding, having an efficient monitoring and evaluation system in place is crucial for the successful implementation of these programs and for achieving their intended objectives.

Present System of Monitoring and Evaluation of PRI

12.25 At the state level, the Panchayat and Rural Development (P&RD) Department has established a Monitoring Cell within the office of the Commissioner. This cell is staffed as follows:

Sl. No	Designation	No of Post
1	Joint Commissioner	1
2	Assistant Commissioner	1
3	Research Officer	1
4	Statistical Officer	1
5	Inspector of Statistics	1
6	Sub-Inspector of Statistics	2

12.26 The Monitoring Cell prepares monthly progress reports on the department's development activities, including programs such as MGNREGA, PMAY-G, NSAP, State Finance, and Central Finance Commissions, among others at the Zilla Parishad level (district HQs). These district-level reports are compiled into a state-level progress report, which is regularly shared with stakeholders and presented in various forums. Additionally, the cell conducts physical monitoring of Panchayati Raj Institutions (PRIs) and oversees their financial management.

12.27 The Commissionerate of Panchayat and Rural Development conducts regular monthly review meetings with district offices, discussing the progress of various programs. These meetings are held both in person and via video conference.

12.28 A key monitoring mechanism in place is the ongoing social auditing of PRI performance. To support this, a dedicated Social Audit Unit has been set up at the state headquarters, led by the Director of Social Audit. This unit, which also has representatives at the district level, including District Resource Persons and Block Resource Persons, conducts scheme-specific social audits.

12.29 At the Zilla Parishad level, the Chief Executive Officer (CEO) plays a key role in overseeing and ensuring the effective monitoring and evaluation of developmental activities. The CEO organizes regular review meetings at the Zilla Parishad, bringing together officials from the Anchalik Panchayats to discuss progress, address challenges, and ensure alignment with the broader development goals.

12.30 The Zilla Parishad has established several Programme Management Units that are responsible for the monitoring and evaluation of specific development programs.

These units are integral in ensuring that each initiative is implemented effectively and according to its objectives.

12.31 To maintain transparency, accountability, and a proper system of checks and balances, various monitoring and advisory committees have been put in place. Notably the District Planning Committee and the District Development Coordination and Monitoring Committee (DDCMC) play a crucial role in overseeing the programs implemented by the Zilla Parishads. These committees ensure that the programs are aligned with district-level development priorities and are being executed efficiently.

12.32 At the Anchalik Panchayat level, the Executive Officer is responsible for supervising and overseeing the execution of all works undertaken by the Panchayat. The Executive Officer is supported by Assistant BDOs, Extension Officers, and Junior Engineers (JEs), who assist in supervising, monitoring, and evaluating the activities of Gram Panchayats (GPs). They also help ensure the effective implementation of various schemes at both the Anchalik Panchayat (AP) and GP levels. Junior Engineers are stationed in the blocks to provide technical support to the agencies implementing these works. Additionally, a Block-Level Advisory-cum-Monitoring Committee is constituted to oversee the projects executed by the GPs under the Finance Commission Grant.

12.33 At the Gaon Panchayat (GP) level, each GP now prepares its Gaon Panchayat Development Plan (GPDP) annually. As part of this process, the GP Secretary presents relevant data during the Gram Sabha, including the previous year's accounts, revenue and expenditure statements, and other necessary records and documents. To support the planning process, GPs prepare a draft status report using various methods such as surveys, Participatory Rural Appraisal (PRA) exercises, situation analyses, and resource mapping. The plans are finally approved at the District Planning Committee (DPC).

e-Monitoring and Evaluation Mechanism of PRIs.

12.34 The Department of Panchayat & Rural Development is implementing various development programmes through Panchayati Raj Institutions. To monitor and supervise the planning, implementation of the programmes being implemented by the Panchayati Raj Institutions, the Government of India and State Government has taken various steps by developing different Management Information System (MIS). Both, Ministry of Rural Development & Ministry of Panchayati Raj, Govt. of India has launched e-panchayat system with a basic objectives of proper planning & monitoring, transparency, information, better and convergent delivery of services to the citizens etc.

12.35 Now, since the Panchayat and Rural Development Department has embraced the e-governance to a great extent, it has evolved in manifold in respect of adopting and implementing e-governance. Online monitoring systems have played a key role in the monitoring and evaluation of the works under the department.

12.36 All the major programmes or schemes have full-fledged Management Information Systems upto Gaon Panchayat level. The report generated through the MIS is extensively used for monitoring and evaluation at every level.

12.37 Public Fund Management System is adopted for all programmes implemented by the P&RD department; Direct Benefit Transfer is adopted by the department and geo-tagging of assets created under the department is being regularly done. The Department is also contemplating online management of the Own Source of Revenue of the local bodies. Department has bagged several National Awards in e-governance in last five years.

12.38 The Government of India, Ministry of Rural Development & Ministry of Panchayati Raj has already developed the following MIS:

a) DP Portal - (www.gpdp.nic.in): Ministry of Panchayati Raj developed the GPDP Portal to monitor the entire process of GPDP wherein each and every panchayat will put the required information in the portal. The portal has the following key features:
   i) To schedule and manage Special Gram Sabha meetings at Gram Panchayat Level.
   ii) To help to Upload Geo tagged photographs of the Gram Sabha meetings and Public Information Board.
   iii) Provide feedback by the facilitator online about the special Gram Sabha meetings.
   iv) Provision to schedule special Gram Sabha meetings.
   v) Assigning facilitator to a Gram Sabha.
   vi) SMS/email based notifications.
   vii) Facilitator Feedback form.
   viii) Provision to upload images.

b) Mobile (Android) Application for GPDP.

c) The e-GramSwaraj Portal (www.egramswaraj.gov.in) is an initiative under the Ministry of Panchayati Raj, Government of India, launched as part of the e-Panchayat Mission Mode Project. It aims to bring transparency, accountability, and efficiency to the functioning of Panchayati Raj Institutions (PRIs). This is extensively used by all the PRIs. Key Features of key e-gramswaraj portal:
   i) Planning and Monitoring: Facilitates the preparation and approval of Gaon Panchayat Development Plans (GPDPs) and enables real-time monitoring of their implementation.
   ii) Financial Management: Integrates with the Public Financial Management System (PFMS) for real-time tracking of fund flows, expenditures, and audits.
   iii) Work and Asset Tracking: Allows entry and monitoring of all development works, assets created, and services delivered at the GP level/ ADCs level in Sixth Schedule Areas.
   iv) Transparency and Public Access: Citizens can view Panchayat-wise plans, budget allocations, work progress, and audit reports, thereby promoting transparency and accountability.

d) MGNREGA MIS. (www.nrega.nic.in): The Ministry of Rural Development monitors the entire programme of MGNREGA from planning to implementation

through an MIS. Each and every plan budget, payments and asset created will have to be done through this MIS.

e) PMAY–G. (www.pmayg.nic.in): PMAY-G has a separate MIS with a feature to capture all the data relating to the beneficiaries, work progress, payments etc. of each selected house.

f) NSAP (www.nsap.nic.in): To maintain the transparency and accountability in the payments to beneficiaries, the state has already launched the Direct Benefit Transfer under the programme.

Panchayat Assessment Under Panchayat Accountability Incentive Scheme.

12.39 Ministry of Panchayati Raj, Government of India incentivize Panchayati Raj Institutions based on the performance of the panchayats. It was initially started as Panchayat Empower Accountability Incentive Scheme by the Ministry. Objective of the scheme are broadly as follows:

a) Incentivise panchayats to put in place accountability systems to make their functioning transparent and efficient.

b) To provide incentives to PRIs to improve their performance.

c) To bring the issue of PRI performance into prominence and focus the attention of policy makers.

d) Encourage state government to develop their system of assessment and direct their attention to taking initiative to maximize PRI performance.

12.40 To assess, scrutinize and rank the Panchayats three committees namely Block Panchayat Performance Assessment Committee (BPPAC), District Panchayat Performance Assessment Committee (DPPAC) and State Panchayat Performance Assessment Committee (SPPAC) are constituted. All the Panchayats (District/Block and Gram Panchayats) participate under this award competition through online in all 9 themes by filling up the questionnaire which is available at http://panchayataward.gov. For each theme the BPPAC finalize and select top 3 ranked GPs and nominate in the prescribed format for District level Awards. Accordingly, for each of the 9 themes DPPAC scrutinize, assess, and finalize top 3 ranked GPs and nominate in the prescribed format for State level Awards. After receiving nomination from the DPPAC the SPPAC scrutinize, assess, and finalize top 3 ranked GPs and nominated in the prescribed format for National level Awards.

Observations and Recommendations on Monitoring and Evaluation Mechanism of PRI

12.41 Monitoring and evaluation at Gaon Panchayat, Anchalik Panchayat and Zilla Parishad are inadequate in implementation. Although there are sufficient guidelines by Department of P&RD on monitoring and evaluation to be done by various committees from GP level to ZP level rarely the guidelines are followed and practiced on ground. This is leading to poor progress and poor quality of schemes and works being executed on ground.

12.42 The most appropriation institutional level for social audit is the Gram Sabha, which has been given 'watchdog' powers and responsibilities by the Panchayati Raj Act to supervise and monitor functioning of Panchayat elected representatives and government functionaries and also to examine the annual statement of accounts and audit reports. However, though guidelines have been issued the same are not being followed on ground.

12.43 It is observed that the present Dashboard of P&RD is not been maintained and updated since 2016. The progress of various schemes and projects and information about services is not updated. Presently, the dashboard has only the component of MGNREGA, PMAY-G, National Social Assistance Program, 14th CFC grant and 4th ASFC grant.

12.44 Monitoring and Evaluation (M&E) at the Zila Parishad level should focus on ensuring accountability, improving efficiency, effectiveness, equity, and sustainability of development programs and schemes implemented at the district level, while also promoting learning for course correction and evidence-based decision-making. Key M&E activities at this level include creating and maintaining district resource databases, assisting in the development of district work plans, undertaking regular monitoring of initiatives, providing feedback and reports to stakeholders, compiling and analyzing data for informed discussions, and developing strategies for service quality improvement.

12.45 The Chief Executive Officer (CEO) and Chief Accounts Officer of Zilla Parishad should visit the Anchalik Panchayat once in a month for overseeing the works and Accounts of Anchalik Panchayats. The Executive Engineer and Junior Engineers should inspect the work sites of development programmes and report to the CEO about their observation. In the case of serious irregularity, the CEO should immediately report to the Govt. The CEO should organize quarterly review meetings at ZP level inviting officials of all APs. He would take steps to set right the lacunae as well as grievances of APs. A copy of proceedings of the meeting should invariably be submitted to the District Level Monitoring Committee.

12.46 At the Anchalik Panchayat level, the Executive Officer of Anchalik Panchayat along with his accounts and technical staff should visit at least 5 GPs every month and inspect works and check the accounts. Cases of serious irregularities and misuse of funds should be brought to the notice of the Chief Executive Officer of the Zilla Parishad. The Executive Officer (EO) of AP should organize monthly meetings of Secretaries of GPs to review the progress of works including maintenance of financial records. A copy of proceedings of the meeting should invariably be submitted to the CEO of Zilla Parishad.

12.47 Monitoring and evaluation (M&E) of Gaon Panchayats (GPs) are crucial for ensuring effective governance and development at the grassroots level, with key observations highlighting the need for comprehensive data, participatory planning, and robust oversight mechanism. Past observations have indicated issues like inadequate record maintenance, lack of awareness about tools like Citizen Charters, and ineffective grievance redressal mechanisms, underscoring the need for continuous improvement in these areas. The Gram Panchayat Development Plan (GPDP) and all development

schemes, should focus on ensuring accountability, transparency, efficient delivery of basic services, and inclusive development, with strong emphasis on participatory approaches involving all stakeholders and utilizing technology for improved oversight and service delivery.

12.48 For addressing performance gaps, M&E should identify areas where GPs are lagging, such as in the availability of basic amenities or specific program implementation, and facilitate corrective actions and strategic planning to improve performance and achieve development objectives.

12.49 Importance of Participatory Planning in the Gaon Panchayat Development Plan (GPDP) is required to ensure community involvement through Participatory Rural Appraisal (PRA) exercises, household and institutional surveys, focused group discussions, and the Gram Sabha to ensure plans reflect local needs and priorities, fostering social justice and economic development. The process is needed to be followed in letter and spirit.

12.50 Independent monitoring mechanisms, including the engagement of Retired Government Officers and Academicians, or potentially NGOs, should provide unbiased assessments of program implementation and outcomes, ensuring accountability through Third-Party monitoring and evaluation.

12.51 For strengthening Local Governance and Capacity Building, M&E should not only assess program outcomes but also focus on strengthening the capacity of GPs, their elected representatives, and community participation in governance, as highlighted by the need for improved Gaon Sabha effectiveness and the involvement of PRI members in program delivery.

12.52 The Gram Sabha is crucial for the formulation of plans, project selection, and approval, ensuring social justice and economic development. It is also recommended to involve NGOs and Self-Help Groups in Gaon Sabha. The involvement of such organization will certainly enhance the credibility of Gaon Sabha. These organizations may be a part of the monitoring mechanism at grass root level.

12.53 The release and utilization of funds, particularly those from Finance Commissions, require strict monitoring through mechanisms like Utilization Certificates (UCs) and adherence to timely release of grants to ensure financial discipline and effective fund utilization which shall ensure transparency in Financial Monitoring and Accountability.

12.54 Some States including Assam have already passed Right to Information Acts. Notwithstanding some weaknesses, the Acts have opened the way for transparency in administration from the State to the panchayat level. The Right to Information Acts specify the modalities for obtaining information and provide penalties or failing to furnish or supplying false information. The Acts facilitate social legislation such as on minimum wages and gender rights and, more importantly, pave the way for public debate on government development projects. However, none of the Acts have defined the right to information to include inspection of works and documents, and the taking of notes and extracts. This is needed to make the social audit by the Gram Sabha more effective.

12.55 Social Audit arrangements have mostly been ineffective because there is no legal provision for punitive action. States should enact legislation to facilitate social audit by the Gram Sabha. To be effective, the social auditor must have the right to:

a. seek clarification from the implementing agency about any decision-making, activity, scheme, income and expenditure incurred by the agency;
b. consider and scrutinize existing schemes and local activities of the agency; and
c. Access registers and documents relating to all development activities undertaken by the implementing agency or by any other government department.

12.56 In a way, social audit includes measures for enhancing transparency by enforcing the right to information in the planning and implementation of local development activities.

12.57 Social Audit can also be used for auditing the performance of all three PRI tiers with a social audit committee at each level. These committees should not be permanent, but can be set up depending on the nature of programmes/schemes to be audited.

12.58 Social Audit committee members can be drawn from among programme stakeholders. It is advisable to use the services of retired functionaries of different organizations, teachers or persons of impeccable integrity living in the Zilla Panchayat/ Block Panchayat/ Gram Panchayat jurisdiction. Both facilitators and social audit committee members can be trained by social audit experts.

12.59 To enhance local capacities for social audit, it is recommended for organising mass campaigns to increase public awareness about the meaning, scope, purpose and objectives of social audit. A team of Social Audit Experts in each district who are responsible for training Social Audit Committee Members (stakeholders) should be formed. Implementation of training programmes on social auditing methods is required to be done by conducting and preparing social audit reports, and presentation at Gram Sabha meetings be done regularly.

12.60 A need is felt to provide capacity-building, support and training to implementing agencies, line departments, and other stakeholders, including private sector and civil society organizations, to enhance their M&E capabilities.

12.61 M&E should actively involve communities in identifying needs, formulating plans (like the Comprehensive Village Development Plan - CVDP), and monitoring progress. This includes using methods like Participatory Rural Appraisal (PRA), household surveys, and Focused Group Discussions (FGDs).

12.62 For capacity building and resource management, adequate human resources and institutional capacity at the GP level for effective implementation and monitoring of activities must be done. Providing training to the implementing team and stakeholders on M&E methodologies and tools is strongly recommended to be done. Evaluating the impact of programs and schemes on the livelihoods and social status of marginalized communities, ensuring that development efforts are inclusive must be ensured.

12.63 There is a need to create and maintain a comprehensive database for the districts, encompassing manpower, buildings, equipment, and other relevant infrastructure for various sectors like health, welfare and people centric service delivery schemes. There is a need to develop strategies and plans to enhance the quality of services

provided by various departments and initiatives at the district level. This will assist district program managers and officials in formulating district work plans aligned with national and state goals and mandates of the Constitution, including participatory planning processes like Gram Sabha meetings and household surveys. Development reports are required to be prepared based on felt needs from Gram Sabhas and collected data from various sources to analyze problems and identify future development directions.

12.64 To ensure that collected information is compiled, analyzed, and presented in meaningful formats to facilitate informed discussions and evidence-based decision-making by district authorities. Regular monitoring of all initiatives being implemented within the district to track progress and identify challenges should invariably done. Regular reports and feedback to relevant stakeholders, including the Zilla Parishad Chairperson, District Collector, State Government authorities, and other entitled entities is to be provided. While traditional beneficiary access might be limited, consider options for incorporating beneficiary feedback and satisfaction levels into the M&E process, potentially through restricted views or comment options on web portals.

12.65 It has been observed by the commission during their visits to the districts that observations and recommendations made by various audit authorities like CAG & DLFA are not complied with by most of the ZPs, APs & GPs. It is recommended that Department of P&RD through its monitoring & evaluation committee to closely monitor and check the status and compliance of the observations and any recommendation made by the Audit Authorities. Necessary corrective directions and action be taken by the Department.

Recommended Dashbaords for ZP, AP & GP

12.66 A Comprehensive single dashboard for Zila Parishad , Anchalik Parishad and Gaon Panchayat, likely referencing India's Panchayati Raj system, should include financial performance metrics, project implementation status, administrative data, and key performance indicators (KPIs) relevant to local governance and development. Key Information to be uploaded on the Dashboard are as under:

a) Financial Performance to include Budgetary Allocation, Plan Outlay, Expenditure and Revenue Generation
b) Project and Scheme Implementation
c) Administrative & Governance Data
d) Key Performance Indicators (KPIs)
e) Alerts for Critical Issues
f) Information regarding the Gaon Panchayat's Development Plan (GPDP)
g) Data on the Gram Panchayat's profile
h) Scheme & Activity Management
i) Social & Human Resource Development programs

Monitoring and Evaluation of ULBs

12.67 As per recommendation of Sixth ASFC, monitoring and evaluation of different projects/schemes executed at ULBs have been improved adopting the following measures:

a) Annual Internal Audit of ULBs are being done by ULBs. This is a mandatory eligibility criteria for receiving grants under CFC & SFC by any ULBs. These reports are to be uploaded in the cityfinance.in portal of GoI.

b) The State Govt. has created 3 new cadre services namely- Assam Urban Administrative Service, Assam Urban Engineering Service and Assam Urban Financial Service. Accordingly, 103 posts in each cadre were created and after recruitment through APSC, these officers are posted in ULBs at strength of Executive Officer (EO), Urban Technical Officer (UTO) and Financial Management Officer (FMO). Now, ULBs are equipped with qualified man powers who are expertise in their respective fields viz. Administration, Engineering and Finance.

c) For ease of providing all citizen centric services a portal namely 'Unified portal' was developed. Citizen, ULB and State are having separate log-in to the portal. Apart from services, ULBs are to upload status of all projects/schemes in the portal. Thus, projects/schemes can be monitored at State level.

d) For strengthening Urban Financial Governance, the Govt. successfully hs done onboarding of all ULBs onto "UPYOG" F & A" module. This has enabled ULBs to shift towards real-time financial monitoring and digital record keeping enhancing fiscal transparency.

Observation & Recommendations on Monitoring and Evaluation Mechanism of ULBs

12.68 As of now there is absence of an organized monitoring and evaluation mechanism in respect of schemes and programmes undertaken by the Urban Local Bodies in Assam.

12.69 Poor planning in the settlement of markets, hat ghat, reluctancy and improper use of manpower in collection of revenue and non revision of rates resulting in huge loss of revenue and accumulation of outstanding taxes, fees and duties.

12.70 The technical personnel from PWD should supervise and monitor on execution of schemes and programmes carried out by the ULBs. They should provide feedback to the management so as to enabling them to review the operational guidelines for successful execution of schemes. The Assistant Engineer and Junior Engineer of ULBs must supervise the field work to gauge the actual performance regarding financial and physical achievement. The technical personnel from the Office of the Deputy Director of Town and Country Planning should supervise and monitor the activities of MB/TC in their jurisdiction. Also technical personnel of PWD should supervise and monitor the execution of schemes carried out by the ULBs.

12.71 The guidelines issued by Finance Dept. of Govt. of Assam in May 2009 for Social Audit given below need to be followed by all ULBs as the same are not being followed:-

a) Use of ward Committees as important vehicles for spread of awareness about Social Audit.
b) Appointment of nodal officer at the level Ward Committees who would register complaints and fix the date for social audit.
c) Wide publication of the date of social audit through local newspapers, hand bills, leaflets and notice boards etc.
d) Presentation by the representatives of ULBs of the relevant data on revenue and expenditure of their organizations including bills, vouchers, muster rools, measurement books, copies of sanction orders and other book of accounts and papers necessary for the purpose of social auditing.

12.72 In the context of urban governance, the Area Sabha is often considered the urban equivalent of a Gram Sabha in the Panchayati Raj system, emphasizing community-level participation. An Area Sabha is a body composed of all the electors within a specific area of a municipal ward, typically comprising one or more polling booths, and is designed to be a platform for citizen participation in urban governance. All eligible voters within that defined area constitute the Area Sabha, which in turn elects an Area Sabha Representative, whose term usually aligns with that of the Municipal Corporation. The formation and functioning of Area Sabha in all Urban Bodies which is mostly defunct in most of the ULBs,

12.73 It has been observed by the commission during their visits to the districts that observations and recommendations made by various audit authorities like CAG & DLFA are not been complied with by most of the ULBs. It is recommended that Department of DoHUA through its monitoring & evaluation committee to closely monitor and check the status and compliance of the observations and any recommendation made by the Audit Authorities. Necessary corrective directions and action be taken by the Department

12.74 Following recommendations/suggestions are made for improvement of the Monitoring and Evaluation mechanism in regard to the functioning of LBs in the State.

At ULB Level:

i) Project Management software are required to be developed for each major schemes/ projects.
ii) In order to review the overall progress on execution of plan a Review Committee should be constituted in every ULB comprising all the Chairpersons of the Standing Committee of the ULB, Engineer of the ULB, Accountant, Engineers from PWD both Roads and Buildings. The Committee should meet once in every three months. The Review Committee at ULB level would try to take remedial measures to remove the hurdle in successful completion of a work and also check malpractices, if any, and report about the same to the District Level Monitoring Committee for further action.
iii) At present in most of the MB/TCs in Assam 'Area' Sabha has not been constituted as suggested by the Ministry of Urban Development. This commission suggests formation of Area Sabha' in all ULBs without further delay and to entrust,

interalia, monitoring of schemes undertaken by ULBs through Social Audit by Area Sabha.

12.75 Organising Area Sabha regularly will encourage and facilitate citizen involvement in decision-making processes related to local development and governance.Area Sabhas are to be made responsible for formulating proposals and determining the priority of schemes and development programs to be implemented within their area, which are then to be forwarded to the Ward Committee. It is suggested that each Area Sabha elects a representative from among its members to a Ward Committee.

12.76 For Strengthening Service Delivery, M&E should track the provision and maintenance of essential services such as sanitation, drinking water, storm water drainage, and public infrastructure like roads and street lights. Monitoring the implementation of Service Delivery act to ensure timely and efficient delivery of services like birth, death, and marriage certificates, as well as other citizen services should be done regularly.

At State Level:

12.77 Maintenance and upgradation of the State Government Portals which have not been updated since 2017 required to be done on priority for providing adequate information on all schemes and projects, budget and availability of Funds for various schemes, various Notifications, Reports etc.

12.78 There is a need of physical verification of execution of works relating to MB/TC by technical personnel of Directorate of Municipal Administration. The Superintendent Engineer and Sanitary Engineering Adviser, Assistant Engineer along with Junior Engineer of DMA, Assam should extensively supervise the field works for physical verification on execution of schemes in order to facilitate issuance of utilization certificate. Moreover, the Sociologist from the office of the Director, Municipal Administration should conduct the extensive survey on execution of field works against the target of Plan/ Programme.

12.79 The establishment and functioning of Area Sabhas are often outlined in amendments to municipal corporation acts, such as the Karnataka Municipal Corporations Act. The State Govt. of Assam may consider similar amendments in Assam Municipal Corporation Act.

12.80 A comprehensive dashboard for municipal bodies should provide data across several key thematic areas, including political and administrative structure, finance, planning, citizen-centric governance, and delivery of basic services. This dashboard would enable monitoring of performance, revenue collection, grievance redressal, and overall quality of life for residents. The dashboard of Urban Local Bodies (ULBs) in Assam, especially when considering projects or those related to urban development and public services, would typically include subjects related to their delegated functions, which broadly cover public health, welfare, regulatory functions, public safety, public infrastructure, and development activities. While a specific "dashboard" for all ULBs isn't detailed, aspects relevant to their operations and reporting is recommended to include:

a) Public Health and Sanitation

b) Public Infrastructure
c) Urban Planning and Development
d) Regulatory Functions
e) Online portals for services, grievances redressal.
f) Performance & Finance Related Subjects:
g) Financial performance, budget allocation, tax collection, financial reforms.
h) Progress of development projects
i) Compliance & Auditing
j) Integrated Land Records Management System where Citizens can access services related to land records, property tax NOC, registration, and auto-mutation through these platforms.

Organisation & Process of Monitoring & Evaluation (M&E) Guwahati Municipal Corporation (GMC)

12.81 The present organisation for M&E at GMC is as under:-

1) Commissioner
   a) Overall supervision and review of all schemes and projects.
   b) Chairs high-level review meetings and takes policy-level decisions.
2) Additional Commissioner/Joint Commissioner
   a) Supervises sectoral branches such as Civil Works, Health, Solid Waste Management, Revenue, etc.
   b) Responsible for periodic review and field inspections.
3) Chief Engineer
   a) Technical head responsible for the execution, quality control, and technical supervision of civil and infrastructure works.
   b) Coordinates with Executive Engineers and monitors timelines and quality.
4) Executive Engineers (EEs) / Assistant Engineers (AEs)
   a) Responsible for planning, estimating, supervising, and executing works.
   b) Maintain project-level documentation including work registers, bills, photographs, and contractor details.
5) Branch Heads (SWM, Building Permissions, Advertisement, etc.)
   a) Monitor implementation of schemes relevant to their domain.
   b) Submit progress reports to the Commissioner and higher authorities.
6) Monitoring Cells or Departmental Assistants
   a) Assist in data entry, progress tracking, and reporting.
   b) Collate physical and financial progress from field engineers and vendors.
7) Use of Inspection Reports & Photographs
   a) Physical inspection reports and geo-tagged photographs are key tools for validation.
   b) Inspections are done by both engineering staff and administrative officers.
8) Monthly Review Meetings
   a) Held branch-wise or project-wise under the chairmanship of the Commissioner.

b) KPIs like project completion status, fund utilization, and quality issues are reviewed.

9) Reporting Mechanism to State/National Bodies
   a) Utilizes portals such as AMRUT, SBM-U, DAY-NULM, PMAY-U, etc.
   b) Progress is also shared with the State Urban Development Department.

12.82 The following are the Gaps and Challenges of GMC at present-

a) Absence of a centralized M&E dashboard for branches of GMC.
b) Delayed or irregular field-level reporting by engineers or contractors.
c) Lack of dedicated Monitoring & Evaluation Cell.
d) Weak system of citizen feedback integration and social audits.
e) Manual or fragmented data collection and reporting.
f) Inadequate real-time progress tracking and cross-departmental coordination.

12.83 The following are the proposed changes & suggestions for consideration and implementation-

a) It is recommended for establishment of a centralised M&E cell for GMC which will have a Monitoring & Evaluation Cell under the Planning/Commissioner branch with dedicated staff. The cell is to be responsible for tracking timelines, budgets, physical progress, and quality control.
b) It is recommended for GMC to develop an Integrated Project Monitoring Dashboard to digitize and integrate all ongoing works into a single GIS-linked dashboard that include features like live status updates, worksite photos, budget tracking, contractor performance and citizen complaints related to the project.
c) Strict Monthly and Fortnightly Progress Reporting Protocol to enforce a timeline-bound reporting schedule and the format to include physical progress, financial utilization, challenges, and mitigation steps.
d) Deployment of Mobile App for Field Engineers will Enable real-time geo-tagged progress updates, photo uploads, and site condition reports.
e) Dashboard should have contractor Performance Scorecard to track contractors across projects on performance indicators like timely completion, quality of work, clean-up after work and citizens grievance redressal.
f) Citizen can be engaged in monitoring by using QR codes at project sites for citizens to view project details or give feedback and by introducing social audits for major community infrastructure projects.
g) There is a need for strengthening Inter-Departmental Coordination by prioritizing joint site inspections and cross-branch meetings, especially for multi-departmental projects. It is recommended for use of pre-work and post-work review formats to close coordination gaps.
h) Third-Party Quality Audit (TPQA) is recommended to be carried out for all major civil works.
i) Projects should include a post-completion impact assessment, especially for SWM.

M&E IN 6th SCHEDULE AREAS

Dima Hasao

12.84 Panchayat and Rural Development Department at Dima Hasao District headquarters has a Monitoring Cell in the office of the Project Director, Panchayat and Rural Development Department, Dima Hasao. The cell is manned by:

Sl. No.	Designation	No of Posts
1	Senior Research Officer, NCHAC	1
2	Project Director, DRDA, Dima Hasao	1
3	Assistant Development Commissioner, (Hills)	1
4	Project Officer, DRDA	1

12.85 The cell prepares monthly progress report on development activities of the department viz. MGNREGA, PMAY-G, NSAP, State Finance and Central Finance Commissions etc. The progress report at district level is prepared on the basis of the report submitted by the Block Development officers. The District level report is shared with different stakeholders and at different forums from time to time. Physical monitoring of the activities of the RLBs and supervision of their financial management is also done through this cell.

12.86 The Departmentally related standing committees and public Account committees of the Dima Hasao Autonomous council are involved in the monitoring & evaluation of various schemes implemented by the Council. The Council has also notified one guardian Member of Autonomous Council (MAC) for monitoring of various schemes implemented by the entrusted Department. Department review meetings are conducted every month by the N.C Hills Autonomous Council.

KAAC

12.87 The Monitoring & Evaluation System followed by KAAC in implementation of schemes/project by the department is under the administrative control of KAAC.

12.88 KAAC had earlier constituted a Third Party Monitoring Committee with the following members in order to monitor the implementation of the Schemes under 5th ASFC executed by the Department of Town and Country Planning and Panchayat & Rural Development, Diphu, Karbi Anglong.

Members:

i. Under Secretary, KAAC, Diphu
ii. Under Secretary, KAAC, Diphu
iii. Executive Engineer, PWD, (R) Division, Diphu
iv. Executive Engineer, Water Resources, Diphu
v. Executive Engineer, PHE, (U), Diphu

12.89 Monitoring is done through the Senior Secretary of the department concerned under KAAC. For timely completion as per the timeline and guidelines issued. In addition to this, there is Council Development Committee (CDC) constituted in pursuance of Govt. OM issued by Transformation & Development Department (T&D) Govt. of Assam. CDC is headed by the Principal Secretary. KAAC and CDC Meeting is convened monthly to review the progress and implementation of the scheme/project.

12.90 Implementations of schemes/ projects are done by the line department under the administrative control of KAAC. In respect of Evaluation of the scheme/project, the Evaluation team is constituted by the CDC as and when required.

12.91 KAAC has now constituted a Monitoring & Evaluation Committee to monitor and evaluate the implementation and progress of schemes under the 7th ASFC and executed by the KAAC vide letter No. KAAC/KAAC/FCC/7th ASFC/2025-26/02 dated Diphu, 11th of July 2025 as under:

i. Sr. Most Secretary of Department of Housing & urban Affairs. KAAC
ii. Deputy Secretary/ Under Secretary, KAAC
iii. Addl. Director of Soil Conservation, Karbi Anglong & West Karbi Anglong
iv. Assistant Revenue Officer of the concerned Revenue circle
v. Executive Engineer of concerned division, Water Resources
vi. Executive Engineer of concerned division, PWD (Roads)
vii. Executive Engineer of concerned division, PWD (Buildings)
viii. Executive Engineer of concerned division, PHE

12.92 This committee shall conduct periodic inspections, examine books of accounts against schemes, examine fund utilization and physical progress of projects executed from 7th ASFC funds. This committee shall submit all reports to the Principal Secretary, KAAC for the perusal of the KAAC authority.

BTC

12.93 The District Development Committee (DDC) is chaired by the District Commissioner to look after the works and activities of the different departments in the district. DDC meetings are held every month in every district to monitor the implementation of schemes/ projects under various departments and suggest remedies for any bottleneck faced in the implementation of the schemes/projects.

12.94 Vigilance and Monitoring Committee of various departments are chaired by the people's representatives for monitoring of the departmental schemes. There is a DISHA Committee in each district headed by a Hon'ble Member of Parliament for monitoring developmental schemes implemented in the district in also involves centrally funded schemes. Third party monitoring and evaluation of the schemes are also conducted through Circle Officers and other field officers.

12.95 The Departmentally Related Standing Committees and Public Account Committees of the Bodoland Territorial Council Legislative Assembly are involved in the monitoring & evaluation of various schemes implemented by the Council. Further, various Departmentally Related Standing Committees and Public Accounts Committees of the Assam Legislative Assembly are involved in the monitoring & evaluation of various schemes implemented by the Council. All works are being regularly audited by the Accountant General, Assam for finance and compliance of laid down procedures.

12.96 The Council has also notified a Guardian Executive Member for each of the 10 (ten) Civil Sub Division for monitoring of various schemes implemented by the entrusted departments.

Recommendation for Sixth Schedule Areas

12.97 Commission observes that there are different systems in place for implementation and monitoring of schemes in General and in Sixth Schedule Areas. It is recommended that the differences may be narrowed as far as possible and progressive monitoring models be adopted so that the benefits of good practices percolate to Sixth Schedule areas. The model followed by KAAC is recommended for adoption by all autonomous councils.

12.98 On receipt of the funds from Government of India under CFC grant, the State Government shall pass on the same to the respective DDOs of PRIs and ULBs of general as well as Sixth Schedule Areas. In respect of State Finance Commission award, the amount is provided in the State Budget under the respective functional Major Heads showing the Minor Heads assistance to PRIs and ULBs of General Areas which are responsible for implementation of the schemes and to incur expenditure. The Finance Department will release the funds directly to the respective councils for smooth and timely implementation of the scheme.

12.99 Following the 73rd and 74th amendments of the Constitution, PRIs and ULBs constitute the third tier of Government. As such, the DDOs of PRIs, ULBs, of General and Sixth Schedule Areas are responsible for incurring expenditures and submitting UCs as well.

12.100 This commission reiterate and recommends the following recommendation of Sixth SFC which are yet to be implemented on ground.

a) The Principal Secretaries of the Autonomous Councils (ACs) should prepare a fixed time frame for implementation of schemes in time.
b) The ACs should obtain administrative approval and sanction of expenditure of each approved project.
c) Tendering for all projects would be mandatory for ensuring transparency and competitive bidding.
d) The Principal Secretaries of the ACs should submit proposals to Finance (EA) Department through administrative line departments for release of fund under award of State Finance Commission and Central Finance Commission. Finance Department will release fund directly to ADCc PLA into their respective PLA accounts through the "Head-to-Head Financial Sanction" mechanism using the FinAssam (FMIS) portal. This digitized system, combining both offline and online financial sanctions, was designed to streamline fund flow. The Principal Secretaries of the ACs should submit UCs as per GFR-19(A) duly countersigned by the competent authority to Finance (EA) Department as well as to AG Assam.
e) Finance/WPT&BC/ Hill Areas Department would fix monitorable targets (Physical and Financial) against each project before release of allocated funds to ACs.
f) The State Government should engage "Third Party Monitoring" for the projects sanctioned under SFC.
g) The concerned officers of Council be made responsible for following the guidelines.

12.101 The concept of Gaon Sabha as recommended for General Areas also be followed in all villages in sixth schedule areas. NGOs and SHGs are also recommended to be incorporated in the M&E process.

12.102 Social audit is recommended to be done for the all schemes and Projects being implemented through the councils in the Sixth Schedule Areas. Also Third-Party Quality Audit (TPQA) is also recommended to be carried out for all major civil works executed in the areas of autonomous councils.

12.103 Standard operating procedure as well as to geo-index and geo-tag for the infrastructure created under grant-in-aid need to be introduced by the LSGI and Autonomous Councils to ensure timely and systematic implementation of schemes. LSGI and Council officers may be made solely responsible for ensuring guidelines instructions are adhered to.

12.104 Dash Board giving all information as recommended for PRIs and ULBs in General Areas is also recommended for development for Sixth Schedule Areas and regularly updated for better information of citizens and also for Transparency and Accountability.

Suggestions & Recommendations

12.105 The following suggestions & recommendations are made for M&E at PRIs and ULBs

a) At the grass root level the Gaon Sabha shall be the forum for conducting Social Audit of the Gaon Panchayats. Similarly, Ward Committee/Area Sabha may be given the responsibilities for Social Audit of Urban Bodies. Social Audit committee members can be drawn from among programme stakeholders. (paras 12.41,12.42,12.71)

b) The Commission recommends that the scope of the existing State Level Monitoring Committee headed by the Chief Secretary with Finance Secretary and Secretaries of concerned departments as members be enhanced to cover monitoring and utilization of State Finance Commission grants as well. (para 12.08 & 12.09)

c) The guidelines issued by Department of P&RD on monitoring and evaluation to be strictly followed by various committees from GP level to ZP level. (para 12.10)

d) Monitoring and Evaluation (M&E) at the Zila Parishad level should focus on ensuring accountability, improving efficiency, effectiveness, equity, and sustainability of development programs and schemes implemented at the district level. (para 12.44)

e) The Chief Executive Officer (CEO) and Chief Accounts Officer of Zilla Parishad should visit the Anchalik Panchayat once a month for overseeing the works and Accounts of Anchalik Panchayats. (para12.45)

f) At the Anchalik Panchayat level, the Executive Officer of Anchalik Panchayat along with his accounts and technical staff should visit at least 5 GPs every month to inspect ongoing works and also to check the accounts of GPs. (para12.46)

g) The Gram Panchayat Development Plan (GPDP) and all development schemes, should focus on ensuring accountability, transparency, efficient delivery of basic

services, and inclusive development, with strong emphasis on participatory approaches involving all stakeholders and utilizing technology for improved oversight and service delivery.(para 12.47)

h) GPDP is required to ensure that all plans reflect local needs and priorities, fostering social justice and economic development. The process is needed to be followed in letter and spirit. (para 12.49)

i) Independent monitoring mechanisms, including engagement of Retired Government Officers and Academicians, or potentially NGOs, should provide unbiased assessments of program implementation and outcomes. (para 12.50)

j) It is also recommended to involve NGOs and Self-Help Groups in Gaon Sabha. The involvement of such organisation will certainly enhance the credibility of Gaon Sabha.(para 12.52)

k) Adherence to timely release and utilization of grants is required to be strictly monitored to ensure financial discipline and effective fund utilization to bring transparency in Financial Monitoring and Accountability.(para12.53)

l) Social Audit arrangements have mostly been ineffective because there is no legal provision for punitive action. States should enact legislation to facilitate social audit by the Gram Sabha. Social Audit committee members can be drawn from among programme stakeholders. Both facilitators and social audit committee members can be trained by social audit experts. (para 12.55)

m) It is recommended for organizing mass campaigns to increase public awareness about the meaning, scope, purpose and objectives of social audit. A team of Social Audit Experts in each district who are responsible for training Social Audit Committee Members (stakeholders) should be formed. (para 12.59)

n) There is a need to create and maintain a comprehensive database for the districts, encompassing manpower, buildings, equipment, and other relevant infrastructure for various sectors like health, welfare and people centric service delivery schemes. There is a need to develop strategies and plans to enhance the quality of services provided by various departments and initiatives at the district level. (para 12.63)

o) A Comprehensive single dashboard for Zila Parishad , Anchalik Parishad and Gaon Panchayat, likely referencing India's Panchayati Raj system which should include financial performance metrics, project implementation status, administrative data, and key performance indicators relevant to local governance and development.(12.66)

p) It is recommended that Department of P&RD through its monitoring & evaluation committee to closely monitor and check the status and compliance of the observations and any recommendation made by the Audit Authorities

q) Project Management software are required to be developed for each major schemes/ projects in ULBs. (para 12.74(i))

r) A Review Committee should be constituted in every ULB comprising all the Chairpersons of the Standing Committee of the ULB, Engineer of the ULB, Accountant, and Engineers from PWD both Roads and Buildings. The

Committee should meet once in every three months to review overall progress on execution of all plans. (para 12.74(ii))

s) At present in most of the MB/TCs in Assam Area Sabha has not been constituted as suggested by the Ministry of Urban Development. This commission suggests formation of 'Area Sabha' in all ULBs without further delay and to entrust, interalia, monitoring of schemes undertaken by ULBs through Social Audit by Area Sabha. (para 12.74(iii))

t) Maintenance and upgradation of the State Government Portals which have not been updated since a long time is required to be done on priority for providing adequate information on all schemes and projects, budget and availability of Funds for various schemes, various Notifications, Reports etc. (para 12.77)

u) A comprehensive dashboard for municipal bodies should provide data across several key thematic areas, including political and administrative structure, finance, planning, citizen-centric governance, and delivery of basic services. (para 12.80)

v) There is a need for physical verification of execution of works relating to MB/TC by technical personnel of Directorate of Municipal Administration. (para 12.78)

w) The establishment and functioning of Area Sabhas are often outlined in amendments to municipal corporation acts, such as the Karnataka Municipal Corporations Act. The State Govt. of Assam may consider similar amendments in Assam Municipal Corporation Act. (para 12.79)

12.106 For GMC the following are the suggestions and recommendation for consideration and implementation-

a) Establishment of a centralised M&E cell for GMC which will have a Monitoring & Evaluation Cell with dedicated staff. The cell is to be responsible for tracking timelines, budgets, physical progress, and quality control. (para 12.83(a)).

b) GMC to develop an Integrated Project Monitoring Dashboard to digitize and integrate all ongoing works into a single GIS-linked dashboard that include features like live status updates, worksite photos, budget tracking, contractor performance and citizen complaints related to the project. (para 12.83(b)).

c) Strict Monthly and Fortnightly Progress Reporting Protocol to enforce a timeline-bound reporting schedule and the format to include physical progress, financial utilization, challenges, and mitigation steps. (para 12.83(c)).

d) Deployment of Mobile App for Field Engineers will enable real-time geo-tagged progress updates, photo uploads, and site condition reports. (para 12.83(d)).

e) Citizen can be engaged in monitoring by use of QR codes at project sites for citizens to view project details or give feedback and by introducing social audits for major community infrastructure projects. (para 12.83(f))

f) There is a need for strengthening Inter-Departmental Coordination especially for multi-departmental projects. It is recommended for use of pre-work and post-work review formats to close coordination gaps. (para 12.83(g))

g) Third-Party Quality Audit (TPQA) is recommended to be carried out for all major civil works. (para 12.83(h))

12.107 Recommendation for Sixth Schedule Areas

a) There are different systems in place for implementation and monitoring of schemes in General and in Sixth Schedule Areas. The differences be narrowed down as far as possible. The model followed by KAAC is suggested for adoption by all autonomous councils.(para 12.97)

b) The Principal Secretaries of the Autonomous Councils (ACs) should prepare a fixed time frame for implementation of schemes in time.(para12.100(a))

(i) The ACs should obtain administrative approval and sanction of expenditure of each approved project.(para 12.100(b))

(ii) Tendering for all projects would be mandatory for ensuring transparency and competitive bidding.(para 12.100(c)).

(iii) Autonomous Councils are to submit their proposals under Central Finance Commission & State Finance Commission grant to Finance Department through concerned line departments of the State for releases of grants/ funds. {para 12.100(d)}. Finance/WB/ Hill Areas Department need to fix monitorable targets (Physical and Financial) against each project before release of allocated funds to ACs.(para 12.100(e))

(iv) The State Government should engage "Third Party Monitoring" for the projects sanctioned under SFC.(para100(f))

c) The concept of Gaon Sabha as recommended for General Areas also be followed in all villages in sixth schedule areas. NGOs and SHGs are also recommended to be incorporated in the M&E process.(para101)

d) Social audit is recommended to be done for all schemes and Projects being implemented through the councils in the Sixth Schedule Areas. Third-Party Quality Audit (TPQA) is also recommended to be carried out for all major civil works executed in the areas of autonomous councils. (para102)

e) Dash Board giving all information as recommended for PRIs and ULBs in General Areas is also recommended for development for Sixth Schedule Areas and regularly updated for better information of citizens and also for Transparency and Accountability. (para 104)

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CHAPTER-13
CAPACITY BUILDING OF RURAL AND URBAN LOCAL BODIES

13.1 The state has local level government institutions for its rural and urban areas. The governance in the rural areas is provisioned under two constitutional institutions. In Part IX areas, there are three-tier Panchayati Raj Institutions and in the three Sixth Schedule areas, there of rural local bodies constituted by the Autonomous Councils. In urban areas, similarly, there are local government institutions. Some are in place under the provision of Assam Municipalities Act while some others are there under legal provision created by the Autonomous Councils.

13.2 The 73rd and 74th constitution Amendment act enlisted as many 29 subjects (11 Schedule) for rural local bodies and 18 functions (12 Schedule) for urban local bodies. Towards discharge of these functions, there are elected representatives in PRI areas and nominated members in the three sixth schedule areas. The urban local bodies both under general and sixth schedule areas are constituted through elected representative only. There are, functionaries also assisting the functioning of both rural and urban local bodies. The terms of office of elected as well as nominated members of belonging rural local bodies as well as the elected member of urban local bodies is five years. The capacity building of the elected /nominated members and similarly the functionaries working under the institution is a pressing need towards effective discharge of their attributed functions.

13.3 This chapter presents the capacity building needs of the rural and urban local bodies in the state, the targeted persons of rural and urban local bodies to be covered for capacity building, the institutional capacity that state has for fulfilling the capacity building need and the initiatives required in the form of support towards creating capacity of the training institution. The Section I of the chapter capture and presents scenario rural local bodies comprising PRIs and other rural bodies in three sixth schedule areas and Section II presents the scenario of urban local bodies belonging to both general and sixth schedule areas.

Section-I
RLBs and Capacity Building
1. Capacity building need

13.4 Under Section I, the capacity building need of the local self-government related to the Part IX areas and also the same need related to the Sixth Schedule Areas is presented. The need presented below encompasses the mandate of the constitution and the state legislations in vague. The target groups of people are the representatives and the functionaries running the institutions.

13.5 The provision for empowerment of third tier of government at district and below level by 73rd constitution Amendment Act and the state legislation as follow up is a critical theme area to be understood and put in practice towards realization of the need-based development process in the overall frame of participatory democracy at grassroots level. The representatives elected or selected and put in place for realization such development process needs clear understanding of the roles and responsibilities they need to discharge by remaining in the frame of participatory democracy. Particularly,

the functions, funds and functionaries that devolved fully and partially as enablers towards discharge of their role demand appreciation and clarity. The capacity building of this category of actors therefore assumes high importance towards effective discharge of their mandated roles.

13.6 Resources under Central Finance Commission (CFC) Grants are directly devolved to the Panchayats and RLBs under excluded areas. The State Finance Commission (SFC) Grants are also directly devolved to the Panchayats and RLBs under excluded areas. The grants from CFC come in the form of tied and un-tied grants while the grants under SFC come under general and special purpose. The general-purpose grants under SFC more often are termed as revenue account gap meeting grant while special purpose grants are project or activity specific grants to meet the specific gaps identified by the SFC. The use of tied and untied grants of CFC as well as general and special purpose grants of SFC attracts systematic accomplishment of planning function addressing the development gaps and shortfalls specific to each PRI and RLB units.

13.7 Besides, there are flows of resources for development of rural areas under number of centrally sponsored programmes like MGNREGA, PMAY-G, NSAP, RGSA etc. Programme guidelines envisage planning of these centrally sponsored programmes at grassroots level. Gaon Panchayat and the RLBs under excluded areas as per the provision of the Assam Panchayat Act and the 73rd constitutional mandate are to accomplish this planning function by ensuring people's participation. The understanding of the above programmes and configurating the development needs of the local area and the people are important areas for the PRIs and RLBs for discharge of their roles.

13.8 Panchayati Raj Institutions are empowered to collect taxes, fees, tolls, cess etc., under the Assam Panchayati raj act. They also generate revenue through settlement of Bazer, fisheries, Ferry Ghat etc. Generation of internal revenue based of OSR byelaws, their sharing across different tier, budgeting for their utilization are some key areas of the government at third tier level. Favourable actions towards building strong local government invites definite understanding and appreciation of the fundamentals of internal revenue generation and capacity building local bodies in these dimensions thus are unavoidable.

13.9 Recognizing the role of PRI in localizing Sustainable Development Goals (SDGs), Ministry of Panchayati Raj (MoPR), Government of India had set up an Expert Group on "Localizing SDGs through PRI". The report of the Expert Group was released on 7th December, 2021 which recommended adopting a thematic approach by aggregating the 17 SDGs into 9 themes of LSDGs to enable any understanding, acceptance and implementations by PRI. The goals in these themes are to be attained by 2030 in a graduated manner by convergence of all flagship development and welfare programmes at Panchayat level, saturation of various activities in all villages in a planned manner and using digital technology for ensuring transparency and accountability.

13.10 Panchayats have been mandated for the preparation of Panchayat Development Plan (PDP) for economic development and social justice utilizing the resources available to them. The PDP planning process has to be comprehensive and based on participatory

process which involves full convergence with Schemes of all related Central Ministries/ Line Departments related to 29 subjects enlisted in the Eleventh Schedule of the Constitution**.** Active participation of people in the political processes and in grassroot level planning can bring about the desired transformation of the villages. The planning process will have to be built upward from the level of villages and wards with active participation of people. The selection of various projects and their prioritization under central and state schemes to meet the priorities of the people would also empower people to determine their own economic destiny through Panchayati Raj Institutions. Efforts are on to create an enabling environment in Assam to pave the way for strengthening the grass root level democracy through meaningful operationalization of the Peoples Plan Campaign.

13.11 The application of various digital platforms over the years has been increasing among the PRIs and other rural bodies. In the pipeline, there are already platforms like re-Governance, e-GramSwaraj, e-Panchayat, eGramSwaraj GeM Interface and SVAMITVA. There are also number of MIS namely; NREGASoft, AWAASSoft and NSAP MIS. Without the operational skill of these digital platforms, the functionaries can render their services in the PRIs or in the RLBs of excluded areas and hence, capacity building of functionaries has assumed high priority towards effective discharge of the service.

13.12 The accounting and book keeping systems have remained as one of the weak areas of the local government. Keeping of accounts systematically and in compliance of the Audit standards are very important and for the government at grassroots level also need to exhibit such strength. Orientation and skill upgradation training to keep pace with the everchanging digital technologies are other capacity building areas of the functionaries of PRIs and RLBs of the excluded areas.

PRIs and the representatives

13.13 The last election of panchayat after re-organization completed in the beginning of 2025 is held in May 2025. The State Election Commission conducted the panchayat election following the provisions enlisted in the Assam Panchayat Act, 1994. The present strength of three-tier panchayat is provided in table-13.1 along with the status of previous term of panchayat. At present, the ZPs at the apex level are 27 with 397 elected representatives. The APs at the intermediate level are 182 and have 2188 elected representatives. At the grassroots level, there are GPs with elected representative numbering 21920. At all levels, the elected representatives are 24505 in total (table-13.1). The strength of APs and the GP is nominally reduced than the previous election status.

Table-13.1: PRI institutions and the elected representative in the PRI areas, Assam

Sl. No.	Tier	Previous Election		After May 2025 election	
		Institutions (No.)	No. of Elected representative	Institutions (No.)	No. of Elected representative
1	Zilla Parishad	27	472	27	397
2	Anchalik Panchayat	185	2559	182	2188
3	Gaon Panchayat	2197	21970	2192	21920
Total		**2409**	**25001**	**2401**	**24505**

NB: *Every tier has the post of President and Vice President who are elected by the elected representatives of the concerned unit of each tier.*

RLBs and Representatives under three Autonomous Councils

13.14 In the three sixth Schedule areas, there are rural local bodies. These rural bodies however, are constituted through the nominated persons which each of the three Autonomous Councils do, In BTC, the rural bodies are called as VCDC. In KAAC, they are called as TVDC and in CNHAC, they are called as CDC. The numbers of VCDCs under BTC are 415, TVDC under KAAC 843 and CDC under NCHAC 28. The strength of nominated members in the local bodies are about 16600 under BTC, 4215 under KAAC and 140 under NCHAC (Table-13.2)

Table-13.2: RLBs and the representatives under three Autonomous Councils, Assam

Sl. No.	Name of local bodies	No. of RLB	No. of member per RLB	Total Number
1	VCDC under BTC	415	10 to 70	16600#
2	TVDC under KAAC	843	5	4215
3	CDC under NCHAC	28	5	140
Toral		**1286**		**20955**

Number is estimated at an average of 40 members per VCDC.

PRIs and Existing Functionaries

13.15 Each tier of PRI is supported by functionaries of different grades. The functionaries at ZP level are 300, at AP level 1141 and GP level 2068; the total comprising all levels being 3509 (table-13.3). The total functionaries in place constitute about 40% of the sanctioned strength.

Table-13.3: Functionaries of PRIs

Sl. No.	PRI level/ Category of post	No. in position 2024-25
A	**ZP Level**	
1	CEO	27
2	CAO	18
3	EE	1
4	JE	6
5	HA	2
6	UDA	17
7	LDA	91
8	Accountant	10
9	Tax Collector	10
10	Driver	27
11	Grade IV	91
	Total of A	**300**
B	**AP Level**	
1	Executive Officer	169
2	UDA	58
3	LDA	334
4	Tax Collector	247
5	Grade IV	333
	Total of B	**1141**
C	GP Level	
1	GP Secretary	995

2	Tax Collector	639
3	Grade IV	434
	Total C	**2068**
	Total (A+B+C)	**3509**

PRIs and Recommended Functionaries of 7th SFC

13.16 The support of PRI functionaries is too weak at present. The 7th SFC therefore, has made its recommendation for revised staffing pattern. The status of recommended staffing pattern is provided in table-13.4. below. The proposed staffing accounts for 567 staff at ZP level, 2366 staff at AP level and 13152 staff at GP level. At aggregate level, the total staff accounts for 16,085. The implantation of the recommended staff will involve capacity building need of a massive number. The exclusion in the training will be the driver, grade IV and sweepers.

Table-13.4: 7th SFC recommended staffing patter of PRIs

Sl. No.	Category of Post	7th SFC recommendation per tier	Total strength (No.)
A	**ZP Level**		
	Administration Wing		
1	CEO	1	27
2	Deputy CEO	1	27
3	MIS Officer	1	27
4	HA	1	27
5	UDA	1	27
6	LDA	2	54
7	Tax Collector	2	54
	Accounts Wing		
1	CAO	1	27
2	Accountant	1	27
3	Account Assistant (Jr)	1	27
	Planning Wing		
1	CPO	1	27
2	Planning Officer	1	27
3	UDA	1	27
4	LDA	1	27
	Technical Wing		
1	Ex. Engineer	1	27
2	Asstt. Ex. Eng.	1	27
3	Jr. Eng.	2	54
4	LDA	1	27
	Total of A	***21***	***567***
B	**AP Level**		
1	Executive Officer (ACS/BDO Cadre)	1	182
2	Extension Officer	2	364
3	Assistant Eng.	1	182

4	Junior Eng.	2	364
5	MIS Officer	1	182
6	UDA	1	182
7	Accountant	1	182
7	LDA	2	364
8	Tax Collector	2	364
	Total of B	***13***	***2366***
C	**GP Level**		
1	Secretary (Graduate)	1	2192
2	Junior Eng.	1	2192
3	UDA	1	2192
4	Jr Account Assistant	1	2192
5	MIS Assistant	1	2192
6	Tax Collector	1	2192
	Total of C	***6***	***13152***
	Grand total (A+B+C)	**40**	**16085**

NB: The post of driver, Grade IV and sweeper are excluded for training purpose

RLBs and Functionaries in the three Autonomous Councils

13.17 The rural local bodies under the three Autonomous Council functions without the support of any functionaries. The sixth SFC recommended staffing pattern for each rural local body but, they were not provided engagement and as a result, there are no functionaries. Currently, BTC has engaged 415 secretaries and NCHAC has engaged 28 secretaries. The engagement of secretary in KAAC is in the process. The functionaries' strength is expected to increase in coming few months. The expected status is provided in table-13.5.

Table-13.5: Functionaries of RLBs under three Autonomous Council

Sl. No.	PRI level /Category of post	No. staff in 2024-25	No. of Secy as on August 2025	Total No. Proposed (7th SFC)	Trg. Target No. (Secy & Jr. Asstt)
1	VCDC under BTC	0	415	1245	830
2	TVDC under KAAC	0	0	2529	1686
3	CDC under NCHAC	0	28	74	56
Total		**0**	**443**	**3848**	**2572**

NB: One each of the post of Secretary, Jr. Assistant and MTS per RLB

Training institute: GBSIPRD

13.18 The Golap Borbora State Institute of Panchayat & Rural Development, Assam has been taking various initiatives for strengthening Panchayati Raj System in the state. As an apex institute of training and research in the broad field of Panchayati Raj & Rural Development, the institute has been regularly organizing a series of courses on different subjects to build the capacity of the elected representatives and other functionaries of the Panchayati Raj Institutions. The institute prepares comprehensive plans for capacity building of the elected representatives and functionaries of PRIs. Besides training programmes, the institute is involved itself in various other activities,

having a direct bearing on strengthening of the system in the state.

13.19 The Ministry of Panchayati Raj, Government of India under Rashtriya Gram Swaraj Abhiyan (RGSA) has been providing financial support to building the capacity of the elected representatives of PRIs in the state. Besides the elected representatives of PRIs, thrust has also been given to build the capacity of the officials and other stakeholders involved in Panchayati Raj System in the state. The GBSIPRD has intensified the initiatives for strengthening Panchayati Raj in the state since long.

Capacity building performance

13.20 The GBSIPRD, Assam has been regularly organizing series of courses covering various subjects for elected representatives and functionaries of PRIs. Comprehensive plan, annual action plans have been prepared and various other strategies have been adopted time to time by the institute to make the training programmes for the elected representatives and other functionaries meaningful. Broad initiatives taken covering different areas can be summed up as follows:

- Decentralized approach in organizing the training programmes for better outreach.
- General orientation training for the newly elected representatives of PRIs.
- Training plan for subjects' specific rounds.
- Preparation of need-based handbooks and guidebooks for the elected representatives and functionaries of PRIs.
- Training through satellite communication.
- Awareness generation for meaningful participation in Gram Sabhas.
- Exposure visits outside the state for elected representatives of PRIs, through networking and partnership with specialized institutes.
- Development of Trainers Team and their ToTs.
- Coordinating and anchoring the of Panchayat Sashakstikaran Puraskar.
- Special effort on computer literacy for elected representatives of PRIs and E-learning of functionaries.
- Special training under women elected representatives of PRIs.
- Anchoring the entire process of Peoples Plan Campaign.
- Coordinating and anchoring the Panchayat Advancement Index.

13.21 The GBSIPRD has prepared 2 case studies on the initiatives taken by the panchayats in the state and presented in a national committee for participation in the annual panchayat award being awarded by the Government of India on the specific category.

13.22 The GBSIPRD has been organising series of training programmes on streamlining accounting system in the Panchayati Raj Institutions and also to maintain transparency. The government has given special emphasis to maintain the transparency and accountability in financial transactions by the Panchayati Raj Institutions for which the government has developed various IT based softwares. The GBSIPRD has been organizing series of training programmes for the Secretaries of Gram Panchayats and accountants of Zilla Parishads and Anchalik Panchayats for which Resource Persons

from Local Audit have also been invited.

13.23 Since launching of Panchayat Award by the Government of India, GBSIPRD, Assam has been coordinating and anchoring the entire process of participation in the panchayat award programme. The institute has made it a part of the entire training process and laid emphasis on organising intensive training programmes for the weak panchayats. Every year, the panchayats are participation in the Panchayat Award programme. During the year 2024 – 25, Jengrai Gaon Panchayat of Ujani Majuli Development Block, Majuli district has received 1st prize in the category of Deen Dayal Upadhyay Panchayat Satat Vikas Puraskar and Benejia Demow Bangthai of Khagarijan Development Block, Nagaon district has received 2nd prize under the category of Nanaji Deshmukh Sarvottam Panchayat Satat Vikas Puraskar from the Ministry Panchayati Raj Government of India for their exemplary works in the particular field.

13.24 The training activities carried out by GBSIPRD comprising HQs, Kahikuchi capus, 12 ETC and 13 functional DPRCs are summed up in table-13.6 below. During the five reference years, the institution including its ETCs and DPRCs has exhibited its capacity by conducting an average of 4527 training programs per year. The average annual coverage of elected PRI representatives as well as the PRI functionaries reveals stunning figures accounting 67,960 and 45,724 participants respectively. The coverage of other category excluding the PRI representatives and functionaries is again another height of annual coverage as can be seen from table-13.6. The above aptly indicates the ability of GBSIPRD to extend necessary training coverage to all elected representatives and functionaries within a period of one or two years in the state.

Table-13.6: Overall training performance of GBSIPED, 2020-25

Sl. No.	FY	No. of trg. Conducted	No. of participants covered			
			Elected PRI	PRI functionaries	Others	Total
1	2020-21	3008	52738	40255	49378	142371
2	2021-22	3747	55889	32523	31190	119602
3	2022-23	4758	109660	61037	62223	232920
4	2023-24	7587	53554	69696	234748	357998
5	2024-25	3533	0	25110	124406	149516
	Average	4527	67960	45724	100389	200481

Source: GBSIPRD

13.25 The capacity building areas/ themes covered by GBSIPRD during 2020-25 are provided below in table-13.7. The themes covered for first three years (2020-23) ranged between 9 to 10 themes. The coverage of themes was in peak during 2023-24 with as many as 37 themes. During 2024-25, it came down to 25 training themes. The details by theme as can be seen from table-13.7 cover vast areas learning comprising planning, implementation and monitoring of development programmes and also the orientation need of the representatives and the functionaries with various emerging concern and priorities at national and state level.

Table-13.7: Type wise training programme conducted by GBSIPRD, 2020-25

Sl. No.	Training programmes by type	No. conducted
	FY 2020-21	
1	ToT	251
2	Online training	223
3	Induction training	30
4	Planning, implementation and monitoring of MGNREGA	49
5	Construction of low cost houses under PMAY-G	6
6	Training on thematic areas	553
7	Joint training of PRI SHG convergence	161
8	Maintenance of accounts	8
9	Training on GPDP	1727
	Total	3008
	FY 2021-22	
1	ToT on different subjects	16
2	Induction Training	38
3	Training on MGNREGS	79
4	Training on GPDP, BPDP, DPDP, thematic areas	2709
5	Training on preparation of decentralized plan	12
6	Training on sector enablers	129
7	Training on different subjects specially SDGs	550
8	Training on IT related activities	48
9	Training on social audit	1
10	Others	165
	Total	**3747**
	FY 2022-23	
1	General orientation various development programmes in sixth scheduled districts	110
2	Refresher training for planning, implementation and monitoring of developmental programmes and role of Standing Committees	155
3	Training on preparation of Panchayat Development Plan (DPDP, BPDP, GPDP)	1724
4	Training on Sustainable Development Goals (SDG)	1320
5	Training on e-Gramswaraj and MIS	130
6	Training on Own Source of Revenue and maintenance of accounts	257

7	Training on MGNREGA	533
8	Training on implementation of various development programmes	77
9	Other Training	452
	Total	**4758**
	FY 2023-24	
1	ToTs on different subjects	45
2	Refresher training on ethodology of preparation of GPDP	2536
3	Refresher training on prohibition of Child Marriage	2193
4	Refresher training on Climate change and adaptation	734
5	Refresher training on Localization of SDGs in respect of 9 Thematic Areas Identified by MoPR	391
6	Refresher training on Data analytics and monitoring of various rural development programmes	225
7	Refresher training on Recycling and Waste Management in Panchayat areas	213
8	Refresher training on Panchayat Development Index (PDI)	203
9	Refresher training on Mahila Sabha and Sishu Sabha	173
10	Training on Legal Aid with special emphasis on POSCO and Child Marriage Act	71
11	Refresher training on MGNREGA (Income generating activities through MGNREGA)	178
12	Refresher training on convergence of various Panchayati Raj and Rural Development Programmes with programmes of Line Department	89
13	Refresher training on Financial Management and Office Management including PFMS, increasing own source revenue	109
14	Refresher training on Preparation of Village Development Plan for Autonomous Councils	63
15	Refresher training on Social Issues-Education, Women Empowerment, Legal issues	139
16	Training on different aspects on Developmental issues of P & RD Department	79

17	Training on various departmental issues of Rural Development schemes	34
18	Training on Sanitation Workers Safety and Dignity, O & M and ensuring the functionality of Toilets	37
19	Orientation Training for Newly Recruited Officers and Staff of P & RD Department	10
20	Refresher Training on Audit Online	7
21	Refresher Training on PMAY-G (MIS based monitoring and data analytics)	7
22	Training on High Value Agriculture & Horticulture and Moringa	6
23	Orientation Training on Implementation of Rural Development Programmes at Sixth Schedule Areas	3
24	Skill development Training on PM Vishwakarma Yojana	4
25	Training on convergence of departmental schemes with SBM-G and JJM	3
26	Training on livelihoods and other activities under ASRLMS	19
27	Workshop on Strategic Planning and Visioning on LSDG Theme	2
28	Training on Documentation Report Writing and Effective Use of IT Tools	2
29	Refresher Training on PMAY-G (Adaptiation with Climate change and disaster resilience))	2
30	RGSA Review Meeting	2
31	Workshop on National Panchayat Puraskar	2
32	Integrating Disaster Management Plan with GPDP	1
33	Locality Development	1
34	Orientation Training on for Interns of Different Discipline	1
35	Training on ISO Certification for Panchayati Raj Institution	1
36	Refresher Training on Enhancement of Income of PRIs through various Departmental Schemes	1
37	Training on RTI	1
	Total	**7587**
	FY 2024-25	
1	Training on Localization of Sustainable Development Goals	
1.1	Training on Poverty-Free and Enhanced Livelihoods	288

1.2	Training on Healthy Village	141
1.3	Training on Child-Friendly Village	176
1.4	Training on Water-Sufficient Village	41
1.5	Training on Clean and Green Village	56
1.6	Training on Village with Self-Sufficient Infrastructure	43
1.7	Training on Socially Just and Socially Secured Village	44
1.8	Training on Village with Good Governance	29
1.9	Training on Women-Friendly Village	260
2	Training on Mahila Sabha and Sishu Sabha	391
3	Training on Panchayat Development Index	97
4	Training on GPDP	737
5	Training on Convergence of RD prog. With schemes of Line Department	52
6	Training on Climate Change	206
7	Training on Advance Programme for Locality Development	8
8	Training on Local Area Development Plan Formulation and Implementation	8
9	Training on Recycle of Waste and Waste Management	40
10	Training on Social Media Marketing Campaign for Rural Campaigning and Advocacy	71
11	Training on MIS through various digital portals and platforms	167
12	Training on Group Task Napi System	15
13	Training on Rural Development Programmes for the representatives of VCDC	40
14	Training on Ethics, Integrity and Human Value	13
15	Training on Methodology of Preparation of Thematic VCD Plan	96
16	Training on Financial Management and Office Procedure	69
17	Training on Disaster Management	72
18	Training on Gender Integration and Decentralization in Governance	36
19	Training on Audit Online	4
20	Training on Carbon Neutrality	37
21	Training on Social Issues	165
22	Training on Capacity Building for Service Delivery of Yuktadhara	49

23	Training on Leadership Development	43
24	Training on Skill Development	17
25	Induction Training for newly recruited officials of P & RD Department	22
	Total	**3533**

Source: GBSIPRD

Infrastructure strength

13.26 The in-take capacity of the institute including its ETCs (training/ conference hall) at a time as well as the capacity to cover participants per annum has provided in table-13.8. The intake capacity is found to be 1480 participants at a time. The annual coverage capacity is 95,000 participants. The available capacity looks highly promising. The accommodation capacity of participants in the hostel / guest house also stands to be large. At a time the hostels and guest houses can accommodate 1050 participants and, in a year, it can accommodate about 68,500 participants in 52 weeks.

Table-13.8: Training and accommodation capacity of GBSIPRD as on July, 2025

Sl. No.	Name of ETC by location	Training / conference hall capacity		Accommodation capacity in GH / Hostel	
		At a time (No.)	Annual capacity (No.)	At a time (No.)	Annual capacity (No.)
A	**In Head Quarters**				
1	GBSIPRD, Khanapara (HQs)	200	10000	100	7553
2	GBSIPRD, Kahikuchi (Campus)	250	12000	150	10000
	Total	450	22000	250	17553
B	**In Extension Training Centre**				
1	ETC, Kamrup (M), Kahikuchi	80	6000	100	4000
2	ETC, Jorhat, Lichubari.	80	6000	50	4000
3	ETC, Sibsagar, Joysagar.	80	6000	50	4000
4	ETC, Hailakandi, Boalipar,	80	6000	50	4000
5	ETC, Nagaon, Amoni	80	6000	150	4000
6	ETC, Nalbari, Sarihotoli	80	6000	50	4000
7	ETC, Biswanath, Biswanath	80	6000	50	4000
8	ETC, Bongaigaon, Abhayapuri	80	6000	50	4000
9	ETC, Kamrup, Bezera, Saraighat	80	6000	50	4000
10	ETC, Lakhimpur, Chauldhuaghat	80	6000	50	4000
11	ETC, Chirang, Kajalgaon	80	6000	50	4000
12	ETC, Dibrugarh, Banipur.	150	7000	100	7000
	Total	1030	73000	800	51000
	Grand total (A+B)	1480	95000	1050	68553

Source: GBSIPRD

13.27 Training programmes are conducted in the DPRCs also. There are 13 functional DPRCs under GBSIPRD. These DPRCs can enroll 1050 participants at a time and annually it can cover 52,000 participants. In-house accommodation facilities are not available in the DPRCs by design. DPRC wise capacity detail can be seen from table-13.9.

Table-13.9: Participants coverage capacity for training in DPRCs under GBSIPRD as on July, 2025

Sl. No.	Name of DPRC by location	Coverage capacity in training / conference hall	
		At a time (No.)	Annual capacity (No.)
1	DPRC, Dhemaji	80	4000
2	DPRC, Cachar, Udharbond	80	4000
3	DPRC, Darrang, Mangaldoi	80	4000
4	DPRC, Goalpara, Balijana	80	4000
5	DPRC, Barpeta	80	4000
6	DPRC, Dhubri, Bilasipara	80	4000
7	DPRC, Golaghat, Dergaon	80	4000
8	DPRC, Morigaon, Bhurbandha	80	4000
9	DPRC, Karbi Anglong, Bokajan	80	4000
10	DPRC, Bajali	80	4000
11	DPRC, Charaideo, Sonari	80	4000
12	DPRC, Majuli	80	4000
13	DPRC, Tinsukia, Hapjan	80	4000
	Total	**1040**	**52000**

Manpower strength under GBSIPRD

13.28 Under GBSIPRD, there are 392 working staff in total as on July, 2025. Of them, 81 are in Head Quarters at Khanapara and Kahikuchi, 123 in 12 ETCs, 159 in 14 DPRCs and 19 in State Panchayat Resource Centre (SPRC). The academic staffs who are involved in training and research activities are 131. Among the academic staff, 26 are in Head Quarters at Kahanapara and Kahikuchi, 27 in ETCs, 69 in DPRCs and 10 in SRPC. The status of available staffing can be seen from table-13.10. Considering the huge infrastructure status at Head Quarters and in ETCs, there are stands lot of gaps of academic staff numbering 28 and 36 at the respective level according the Director, GBSIPRD.

Table-13.10: Existing manpower under GBSIPRD HQs, Kahikuchi Centre, ETCs and DPRCs

Sl. No.	Post	No.	Sl. No.	Post	No.
A	**In HQs & Kahikuchi**			***Technical staff:***	
	Admn. & academic		1	Superintending Engineer	0
1	Director	1	2	Executive Engineer	0
2	Additional Director	0	3	Assistant Engineer	1
3	Jt. Director	3	4	Jr, Engineer	4

4	Dy. Director	5	5	Technician (Electrical)	1
5	Sr. Lecturer	6		***Stenographer***	
6	Lecturer	7	1	Stenographer Gr. I	1
	Research staff		2	Stenographer Gr. II	
1	Research Officer	1	3	Stenographer Gr. III	1
2	Asstt. Research Officer	1		Total A	73
3	Research Assistant	2	B	**In ETCs**	
	Accounts staff		1	Principal, ETCs	3
1	Sr. FA / FAO	1	2	Jr. Lecturer	24
2	Sr. Accounts Officer	0	3	Hostel Super cum Caretaker	12
3	Accounts Officer	1	4	Accountant	12
4	Asstt. Accounts Officer	1	5	Jr. Assistant	12
5	Accountant	2	6	Peon	12
6	Accounts Assistant	3	7	Chowkidar	12
	Establishment cell		8	Room Bearer	12
1	Administrative Officer	0	9	Cook	12
2	Asstt. Admn. Officer	0	10	Mali	12
3	Superintendent	1		Total B	123
4	Hostel Super cum Caretaker	1	C	**In DPRCs**	
5	Sr. Assistant	2	1	Faculty Members	46
6	Jr. Assistant	3	2	Training Assistant	23
7	Receptionist	2	3	Data Entry Operator	23
8	Driver	6	4	Room Bearer	23
9	Peon	8	5	Peon	23
10	Chowkidar	3	6	Chowkidar	23
11	Room Bearer	4		Total of C	161
12	Cook	4	D	**In Block PRCs**	
13	Mali	2	1	Thematic Expert	3
	Library & documentation		2	Grade IV	5
1	Librarian	1		Total of D	8
2	Asstt. Librarian	0		**In SPRC**	
3	Photographer	1	E	Faculty Member	7
4	Computer Assistant	1	1	Training Assistant	3
Source: GBSIPRD			2	Data Entry Operator	5
			3	Peon	3
			4	Chowkidar	1
			5	Total of E	19
				Grand total (A+B+C+D+E)	392

Monitoring, Information Systems, and Quality Assurance

13.29 Currently, Assam relies on the Training Management Portal (TMP) provided by the Ministry of Panchayati Raj (MoPR) which captures and reports training activities. While the portal is a centralized platform, it suffers from the following limitations:

i. Inability to generate customized reports aligned with the state's planning and monitoring needs.

ii. Lack of real-time district/ block/ panchayat-level analytics, Clientele wise report, dashboard visualization, or participant feedback tracking.

iii. No integration with scheme-specific MIS platforms or mobile learning ecosystems.

Gaps and Challenges

13.30 Despite notable achievement, the GBSIPRD has been suffering from several structural and systemic challenges from seven to eight years back. In short they include the following-

i. Delayed initiation of training immediately after elections in some Districts.
ii. Decline in the number of academic/ training staff
iii. There is wear and tear of the training/ conference halls and in the hostels and guest houses.
iv. The IT / electronic facilities need replacement/ upgradation for these being getting to old.
v. Limited use of digital tools for planning, delivery, and monitoring.
vi. Absence of standardization and external certification mechanisms such as ISO.

Resources gap and proposal for strengthening GBSIPRD

13.31 In light of the analysis of the current capacity building framework for PRIs in Assam, the following strategic recommendations are proposed to strengthen and modernize the system. These are aimed at addressing systemic gaps, enhancing institutional efficiency, and aligning capacity building efforts with contemporary governance standards. The Commission is kindly requested to take necessary steps to ensure adequate funding support and to facilitate appropriate administrative and policy interventions for effective implementation.

Strengthening of Human Resource Structure of the GBSIPRD, HQ and its ETCs and DPRCs

13.32 Capacity building is fundamental to realizing the objectives of decentralized governance, particularly in a federal democracy such as India where Panchayati Raj Institutions (PRIs) serve as the backbone of rural development. In Assam, a state marked by social diversity, geographical challenges, and varying development indices, the capacity of elected representatives and functionaries to plan, implement, and monitor developmental interventions is the key to good governance and participatory democracy. The DPRCs and SPRC under GBSIPRD have been functioning with contractual employees. The HQs and ETCs are functioning with shortage academic staff particularly. The Institute requires robust human resource support to effectively fulfill its training and capacity building mandate for rural development and panchayati raj functioning. This includes skilled trainers, administrators, and technical experts knowledgeable in areas like rural planning, participatory development, and various rural development programs. Specifically, the SIPRD needs human resources to conduct training programs for Panchayati Raj Institutions (PRIs) and other rural development functionaries. Individuals with expertise in rural development, local governance, and specific program areas (e.g., agriculture, livelihoods, health, education) are crucial for delivering effective training. To provide the quality training and also to guide the Panchayati Raj Institutions for better planning, effective implementation and monitoring of various socio-economic development programmes, the manpower proposal submitted by GBSIPRD is recommended for state support.

The proposed strength against the existing strength is provided in table-13.11 below.

Table-13.11: Existing and proposed manpower under GBSIPRD

Sl. No.	Post	No. existing	No. proposed	Sl. No.	Post	No. existing	No. proposed
A	**In HQs & Kahikuchi**				***Technical staff:***		
	Admn. & academic			1	Superintending Eng.	0	1
1	Director	1	1	2	Executive Engineer	0	1
2	Additional Director	0	1	3	Assistant Engineer	1	1
3	Jt. Director	3	3	4	Jr, Engineer	4	4
4	Dy. Director	5	5	5	Technician (Electrical)	1	1
5	Sr. Lecturer	6	7		***Stenographer***		
6	Lecturer	7	7	1	Stenographer Gr. I	1	1
	Research staff			2	Stenographer Gr. II		1
1	Research Officer	1	1	3	Stenographer Gr. III	1	2
2	Asstt. Res. Officer	1	1		Total A	**73**	**106**
3	Research Assistant	2	2	**B**	**In ETCs**		
	Accounts staff			1	Principal, ETCs	3	12
1	Sr. FA / FAO	1	1	2	Jr. Lecturer	24	24
2	Sr. Accounts Officer	0	1	3	Hostel Super	12	12
3	Accounts Officer	1	1	4	Accountant	12	12
4	Asstt. A/C Officer	1	1	5	Jr. Assistant	12	12
5	Accountant	2	2	6	Peon	12	12
6	Accounts Assistant	3	6	7	Chowkidar	12	12
	Establishment cell			8	Room Bearer	12	12
1	Administrative Officer	0	1	9	Cook	12	12
2	Asstt. Admn. Officer	0	1	10	Mali	12	12
3	Superintendent	1	2		**Total B**	**123**	**132**
4	Hostel Super	1	2	**C**	**In DPRCs**		
5	Sr. Assistant	2	3	1	Faculty Members	46	46
6	Jr. Assistant	3	9	2	Training Assistant	23	23
7	Receptionist	2	2	3	Data Entry Operator	23	23
8	Driver	6	6	4	Room Bearer	23	23
9	Peon	8	8	5	Peon	23	23
10	Chowkidar	3	3	6	Chowkidar	23	23
11	Room Bearer	4	4		Total of C	**161**	**161**
12	Cook	4	4	**D**	**In Block PRCs**		
13	Mali	2	2	1	Thematic Expert	3	5
	Library & docu.			2	Grade IV	5	5
1	Librarian	1	1		Total of D	**8**	**10**
2	Asstt. Librarian	0	1		**In SPRC**		
3	Photographer	1	1	**E**	Faculty Member	7	7
4	Computer Assistant	1	4	1	Training Assistant	3	3
Source: GBSIPRD				2	Data Entry Operator	5	5
				3	Peon	3	3

	4	Chowkidar	1	1
	5	Total of E	**19**	**19**
	Grand total (A+B+C+D+E)		**392**	**428**

Strengthening Institutional Infrastructure and Resource Provisioning:

13.33 The Extension Training Centres (ETCs) and District Panchayat Resource Centres (DPRCs), which form the backbone of PRI training in Assam, face acute infrastructural and resource constraints. These include:

i. Dilapidated conditions of most of the ETCs and old DPRCs, with no dedicated funds available for carrying out essential repairs or upgradation works.
ii. Several newly sanctioned District Panchayat Resource Centres (DPRCs) require support for site development, including earth filling, before they can be made operational.
iii. There is currently no dedicated provision for furnishing in most of the centres. A minimum budgetary allocation of ₹50 lakh per centre is critically required to provide basic infrastructure, including training furniture and fixtures. The absence of such provisions is directly affecting the Institute's ability to conduct training programmes effectively at these centres.
iv. No infrastructural provision for differently abled participants in all the training centres across Assam.
v. Inadequate furniture and training infrastructure in DPRCs, severely limiting their capacity to conduct quality training programmes.
vi. Lack of boundary walls, entry gates, and motorable roads in some DPRCs, raising serious safety, security, and accessibility concerns.
vii. Absence of staff quarters at the Headquarters and Second Campus of GBSIPRD Assam is affecting continuity and staff deployment.
viii. No provision for digital libraries at Headquarters, ETCs, and DPRCs, limiting access to updated learning content and reference material.
ix. Obsolete classroom technologies that are not conducive to modern pedagogical methods such as hybrid, online, or tech-assisted training.

i. In due consideration of the poor infrastructure status presented by the GBSIPRD, the Commission place its recommendation for fulfillment of the following-

i. Repair and upgradation of ageing infrastructure,
ii. Establishment of digital libraries,
iii. Procurement of training furniture and modern teaching aids,
iv. Construction of boundary walls, staff quarters, and road access, and
v. Comprehensive infrastructure modernization of all training institutions under SIPRD Assam.

Content Generation and Tier-Specific Training Curriculum

13.34 To ensure structured, effective, and progressive capacity building across all three tiers of Panchayati Raj Institutions (PRIs), it is necessary to develop a modular, role-specific training curriculum, supported by appropriate instructional content

and infrastructure. The training modules must be contextually associated with the responsibilities and knowledge needs of PRI representatives and functionaries.

13.35 The proposed curriculum should include the following core components-

- Orientation Training to be conducted immediately after elections for newly elected PRI members.
- Refresher Training linked to major departmental schemes such as MGNREGA, GPDP, SBM-G, PMAY-G, and the 15th Finance Commission grants.
- Modules on gender-responsive governance, inclusive development, and leadership for women and grassroot people.
- Digital, technical, and financial literacy, focusing on MIS reporting, online service delivery, and basic ICT tools.

13.36 To support the creation and dissemination of high-quality, comprehensible learning material for grassroots stakeholders, it is essential to establish a dedicated Multimedia Content Development Lab. This facility would be used to design and produce:

- Interactive and localized audio-visual training materials,
- Animated explainer videos and scenario-based simulations,
- Context-sensitive digital content in local languages to ensure clarity and ease of understanding by elected representatives at the grassroots level.
- The delivery of advance training input demands infrastructure, technical equipment, and dedicated funding.

Establishment of a state-of-the-art Multimedia Lab at the GBSIPRD Headquarters, along with Online Classroom facilities at selected ETCs and DPRCs.

13.37 This initiative should be supported through dedicated financial allocation, technical manpower, and institutional infrastructure, enabling the Institute to develop quality digital learning resources for both in-person and remote training modalities.

Establishment of Assam's Own Real-Time Training Management Information System (TMIS)

13.38 Currently, training data is managed through the Training Management Portal of the Ministry of Panchayati Raj (MoPR). However, this platform lacks the flexibility to generate customized, real- time reports required for effective monitoring, evaluation, and decision-making at the state level. To address this, a dedicated TMIS for Assam must be developed and integrated with existing databases to enable:

- Real-time data on training coverage, feedback, and outcomes,
- PRI-wise, district-wise, and thematic reporting,
- Streamlined planning, scheduling, and resource allocation.

This will significantly enhance transparency, responsiveness, and data-driven management of PRI capacity building in the state.

ISO Certification and Quality Assurance Mechanism

13.39 To institutionalize quality standards, all PRI training institutions- Headquarters, ETCs, and DPRCs- should be brought under a uniform Quality Management System and encouraged to obtain ISO 9001 certification. GBSIPRD Assam has already undertaken this initiative with technical assistance from the Kerala Institute of Local Administration (KILA) and other accredited agencies. Such certification will promote:

- Systematic documentation,
- Defined SOPs for training design, delivery, and evaluation,
- Continuous improvement through audit-based feedback.

Academic Collaboration with Universities and Research Institutions

13.40 To ensure academic rigour, pedagogical diversity, and contextual relevance, GBSIPRD Assam must formalize collaborations with leading public universities in Assam, such as Indian Institute of Technology Guwahati, Indian Institute of Management Shillong, Gauhati University, Assam University, Cotton University, Tezpur University, Dibrugarh University, Bodoland University and others. These partnerships should focus on:

- Joint development of training modules and manuals,
- Guest lectures and thematic workshops,
- Monitoring and impact assessment studies, and
- Capacity enhancement of faculty and master trainers.
- This will strengthen the link between academic research and grassroots governance.

Promotion of Gender-Responsive and Inclusive Capacity Building

13.41 The Institute has taken a pioneering initiative by establishing 27 Model Women-Friendly Panchayats, one in each district. Building on this, the training architecture should:

- Integrate gender equity, social inclusion, and leadership empowerment into core training modules,
- Facilitate exclusive workshops for women PRI members and functionaries,
- Build capacities of Panchayat officials to address gender-based budgeting, inclusive service delivery, and grievance redressal.

These interventions must be scaled with targeted support and adequate training budgets.

Knowledge Exchange and Exposure Visits

13.42 Exposure visits to premier institutes, especially outside Assam, offer valuable experiential learning to Faculty Members of GBSIPRD. These visits enable:

i. First-hand observation of innovative practices,
ii. Peer-to-peer learning across states,
iii. Motivation and mindset change among Faculties.

It is recommended that an annual exposure calendar be institutionalized with earmarked funds and that collaborations be established with states like Kerala, Maharashtra, and Karnataka.

Expansion of Technical and Digital Support to GPs

13.43 In line with the State's digital governance goals, desktop computers and technical support are being provided to Gaon Panchayats. This must be expanded further by:

i. Ensuring last-mile connectivity through reliable internet and digital hardware,
ii. Training Panchayat Secretaries and frontline workers in basic ICT skills,
iii. Linking Panchayats with the TMIS and national e-Governance portals.

13.44 In conclusion, the above recommendations are critical for transforming the capacity-building ecosystem for Panchayati Raj Institutions in Assam. The Commission is requested to examine these proposals and do the needful to:

i. Provide dedicated and sustained funding for infrastructure repair, technology upgradation, and human resource development.
ii. Facilitate inter-institutional coordination with MoPR, KILA, universities, and state-level institutions.
iii. Advocate for policy-level integration of capacity building within the larger governance and planning framework.

Table-13.12: Estimated cost proposed for upgradation of existing infrastructure and intervention in capacity building

(Rs. In a lakhs)

Sl. No	Name of the centre	Component	Amount
1	GBSIPRD, Guwahati HQ, Khanapara,	Repairing and renovation of existing infrastructure	1000
2.	GBSIPRD, Guwahati, HQ, Kahikuchi,	Repairing and renovation of existing infrastructure	700
3.	12 ETCs	Repairing and renovation of existing infrastructure	1500
4.	13 DPRCS	Construction of boundary wall	975
5.	13 DPRCs	Earth filling and construction of approach road	325
6.	12 ETCs	Procurement of training aids and equipments	120
7.	GBSIPRD, Guwahati, HQ, Khanapara,	Establishment of Assam's Own Real-Time Training Management Information System (TMIS)	150
8.	GBSIPRD, Guwahati, HQ, Khanapara,	Content Generation and Tier-Specific Training Curriculum	100
9.	GBSIPRD, HQ, Khanapara	ISO Certification and Quality Assurance Mechanism	200
10	GBSIPRD, HQ, Khanapara	Promotion of Responsive and Capacity Building Gender- Inclusive	100
11.	GBSIPRD, HQ, Khanapara	Capacity Building and Training	1000
12	GBSIPRD, HQ, Khanapara	Expansion of Technical and Digital Support to Gaon Panchayats	500
13	GBSIPRD, HQ, Khanapara	Knowledge Exchange and Exposure Visits (1000 participants in each year)	500
	Total		**7170**

Section II
ULBs & Capacity Building
1. Capacity Building Need

13.45 The urban areas used to experience different kind of development problems as against rural counterparts. The functions entrusted with the urban local bodies hence are significantly different than those functions entrusted to the PRIs. The capacity building need under the given context are enlisted and presented below.

13.46 Effective municipal governance necessitates a targeted and differentiated approach to capacity building that acknowledges the distinct responsibilities, competencies, and learning needs of both elected representatives and technical functionaries. A one-size-fits-all training model is insufficient to address the diverse roles within the organizational framework of ULBs. Therefore, it is imperative to adopt a role-specific capacity building framework that emphasizes functional, technical, and behavioral competencies. This framework is also aligned to the current undertakings of the Mission Karmayogi, under the Capacity Building Commission.

13.47 The proposed competency-based framework, focused on functional domains, technical knowledge, and behavioural skills, is critical as it encompasses all aspects necessary for effective municipal governance. It covers not only the technical expertise required for specific tasks but also the soft skills essential for successful performance and an overarching understanding of the responsibilities that fall under each role. Furthermore, competency mapping within this framework will enable the development of measurable Key Performance Indicators (KPIs), which will serve as tools to track staff progress throughout their learning journey. These KPIs will also help identify points where knowledge upgrades are needed, ensuring that municipal staff continue to grow and remain equipped to meet evolving demands.

1.1. Elected Representatives (Chairpersons and Ward Commissioners)

13.48 Elected representatives serve as the primary bridge between citizens and municipal administration. Their effectiveness in this role is not only shaped by political leadership but also by a strong grasp of the institutional frameworks, planning processes, and service delivery mechanisms that drive urban governance. Therefore, trainings of elected representatives are crucial for enhancing their capacity to effectively serve their wards and make informed decisions. The following thematic areas underscore the significance of such training and its direct impact on municipal governance:

13.49 ***Urban Planning and Governance:*** Ward-level decisions frequently intersect with broader city planning initiatives, such as road alignment, zoning, and infrastructure prioritization. Without proper training in urban development fundamentals, master planning, and local area planning, elected representatives may struggle to contribute meaningfully to urban planning discussions. Well-trained councillors/ward commissioners will be better equipped to ensure that local community needs are adequately represented and incorporated into larger city development plans, thereby aligning ward-level decisions with broader urban goals.

13.50 ***Municipal Finance and Budget Oversight:*** Elected representatives are often involved

in reviewing and approving municipal budgets during standing committees or municipal board meetings. A lack of financial literacy can hinder their ability to exercise fiscal oversight effectively. Trainings on understanding budget documents, reading line items, and identifying potential revenue sources will empower elected representatives to advocate for resource allocation that best serves their constituents, ensuring that budgets reflect the true needs of their wards. This competency is key in promoting transparency and accountability in municipal finance.

13.51 ***Citizen Engagement:*** As public representatives, councillors/ward commissioners are expected to channel the voice of citizens through ward sabhas, public consultations, and grievance mechanisms. Without the necessary skills, they may struggle to effectively engage with their constituents or prioritize their demands. Trainings in participatory tools will equip them with the tools to engage meaningfully, understand the diverse needs of the community, and build inclusive development agendas that reflect the aspirations of all citizens. This strengthens the responsiveness of local governance and fosters a deeper sense of ownership among residents.

13.52 ***Leadership and Communication:*** Elected representatives must navigate diverse stakeholder expectations, mediate local conflicts, and communicate civic responsibilities to residents. Trainings on ethical leadership, negotiation, and public communication shall enhance their ability to represent their constituencies effectively, foster trust, and mediate local disputes. These skills are essential for strengthening democratic accountability and building robust relationships between elected representatives and the communities they serve.

13.53 ***Orientation Urban Flagship Missions:*** National and State urban missions, such as SBM-U 2.0, AMRUT, PMAY-U, and NULM, or even other schemes from the Union/States are often implemented at the ward level. A solid understanding of these programs; ranging from beneficiary selection criteria to monitoring indicators; enables them to take a proactive role in ensuring the successful implementation of urban flagship missions. This training ensures that elected representatives can not only advocate for their wards but also mobilize community participation and facilitate the last-mile delivery of essential services and infrastructure.

1.2. Executive Officers (EOs)

13.54 As administrative heads of ULBs, Executive Officers are responsible for coordinating all municipal functions, ensuring compliance, and executing the resolutions of Board Meetings. Their role demands both managerial and regulatory competence, and the ability to oversee cross-functional teams. They are responsible entrust duties to each officials/staff of ULBs and also to provide good working environment and to ensure that each officials/staff are discharging their duties properly.

13.55 Institutional and Regulatory Functions: Trainings on municipal acts, service rules, office procedures and regulatory functions are necessary for EOs to ensure statutory compliance, manage institutional processes, and provide informed guidance to elected bodies and staff.

13.56 Project Management: EOs lead the implementation of government and ULBs' own schemes and infrastructure projects. Capacity building on DPR preparation, vendor management, milestone-based reporting, and financial monitoring enables them to

deliver projects within time and budget while ensuring accountability such as to enable them to submit UCs on time.

13.57 Urban Service Delivery and Grievance Management: EOs must ensure that core services (water supply, sanitation, street lighting, etc.) are delivered efficiently. Training on workflow design, SOP-based service standards, and grievance tracking systems helps streamline citizen-facing operations and improve responsiveness.

13.58 Digital Governance and Platforms: With ULB functions increasingly digitized, EOs must be adept at using the UPYOG platform, issuing digital approvals, and reviewing MIS dashboards. Training in these systems ensures transparency, improves monitoring, and builds confidence in e-Governance.

13.59 Compliance and Reporting: As the nodal point for statutory and performance reporting, EOs benefit from training in audit readiness, timely submission of utilisation certificates, and alignment with state and centrally sponsored scheme guidelines.

1.3. Finance & Accounts Management Officers (FMOs) / Accountants

13.60 FMOs are responsible for managing public funds, maintaining accounts, municipal annual budget preparation and ensuring financial compliance. Their work directly affects the fiscal health, creditworthiness, and operational stability of ULBs.

13.61 Public Financial Management Systems: Training in budgeting, fund allocation processes, formulating accurate budgets, tracking expenditures, and allocating funds efficiently across functions. **Municipal Accounting Standards:** With the shift to accrual-based accounting, FMOs require practical training in double-entry systems, ledger maintenance, and reconciliation to ensure reliable financial records and timely audits.

13.62 Fund Utilisation and Compliance: FMOs often handle multiple scheme funds simultaneously. Training in UC preparation, fund flow tracking, and timely financial reporting improves compliance with State and Central scheme norms.

13.63 Revenue Augmentation Strategies: FMOs play a crucial role in identifying and closing gaps in own-source revenue. Training on assessment techniques, collection monitoring, and automation tools supports more robust revenue mobilisation in property tax, trade licenses, and user charges.

13.64 Audit and Risk Management: Understanding audit cycles, red flags, and remedial measures helps FMOs prepare for audits, respond to audit observations, and mitigate financial risks.

1.4. Urban Technical Officers (UTOs)

13.65 UTOs provide engineering and technical leadership for municipal infrastructure and assets. They are central to project quality, planning efficiency, and cost control.

13.66 Urban Infrastructure Design and Planning: They are expected to prepare DPRs and cost estimates aligned with engineering norms. Training improves their ability to develop technically sound and cost-effective proposals for water supply, SWM, roads, drains and other infrastructure projects.

13.67 Procurement: UTOs are to be well trained for any kind of procurement. They should be trained on Procurement acts, procurement rules, e-tendering, gem portal, SPPP etc.

13.68 Project Implementation: They supervise field execution and contractor performance. Capacity building in site supervision, quality assurance, and milestone tracking ensures

that public works meet standards and are executed on time.

13.69 Nature-Based and Climate-Resilient Solutions: They must increasingly integrate sustainability into infrastructure design. Training in nature-based solutions (NBS), urban drainage, and resilient construction helps future-proof municipal investments.

13.70 Cross-Functional Coordination: They must collaborate with FMOs, EOs, and contractors. Exposure to procurement processes, BoQ preparation, and joint site verification enables smooth coordination across financial and administrative teams.

13.71 Compliance and Safety: Training in building byelaws, environmental clearances, and safety protocols ensures that all municipal works are legally compliant and environmentally sustainable.

1.5. Other Support Staff

13.72 Support staff ensures continuity in documentation, service delivery, and data flow across departments. Their training is crucial for record integrity, operational transparency, and citizen service experience.

13.73 Office Processes and Record Management: ULBs rely heavily on efficient file movement, documentation, and correspondence systems to ensure smooth administrative operations. Training in office processes helps support staff adheres to standard procedures, minimizing administrative lapses and improving operational efficiency. This includes understanding the legal and procedural aspects of file management, archiving, and the handling of confidential information, ensuring compliance with regulations and internal policies.

13.74 Data Entry and MIS Operations: Support staff, particularly data operators handling UPYOG modules or national portals, must be proficient in accurate and timely data entry. Training ensures they understand the software tools used and the programmatic context of the data they manage, improving the quality of information entered into systems and its utility for decision-making. This is essential for maintaining accurate records, monitoring program progress, and meeting regulatory requirements.

13.75 Public Interface Roles: Many support staff engage directly with citizens, handling applications, resolving queries, and issuing receipts. In these public-facing roles, soft skills and service protocols are crucial for ensuring that citizens receive courteous, informed, and efficient assistance. Training in customer service, conflict resolution, and effective communication enhances the quality of interactions with the public and fosters a positive image of the ULB.

13.76 Basic IT Skills: Basic IT proficiency, including training in document management software, spreadsheets, and e-office tools, is essential for improving internal communication, reducing administrative delays, and ensuring standardization in documentation. A well-trained support staff can facilitate smoother workflows, streamline data processing, and enhance overall office productivity.

13.77 Financial Management: For roles related to municipal finance, such as accounting staff, training is essential to ensure a sound understanding of financial procedures, budgeting, and financial reporting. Support staff must be well-versed in managing public funds, handling accounts payable/receivable, and preparing financial statements in compliance with local and national regulations. This training ensures accurate bookkeeping, transparency in financial management, and strengthens fiscal

accountability.

13.78 Technical Support Roles: For technical staff, including assistant engineers and support staff in infrastructure planning and development, training in engineering principles, project management, and the use of modern tools for data analysis and infrastructure design is vital. These st aff members are responsible for executing technical projects and ensuring compliance with design specifications. Adequate training equips them with the skills needed to address complex technical challenges, ensuring the successful implementation and monitoring of urban development projects.

2. Clients of capacity building

13.79 ULBs are 138 as per latest update August 2025. Only three of the ULBs have Municipal Corporations (MCs) status and balance are Municipal Boards. The total number of wards are ----- while the elected members including the nominated members are -----in total. Each MC has a Mayor and a Deputy Mayor. The MBs are headed by Chairman and Deputy Chairman. The details may be seen from table-13.13. Election in Silchar MC and Patherkandi MB is due. Hence the total number of representatives will add up to the total ward number.

Table-13.13: ULBs and elected representatives

Sl. No.	Particular	No. of unit	No. of wards	Total representatives	Mayor/ Chairman	Dy Mayor/ Dy Charman
1	3 MCs	3	124	82	2	2
2	80 MBs	80	965	955	79	79
3	MBs of BTC	16			16	16
4	MBs of KAAC	22	240	240	22	22
5	MBs of NCHAC	7	57	14	7	7
	Total	**138**			**126**	**126**

Source: DoHUA & DMA

2.2. ULBs and functionaries

13.80 The general areas of the state have 83 ULBs. Among the 83 ULBs, the employed person in permanent and consolidated pay are 229 and 313 in three Municipal Corporations (Guwahati, Dibrugarh and Silchar). The corresponding number in 80 Municipal Boards are 1294 and 1358. In total, there are 1523 in permanent employees while 1671 are in consolidated salary. Section wise numerical details of the number of employees are provided in table-13.14.

Table-13.14: Staffing status of 83 ULBs under general areas as on March July, 2025

Sl. No.	ULB/ Section	Sanctioned No.	Staff in position (No.)			Posts vacant (No.)
			Permanent	Consolidated Pay	NMRs with pay	
A	MCs (3 Nos.)					
	General Administration	55	42	9	0	13
	Accounts section	8	4	4	0	4
	Revenue Section	36	18	13	0	18
	Technical Wing	14	6	3	0	8
	Street Lighting	28	7	19	2	21
	Water Supply	10	5	4	0	5

	Others	638	147	261	125	491
	Total	**789**	**229**	**313**	**127**	**560**
B	MBs (80 Nos.)					
	General Administration	389	245	66	19	144
	Accounts section	99	50	21	2	49
	Revenue Section	356	219	125	13	137
	Technical Wing	312	184	122	10	128
	Street Lighting	95	44	63	16	51
	Water Supply	76	28	10	7	48
	Others	1269	524	951	2138	745
	Total	**2596**	**1294**	**1358**	**2205**	**1302**
C	All (83) ULBs					
	General Administration	444	287	75	19	157
	Accounts section	107	54	25	2	53
	Revenue Section	392	237	138	13	155
	Technical Wing	326	190	125	10	136
	Street Lighting	123	51	82	18	72
	Water Supply	86	33	14	7	53
	Others	1907	671	1212	2263	1236
	Total	**3385**	**1523**	**1671**	**2332**	**1862**

Source: DOHUA & DMA

13.81 There are 45 ULBs which fall under three Autonomous Council areas. Among them, 16 are in BTC areas, 22 in KAAC areas and seven in NCHAC areas. The 16 MBs under BTC have --- employees, 22 MBs have 477 employees and seven ULBs have 202 employees. Section wise details of number of employees in the MBs under BTC, KAAC and NCHAC areas are in table-13.15.

Table-13.15: Staff strength in the ULBs under 3 Autonomous Councils, March, 2024

Sl. No.	Section / Post	Number				
		Sanctioned	Permanent	Consolidated Pay	NMRs with Pay	Vacant
A	**BTC**					
1	General Admn.					
2	Accounts Section					
3	Revenue Section					
4	Engineering Wing					
5	Street Lighting					
6	Water/ sanitation					
	Total of A					
B	**KAAC (22 ULBs)**					
1	General Admn.	275	216	0	0	59
2	Accounts Section	44	20	0	0	24
3	Revenue Section	64	43	0	0	21
4	Engineering Wing	49	40	0	0	9
5	Street Lighting	8	8	0	0	0
6	Water/ sanitation	196	150	0	0	46

	Total of B	636	477	0	0	159
B	**NCHAC (7 ULBs)**					
1	General Admn.	69	67	0	0	2
2	Accounts Section	8	8	0	0	0
3	Revenue Section	21	15	0	0	6
4	Engineering Wing	73	64	0	0	9
5	Street Lighting	0	0	0	0	0
6	Water/ sanitation	92	48	0	0	44
	Total C	263	202	0	0	61
D	**Total of 3 ACs**					
1	General Admn.	344	283	0	0	61
2	Accounts Section	52	28	0	0	24
3	Revenue Section	85	58	0	0	27
4	Engineering Wing	122	104	0	0	18
5	Street Lighting	8	8	0	0	0
6	Water/ sanitation	288	198	0	0	90
	Grand total (A+B+C)	**899**	**679**	**0**	**0**	**220**

Source: Office of three Autonomous Councils

2.3. Capacity building institute and infrastructure

13.82 The state as of now has no training institute to up capacity building activities for elected representatives as well as the functionaries involved /engaged in the ULBs. It is in this context, DoHUA has placed proposal for building training infrastructure and also the plan to carry out training activities. The proposal is outlined below-

Approach in Institutionalizing Capacity Building

13.83 The successful implementation of a structured capacity-building initiative for ULBs requires a well-coordinated, decentralized framework supported by appropriate infrastructure, skilled personnel, and adequate financial provisioning. The plan is designed to function at three distinct levels: Zonal, ULB-Specific, and Central-Level. Each level has a clearly defined role, ensuring that training is both effective and scalable across the state.

A. District/ Zonal Wise

13.84 To ensure decentralized yet uniform delivery of training, the zonal approach focuses on creating regional hubs that cater to multiple ULBs within a district or zone.

I. Zonal Training Centers

a. **Location and Infrastructure:** One training centre will be established in each zone, preferably located at a District Headquarters (HQ) ULB. These centres will be the focal point for delivering all role-based training within the zone. Each center will be equipped with basic infrastructure such as a training hall, projector, internet access, and administrative support, ensuring smooth and efficient training delivery.

b. **Role of Zonal Centers:** Zonal centers will act as the primary point of contact for training across ULBs in the zone. They will be responsible for organizing and facilitating the delivery of training sessions tailored to the specific needs of the ULBs within their jurisdiction.

II. Master Trainer Model

a. **Training of Trainers (ToT)**: Each District HQ ULB will nominate a small team of key officials, typically comprising an Executive Officer (EO), a Finance & Accounts Management Officer (FMO), and an Urban Technical Officer (UTO). This team will undergo intensive ToT training in Guwahati, where they will be equipped with the necessary skills to deliver training to other ULBs within their district.
b. **Cascading Training Approach**: Once trained, these Master Trainers will be responsible for organizing and conducting role-specific training for municipal staff and elected representatives in their respective ULBs. This cascading approach ensures efficient coverage, contextual delivery, and continuity, allowing for targeted interventions that are tailored to the needs of the local governance structure

B. ULB-Specific Implementation

13.85 For each ULB, a detailed action plan will be developed that outlines the specific training requirements, logistical support, and financial estimates.

I. **Training Needs Assessment**: Each ULB will provide a detailed report that includes:
   a. The number of elected representatives and staff members to be trained.
   b. The specific training modules required for each role (e.g., councillors, technical staff, finance officers).
   c. Estimated training duration, based on the role and complexity of the modules.
   d. Venue arrangements and logistical support required for smooth execution.
   e. A cost breakdown for each ULB, ensuring that resources are allocated efficiently and transparently.

II. **Role-Specific Training Modules**: The training will be customized based on the role of the individual, whether it's for elected representatives, technical staff, or administrative personnel. Training modules will cover core areas such as urban planning, municipal finance, citizen engagement, and leadership.

III. **Monitoring & Evaluation**: Progress will be tracked using Key Performance Indicators (KPIs) for each role (Eg Eo, FMO etc). These indicators will help assess the effectiveness of the training and identify areas where further support is needed.

C. Central-Level Support

13.86 To ensure alignment with national capacity-building frameworks and maintain uniformity in training standards across all ULBs, the central-level approach hosted at DMA level will focus on strategic oversight and resource mobilization.

I. **Empanelment of Training Institutions**
   a. **Training Institutions**: DMA will empanel recognized training institutions that are registered with the Government of India and possess relevant expertise in the urban sector. These institutions will play a key role in supporting the Zonal Training Centres by providing specialized ToT, developing specific modules, and contributing content aligned with national guidelines.
   b. **Alignment with National Platforms:** All training modules will be designed in alignment with national platforms such as iGOT Karmayogi platform and the National Urban Learning Platform (NULP). This alignment ensures the continuity and scalability of the capacity-building initiatives, embedding a national

c. standard into the local training delivery.

II. Structured Exposure Visits

a. **Annual Exposure Visits**: Periodically, structured exposure visits will be organized for groups of 25–30 participants, comprising elected representatives and senior functionaries from both State and ULBs. These visits will focus on learning successful urban governance models and best practices in service delivery from other states.

b. **Knowledge Sharing**: Participants will be encouraged to adapt lessons learned during the visits to their local contexts. These visits will foster cross-learning and provide a platform for participants to share insights with their peers across ULBs, enhancing the overall quality of urban governance.

III. Monitoring and Evaluation

a. To ensure that the capacity-building initiative is effective, adaptable, and aligned with desired service delivery outcomes, a results-driven Monitoring and Evaluation (M&E) framework will be implemented. This will not only track training coverage and effectiveness but also ensure continuous program improvement based on data and feedback from participants and other stakeholders.

Components	Purpose	Method
Pre- and Post-Training Assessments	Measure knowledge gain.	Participants will take a short questionnaire before and after training to assess knowledge improvement. The difference in scores will highlight areas of success and those needing further focus.
Participant Feedback	Evaluate training quality and relevance.	At the end of each session, participants will provide feedback on the training through a simple form. This will include questions about the clarity of content, trainer effectiveness, and applicability to their role.
Training Report	Track overall progress and identify trends.	Zonal centres will submit quarterly report summarizing: - Total number of training sessions held - Participant demographics - Key feedback highlights - Pre- and post-assessment result - These reports will help assess the alignment of training efforts with ULB needs.
Identifying Emerging Needs	Adapt the training program to evolving demands.	Regular analysis of assessment results and feedback to pinpoint areas where additional focus or new training modules are required.
Adaptive Adjustments	Continuously improve training content.	Based on identified gaps or emerging needs, the training content will be refined each year, ensuring relevance and effectiveness.
KPIs for Simple Tracking	Measure training success and impact.	- Training Coverage: Percentage of ULB staff and representatives trained. - Training Effectiveness: Improvement in post-training assessment scores. - Satisfaction Rate: Percentage of positive feedback.

KPIs for Role-Based Competency	Measure the application of training to specific roles, ensuring that the competency framework is effectively applied across various functions.	Role-based KPIs will be defined based on the competency framework for each role within the ULB. Then, for each competency, clear, practical and measurable indicators will be set

Facility and Fund Requirement for Capacity Building of Elected Representatives, Officials and Staff of ULBs and Directorate

13.87 Infrastructure Support for Zonal Training Institutes (One-Time Requirement)- Rs.40 cr. To decentralize the delivery of training and institutionalize urban capacity building, DMA proposes the establishment of four zonal training centers located in Dibrugarh, Silchar, Tezpur, and Rangia. These centers will serve as permanent facilities for delivering structured training programs to elected representatives and municipal staff across all categories. Each center will be equipped with the necessary physical infrastructure, digitally enabled classrooms, and basic administrative support. The estimated cost for each center is as follows:

Table-13.16: Proposed Capital Expenditure for Establishment of Four Zonal Training Institutes (One-Time)

(Rs.in Cr.)

Location	Infrastructure	IT Setup	Manpower (Initial Provisioning)	Total
Dibrugarh	8.00	1.00	1.00	10.00
Silchar	8.00	1.00	1.00	10.00
Tezpur	8.00	1.00	1.00	10.00
Rangia	8.00	1.00	1.00	10.00
Total				**40.00**

Source: DMA

Note:

a) These centres will decentralise training access across Upper Assam, Barak Valley, Central Assam, and Lower Assam.
b) Infrastructure includes training halls, breakout rooms, IT equipment, and administrative blocks.
c) Manpower provisioning includes initial engagement of training coordinators, support staff, and admin personnel.

13.88 Operational Funds for Capacity Building Activities (Over 5 Years) presented by DMA stands at Rs.55 Crore. This is to ensure continuity, content delivery, and adaptation of training across changing urban governance priorities, the following heads are proposed over a five-year period (table-13.17).

Table-13.17: Annual Fund Requirement for Training Activities for FY 2026–31

(Rs.in Cr.)

Head of Activity	2026–27	2027–28	2028–29	2029–30	2030–31	Total
1. Training Delivery	2.00	2.00	2.00	2.00	2.00	10.00

2. IEC & Awareness	2.00	2.00	2.00	2.00	2.00	10.00
3. Exposure Visits (Other States)	5.00	5.00	5.00	5.00	5.00	25.00
4.Miscellaneous/Contingency	2.00	2.00	2.00	2.00	2.00	10.00
Total	**11.00**	**11.00**	**11.00**	**11.00**	**11.00**	**55.00**

Source: DMA

Note:

- Training Delivery: Covers training materials, per diem, logistics, trainer fees, and travel support to zonal centres.
- IEC & Awareness: Includes printed materials, ULB-level campaigns, digital content, and thematic drives aligned with SBM-U, property tax reforms, etc.
- Exposure Visits: Enables cross-learning by taking ULB teams (25–30 participants) to high-performing cities and institutions.
- Miscellaneous: Covers contingencies, printing of toolkits, minor procurement, and administrative support.
- The operational funding will be managed by the Directorate of Municipal Administration and routed through district-level nodal ULBs for decentralised implementation.

13.89 The total allocation proposed from 7th ASFC stands at Rs.95 Crore with two broad heads as under-

- Rs.40 Crore for Infrastructure Development (One-Time)
- Rs.55 Crore for Training Activities and Operations (FY 2026–2031)

Section III
Summary of Findings and Recommendations
Capacity building of PRIs and other RLBs

13.90 The training need focused in Para 13.4 to 13.12 and the numerical strength of persons to be provided with training in various subjects (para 13.13 to 13.17) are quite voluminous. The strength of academic staff besides, some critical staff has declined over the years in the institute. Towards effective delivery of the training needs, strengthening of Human Resource Structure in the GBSIPRD, HQs along with its Extension Training Centres/ District Panchayat Resource Centres are needed. The proposal placed in Para- 13.32 (table-13.11) for strengthening of staff therefore, is recommended for engagement.

13.91 Strengthening of institutional infrastructure and resource provisioning with a minimum budgetary allocation of Rs. 50 lakhs for each centre as proposed in Para 13.33 is considered necessary and recommended for allocation.

13.92 The proposal for establishment of a state-of-the-art Multimedia Lab technology at the GBSIPRD Headquarters, along with Online Classroom facilities at selected ETCs and DPRCs. (Para- 13.37) is considered necessary for wider coverage of participants at time a time and hence recommended.

13.93 Training Management Information System (TMIS) is an important tool of training management. The proposal placed for establishment and integration of Assam's Own Real-Time TMIS with existing databases as placed in Para13.38 is recommended.

13.94 ISO 9001 certification assumes high importance towards ensuring training quality management. The proposal of ISO 9001 certification placed for institutionalization of

quality standards in GBSIPRD along with its ETCs, and DPRCs with a view to ensure uniformity in training quality (Para 13.39) is considered necessary and hence recommended.

13.95 Enhancement of standard and improvement of training quality demands collaboration with leading public universities and Research Institutions within and outside the state. The proposal placed (Para 13.40) formalization of such collaboration as placed by GBSIPRD towards ensuring academic rigour, pedagogical diversity, and contextual relevance is a need of time and hence the Commission recommend the proposal.

13.96 The estimated cost proposed for different interventions (Para 13.44) for upgradation of existing infrastructure and intervention in capacity building bears merit for consideration for the purpose of effective delivery of the training activities in GBSIPRD along with its ETCs and DPRCs. The amount stands at Rs.71.70 crore for 5 years (table-13.12). The Commission in due consideration of the merit of the proposal recommend the amount under special purpose grant.

Capacity building of ULBs

13.97 The training need of elected municipal representatives and functionaries has been assessed in Para 13.45 to 13.70.

13.98 The state as of now does not have any training institute for the purpose of capacity building of the elected representatives and the functionaries engaged in the ULBs. With urban units and their activities increasing over time, it is considered necessary that state create its own training infrastructure to train elected representative and functionaries with urban development programmes and in the acquisition of advanced skill of effective planning, implementation and monitoring of urban development activities. Towards fulfilling the given institutional gap, the infrastructure and capacity plan, the proposal submitted by DoHUA (Para 13.83 to 89), is revised and the necessary recommendations drawn are provided below-

13.99 The training module designed (Para13.83, 85, 86) is found to be aligned with national platforms such as iGOT Karmayogi platform and the National Urban Learning Platform (NULP). This alignment is to ensure the continuity and scalability of the capacity-building initiatives, embedding a national standard into the local training delivery and hence is recommended for implementation.

13.100 The plan for decentralized the delivery of training and institutionalized urban capacity building through four zonal training centers located in Dibrugarh, Silchar, Tezpur, and Rangia (13.87) is reviewed. The proposed plan is considered much bigger compared to the size (numerical strength) of the clients for capacity building (elected representatives and functionaries of ULBs). In place, one capacity building institution located in the capital city is considered enough to cater to the training need all type of the municipalities of the state. A sum of Rs. 19.43 crore in total as establishment grant is recommended (table-13.18). The recommended amount is to take care of the cost on building infrastructure, basic amenities, hostel / guest house, digitally enabled conference/classrooms, campus wall and drainage and land scaping cost.

13.101 The establishment of the proposed CB institute for urban development is to take time (4 to 5 years) to become a physically reality. Till the institute physically becomes ready, the CB activities have to continue in the state from the rented premise. In this

consideration, recurring grant component comprising manpower cost including faculty, training aids and building rent at a total cost of Rs.11.63 crores is estimated for five years (2026-31) with annual phasing. The same is recommended (table-13.18).

13.102 The delivery of the CB activities involves cost on organizing and conducting them systematically. Under the component, three CB activities have been considered and recommended namely; training activities, IEC and awareness activities and exposure visit activities. A total sum of Rs.14.60 crore has been estimated for FY 2026-31. (table-13.18) with annual phasing and recommended for carrying out CB activities of the municipal representatives and functionaries in the state.

13.103 The total cost estimated and recommended for three components amounts to Rs.45.60 crore in total for FY 2026-31. The annual phasing for FY 2026-27, 2027-28, 2028-29, 2029-30 and 2030-31works at Rs.8.90 crore, Rs.9.00 crore, Rs.9.10 crore, rs.9.20 core and Rs.9.30 crore respectively (table-13.18).

13.104 The proposal for establishing CB infrastructure in KAAC areas is not found necessary and hence not recommended.

Table-13.18: Revised cost components and phasing for establishment of CB institute and CB plan

(Rs. in crore)

Sl. No.	Head of Activity	2026–27	2027–28	2028–29	2029–30	2030–31	Total
A	**Establishment grant**						
1	Building infrastructure (Admn+training+Hostel)	3.00	3.00	3.00	3.00	3.00	15.00
2	Boundary/drainage development	0.30	0.30	0.30	0.30	0.30	1.50
3	Land scaping of campus	0.40	0.40	0.40	0.40	0.40	2.00
4	Contingency (5%)	0.19	0.19	0.19	0.19	0.19	0.93
	Subtotal of A	***3.89***	***3.89***	***3.89***	***3.89***	***3.89***	***19.43***
B	**Recurring grant**						
1	**Manpower & Hiring**						
1.1	Manpower including faculty with 5% increase PA	1.50	1.58	1.65	1.73	1.80	8.25
1.2	Training aids	0.30	0.30	0.30	0.30	0.30	1.50
1.3	Building rent with increase 5% PA	0.24	0.252	0.265	0.278	0.292	1.326
1.4	Miscellaneous (5% of B.1)	0.10	0.11	0.11	0.12	0.12	0.554
	Subtotal of B.1	***2.14***	***2.23***	***2.33***	***2.42***	***2.51***	***11.63***
2	**CB activities**						
2.1	Training Delivery	2.0	2.0	2.0	2.0	2.0	10.0
2.2	IEC & Awareness	0.2	0.2	0.2	0.2	0.2	1.0
2.3	Exposure Visits (Other States)	0.5	0.5	0.5	0.5	0.5	2.5
2.4	Miscellaneous (5% of B.2)	0.21	0.21	0.22	0.22	0.23	1.09
	Subtotal of B.2	***2.9***	***2.9***	***2.9***	***2.9***	***2.9***	***14.6***
	Total (A+B.1+B.2)	**8.9**	**9.0**	**9.1**	**9.2**	**9.3**	**45.6**

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CHAPTER- 14

Summary of Findings and Recommendations

Chapter 1

14.1 Devolution of 3Fs; Fund, Functions, and Functionaries need to be carried in spirit of 73rd and 74th Constitutional Amendments. (para 1.8)

14.2 Assam State Finance Commission is recommended to be constituted with Chairman and two full time members and Member Secretary from Finance Department. Three consultants were due for 7th SFC need to be continued. (para 1.10)

14.3 Creation of Dashboard separately for RLB and ULB for regular updation of data that are required for State and Central Finance Commission. (para 1.30)

14.4 Creation of a permanent SFC cell at Finance Department for ensuring follow up on the recommendation and for updation of data on dashboard. (para 1.30)

14.5 The administrative requirements of the SFC need to be catered for in advance. These include office space, allotment of separate budget with nomination of DDO with autonomy in increasing expenditures. (para 1.34)

14.6 An additional chapter on capacity building of PRI and ULB functionaries is recommended to be added to the Report. (para 1.37)

Chapter 2

14.7 The approach of the Commission would be to put the local bodies on a firm financial pooling in keeping with their enlarged functional canvas as envisaged in Schedules XI and XII respectively for the Panchayat and Municipalities (para 2.1)

14.8 The Divisible Pool has been determined keeping in view the fiscal capacity of the state government on the one hand and the need and financial position of the local bodies on the other hand. (para 2.5)

14.9 In analyzing the financial position of the local bodies, the Commission is greatly handicapped due to non-availability of reliable data in the manner required. (para 2.6)

14.10 In addressing the vertical dimension of resource transfer from the State to the local bodies, the Commission endeavored to maintain a healthy equilibrium between the fiscal capacity of the state and the genuine needs of the local bodies (para 2.7)

14.11 The inclusion of the Excluded Areas in the TOR made the task complicated for the Commission. For allocation of divisible pool between Normal and Excluded Areas, the Commission adopted the time-tested formula of allocating plan fund between General and Schedule VI Areas (para 2.8)

14.12 Rural-Urban bifurcation of the divisible pool is proposed to be done based on population and density (para 2.9)

14.13 Allocation of rural and urban parts among the different tiers of PRIs and ULBs will be as per paras 2.10 and 2.11 respectively.

14.14 The Commission is inclined to consider additional variables like child marriage, anemia, flood vulnerability, which are aligned with State priorities (para 2.10)

14.15 Since financial autonomy cannot be achieved merely by depending on external sources of finance, adequate emphasis will be laid on internal revenue mobilization by local bodies (para 2.12)

14.16 The Commission is not inclined to assign any of the state taxes to the local bodies (para 2.14)

14.17 In regard to grant-in-aid, the approach of the Commission would be to provide sector specific grant wherever necessary (para 2.15)

Chapter 3

14.18 The recommendations of the First SFC were accepted by GoA but not implemented (para 3.6)

14.19 All recommendations of the Second SFC were accepted by GoA but not implemented (para 3.9)

14.20 The recommendations of the Third SFC, in its interim report covering FY 2006-07 and FY 2007-08 was not implemented. (para 3.10)

14.21 The recommendations of the final report for remaining three years were partially implemented (para 3.11)

14.22 The Fourth SFC submitted its report in two parts and its recommendations, other than the recommendations on incentive grant, were accepted by GoA but implemented partially (para 3.13 to 3.16)

14.23 In a supplementary report, the Fourth SFC recommended a staffing pattern for PRIs and ULBs which is partially implemented in GMC. It also recommended against provincialization of panchayat staff, but it was not accepted (para 3.21)

14.24 The amount recommended by the Fifth SFC for PRIs and ULBs in Normal Areas and the corresponding release made by GoA (para 3.27)

14.25 The amount recommended by Fifth SFC for PRIs and ULB of Excluded Areas and the corresponding release made by GoA (para 3.28)

14.26 The Sixth SFC recommended total transfer of Rs 10,056.82 Crore during 2020-2025 for PRIs and ULBs of both Normal and Excluded Areas as per year-wise phasing at Table 3.4 (para 3.34)

14.27 GoA accepted 50 percent of the monetary recommendations of Sixth SFC for the first year 2020-21 and for the remaining four years all recommendations were accepted (para 3.35)

14.28 Release made by GoA against the recommendations of Sixth SFC (para 3.36 to 3.39)

14.29 The status of implementation of the recommendations of the previous SFCs seems to be far from satisfactory. Even the non-monetary recommendations remained unaddressed (para 3.42)

14.30 The imperative need for creation of a permanent SFC Cell in Finance Department with adequate staff (para 3.44-3.48)

14.31 The Report of the Seventh SFC should invariably be made available to the XVI-CFC (para 3.49)

Chapter 4

14.32 The State economy recovered from the pandemic induced contraction at a much faster speed than the national or the global economy (para 4.4).

14.33 In some of the years under review the gross fiscal deficit of Assam exceeded the prescribed limit of 3.5 percent of GSDP. Govt of Assam need to ensure that borrowing is utilized for creation of income generating assets and not for financing consumption expenditure (para 4.6).

14.34 The per capita income of Assam lags far behind the national average despite robust growth in GSDP. This needs enquiring (para 4.7).

14.35 In order to fulfill the hopes and aspirations of different ethnic groups, GoA had to create seven Tribal Autonomous Councils and three non-tribal ACs at huge cost annually to State Exchequer (para 4.11).

14.36 That apart, another 34 Development Councils for various ethnic groups of Brahmaputra and Barak Valleys had been created with substantial budgetary support (para 4.12).

14.37 The social security programmes pursued by GoA entail huge outgo annually (para 4.14).

14.38 Denial of special category status has impacted State finances adversely (paras 4.15 & 4.16).

14.39 The percentage share of Assam in the Central divisible pool as per recommendations of the successive CFCs has been gradually declining (para 4.17). The XVI-CFC may modify the criteria and weightage suitably to benefit states like Assam.

14.40 The compensatory grant for loss of revenue on account of GST has been discontinued from fiscal 2023-24, this may be resumed for a further period of 5 years (para 4.21).

14.41 The divergence between revenue deficit as worked out by the CFC and the revenue deficit that subsequently occurred very often deprives the State from revenue deficit grant (para 4.23).

14.42 Fiscal deficit as percentage of GSDP has crossed the prescribed limit (para 4.24).

14.43 Along with the introduction of GST, the collection of sales tax by the State has undergone drastic fall. Similarly, yield from passengers and goods tax came down due to subsummation of entry tax with GST (para 4.28).

14.44 State taxes projected at 13 percent CAGR during 2026-2031 over the base year 2023-24 (para 4.30)

14.45 Non-tax revenue projected at 10 percent over the base year level of 2023-24 (para 4.32).

14.46 Share of Central taxes for 2025-26 has been adopted as per recommendation of XV-CFC and for the remaining years 14 percent annual growth rate has been adopted (para 4.34).

14.47 Grants from centre have been projected at 10 percent annual growth over the actual level of 2023-24 (para 4.36).

14.48 Revenue expenditure has been projected at annual growth rates as indicated at (paragraph 4.39 to 4.45).

14.49 Pre-devolution BCR worked out at Rs 33053 Crore during the 5 years period 2026-31 (para 4.47).

Chapter 5

14.50 The review decentralized urban governance shows that there are 129 statutory Municipalities as on August 2025 of which 83 belong to the general areas and 45 to the three Autonomous Councils (BTC-16, KAAC-22& NCHAC-7). The corresponding number compared to 2020-21 is an increase by 2.4% in general areas and 104.5% in the three Autonomous Council areas. Among the Municipalities, three are Municipal Corporation (Guwahati, Dibrugarh and Silchar) and balance 125 are Municipal Boards. Municipal Corporation is absent in three Autonomous Council areas (para 5.12).

14.51 The governance in 105 Municipalities through democratically elected representatives suffers from the problem of continuity as more often there occurs time-gap in their constitution every after five years. The practice of constitution of Municipal government through nominated members in 23 MBs (BTC-16 and NCHAC-7) is another weak area of urban governance (5.12).

14.52 DoHUAat the apex level acts for ensuring coherent urban administration and development across Assam. The departmental activities are supported by a range of institutions, including various directorates, autonomous statutory boards, and Special Purpose Vehicles (SPVs) established under the Companies Act. Additionally, several Project Management Units (PMUs) and Project Implementation Units (PIUs) operate across key initiatives to provide specialized technical and administrative support (para 5.15 & 5.16).

14.53 The devolution of functions (para 5.19) and funds (para 5.20) despite time lapsed for more than three decades after 74th Constitution Amendment Act is far from the desired level. The vacant post accounting 71% in three MCs and 50% in 80 MBs belonging to general areas and about 25% in 46 MBs under three Autonomous Councils reveals functionaries' gap. Lack of service rules of the functionaries is another hazard still persisting.

14.54 The role of local government with ever increasing urban settlements and population has been multiplying (para5.6). Devolution of functions, functionaries and funds (para 5.19 & para 5.20) is lacking for delivery of ever-growing need of urban services and hence urgent action on the part of the state government is recommended for devolution three Fs.

14.55 There is digital application "AMAN" in place which is a standard and streamlined one for promoting fiscal accountability and governance (para 5.35 & 5.36). Despite effort of DoHUA, budget preparation is characterized by ad hoc and fragmented approach (5.37). It is recommended for making application of AMAN mandatorily in all the ULBs.

14.56 There is digital application (UPYOG) which incorporates financial and accounting module like "Vanila" and "Vanila + and ++". The application is not followed by all Municipalities. (para 5.32 and 5.33). Towards ensuring uniformity and maintaining of standard, it is recommended for making all digital platforms operative in all ULBs.

14.57 The e-governance system (UPYOG) is in place (para 5.32 and 5.33) covering both property tax and finance and accounting modules. Many ULBs are abstaining its implementation. UPYOG implementation is recommended in all ULBs.

14.58 All Municipal governments suffer from land availability problems for implementing various development activities. Coordinated actions of ULBs, DoHUA and Revenue and Disaster Management department for land allotment is recommended for serving the interest of making physical services available to the public.

14.59 The Assam Town and Country Planning Act, 1959 lacks provision and authority for preparation of Local Area Plan and Town Planning Schemes. Act is also silent on Land Pooling Mechanism to guide the preparation and execution of Town Planning Scheme and Local Area Plan. Necessary amendments in the existing Town and Country Planning Act, 1959 is recommended for incorporating Local Area Plan, Town Planning Scheme and Land Pooling Mechanism (para 5.47, 5.48 and 5.49) under Town and Country Planning authority.

14.60 The functioning of DPC has remained ineffective. The coherent and integrated growth process between the urban centre which act as growth unleashing centre and rural areas act as hinterland is seen missing in the decentralized governance and hence, the Commission recommends for activating its functioning as envisaged in the Constitution (para 5.51).

14.61 The review of decentralized rural governance shows that there are number significant efforts on the part of the state government towards building three-tier rural government in the form of PRIs. There is Assam Panchayat Act (1992) in conformity to the 73rd Constitution Amendment Act, 1992. There are rules both Administrative (2002) and Financial (2002) framed supporting the implementation of various provisions of the Panchayat Act. There is State Election Commission which constitute panchayat through election. The State Finance Commission is also constituted every after five years for the devolution of 3Fs to the panchayat. Even there is activity mapping done in 2007 with respect to 22 subjects belonging different departments with the objectives of decentralized devolution of functions, functionaries and funds in favour PRIs (para 5.147).

14.62 As against the formal provisions created in the state, decentralized governance in rural areas through PRI has remained very far from the expected attainments. The constitution of Panchayat every time marks time gap between the previous one and the present one despite there is State Election Commission. The 22 subjects devolved through Activity Mapping in 2007, the line department concerned till date have not devolved their functions, functionaries and funds to the PRIs as per the prescribe norms. The strength in the generation of internal revenue has remained weak for absence of OSR byelaws and non-sharing of revenue across the tier as per Financial Act, 2002. The grant recommended by the State Finance Commission, the release against the award has been very partial in reality (para 5.148).

14.63 The present manpower accounting 40% of the sanctioned strength of panchayats is one of the largest gaps for the delivery of allotted functions. With about 70% of the GPs functioning without the post of Secretary and Tax collector is the extreme example. The staff at AP and ZP level is also far from the sanctioned status (para 5.149).

14.64 Resources are key for delivering various development and welfare services. The present status is very poor particularly at GP level. Towards improving the resources

base, mandatory practice of internal revenue generation among the PRIs is recommended by putting OSR byelaws in place and making collection and sharing through a digital application. Towards ensuring preparation and adoption of OSR byelaws, constitution of a three-member Committee under Finance Department is recommended (para 5.150).

14.65 Enhancement of untied grant component under CFC and SFC and release of SFC grant to the extent of 100% is another measure recommended for increasing resource base of PRIs (para 5.114). The third recommendation is for the devolution of 22 subjects as per activity mapping done in 2007 (para 5.116).

14.66 There has been lot of improvement in the functioning of Panchayat system through the application of different digital platforms. The application of GPDP portal for grassroot level planning, e-gramSwaraj portal and three MIS systems on MGNREGA, PMAY G and NSAP have made transparency, accountability and democratic participation a reality to large extent (para 5.151).

14.67 There is audit system in place for checking and guiding accounts of the PRIs. Audit is done by CAG, internal audit by department, audit by DLFA and social audit by Director of Social Audit. Despite many authorities, the coverage of every unit of each tier under audit is far from full. The improvement suggested by each audit body in accounting system of PRI is common. Full coverage of audit under CAG hence is recommended (para 5.152).

14.68 The functions discharged by PRIs with the very limited number functionaries, there persists issues of non-compliance of prescribed practices of Financial Rule 2002 with respect to budget preparation, accounts keeping, maintenance of records and registers and revenue collection. Strengthening PRIs with skilled manpower in accounting, administration and technical hence is recommended towards removing the persisting weakness of decentralized governance through PRIs in the rural areas (para 5.153).

14.69 Budget preparation although is mandatory as per Financial Rule 2002, wide non-compliance by PRIs is a common phenomenon. The development of budgeting applicating and making the use of the application mandatory and is recommended as a solution (para 5.154).

14.70 The review in three sixth Schedule areas show presence of a non-statutory single tier grassroot level rural local bodies. They are being run by nominated members. A post of secretary in the VCDC under BTC and CDC under NCHAC is the lone functionary is place while, in TVDC of KAAC, there is no functionaries in position. It is recommended that these rural bodies are constituted under a formal Act of the respective Council regulating constitution process, size and empowerment of 3Fs (para 5.155).

14.71 The elected representative governs ULBs under KAAC while under BTC and NCHAC; the ULBs are constituted with the nominated members. The administrative rules that are in place for general areas of the state are used and the services are administered with respect to limited number of functions. The constitution of elected bodies in the Municipalities under BTC and NCHAC is recommended (para 5.156).

14.72 The resources for running the functions of the ULBs are three i.e. the internal revenue, CFC grant and SFC grant. The problems and challenges experienced by the

ULBs under three Autonomous Councils are similar to that of the general areas and recommended for all those measures that have been recommended for general areas (para 5.157).

Chapter 6

14.73 Both ULBs and RLBs are involved in the delivery of various physical services like the supply of drinking water, sewerage management, solid waste management, stormwater drains, lighting etc. in the state. The practice of assessing delivery status of physical services by Municipal governments through defined parameters is available but absent among the PRIs or among other form of local bodies. The details of assessment parameters for ULBs are provided in Para 6.77.

14.74 Part I of Chapter 6 presents delivery status of physical services among 80 MBs, two MCs and GMC in Section I, II and III respectively (para 6.78).

14.75 In respect of water supply, the delivery status of high majority of the MBs w.r.to eight out of ten parameters fall below 50% SLB category (para 6.79).

14.76 The eight parameters with high service deficit in water supply are 1) connection coverage, 2) range of coverage, 3) extent of metering connection, 4) continuity of water supply, 5) water quality, 6) redressal efficiency of customers complaints, 7) cost recovery and 8) water charge collection efficiency (para 6.80)

14.77 On sewerage (Sanitation) management, toilet coverage in 63% of the MBs in >80% SLB category is a reasonable status. As against, sewerage management status in terms of eight parameters is extremely poor with all MBs performing <50% SLB category (para 6.81).

14.78 High level service deficit include 1) Coverage of sewage network services, 2) Collection efficiency of the sewage network, 3) Adequacy of sewage treatment capacity, 4) Quality of sewage treatment, 5) Extent of reuse and recycling of treated sewage, 6) Efficiency in redressal of customer complaints, 7) Extent of cost recovery in sewage management and 8) Efficiency in collection of sewage charges (para 6.82).

14.79 In solid waste management (SWM), attainment of three out of eight parameters above 80% SLB category in reasonable number of MBs is encouraging. In five parameters, the attainment level of majority of the MBs below 50% SLB category presents a disturbing status; the parameters being1) Extent of segregation of municipal solid waste, 2) Extent of municipal solid waste recovered, 3) Extent of scientific disposal of municipal solid waste, 4) Extent of cost recovery in SWM services and 5) Efficiency in collection of SWM charges (para 6.83).

14.80 The water logging phenomenon affecting 90% of the MBs below 10 times SLB category represents the height of the problem. Deficit drainage network in 83% of the MBs suggest serious concern to be addressed by high majority of the MBs (para 6.84 & para 6.85).

14.81 Among the two MCs, the attainment status of Dibrugarh MB with 135 lpcd water supply, 15% of non-revenue water, 80% redressal efficiency of customer complaints and 99% quality water supply are encouraging. The attainment status of household connection of water (17%), metering connection (5%), supply for 10 hours per day and cost recovery suggest persistence of huge gap in water supply (para 6.86).

14.82 The performance of Silchar MC in water supply is far better in all parameters as compared to Dibrugarh MC. Its household connection accounting 53% is the weak dimension (para 6.87).

14.83 In Sewerage (and Sanitation) Management, the performance is discouraging in Dibrugarh as well as Silchar MC. Notably, 100% deficit is in seven out of eight parameters in both the MCs (para 6.88).

14.84 The scenario of Solid Waste Management is somewhat encouraging with attainment status four parameters above 80% SLB category. The performance of both MBs is poor w.r.to Extent of segregation of municipal solid waste, Extent of municipal solid waste recovered, Extent of scientific disposal of municipal solid waste and Extent of cost recovery in SWM services (para 6.89).

14.85 Incidence of waterlogging due to inadequate availability of Storm Water Drain is common to both Dibrugarh and Silchar MC. Coverage of storm water drainage network ranging from nil to negligible status in both the MCs invites serious attention for addressing the deficit scenario (para 6.90).

14.86 With respect GMC, water supply is encouraging in three parameters and poor in six parameters. Serious attention is needed over following five parameters i.e. coverage water supply connection (30%), metering of water connection (0%), non-revenue water (20%), 12 daily delivery hours (12 hrs), cost recovery of water supply service (40%) and Efficiency in Collection of Water Supply-Related Charges (50%). are the five poor performing parameters of GMC (para 6.91).

14.87 In solid wastage management, GMC shows encouraging performance in the households covered (90%), collection status of municipal wastage (90%), collection of user charges (70%) and customers complaints redressal (70%). The disturbing status are segregation of waste (40%), solid waste scientific treatment and extent of cost recovery (para 6.92).

14.88 The sewerage management of GMC is reasonably better in five parameters (>80% SLB category) and poor in three parameters (<50%). The poor performing parameters include extent of segregation of municipal solid waste (41%), Extent of scientific disposal of municipal solid waste (0%) and Extent of cost recovery in SWM services (50%) (para 6.93).

14.89 The occurrence of flood incidence is high in the city (>10 times) and as against, the coverage of storm water drainage is 65%. Notably, even after there exist drainage, they remain under water even under modest rainfall scenario (para 6.94).

14.90 With respect to the status of physical services in rural areas, SLBs are not set for PRIs. Although PRIs are involved in the delivery of number of services but for want of SLBs quantitative analysis could not be made. A descriptive account on above is presented (para 6.95).

14.91 In three sixth schedule areas, SLBs data of the ULBs with respect to drinking water supply, solid waste and sanitation, sewerage management and storm water drainage are not made available to the Commission though the MBs of the concerned town render such services to some extent (para 6.96).

14.92 Like PRIs, for RLBs in the Sixth Schedule area also do not have set SLBs of the physical service. Notably, RLBs in the sixth scheduled areas are not involved at all in

the delivery of the physical services. There are facility creation through line departments in these areas but for want of SLBs, a descriptive account on the above is presented (para 6.97).

14.93 The Commission based on various observations drawn from chapter 5, 6, 7, 8 and 13 and also on field observation made its following recommendation towards effective delivery of physical service in urban and rural areas through ULBs and RLBs in the state.

14.94 For ensuring long term reliability in supply of drinking water in rural areas, the O&M cost of PWSS which is currently being managed through the tied grants under 15th Finance Commission the continuity of the same is recommended for the 16th CFC period as the collection of water charge is very poor (para 6.98).

14.95 The Commission recommends that PRIs should strive to assume control of all finished piped water supply projects from the PHE Department within their area. They are encouraged to establish Users Committees for each piped water supply project and to collect water fees, a portion of which can be given to the PHE Department for upkeep (para 6.99).

14.96 The Commission advises that excessive groundwater extraction could have long-term affects and result in groundwater depletion. The PHE Department might investigate the option of initiating projects that provide treated water to several villages using surface source (para 6.100).

14.97 The PHE Department should work alongside the PRIs when setting up spot sources for drinking water. Additionally, PRIs should collaborate with the PHE Department during the installation of any drinking water spot sources. This collaboration is essential to prevent any overlap of authority. The PHE should keep a log recording all the spot sources established by various agencies, organized by GP (para 6.101).

14.98 The Commission recommends representatives of Local Bodies to give priority to Rural roads and streetlight by judiciously utilizing funds from CFC and SFC (para 6.102).

14.99 Since riverbank erosion is a problem of huge magnitude and continuous measures are taken by various departments, the RLBs are suggested to undertake plantation of trees as a basic safety measure by utilizing the grant recommended by this commission under green initiative (para 6.103).

14.100 It is essential for elected representatives to be encouraged to engage in awareness campaigns aimed at creating clean and pollution-free villages, in accordance with the national initiative of Swachch Bharat. Solid waste and storm water drainage management should find added focus in keeping villages clean. The example of Ramchar village, the cleanest village in Assam, located in Goalpara district at a distance of 15 KMs from Goalpara town is a good example of initiative taken by the local people (para 6.104).

14.101 All Users committees of Primary Schools, Anganwadis, Health Centres etc should work in coordination with GPs towards improving status education and general health (para 6.105).

14.102 The PRIs should locate appropriate land within their areas and consult the Sub-divisional Land Advisory Board for the allocation of at least 1 bigha land designated

for burial / cremation in each GP. Also, for the purpose of construction of GP office or any other office establishment the PRIs should approach Sub-divisional Land Advisory Board for allotment of 1.5 to 2.0 bighas of land per office (para 6.106).

14.103 The Commission advises and encourages that Revenue and Disaster Management Department should facilitate the issuance of necessary orders on land allotment as a priority both related to ULBs and RLBs (para 6.107).

14.104 Availability of functional public toilet system is a priority area in urban areas. The Commission suggests MBs/MCs to take action to engage private entities in setting up modern public toilets in appropriate areas such as bus stands and marketplaces, by applying public-private partnership model based on a pay-per-use system (para 6.108).

14.105 For want of land allocation for land fill site, ULBs are facing escalating crisis on solid waste management, The Commission recommends allocation of government-owned land for landfill sites or provide funding for land acquisition on for solid waste disposal. The Department of Housing and Urban Affairs (DoHUA) and Panchayati Raj and Rural Development (P&RD) Departments should collaborate with the Revenue and Disaster Management (R&DM) Department to identify and designate suitable locations for waste disposal (para 6.109).

14.106 The Commission suggests that, given the frequent complaints about drains overflowing during the monsoon season, all storm water drains should be designed using scientific methods, considering the land's end points and contours. All drains should be solidly built and covered whenever possible, and they should be cleaned on a regular basis (para 6.110)

14.107 The Revenue Department needs to take urgent steps for giving individual pattas through Batowara against each joint patta holder (Ejmali Patta), instruct all Circle Officers and Lat Mandals to reflect the byelane (streets) properly in their trace map in both under ULBs and RLBs and stop encroachment of road/ drainage area done by promoter and general land owner (para 6.111).

14.108 The evaluation of service standards through benchmarking should continue on consistent and measured basis. It is recommended to implement an assessment of service delivery standards (SLBs) by an independent third party. Furthermore, establishing a self-assessment system for performance evaluation is also suggested (para 6.112).

14.109 In cases where projects are left unfinished because they are handled by several agencies, it is essential to adopt the EPC method (Engineering, Procurement, and Construction).When ever feasible, each project should be assigned to a single agency to avoid delays in the completion of the work (para 6.113).

14.110 The promoters/builders should be strongly instructed to follow proper norms while constructing approach roads, drainage system, parking lots etc. They should also be encouraged to include water harvesting, water recycling provisions along with maintaining greenery in the campus (para 6.114).

14.111 There is no training institute for ULBs. The third ASFC had communication with All India Institute of Local Self-Government (AIILSG) to establish a regional centre in Assam. The AIILSG showed keen interest in the proposal and requested for allotment

of a suitable built-up premises and provide infrastructure facilities. However, the proposal could not bear a fruitful result due to various reasons. Therefore, the commission recommends DoHUA to take up the matter with Land Revenue Department, Assam, AIILSG and MoHUA, Govt. of India. This Commission has recommended grant for establishment of an urban institute and capacity building activities under DoHUA (table-13.18) (para 6.115).

14.112 Master plan is important for effective urban governance and in the delivery of physical services. There are number of hindering factors in the preparation of Master plan. Necessary actions have been recommended (para 6.116).

14.113 Towards effective discharge of the responsibilities of DRDM, five actions have been recommended for enabling planning delivery of physical services in the ULB areas (para 6.117).

Chapter 7

14.114 The state has a long history of PRIs. After 73rd Constitution Amendment Act 1992, the panchayat is a three-tier system in the state. After restructuring of Panchayat in 2024, there are 27 ZPs, 182 APs and 2192 GPs in place as per last election held in May 2025. The representatives of the elected government represent more than 50% women participation and SC and ST representatives in proportion to their population (para 7.219).

14.115 The detailed analysis of finances of PRIs has been made under four sections of this Chapter. Section I presents the status and trend of receipt of resources from various sources as well as the expenditure status for past five years i.e. FY 2020-21 to 2024-25 (para 7.220).

14.116 There are empowerment provisions in the Assam Panchayat At 1994 to levy of tax and non-tax revenue for strengthening own resource base of PRIs (para 7.221). Limitations in the provision is observed in the empowered tax-net and the prescribed rates at each tier (para 7.221).

14.117 The collection of revenue suffers from lack of OSR byelaws, necessary manpower to collect tax, non-sharing of collected revenue across ZP, AP and GP in the prescribed ratio of 20:40:40 and the latest notification of government dated April 25, 2022 (No.PDA.29/2022/11) suspending the authority of issuing trade license and levying or impositioning of any tax or fees by ZP, AP and GP impacting adversely in revenue generation (para 7.222).

14.118 The sharp fall in the collection of tax category by 22.35% (CAGR) and non-tax category remaining near stagnant (0.76% CAGR) are the adverse impact observed (para 7.223).

14.119 With overall CAGR negative (4.35%), the projected status declined to reach Rs.34.15 crore by 2030-31 from the status of Rs.42.75 crore in 2025-26. Few latest positive decisions of the state Cabinet are expected to improve the revenue collection by about 5% and under the consideration, the projected status works at Rs.49.27 crore in 2025-26 and the same is to reach Rs.59.88 crore by 2030-31 (para 7.224).

14.120 Among the sources of resources from the state, PRIs do not receive any assigned tax. As share of the total tax pool of the state, PRIs are awarded grant as per the

recommendation of the ASFC. Award of the sixth SFC was Rs.2106.30 crore as general-purpose grant for FY 2020-25 and receipt by PRI was Rs.291.77 crore only (13.90 %) till FY 2023-24. The release for FY 2024-25 is yet to take place. Under the category of special purpose grant, award was for Rs. 1799.16 crore for FY 2020-25 while release was nil till August 2025. Only PHED (water) received Rs.105.81 crore towards maintenance of the rural piped water supply scheme against the total award of Rs.1070.2 crore to the line departments. The release of incentive grant and additional grant was nil against the award of Rs.482.6 crore and Rs.38.00 crore respectively. The state under agency function, has no scheme transferred to be implemented by the PRIs (para 7.225).

14.121 The main source of finances of the PRIs is the central government. The CFC grant is one and resources transferred under agency function is the other. The grant of 15th CFC (FY 2021-26), was Rs.2085.00 crore and Rs.3127.54 crore under untied and tied component. The transfer in three and half years (September of FY 2024-25) under corresponding heads was 68.74% each. The transfer against the remining period is under process (para 7.226).

14.122 Under agency functions, the finance channelized to PRIs is in the form of centrally sponsored programmes which now include MGNREGA, PMAY G, NSAP and RGSA and NRLM. The transfer of resources under the programmes is continuous as seen during the last six years (2019-25). The sum total transfer of the five programmes amounts to Rs.3034.05 crore during 2019-20, Rs.3088.52 crore during 2020-21, Rs.5137.32 crore during 2021-22, Rs.17467.27 during 2022-23 crore, Rs.6714.87 crore during 2023-24 and Rs.7639.60 crore during 2024-25. Notably, resources under these programmes never enter to the accounts of GP (para 7.227).

14.123 The PRIs in Assam has not, so far, floated any loan from open markets or borrowed from financial institutions and as such the Capital Account receipt is nil (para 7.228).

14.124 PRIs functions with both permanent and temporary staff. All permanent staff are state government employee and hence entire salary expenditure including travel and pension benefits is borne by the state government. As per staff position during 2024-25, ZPs function with 55.6% of the staff, AP with 72.7% staff and GP with 31.5% staff against the sanction status. The salary expenditure incurred during 2024-25 was Rs.219.18 crore (para 7.229).

14.125 The status of projected salary expenditure on permanent staff for five coming years (2026-31) has been detailed in Para 7.64 to Para 7.66. The total sums at Rs.1619.12 crore on existing staff for next five years, need Rs.2139.47 crore as additional expenditure if all the vacant posts are filled in and Rs.39.82 crore needed if the additional posts (normative minus sanctioned) are filled in. For full flagged PRI staff (three above statuses), the total salary cost sum at Rs.3798.41 crore for next five years (para 7.230).

14.126 The Commission considering the emerging, diverse and growing services need of the PRIs has made its recommendation for a modified staffing structure with 31 number per ZP, 18 number per AP and 9 number per GP. The projected cost on the recommended staffing pattern works out at Rs.5359.81 crore for five years. The implementation of the recommended staffing pattern would mean incurring of an

extra amount of Rs.1561.40 crore as compared to the prevailing staffing pattern. But definitely, the new staffing pattern will meet the emerging, diverse and growing service need of PRIs (para 7.231)

14.127 On payment of wages to temporary PRI staff for five years (2026-31), the projected wage cost works at Rs.383.32 crore. The projection takes into account number of temporary staff who were working in PRI during 2024-25 (para 7.232).

14.128 On remuneration payment to elected representatives of PRIs. total amount spent was Rs.401.12 crore during 2019-24. The expenditure was borne from the SFC grant (untied). At the existing remuneration rate and the present number of elected representatives, the projected cost on remuneration for 2026-31works at Rs.373.3 crore. The reduction has occurred due the decline in the number of elected representatives in the present term (para 7.233).

14.129 Sixth SFC recommended for sitting allowance to the elected representatives but was not paid. Considering the need for payment of the same, this Commission also makes its recommendation. The projected cost stands at Rs.17.63 crore for five years (para 7.234).

14.130 The sixth SFC recommended for office expenses although transfer was nil. Considering the importance of this expenditure head, this Commission has recommended for it which works out at Rs.79.92 crore for coming five years (para 7.235).

14.131 On civic functions although there is no service level benchmark (SLB) for the PRIs, out of four core civic functions of PRIs i.e. (i) water supply, ii) sanitation, iii) solid waste disposal and iv) street lighting), a total of Rs.849.28 crore was spent out of CFC tied grant during 2020-25. 50% of total was on maintenance of piped water supply scheme and balance 50% on maintenance of sanitation. The amount projected for coming five years on both works at Rs.1190.16 crore (para 7.236)

14.132 On maintenance of community assets and rural roads, transfer from state was nil although Sixth SFC awarded a total sum of Rs.671.06 crore for FY 2020-25 (para 7.237).

14.133 Under agency function, the state government had no schemes for PRIs for implementation hence no expenditure is reported (para 7.238).

14.134 The administrative cost of implementing five centrally sponsored programmes for past five years (2020-25) was Rs.1279.39 crore. Although out of the total, a sum of Rs.1073.24 crore has been reported against GPs, no fund was transferred practically to the GP accounts. The amount for coming five years works at Rs.2057.82 crore (para 7.239).

14.135 No expenditure on any interest payment reported (para 7.240)

14.136 Revenue account expenditure considered and projected by 7th SFC include 1) Salary cost, 2) Wages cost, 3) Remuneration cost, 4) Sitting allowance cost, 5) Office expenses (consumable), 6) Relief in disaster and 7) Maintenance of Community asset (para 7.241).

14.137 The combined net budgetary gap (table-7.38) without salary component works at Rs.931.0 crore for five years (2026-31). Annually, the gap amounts to Rs.191.3 crore

for FY 2026-27, Rs.188.9 crore for FY 2027-28, Rs.186.3 crore for FY 2028-29, Rs.183.6 crore for FY 2029-30 and Rs.180.8 crore for FY 2030-31 (para 7.242).

14.138 PRI staff being state government employees, it is borne by the state. Expenditure on four salary options on permanent PRI staff i.e. OP 1 on existing, OP 2 on vacant, OP 3 on additional and OP 4 on recommended staffing is in table-7.38. With salary cost, the combined net budgetary gap on the corresponding options works at Rs.2492.5 crore, Rs.4689.6 crore, Rs.4729.4 crore and Rs.6290.8 crore (para 7.243).

14.139 This commission considers and recommends special purpose grant to PRIs to undertake five different types of initiatives during FY 2026-31 namely; i) initiatives on OSR and budgeting ii) initiatives for strengthening institutional infrastructure, iii) green initiatives, iv) initiative enlarging internal revenue generating infrastructure and v) initiative to development of socio-cultural infrastructure (para 7.244)

14.140 The 1st initiative is intended to address two gap areas. One is OSR and the other is budgeting. OSR initiative include four actions namely; 1) preparation of a draft OSR byelaws through extensive study followed by adoption of the same through conduct of workshop at PRI level by a three-member committee constituted under Finance Department, 2) development of an application capturing collection and sharing of the adopted tax and non-tax canvas of the byelaws, 3) training of functionaries on the OSR application and 4) government notification making mandatory OSR collection and sharing digitally. The expenditure recommended works at Rs.7.14 crore. Budgeting also includes four actions namely; 1) preparation of a simplified budget format, 2) development of an application on budget application, 3) training of functionaries on budgeting application and 4) government notification making budget application mandatory at all levels and by all units. The expenditure recommended works at Rs.4.66 crore (para 7.245).

14.141 2nd is an initiative for strengthening of institutional infrastructure. It includes recommendation for 1) construction of 156 office buildings with Rs.78.00 crore in total and Rs.15.60 crore per year, 2) installation of rooftop solar power system (5 KW) in 2192 GP offices at Rs.71.90 crore, 3) digital infrastructure in all GP offices at Rs.43.84 crore, 4) office furniture for 156 GP offices at Rs. 3.12 crore, 5) construction of 22 AP office buildings at Rs.55.00 crore, 6) development of 149 data base centres in equal number of AP offices at Rs. 37.25 crore, 7) construction two ZP office buildings at Rs.10.00 crore and 8) GBSIPRD infrastructure upgradation and capacity building at Rs.71.70 crore (para 7.246).

14.142 3rd is a green initiative of PRIs. Convergent plantation of 5.58 crore plants by PRIs using resources of MGNREGA and Forest by meeting mobilization cost of Rs. 22.26 crore by PRI is recommended (para 7.247).

14.143 4th initiative recommended is for construction of Internal Revenue generating infrastructure. It includes three items i.e. 1) construction of 5 tourist guest houses in 5 ZPs at Rs. 25.00 crore, 2) development of 109 model tourist villages at Rs. 1066.00 crore and 3) development 182 AP level markets at Rs. 364.00 crore (para 7.248).

14.144 5th initiative on socio-cultural infrastructure development. Under the initiative, three activities is recommended. 1) Construction of 2192 Cremation / burial grounds in equal number of GPs at Rs. 876.80 crore, 2) construction of 2192 play grounds in

equal number of GPs at Rs. 219.20 crore, and 3) construction of six projects at Rs.13.05 crore (para 7.249).

14.145 Five departments submitted proposal to the commission with Agriculture Rs. 230.24 crore, Animal Husbandry and Veterinary Rs.166.03 crore, Public Health Engineering -Water (Rs. 788.17 crore) as additional maintenance cost of 27920 PWSSs, Public Health Engineering (Sanitation) Rs. 852.77 crore, Handloom Textile and Sericulture Rs.47.56 crore and Department of school Education Rs.458.25. The additional maintenance cost of PHED (Water) while is recommended, the proposal submitted by four other departments is not recommended under special purpose grant (para 7.250).

14.146 The five initiatives recommended under special purpose grant amounts to a total of Rs.2905.47 crore for the award period of 7th SFC. Annual recommendation sums at Rs.587.56 crore for FY 2026-27, Rs.578.61 crore for FY 2027-28, Rs.578.61 crore for FY 2028-29, Rs. 578.61 crore for FY 2029-30 and Rs. 578.61 crore for FY 2030-31 (para 7.251).

14.147 In addition to the above, a proposal submitted by P&RD department as additional initiative amounting Rs.45 cr. in total is recommended at para 7.251a.

14.148 The three Autonomous Councils of late have been promoting local institution at the grassroots level for rural areas. BTC has constituted 420 VCDCs, KAAC has constituted 843 TVDCs and NCHAC has constituted 28 CDCs. In total, they are 1286. These institutions have been constituted without statutory provision. They function with nominated members. The number of members range from 10 to 70 in VCDC, five in TVDC and five in NCHAC. The body include women member but without specific quota. Office establishment in own building exists in nearly half of the VCDCs while, it is in the consideration process with respect to the TVDCs and CDCs. A single functionary in the post of Secretary is in place in the VCDCs and the CDCs while deployment of such functionaries is under active consideration in TVDCs. Dedicated functions, functionaries and funds although are not specified yet, these institutions are to play the role in the implementation of centrally sponsored rural development programmes and the schemes under CFC and SFC grant (para 7.252).

14.149 The sources of resources of RLBs are three. Own revenue generation is seen as of symbolic nature among the VCDCs while no such status is reported among the TCDCs and CDCs (para 7.253).

14.150 The state source include four different types of grants under Sixth SFC award namely; general-purpose grant, special-purpose grant, incentive grant and additional grant (para 7.254).

14.151 Transfer of general-purpose grant to BTC, KAAC and NCHAC during 2020-25 accounted 71.76%, 47.84% and 0.0% respectively against the corresponding award of Rs.293.31 crore, Rs.122.49 crore and Rs.52.44 crore. The special-purpose grant during 2020-25 was transferred to KAAC only accounting 3.78% against the award of Rs. 858.90 crore (para 7.149). Incentive grant was also not released to any council. Award of additional grant was made to BTC (Rs.33.75 crore) and KAAC (Rs. 5.03 crore). The release was 100% to BTC while, it was nil to KAAC (para 7.255).

14.152 In total, the SFC grant (Sixth) received against the four awarded items was Rs. 276.74 crore for BTC, Rs.58.60 crore for KAAC and nil for NCHAC (para 7.256).

14.153 The third source is the 15th CFC award for 2021-26 including an interim year (2020-21) was Rs. 367.88 crore to BTC under untied head. The transfer of the award for first four years (2020-25) was Rs. 252.14 crore accounting 100% transfer. Similarly, the transfer for first four years (2020-24) amounting Rs.333.53 crore against the tied component was 100%. Under 15th CFC grant, the total receipt for four years (2020-24) was Rs. 585.67 crore to BTC (para 7.257).

14.154 In respect of KAAC also, transfer from central government was 100% for first four years (2020-24) amounting Rs.96.31 crore against untied component and Rs.127.41 crore against tied component; the total receipt being Rs.223.74 crore (para 7.258).

14.155 NCHAC during the same reference period received a total sum of RS.65.66 crore of which Rs.28.27 crore was against untied component and Rs.37.39 crore against tied component (para 7.259).

14.156 Centrally sponsored rural development programs although are implemented in the rural areas of three Autonomous Councils, the DRDA and block are the implementing agencies of the programmes and hence transfer of funds under the programmes is nil to three Autonomous Councils (para 7.260).

14.157 Towards revenue gap funding, Sixth SFC awarded four types of expenditure to the RLBs under three Autonomous Councils namely; i) salary of three office functionaries (one each Secretary, Tax Collector and Grade IV per VCDC/VDC), ii) office expenses, iii) annual maintenance expenses of rural piped water supply schemes and iv) annual maintenance expenses of rural roads (para 7.261).

14.158 Against the four revenue account awards during 2020-25, BTC made no expenditure on salary and remuneration payment to members. It reported expenditure amounting Rs.46.55 crore on community assets maintenance and Rs. 194.23 crore on storm water drains maintenance (para 7.262).

14.159 KAAC made expenditure on two heads -on salary of temporary staff Rs.24.20 crore (para 7.157) and on remuneration payment to members Rs.17.95 crore (para 7.263).

14.160 NCHAC did not report any expenditure on the four heads (para 7.264)

14.161 Under revenue account expenditure, this Commission recommends for five items for FY 2026-31. They include 1) salary for three RLB staff -Secy., Jr. Admn. Asst. & MTS, 2) office expenses, 3) relief in disaster, 4) maintenance of community assets and 5) maintenance of training institute (para 7.265).

14.162 The combined revenue gap including the salary cost of all RLBs works at Rs.1129.8 crore for FY 2026-31. It works at Rs. 361.93 crore for BTC, Rs. 735.9 crore for KAAC and Rs. 31.94 crore for NCHAC. Without salary component, the combined revenue gap works at Rs.63.98 crore for BTC, Rs.130.67 crore for KAAC and Rs.11.84 crore for NCHAC; the total being Rs.206.5 crore for FY 2026-31. (para 7.266). Government may however, rationalize the transfer of General Purpose Grant to the RLBs as wide population size variation of the RLBs across the three Autonomous Councils has influenced the allocation estimate in favour of KAAC.

14.163 As special-purpose grant, six type of initiatives have been considered and recommended to the RLBs under three Autonomous Councils namely; i) initiatives

for capturing OSR and budgeting at RLB level including training, ii) initiatives for strengthening institutional infrastructure of RLBs, iii) green initiatives of RLBs, iv) Initiatives on developing internal revenue generating infrastructure and v) socio-economic infrastructure development in RLB areas (para 7.267).

14.164 The cost recommend on the initiative on OSR works at Rs. 3.17 for BTC, Rs.2.83 crore for KAAC and Rs.1.46 crore for NCHAC. On budgeting, the recommended cost works at Rs.1.28 crore for BTC, Rs. 1.66 crore for KAAC and Rs.0.54 crore for NCHAC (para 7.268).

14.165 Towards strengthening institutional infrastructure of RLBs during grant period 2026-31, six items have been considered and recommended namely; 1)Office building of RLBs, 2) Rooftop solar power system (5 KW) in RLB office, 3) Digital infrastructure in the office of RLBs, 4) RLB office furniture, 5) Block office building construction, and 6) Development of Data base centre in Block office. The grant recommended for six items sums at Rs.153.30 crore for BTC, Rs.494.54 crore for KAAC and Rs.24.29 crore for NCHAC, the total being Rs.672.13 crore for the three Autonomous Council (para 7.269).

14.166 Green initiative for 2026-31 has been recommended for 415 RLBs under BTC. Mobilisation grant of Rs. 3.32 crore has been recommended for plantation 83 lakhs plants for convergent implementation with MGNREGA and Forest department (para 7.270).

14.167 The initiative on Internal revenue generating infrastructure considers and recommends for two items for the award period (2026-31) i.e. tourism infrastructure and market infrastructure. The grant on two items sums at Rs. 191.40 crore for BTC, Rs.69.50 crore KAAC and Rs.30.00 crore for NCHAC and at aggregate level at Rs.290.90 crore (para 7.271).

14.168 Under social infrastructure development initiative, Commission considers and recommends for two items namely; construction of cremation/ burial ground and construction of play grounds in each RLBs. The grant recommended on two items at aggregate level sums at Rs.643.00 crore for 2026-31. It works at Rs.207.50 crore for BTC, Rs.421.50 crore for KAAC and Rs.14.00 crore for NCHAC (para 7.272).

14.169 The total grant recommended for five initiatives sums at Rs.559.97 crore for BTC, Rs. 990.03 crore for KAAC and Rs. 70.29 crore for NCHAC. The aggregate works at 1620.3 crore for FY 2026-31. Annual grant details can be seen from table-7.90. (para 7.273). Government may however, rationalize the transfer of Special Purpose Grant to the RLBs as wide population size variation of the RLBs across the three Autonomous Councils has influenced the allocation estimate in favour of KAAC.

14.170 Financial status of PRIs is not at all encouraging despite Acts and Rules are in place for last three decades. The PRI activities are confined to some minor jobs like identification of beneficiaries of various centrally sponsored programmes, the families living below poverty line, processing of applications and issuance of job cards, issuance of no objection certificates etc. and implementation of schemes taken up under untied component of CFC and SFC grant (para 7.274).

14.171 The reach of resources under SFC grant is very minimum against the award (Sixth SFC). Of the CFC grant, the untied component only reaches the PRI directly. The

internal revenue generation after government's ban on house tax and trade licenses is now confined to only lease value of some beel fisheries, traditional market places and the ferry ghats (para 7.275).

14.172 There is lot of potential for mobilization of internal revenue to the extent over Rs.150.00 crore per year as per the tentative estimate of this Commission. The measures recommended in this chapter for capturing OSR is expected to realize the potential and improve the status of own source finances of PRI (para 7.276).

14.173 Budgeting, accounting and auditing being the essence of sound financial management, under huge shortage of functionaries, non-preparation of budget is rampant. Audit conducted by CAG, DLFA and internal audits done by the department indicates various anomalies, shortcoming and non-follow up of procedure as per prescribed Rule 2002. The Commission has recommended digital budgeting as mandatory to bring change in the system (para 7.277).

14.174 The suggestion provided by Assam Society for Comprehensive Financial Management System (AS-CFMS) is recommended to make Procurement and eProcurement Reforms mandatory (para 7.278).

Chapter 8

14.175 Due to conversion of TCs into MBs, the structure of ULBs in General Areas of Assam constitute a two-tier system i.e. Municipal Corporation and Municipal Board (para 8.4)

14.176 A list of ULBs in General Areas of Assam is Annexure-8.2 (para 8.8)

14.177 Property tax constitutes nearly 60 to 70 percent of the OSR of GMC (para 8.15)

14.178 Central and State Govt. properties are exempted from paying property tax under Article 285 and 289 of the Constitution respectively. However, this restriction does not apply to Central and State PSUs. So, ULBs can levy both property tax and service charges on such properties (para 8.19)

14.179 In FY 2019-20, GMC has collected property tax worth Rs. 39.98 crore against total demand of Rs. 141.79 crore, representing nearly 28 per cent of total demand for that year (par 8.20)

14.180 In per capita terms, collection of property tax by GMC raised from Rs. 415 in 2019-20 to Rs. 1026 in 2023-24 (para 8.21)

14.181 From the demand collection ratio it is evident that there is sufficient scope for GMC to augment own revenue without rate revision (para 8.23)

14.182 Trade License Fees hold untold promises to ULBs to augment their OSR (para 8.25)

14.183 Keeping in view the emergence of GJB as the sole provider of potable water in the city, revenue from sale of water by GMC during the forecast period has not been assumed (para 8.28)

14.184 Salary expenditure incurred directly by the State Govt. on behalf of GMC has been set off while computing their revenue gap (para 8.61)

14.185 GMC preferred a claim of Rs. 40.48 crore on account of deferred liabilities of which Rs. 28.50 crore has been accepted and provided in their revenue estimates in two installments of Rs. 14.25 each in 2026-27 and 2027-28 (para 8.62, 8.63)

14.186 The BCR of GMC has been estimated at (-) Rs. 395.36 crore for the 5 year period 2026-31 (para 8.66)

14.187 Apart from GMC, there are 82 other MBS in the General Areas of Assam of which two have been recently upgraded to that of Municipal Corporation (para-8.67 read with Anx 8.2)

14.188 Like GMC, property tax is the main source of revenue of all other MBs and it constitutes nearly 30 to 38 per cent of their OSR (para 8.74)

14.189 In per capita terms, collection of property tax by the MBs increased from Rs. 112 in 2019-20 to Rs. 258 in 2023-24 (para 8.78)

14.190 In case of MBs as well, the demand-collection ratio is unduly skewed thereby leaving enough scope to augment revenue merely by tightening collection machinery (para 8.79)

14.191 Salary expenditure met by the State Govt. on behalf of the MBs though reflected in the revenue expenditure of MBs, has been deducted in computation of their revenue gap (para 8.108 and 8.109)

14.192 Deferred liabilities of ULBs on account of arrear pay of their employees amounting to Rs. 102.32 crore has been proposed to be liquidated in five equal installments of Rs. 20.464 crore and accordingly accommodated in the revenue estimate of 2026-27 onwards (para 8.110)

14.193 The BCR or revenue gap of 82 MBs taken together has been estimated at (-) Rs.413.56 crore for the forecast period (para 8.114)

14.194 The concerned authority granting building permission should ensure that the builder abide by the norms laid down in the approved blueprint of the building and other ancillary provisions like appropriate approach road, facilities for water harvesting, recycling etc. (para 8.115)

14.195 Decentralization of 3Fs is the sine qua non of effective fiscal and financial management. In this regard, the Assam Municipal Act, 1956 as amended in 2011 stipulates that the relevant subjects stand transferred to the respective municipalities with functionaries partially placed at their disposal. There is no mention about transfer of funds. Moreover, partial transfer of functionaries also seems to be an untenable proposition. Thus, transfer of 3Fs to municipalities remained rather elusive (para 8.116)

14.196 The Committee constituted under the Amended Act of 2011 to oversee the progress of devolution of 3 Fs has not met so far. As such the most important aspect of evaluation and monitoring remained unaddressed (para 8.118)

14.197 In respect of property tax, the demand-collection ratio is worrisome. As a proportion of GSDP, property tax collection is Assam is 0.01 percent compared to 0.2 percent in India and 1.1 percent in OCED countries (para 8.121)

14.198 There is enough scope to augment revenue without raising tax rate (para 8.122)

14.199 In case of GMC, expenditure on service delivery has decelerated from 40 percent of revenue expenditure in 2019-20 to 25 percent in 2023-24 (para 8.123)

14.200 In case of other ULBs, expenditure on service delivered marginally increased from 29 percent of revenue expenditure in 2019-20 to 31 percent in 2023-24 (para 8.124)

14.201 There is an urgent need of expenditure compression in overheads so as to increase expenditure on service delivery (para 8.125)

14.202 The vital parameters of transparency and accountability are severely undermined as audit of accounts is done partially (para 8.128)

14.203 In the field of ARM, property tax is the most potent source of revenue for ULBs. Reassessment of properties should invariably be done at the expiry of every 5 years (para 8.130)

14.204 Measures suggested for ARM (paras 8.131-139)

14.205 To make the efforts of ARM result oriented, a target of collection may be fixed at the beginning of each year and review of performances done at the close of the year (para 8.142)

14.206 Article 243 (ZC) of the Constitution kept schedule VI Areas of Assam outside the purview of 74thAmendment Act. However, in spite of the exclusion factor, successive CFCs recommended a portion of their local body grant to the Excluded Areas also (para 8.143)

14.207 Therefore, the SFCs beginning from First upto Fifth did not look into the affairs of Schedule-VI Areas being not covered by their TOR (para 8.144)

14.208 The present Commission is mandated by its TOR to make recommendations on devolutions and grants-in-aid to local bodies of Excluded Areas (para 8.146)

14.209 The size and dimension of Excluded Areas of Assam in depicted at para 8.149

14.210 The taxation powers of the ACs are governed by provisions contained under paragraphs 8 and 9 of the Sixth Schedule of the Constitution (paras 8.156, 157)

14.211 The revenue account of the three ACs showed large and continuous revenue deficit from 2020-21 onwards (para 8.158)

14.212 In the Excluded Areas through Panchayati Raj System did not exist, ULBs functioned in the same manner as in the General Areas. However, the Assam Municipal Act has been adopted by BTC alone. On the contrary, KAAC and DHAC have their own Acts and Rules. Moreover, they also retain the distinction between MB and TC (paras 8.160, 161)

14.213 As of now, there are 45 ULBs in the Excluded Areas (para 8.162)

14.214 The number of ULBs in Excluded Areas suddenly leap-froged from existing 22 to 45 over a couple of years. Thereby, the ratio of population per ULB in Excluded Areas has dropped to 15000 as against 30000 in General Areas. This has not only escalated salary expenditure but resulted in accumulation of huge deferred liabilities. In future, the ACs must exercise utmost circumspection in creating new local bodies (para 8.163)

14.215 The net budgetary position of ULBs in Excluded Areas during 2019-20 onwards showed budgetary surplus except in case of ULBs in KAAC. This is mainly due to substantial flow of funds under the dispensation of CFC and SFC (para 8.164, 165)

14.216 The deferred liabilities on account of arrears pay and terminal benefits claimed by KAAC and DHAC amounted to nearly Rs.59.71 crore of which Rs.34.73 crore relates to KAAC and Rs.24.98 crore to DHAC. The amount is proposed to be liquidated in five annual instalments of Rs.12 crores approximately per year. Accordingly, this amounts has been accommodated in the revenue estimates (para 8.167)

14.217 The BCR or the revenue gap of ULBs in Excluded Areas has been estimated at (-) Rs.421.83 crore for the 5 year period 2026-31 (para 8.165)

14.218 The overall revenue gap of ULBs both in General and Excluded Areas has been estimated at (-) Rs.1230.75 crore for the period of 5 years commencing from 2026-27. The estimated gap of Rs.1230.75 is proposed to be covered by devolution recommended by the Commission (para 8.170)

14.219 Apart from the devolution, the Commission has also recommended grants-in-aid to the ULBs of both General and Excluded Areas amounting to Rs. 2685.10 crores as per year-wise phasing and purpose of the grant shown at Table-8.39(para-8.183). In addition, a grant amounting Rs.61.82 crore is also recommended towards meeting liabilities of five schemes of ULBs at para 8.184.

Chapter 10

14.220 The Commission has recommended two addition items for PRIs a) Rural digitization end to end budgeting and accounting for 5 years amounting Rs.20 crore in total, b) Digital Panchayat Common Service Centre for 5 years of award period amounting to Rs.25 crore in total. (para 10.7a). Assignment of taxes and duties levied and collected by the State Government to Local Bodies have not been considered by the Commission. The net proceeds of State taxes have been determined by deducting the cost of collection from the gross proceeds. (para 10.35)

14.221 The DP has been created out of the net proceeds of State taxes amounting to Rs.15433.56 crore during the five year period 2026-31. (para 10.36)

14.222 The recommended DP has been kept at 6% of the projected net proceeds of the state taxes during 2026-31(para 10.38)

14.223 Distribution of DP between General and Sixth Schedule Areas has been made at the ratio of 80.54% and 19.46% respectively after deduction of grant element. On this basis, the Commission recommended devolution of Rs.5468.05 crore for the General Areas and Rs. 1321.19 crore for the Sixth Schedule Areas. (para 10.39)

14.224 Rural-Urban bifurcation of the DP in General Areas has been made on the basis of population and density. The recommended amount of devolution is Rs.3924.88 crore for PRIs and Rs.1543.17 for ULBs. (para 10.40)

14.225 The rural part of the DP of General Areas has been allocated among the districts on the basis of population, area and per capita NDDP, flood vulnerability, child and women health (para 10.41)

14.226 District-wise allocation of the DP in General Areas has been apportioned among the three tiers at the ratio of 20:20:60 respectively for the ZP, AP and GP. (para 10.42)

14.227 The share of each AP and GP has been determined on the basis of their respective population as per 2011 census. (para 10.43)

14.228 The urban part of the DP in General Areas amounting to Rs.1543.17 crore has been allocated among the ULBs on the basis of weighted average of four parameters. (para 10.44)

14.229 Specific purpose grant recommended for the PRIs in General Areas is Rs.2905.47 crore. Purpose-wise and year-wise details at Table 10.2. (para 10.45)

14.230 Specific purpose grant recommended for the ULBs is Rs.1986.35 crore for the Municipal Boards and Rs.744.35 crore for GMC (para 10.46).

14.231 Devolution recommended to PRIs in General Area during the five year period 2026-31 isRs.3924.91 crore and Rs.1604.11 crore to the ULBs as per year-wise phasing at Annexure-10.1. Release of funds against devolution shall be made in two equal installments in June and October each year. Release of 2nd installment will be subject to utilization certificate of at least 50% of the 1st installment. (para 10.48)

14.232 Specific purpose grant recommended directly to PRIs in General Areas is Rs.2905.40 crore for the five year period 2026-31 as per annual phasing at Table 10.2. In the same period, specific purpose grant recommended to ULBs in General Areas is Rs.1986.38 crore as per details in tables at 10.5 and para 14.218. Release of funds against specific purpose grant shall be made in two equal annual installments soon after receipt of proposal from the concerned DDOs. The release of 2nd installment will be subject to submission to UCs for at least 50% of the 1st installment. (para 10.49 and 10.50).

14.233 Besides above, an additional grant for and amount of Rs.107.48 crore is recommended for works related to ULBs. Out of the total, Rs.61.82 crore is related to five liability schemes (para 8.184) and Rs.45.66 crore for fulfilling institution and capacity building need of the elected representatives and functionaries of ULBs (table-10.6a).

14.234 The share of DP allocated to Sixth Schedule Areas is Rs.1321.19 crore. The rural-urban bifurcation and Council-wise break-up of the bifurcated amount is shown at Table 10.21. (para 10.51)

14.235 The rural share of the DP allocated to Sixth Schedule Areas amounting to Rs.1176.43 crore shall be distributed among the RLBs after retaining 20% for the Council. The inter-se distribution among RLBs shall be in proportion to their respective population as per 2011census. (para 10.51 & para 10.52)

14.236 The urban share of DP allocated to Sixth Schedule Areas amounting to Rs.144.76 crore has been distributed among the ULBs of the respective Councils based on population and area criteria. In case of ULBs in KAAC and DHAC, the allocated amount does not cover their revenue gap as assessed by the Commission. As such, Rs.277.07 crore has been recommended as deficit grant treated as additionality to the DP (para 10.53 and 10.54).

14.237 The amount recommended as devolution may be provided annually in the State budget under the relevant head of account. The release of funds shall be in two equal installments in June and October. (para 10.56)

14.238 The specific purpose grant recommended by the Commission for the rural and urban local bodies shall be provided in the State budget under the relevant head of account. In the first installment 50% of the recommended amount may be released on receipt of proposal from the concerned DDO. The release of 2nd installment will be subject to submission of UC for at least 50% utilization of the 1st installment. (para 10.57)

14.239 The devolution of fund to local bodies consists of mainly two components viz, (i) tax devolution to cover revenue gap, and (ii) specific purpose grant to PRIs and ULBs Fund is released after receipt of UC against the fund released earlier. Fund may be released to the DoHUA, P&RD and Finance who in their turn release directly to the

Drawing and Disbursing officers as followed for the Local Bodies of General Areas as well as Sixth Schedule Areas. (para 10.58)

14.240 The present procedure of sanction and release of shared taxes is long and circuitous involving several Departments of Government of Assam. The 7th ASFC recommends that the Finance Department of Govt. of Assam make budget provision and release the amounts due to PRIs and ULBs with the help of a software package (both SFC and CFC both general and Sixth Schedule Areas) which is similar to the practice followed by the Ministry of Finance, Government of India. (para 10.59)

14.241 The 7th Assam State Finance Commission recommends that Finance Department, Govt. of Assam release fund to each tier of Local Bodies (PRIs, ULBs) as per their allocation recommended by the 7thAssam State Finance Commission in both general and sixth schedule areas. (para 10.60**)**

Chapter 12

14.242 At the grass root level, the Gaon Sabha shall be the forum for conducting Social Audit of the Gaon Panchayats. Similarly, Ward Committee/Area Sabha may be given the responsibilities for Social Audit of Urban Bodies. Social Audit committee members can be drawn from among programme stakeholders.(paras12.41,12.42,12.71)

14.243 The Commission recommends that the scope of the existing State Level Monitoring Committee headed by the Chief Secretary with Finance Secretary and Secretaries of concerned departments as members be enhanced to cover monitoring and utilization of State Finance Commission grants as well. (para 12.08 & 12.09)

14.244 The guidelines issued by Department of P&RD on monitoring and evaluation to be strictly followed by various committees from GP level to ZP level (para 12.10).

14.245 Monitoring and Evaluation (M&E) at the Zila Parishad level should focus on ensuring accountability, improving efficiency, effectiveness, equity, and sustainability of development programs and schemes implemented at the district level, (para 12.44)

14.246 The Chief Executive Officer (CEO) and Chief Accounts Officer of Zilla Parishad should visit the Anchalik Panchayat once a month for overseeing the works and Accounts of Anchalik Panchayats.(para12.45)

14.247 At the Anchalik Panchayat level, the Executive Officer of Anchalik Panchayat along with his accounts and technical staff should visit at least 5 GPs every month to inspect ongoiong works and also to check the accounts of GPs. (para12.46)

14.248 The Gram Panchayat Development Plan (GPDP)and all development schemes, should focus on ensuring accountability, transparency, efficient delivery of basic services, and inclusive development, with strong emphasis on participatory approaches involving all stakeholders and utilizing technology for improved oversight and service delivery (para 12.47).

14.249 GPDP is required to ensure that all plans reflect local needs and priorities, fostering social justice and economic development. The process is needed to be followed in letter and spirit.(para 12.49).

14.250 Independent monitoring mechanisms, including engagement of Retired Government Officers and Academicians, or potential NGOs, should provide unbiased assessments of program implementation and outcomes. (para 12.50).

14.251 It is also recommended to involve NGOs and Self-Help Groups in Gaon Sabha. The involvement of such organisation will certainly enhance the credibility of Gaon Sabha (para 12.52)

14.252 Adherence to timely release and utilisation of grants is required to be strictly monitored to ensure financial discipline and effective fund utilization to bring transparency in Financial Monitoring and Accountability(para12.53)

14.253 Social Audit arrangements have mostly been ineffective because there is no legal provision for punitive action. States should enact legislation to facilitate social audit by the Gram Sabha. Social Audit committee members can be drawn from among programme stakeholders. Both facilitators and social audit committee members can be trained by social audit experts (para 12.55)

14.254 It is recommended for organizing mass campaigns to increase public awareness about the meaning, scope, purpose and objectives of social audit. A team of Social Audit Experts in each district who are responsible for training Social Audit Committee Members (stakeholders) should be formed(para 12.59)

14.255 There is a need to create and maintain a comprehensive database for the districts, encompassing manpower, buildings, equipment, and other relevant infrastructure for various sectors like health, welfare and people centric service delivery schemes. There is a need to develop strategies and plans to enhance the quality of services provided by various departments and initiatives at the district level (para 12.63)

14.256 A Comprehensive single dashboard for Zila Parishad, Anchalik Parishad and Gaon Panchayat, likely referencing India's Panchayati Raj system which should include financial performance metrics, project implementation status, administrative data, and key performance indicators relevant to local governance and development (12.66)

14.257 It is recommended that Department of P&RD through its monitoring & evaluation committee to closely monitor and check the status and compliance of the observations and any recommendation made by the Audit Authorities

14.258 Project Management softwares are required to be developed for each major schemes/projects in ULBs (para 12.74(i)

14.259 A Review Committee should be constituted in every ULB comprising all the Chairpersons of the Standing Committee of the ULB, Engineer of the ULB, Accountant, and Engineers from PWD both Roads and Buildings. The Committee should meet once in every three months to review overall progress on execution of all plans (para 12.74(ii)

14.260 At present in most of the MB/TCs in Assam Area Sabha has not been constituted as suggested by the Ministry of Urban Development. This commission suggests formation of 'Area Sabha' in all ULBs without further delay and to entrust, inter alia, monitoring of schemes undertaken by ULBs through Social Audit by Area Sabha (para 12.74(iii)

14.261 Maintenance and upgradation of the State Government Portals which have not been updated since a long time is required to be done on priority for providing adequate information on all schemes and projects, budget and availability of Funds for various schemes, various Notifications, Reports etc. (para 12.77)

14.262 A comprehensive dashboard for municipal bodies should provide data across several key thematic areas, including political and administrative structure, finance, planning, citizen-centric governance, and delivery of basic services (para 12.80)

14.263 There is a need for physical verification of execution of works relating to MB/TC by technical personnel of Directorate of Municipal Administration (para 12.78)

14.264 The establishment and functioning of Area Sabhas are often outlined in amendments to municipal corporation acts, such as the Karnataka Municipal Corporations Act. The State Govt. of Assam may consider similar amendments in Assam Municipal Corporation Act (para 12.79)

14.265 Establishment of a centralized M&E cell for GMC which will have a Monitoring & Evaluation Cell with dedicated staff. The cell is to be responsible for tracking timelines, budgets, physical progress, and quality control. (para 12.83(a)

14.266 GMC to develop an Integrated Project Monitoring Dashboard to digitize and integrate all ongoing works into a single GIS-linked dashboard that include features like live status updates, worksite photos, budget tracking, contractor performance and citizen complaints related to the project. (para 12.83(b)

14.267 Strict Monthly and Fortnightly Progress Reporting Protocol to enforce a timeline-bound reporting schedule and the format to include physical progress, financial utilization, challenges, and mitigation steps (para 12.83(c)

14.268 Deployment of Mobile App for Field Engineers will enable real-time geo-tagged progress updates, photo uploads, and site condition reports (para 12.83(d)

14.269 Citizen can be engaged in monitoring by use of QR codes at project sites for citizens to view project details or give feedback and by introducing social audits for major community infrastructure projects.(para 12.83(f)

14.270 There is a need for strengthening Inter-Departmental Coordination especially for multi-departmental projects. It is recommended for use of pre-work and post-work review formats to close coordination gaps (para 12.83(g)

14.271 Third-Party Quality Audit (TPQA) is recommended to be carried out for all major civil works (para 12.83(h)

14.272 There are different systems in place for implementation and monitoring of schemes in General and in Sixth Schedule Areas. The differences be narrowed down as far as possible. The model followed by KAAC is suggested for adoption by all autonomous councils. (para 12.97)

14.273 The Principal Secretaries of the Autonomous Councils (ACs) should prepare a fixed time frame for implementation of schemes in time. (para12.100(a)

14.274 The ACs should obtain administrative approval and sanction of expenditure of each approved project. (para 12.100(b)

14.275 Tendering for all projects would be mandatory for ensuring transparency and competitive bidding. (para 12.100(c)

14.276 Autonomous Councils are to submit their proposal under CFC and SFC grant to Finance Department through the concerned line departments of the state for release of grants /funds [para 12.100(d)]. Finance/ WB/ Hill Areas Department need to fix monitorable targets (Physical and Financial) against each project before release of recommended funds to the ACs. [para 12.100(e)]

14.277 The State Government should engage "Third Party Monitoring" for the projects sanctioned under SFC. (para100(f)

14.278 The concept of Gaon Sabha as recommended for Genaral Areas also be followed in all villages in sixth schedule areas. NGOs and SHGs are also recommended to be incorporated in the M&E process. (para101)

14.279 Social audit is recommended to be done for the all schemes and Projects being implemented through the councils in the Sixth Schedule Areas. Third-Party Quality Audit (TPQA) is also recommended to be carried out for all major civil works executed in the areas of autonomous councils. (para102)

14.280 Dash Board giving all information as recommended for PRIs and ULBs in General Areas is also recommended for development for Sixth Schedule Areas and regular updated for better information of citizens and also for Transparency and Accountability. (para 104)

Chapter 13

14.281 The training need focused in Para 13.4 to 13.12 and the numerical strength of persons to be provided with training in various subjects are quite voluminous. The strength of academic staff besides, some critical staff has declined over the years in the institute. Towards effective delivery of the training needs, strengthening of Human Resource Structure in the GBSIPRD, HQs along with its Extension Training Centres/ District Panchayat Resource Centres are needed. The proposal placed in Para- 13.32 (table-13.11) for strengthening of staff therefore, is recommended for engagement (para 13.90).

14.282 Strengthening of institutional infrastructure and resource provisioning with a minimum budgetary allocation of Rs. 50 lakhs for each centre as proposed in Para 13.33 is considered necessary and recommended for allocation (para 13.91).

14.283 The proposal for establishment of a state-of-the-art Multimedia Lab technology at the GBSIPRD Headquarters, along with Online Classroom facilities at selected ETCs and DPRCs is considered necessary for wider coverage of participants at time a time and hence recommended (para 13.92).

14.284 Training Management Information System (TMIS) is an important tool of training management. The proposal placed for establishment and integration of Assam's Own Real-Time TMIS with existing databases as placed in Para13.38 is recommended (para 13.93).

14.285 ISO 9001 certification assumes high importance towards ensuring training quality management. The proposal of ISO 9001 certification placed for institutionalization of quality standards in GBSIPRD along with its ETCs, and DPRCs with a view to ensure uniformity in training quality is considered necessary and hence recommended (para 13.94)

14.286 Enhancement of standard and improvement of training quality demands collaboration with leading public universities and Research Institutions within and outside the state. The proposal placed for formalization of such collaboration as placed by GBSIPRD

towards ensuring academic rigour, pedagogical diversity, and contextual relevance is a need of time and hence the Commission recommend the proposal (para 13.95).

14.287 The estimated cost proposed for different interventions for upgradation of existing infrastructure and intervention in capacity building bears merit for consideration for the purpose of effective delivery of the training activities in GBSIPRD along with its ETCs and DPRCs. The amount stands at Rs.71.70 crore for 5 years (table-13.12). The Commission in due consideration of the merit of the proposal recommend the amount under special purpose grant (para 13.96).

14.288 The training need of elected municipal representatives and functionaries has been assessed (para 13.97)

14.289 The state as of now does not have any training institute for the purpose of capacity building of the elected representatives and the functionaries engaged in the ULBs. With urban units and their activities increasing over time, it is considered necessary that state create its own training infrastructure to train elected representative and functionaries with urban development programmes and in the acquisition of advanced skill of effective planning, implementation and monitoring of urban development activities. Towards fulfilling the given institutional gap, the infrastructure and capacity development plan, the proposal submitted by DoHUA, is revised and the necessary recommendations drawn are as provided (para 13.98).

14.290 The training module designed is found to be aligned with national platforms such as iGOT Karmayogi platform and the National Urban Learning Platform (NULP). This alignment is to ensure the continuity and scalability of the capacity-building initiatives, embedding a national standard into the local training delivery and hence is recommended for implementation (para 13.99).

14.291 The plan for decentralized the delivery of training and institutionalized urban capacity building through four zonal training centers located in Dibrugarh, Silchar, Tezpur, and Rangia is reviewed. The proposed plan is considered much bigger compared to the size (numerical strength) of the clients for capacity building (elected representatives and functionaries of ULBs). In place, one capacity building institution located in the capital city is considered enough to cater to the training need all type of the municipalities of the state. A sum of Rs.19.43 crore in total as establishment grant is recommended (table-13.18). The recommended amount is to take care of the cost on building infrastructure, basic amenities, hostel / guest house, digitally enabled conference/classrooms, campus wall and drainage and land scaping cost (para 13.100).

14.292 The establishment of the proposed CB institute for urban development is to take time (4 to 5 years) to become a physically reality. Till the institute physically becomes ready, the CB activities have to continue in the state from the rented premise. In this consideration, recurring grant component comprising manpower cost including faculty, training aids and building rent at a total cost of Rs.11.63 crores is estimated for five years (2026-31) with annual phasing. The same is recommended (table-13.18) (para 13.101).

14.293 The delivery of the CB activities involves cost on organizing and conducting them systematically. Under the component, three CB activities have been considered and

recommended namely; training activities, IEC and awareness activities and exposure visit activities. A total sum of Rs.14.60 crore has been estimated for FY 2026-31. (table-13.18) with annual phasing and recommended for carrying out CB activities of the municipal representatives and functionaries in the state (para 13.102).

14.294 The total cost estimated and recommended for three components amounts to Rs.45.60 crore in total for FY 2026-31. The annual phasing for FY 2026-27, 2027-28, 2028-29, 2029-30 and 2030-31works at Rs.8.90 crore, Rs.9.00 crore, Rs.9.10 crore, Rs.9.20 core and Rs.9.30 crore respectively (table-13.18) (para 13.103).

14.295 The proposal for establishing CB infrastructure in KAAC areas is not found necessary and hence not recommended (para 13.104).

*****

LIST OF ACRONYMS

3Fs	Fund, Function & Functionaries
A&OE	Administration and Office Expenditure
AC	Autonomous Council
ACS	Assam Civil Service
AFRBM	Assam Fiscal Responsibility and Budget Management Act
AG	Accountant General
AMA	Assam Municipal Act
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
ANM	Auxiliary Nursing cum Midwife
AP	Anchalik Panchayat
ARC	Administrative Reform Commission
ARN	Additional Resource Mobilization
ARV	Annual Rateable Value
ASFC	Assam State Finance Commission
ATIR	Annual Technical Inspection Report
ATR	Action Taken Report
BCR	Balance from Current Revenue
BDO	Block Development Officer
BHEL	Bharat Heavy Electricals Limited
BMW	Bio Medical Waste Management
BRGF	Backward Regions Grant Fund
BSNL	Bharat Sanchar Nigam Limited
BSUP	Basic Services to Urban Poor
BT	Black Topped
BT Roads	Bitumen Roads
BTAD	Bodoland Territorial Areas District
BTC	Bodoland Territorial Council
C&AG	Comptroller & Auditor General
CAGR	Compounded Annual Growth Rate
CAO	Chief Accounts Officer
CBWTF	Common Bio- Medical Waste Treatment Facility
CCC	City Civic Centres
CD	Community Development
CDC	Constituency Development Committee
CEM	Chief Executive Member
CEO	Chief Executive Officer
CFC	Central Finance Commission
CMMU	City Mission Management Unit
CPCB	Central Pollution Control Board

CPF	Central Provident Fund
CSC	Common Service Centres
CSR	Corporate Social Responsibility
CSS	Centrally Sponsored Scheme
CST	Central Sales Tax
CTMIS	Comprehensive Treasury Management Information System
CVC	Central Vigilance Commission
DA	Dearness Allowance
DALF	Director Audit Local Fund
DAY- NULM	Deendayal Antyodaya Yojana-National Urban Livelihoods Mission
DC	Deputy Commissioner
DCB	Demand Collection Balance
DCRG	Death cum Retirement Gratuity
DDA	District Development Authority
DDC	District Development Committee
DDCMC	District Development Co-ordination and Monitoring Committee
DDO	Drawing and Disbursing Officer
DDP	District Domestic Product
DHAC	Dima Hasao Autonomous Council
DISHA	District Infrastructure Scheme Advisory
DMA	Directorate of Municipal Administration
DOHUA	Department of Housing and Urban Affairs
DP	Dearness Pay
DP	Divisible Pool
DPC	District Planning Committee
DPR	Detail Project Report
DPRC	District Panchayat Resource Centre
DRDA	District Rural Development Agency
DTH	Direct to Home
E- Waste	Electronic Wastes
EC	Executive Council
EDR	Expenditure Decentralisation Ratio
EO	Executive Officer
ETC	Extension Training Centres
ETP	Establishment, Tools and Plant
FAQS	Frequently asked questions
FAR	Fiscal Autonomy Ratio
FASFC	Fourth Assam State Finance Commission
FC	Finance Commission
FFC	Fourteenth Finance Commission

FRBM	Fiscal Responsibility and Budget Management
FY	Financial Year
GDD	Guwahati Development Department
GDP	Gross Domestic Product
GIS	Geographic Information System
GMC	Guwahati Municipal Corporation
GMDA	Guwahati Metropolitan Development Authority
GNP	Gross National Product
GOA	Government of Assam
GOI	Government of India
GP	Gaon Panchayat
GPDP	Gram Panchayat development Plan
GPS	Global Positioning System
GSDP	Gross State Domestic Product
GSR	General Statutory Rules
GST	Goods and Services Tax
HAD	Hill Areas Department
HCFs	Health Care Facilities
HLMC	High Level Monitoring Committee
HPSLC	High Power State Level Committee
HQ	Head Quarter
HUDCO	Housing and Urban Development Corporation Limited
IAS	Indian Administrative Service
IAY	Indira Awaas Yojana
ICT	Information and Communication Technologies
IDSMT	Integrated Development of Small & Medium Towns
IEC	Information, Education and Communication
IHSDP	Integrated Housing and Slum Development Programme
IRs	Inspection Report
IT	Income Tax
IT	Information Technology
JICA	Japan International Cooperation Agency
JNNSM	Jawaharlal Nehru National Solar Mission
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KAAC	Karbi-Anglong Autonomous Council
LBs	Local Bodies
LED	Light Emitting Diode
LPCD	Litre Per Capita per day
LSG	Local Self Governments
LSGFRA	Local Self Government Fiscal Responsibility Act

M&E	Monitoring and Evaluation
MA	Municipal Administration
MAS	Model Accounting System
MB	Municipal Board
MC	Municipal Corporation
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MHUPA	Ministry of Housing & Urban Poverty Alleviation
MIS	Management Information System
MLA	Member of Legislative Assembly
MLD	Millions of Liters Per Day
MOEF&CC	Ministry of Environment, Forest and Climate Change
MoHUA	Ministry of Housing and Urban Affairs
MOPR	Ministry of Panchayati Raj
MR	Master Roll
MRF	Material Recovery Facility
MSW	Municipal Solid Waste
MSWM	Municipal Solid Waste Management
MTFP	Medium Term Fiscal Plan
MTFRP	Medium Term Fiscal Reform Plan
MW	Megawatt
NABARD	National Bank for Agriculture and Rural Development
NACO	National Aids Control Organisation
NEFT	National Electronic Fund Transfer
NFC	National Finance Commission
NGO	Non Government Organization
NIC	National Informatics Centre
NITI Ayog	National Institution for Transforming India Ayog
NLCPR	Non Lapsable Central Pool of Resources
NMAM	National Municipal Accounting Manual
NMCG	National Mission for Clean Ganga
NOC	No Objection Certificate
NRL	Numaligarh Refinery Limited
NSAP	National Social Assistance Programme
NULM	National Urban Livelihoods Mission
ODF	Open Defecation Free
OIL	Oil India Limited
OM	Operation and Maintenance
ONGC	Oil and Natural Gas Corporation
OSR	Own Sources of Revenue
P&RDD	Panchayat & Rural Development Department

PCB	Pollution Control Board
PD	Project Director
PDP	Performance and Development Plan
PDS	Public Distribution System
PES	Panchayat Enterprise Suite
PFC	Power Finance Corporation
PHE	Public Health Engineering
PIU	Project Implementation Unit
PMAY	Pradhan Mantri Awas Yojana
PMAY-G	Pradhan Mantri Awas Yojana- Gramin
PMU	Project Management Unit
POS	Point of Sale
PPP	Public Private Partnership
PRA	Participatory Rural Appraisal
PRIA Soft	Panchayati Raj Institutions Accounting Software
PRIs	Panchayati Raj Institutions
PWD	Public Works Department
PWM	Plastic Waste Management
PWRD	Public Works Road Department
PWSS	Piped Water Supply Scheme
R&DM	Revenue and Disaster Management
RBI	Reserve Bank of India
RDF	Refuse Derived Fuel
RDR	Revenue Decentralisation Ratio
RGSA	Rashtriya Gram Society Abhijan
RLBs	Rural Local Bodies
RTGS	Real Time Gross Settlement
SBM	Swachh Bharat Mission
SC	Scheduled Caste
SDRF	State Disaster Response Fund
SFC	State Finance Commission
SHGS	Self Help Groups
SIPRD	State Institute of Panchayat and Rural Development
SJSRY	Swarna Jayanti Shahari Rozgar Yojana
SLBs	Service Level Benchmarks
SMS	Short Message Service
SOPD	State Owned Priority Development
SOPs	Standard operating procedure
SPCB	State Pollution Control Board
SPEs	Special-purpose entity

SPT	Semi-Permanent Timber
SPG	Special Purpose Grant
SPV	Special Purpose Vehicles
ST	Scheduled Tribe
STP	Sewage Treatment Plant
SWM	Solid Waste Management
T&CP	Town & Country Planning
TA	Travelling Allowance
TASFC	Third Assam State Finance Commission
TC	Town Committee
TG&S	Technical Guidance & Supervision
TGR	Trend Growth Rate
TMC	Town Municipal Council
TOD	Transit Oriented Development
ToR	Terms of Reference
TSP	Tribal Sub Plan
TV	Television
TVDC	Tribal Village Development Council
UAM	Unit Area Method
UC	Utilisation Certificate
UDD	Urban Development Department
UDISE	Unified District Information System for Education
ULBs	Urban Local Bodies
USSC	Urban Shared Services Centre
USWM	Urban Solid Waste Management
UWSSB	Urban Water Supply and Sewerage Board
VAT	Value Added Tax
VCDC	Village Council Development Committee
VDC	Village Development Council
WHO	World Health Organisation
WPT & BC	Welfare of Plain Tribes & Backward Classes
ZP	Zilla Parishads

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