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भारत सरकार

Ministry of Panchayati Raj

पंचायती राज मंत्रालय



सशक्त पंचायत सतत् विकास

# आत्मनिर्भर पंचायत

## ATMANIRBHAR PANCHAYAT

Building Self-Reliant Villages

आत्मनिर्भर ग्रामों का निर्माण

## PROGRAMME GUIDELINES

कार्यक्रम दिशानिर्देश

**For State Governments, Block Panchayats, Gram Panchayats**

राज्य सरकारों, ब्लॉक पंचायतों, ग्राम पंचायतों के लिए

Under Rashtriya Gram Swaraj Abhiyan (RGSA)

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## 1. Introduction

### 1.1 Background

India's rural economy is the backbone of the nation's overall development. More than two-thirds of the population resides in rural areas, where local institutions play a decisive role in shaping economic opportunities, service delivery, and quality of life. Among these institutions, Gram Panchayats occupy a central position as the closest tier of governance to citizens. Entrusted with constitutionally mandated responsibilities under the 73<sup>rd</sup> Constitutional Amendment, Gram Panchayats are expected to function not only as administrative units but also as drivers of local economic development.

Over the years, Gram Panchayats have evolved from being passive recipients of Government schemes to active partners in rural development. However, a critical challenge persists i.e., financial dependency. Most Gram Panchayats rely heavily on grants and funds from the State and Central Governments, with limited focus on generating their own revenues. This dependency constrains their ability to respond quickly to local needs, undertake innovative projects, and truly fulfil their potential as self-governing Institutions.

The 16th Finance Commission in its report has emphasized on the importance of Own Sources of Revenue (OSR) by the rural local bodies. It has highlighted that the Finance commission grants should play a gap-filling role based on the expenditure requirements of local bodies and revenue from their own sources and grants from the states assessed by the SFCs. It has also commented on complacency on part of the States and the local bodies in their revenue raising effort. Hence, the 16th Finance Commission in its recommendations has built in the element of Performance grants to both the States as well as the RLBs which are linked to an increase in their own source of revenue of the GPs. As per these recommendations, of the total grants earmarked for the RLBs, while 80 per cent are Basic grants, they have also earmarked 20 per cent as Performance grants linked to generation of OSR of the RLBs. 10 per cent of the Performance Grants is based on the generation of OSR by RLBs and 10 per cent will be State performance grants. To receive the Performance Grants, Gram Panchayats must show an increase in their OSR over the previous year. It has thus become imperative that GPs across the country are guided and given requisite technical and other support to generate OSR from various sources. In this context, the Atmanirbhar Panchayat Programme assumes great importance as it aims to generate large revenue from commercially viable projects which would in the long run empower GPs to become self-sufficient and generate OSR.

Through the Atmanirbhar Panchayat programme, the Ministry intends to put the Panchayats through a challenge process, to come up with their own idea in the form of proposals to generate Own Source Revenue (OSR) for themselves. The Ministry

will be the anchoring agency to run the nationwide challenge process and provide technical assistance to the Gram Panchayats and Block Panchayats.

Financial self-reliance is not just about money—it represents the ability of a Panchayat to make independent decisions, implement local solutions, and create sustainable development pathways for their communities. When Panchayats generate their own revenue, they gain the freedom to prioritize what matters most to their villages, whether it's improving infrastructure, creating employment opportunities, or enhancing public services.

Recognising this need, the Ministry of Panchayati Raj (MoPR) has conceptualised a focused initiative to support Panchayats that demonstrate readiness and potential to become financially self-reliant through well-planned, bankable projects.

## **1.2 The Vision: Atmanirbhar Panchayat**

Recognizing this critical gap, the Ministry of Panchayati Raj (MoPR) has launched the "Atmanirbhar Panchayat" Programme — a transformative initiative designed to empower Gram Panchayats to become financially sustainable and self-reliant.

This Programme aims to strengthen eligible Gram Panchayats and Block Panchayats by enabling them to conceptualise, develop and implement technically sound, environmentally responsible and financially viable projects that enhance their Own Source Revenue (OSR). To instil confidence amidst the Panchayats, the Atmanirbhar programme will involve a challenge process to select eligible proposals through national level competition.

The Programme is designed to move Panchayats beyond traditional dependence on grants by fostering an ecosystem of financial independence, professional project planning and sustainable revenue generation. Through structured technical support, capacity building and facilitation of partnerships with financial institutions, CSR initiatives and private sector investment entities, the Programme seeks to transform eligible Panchayats into Atmanirbhar Panchayats—self-reliant Local Governments capable of driving long-term economic development.

Under this Programme, eligible Panchayats are encouraged to propose innovative and locally relevant project ideas that can be converted into bankable ventures. The Ministry of Panchayati Raj, through a dedicated Technical Agency (TA), will provide end-to-end technical assistance—from ideation and feasibility assessment to preparation of project documents and support for financial closure. This approach ensures that Panchayats are not only supported in project development but are also empowered with the skills and knowledge required to sustain such initiatives independently in the future.

### 1.3 Scope of the Guidelines

These guidelines have been prepared to give clear and complete information about the Atmanirbhar Panchayat Programme. They are meant to help Gram Panchayats, Block Panchayats, State Governments and all other stakeholders understand the Programme fully and participate effectively. The guidelines cover the following important aspects:

- a. **Eligibility Criteria:** Who can participate — the conditions that Gram Panchayats and Block Panchayats must meet.
- b. **State-Level Process:** How shall Gram Panchayats prepare and submit proposals, how the State Panchayati Raj Department shall evaluate and shortlist them and how these proposals are to be sent to the Ministry of Panchayati Raj (MoPR) after the State level challenge process selecting the winners for National level challenge process.
- c. **Selection by Ministry:** The proposals sent by the State will be further shortlisted and selected for technical implementation support through a national level competitive challenge process where the winners will get technical support in developing the project and getting it implemented in a viable manner.

It's a new concept of challenge where the reward is not money but technical assistance in becoming self-reliant. The challenge here is an innovative one. The winning proposals screened through a State and National level score based open challenge will get technical assistance from the Ministry for development and implementation of the project. The challenge here is to win technical assistance from the Ministry by competing with several other proposals from all over India.

- d. **Number of Projects:** The yearly limits on how many projects will be selected across the Country and the maximum number per State over the four-year Programme period.
- e. **Roles and Responsibilities:** Clear explanation of the roles of the Ministry of Panchayati Raj (MoPR), State Governments, Gram Panchayats / Block Panchayats and the Technical Agency.
- f. **Applicability of existing rules:** While conceptualising, developing and implementing the projects under this scheme, Gram Panchayats, Block Panchayats as well as all public, private or community bodies have to strictly

abide by the General Financial Rules (GFR) as well as the financial rules and regulations of the State concerned as amended from time to time and in force at the time of the activities related to this scheme.

- g. Transparency in process:** Transparency shall be ensured at all stages of the project. The mechanism for ensuring transparency will be as follows:
- i.** While conceptualising and submitting the proposal the GP/BP must involve the concerned Gram Sabha in the process of planning. Written documentation of the Gram Sabha's consent shall be a mandatory document for submission of the proposal for consideration at State and National Level.
  - ii.** The consent of the opposition group has been made optional document for acceptance of the proposal. There will be additional marks at the State level for projects which are consented to by the previous Sarpanch/Sabhapati and/or which are consented to by the second placed candidate in the last election of the Sarpanch/Sabhapati.
  - iii.** All efforts will be made by the Ministry to keep the processes transparent and open. States and Panchayati Raj Institutions are also expected to follow the same policy for this programme.
  - iv.** All selection of implementing agencies, contractors and investors are to be made through transparent open competitive process.
  - v.** The terms of engagement of investors and agencies should be publicly available and the Gram Sabha concerned must be made aware of it.
- h. Technical Support:** The kind of help provided by the Technical Agency, such as support in developing project ideas, technical support in feasibility studies, support in preparation of documents, assistance in finding funding partners and capacity building.
- i. Monitoring and Evaluation:** How progress will be tracked through a dedicated portal for transparency and timely completion.

## 2. Eligibility Criteria for Gram Panchayats & Block Panchayats

The following eligibility criteria shall apply for participation of Gram Panchayats and Block Panchayats under the Atmanirbhar Panchayat Programme:

- a. Own Source Revenue (OSR) Requirement:**

- i. **Gram Panchayats\*:** Must have generated an Own Source Revenue (OSR) of Rs. 50 lakhs or more per annum during each of the last three completed Financial Years (FYs).

However, in case of special category states, i.e. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura Himachal Pradesh, Uttarakhand, a Gram Panchayat shall be required to have generated an Own Source Revenue (OSR) of Rs. 10 lakhs or more per annum during each of the last three completed Financial Years (FYs).

*\*For these guidelines, the term Gram Panchayat shall also include the Village Council.*

- ii. **Block Panchayats:** The Block Panchayat must have a total Own Source Revenue (OSR) of Rs. 1 crore or more per annum for each of the last three completed Financial Years (FYs).

However, in case of special category states, i.e. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura Himachal Pradesh, Uttarakhand, a Block Panchayat shall be required to have generated an Own Source Revenue (OSR) of Rs. 20 lakhs or more per annum during each of the last three completed Financial Years (FYs).

For this, the audited financial statements of the last three completed financial years will be referred to. In case the audited financial statements are not available for the last completed financial year, then figures for only the last completed financial year will be taken from the provisional financial statements.

**b. Elected Body:**

- i. **Gram Panchayats:** Must have a duly elected Gram Panchayat body in place in accordance with the provisions of the relevant State Panchayati Raj Act.
- ii. **Block Panchayats:** The block-level Panchayati Raj Institution must have a duly elected body in place in accordance with the provisions of the relevant State Panchayati Raj Act.

**c. Tenure:**

- i. **Gram Panchayats:** At the time of submission of the proposal, the remaining tenure of the elected Gram Panchayat body shall be not less than three (3) years.
- ii. **Block Panchayats:** At the time of submission of the proposal, the remaining tenure of the Block Panchayat shall be not less than three (3) years.

Only Gram Panchayats / Block Panchayats fulfilling all the above conditions will be eligible to submit proposals under the Programme. Meeting these criteria ensures that participating Panchayats have the financial base and stability needed to develop and sustain revenue-generating projects successfully. The proposal shall be submitted to the State Government in the form provided under **Annexure-1** along with all the required supporting documents.

### 3. Selection of the proposals at the State Level

All proposals submitted by eligible Gram Panchayats / Block Panchayats, as per **Annexure-1**, within a State will be evaluated by the Panchayati Raj Department of the State. However, more than one Gram Panchayat can participate in this programme collectively by forming a Special Purpose Vehicle (SPV) or through a Memorandum of understanding (MOU). In this approach, all the participating GPs shall be required to meet the prescribed eligibility criteria collectively.

The State Government shall designate an appropriate State-level Nodal Officer not below the rank of Joint Secretary / Director to the State Government, to assess the proposals received and forward the winning proposals to the Ministry. The State can adopt any process to evaluate and score the proposals for onward submission to the MoPR in accordance with the scoring framework and evaluation parameters as prescribed in **Annexure-2** of these Guidelines.

State Government may constitute a committee for this purpose and associate financial institutions like NABARD, HUDCO, etc. in the committee.

The State Government will review and score the proposals using the scoring criteria and evaluation framework provided in **Annexure-2**. Based on the outcome of the evaluation and scoring process, the State Government shall shortlist and approve proposals for onward submission to the Ministry of Panchayati Raj (MoPR). Only those proposals that meet the minimum qualifying scores as decided by the State and are found to be complete in all respects shall be forwarded.

The shortlisted proposals, along with the State Government's recommendations and supporting documentation as prescribed, shall be submitted by the Nodal Officer to the Ministry of Panchayati Raj (MoPR) within the stipulated timelines for consideration under the Atmanirbhar Panchayat Programme.

The State Government shall ensure that adequate guidance and facilitation are provided to the participating Panchayats and Block Panchayats during the screening and evaluation process, with a view to improving proposal quality and ensuring conformity with these Guidelines.

#### 4. Selection of the proposals under the Programme

All the proposals received from the States shall be evaluated by the Ministry of Panchayati Raj (MoPR).

#### 5. Number of Projects to be selected

The Atmanirbhar Panchayat Programme shall be implemented for an initial period of four years. The number of proposals to be selected nationwide in each year of the Programme shall be as follows:

Year	Maximum No. of proposals to be selected for Technical Support
1	50
2	100
3	100
4	100

Similarly, irrespective of the number of proposals received from a State, the maximum number of proposals to be selected from a particular State under this Programme shall be as follows:

Year	Maximum number of Proposals to be selected from a State
1	10
2, 3 & 4	20

#### 6. Announcement of selected proposals

After completing the evaluation of the proposals, the Ministry of Panchayati Raj (MoPR) shall release a list of proposals selected under the Programme. The number of proposals selected from each State and the total number of proposals across the country shall be as per the limits specified in paragraph 5 above.

In addition to the selected proposals, the Ministry of Panchayati Raj (MoPR) shall also prepare a list of proposals to be kept in a reserve pool. If any selected project cannot be taken up for any reason, the Ministry of Panchayati Raj (MoPR) shall drop such a project and select a replacement project from the reserve pool. In such a case, the State-wise limit specified in paragraph 5 shall not apply.

## 7. Role of Ministry of Panchayati Raj (MoPR)

The Ministry of Panchayati Raj (MoPR) is the anchor Ministry for the overall design, implementation and oversight of the Atmanirbhar Panchayat Programme.

Key responsibilities include:

- a. Providing clarifications, interpretations and operational instructions, as and when required, to address any issues, ambiguities or difficulties arising in the implementation of these Guidelines.
- b. Engaging a Technical Agency (TA) to provide specialised technical support to the selected Panchayats and Block Panchayats
- c. Constitute a committee at the Ministry level to provide guidance to the programme. Ministry will associate representatives of financial institutions like NABARD in the Committee.
- d. Evaluating the proposals received from States.
- e. Releasing the list of selected projects and maintaining a reserve pool for replacements, if needed.
- f. Ensuring adherence to the yearly and State-wise limits on the number of projects selected.
- g. Monitoring overall progress through reports and the dedicated portal managed by NIC.
- h. Providing guidance and resolving issues to ensure smooth implementation.

The Ministry's role ensures transparency, fairness and alignment with the national vision of self-reliant Panchayats.

## 8. Role of State Government

The State Government, through its Panchayati Raj Department, plays a crucial supportive and facilitative role in this Programme.

Key responsibilities include:

- a. Guiding and supporting Gram Panchayats / Block Panchayats in identifying good proposals.

- b. Ensuring that encumbrance-free assets are made available for the Programme.
- c. Evaluating and scoring all submitted proposals using the framework provided in **Annexure-2**.
- d. Forwarding the shortlisted proposals with recommendations to the Ministry of Panchayati Raj (MoPR).
- e. Facilitating coordination between Panchayats, the Technical Agency and other stakeholders during implementation.
- f. Monitoring progress of selected projects within the State and providing necessary administrative support.

This helps ensure that projects are relevant to local needs and have strong potential for success.

## **9. Role of Gram Panchayat / Block Panchayat**

The Gram Panchayat / Block Panchayat is the primary focus under this Programme.

Key responsibilities include:

- a. Identifying viable project ideas that can generate sustainable Own Source Revenue (OSR).
- b. Preparing and submitting the initial proposal as per Programme requirements.
- c. Obtaining necessary approvals, including from the Gram Sabha, previous Sarpanch and first runner-up candidate of last election of Sarpanch (if available).
- d. Ensuring the availability of encumbrance-free assets for the project.
- e. Providing full cooperation to the Technical Agency during feasibility assessments, document preparation, project development and monitoring.
- f. After selection, publishing the Request for Proposal (RfP) and facilitating smooth implementation by the successful bidder. The RfP shall be floated by the appropriate authority as per the procurement rules and norms of the State concerned.

- g. Managing and sustaining the project to achieve the intended revenue and development outcomes.
- h. While the Panchayats and Block Panchayats are encouraged to be innovative in financing the projects to generate revenue, outright sale or creation of encumbrance on an asset of the GP/BP for the purpose of the present programme is not recommended as a financing option.

The Panchayat's active involvement is essential for turning ideas into successful, revenue-generating projects that benefit the Panchayat.

## 10. Role of Technical Agency (TA)

The Technical Agency (TA), engaged by the Ministry of Panchayati Raj (MoPR), provides expert technical support to selected Panchayats throughout the project cycle.

Key responsibilities include:

- a. Handholding selected Panchayats to refine initial ideas into detailed, bankable project concepts. Bankability here does not necessarily mean that the project will be put for bank financing strictly. Bankability means the financial soundness of a project of such a standard where banks will be willing to finance.
- b. Conducting technical, financial, and environmental feasibility assessments as per this guideline.
- c. Assisting in the preparation of project-related documents
- d. Exploring funding options such as Public-Private Partnerships (PPP), CSR contributions, bank loans or convergence with other schemes.
- e. Providing Request for Proposal (RfP), including Model Contract documents / Agreements, post selection for issuance by the appropriate authority as per the procurement rules of the State concerned.
- f. Supporting Panchayats and Block Panchayats in achieving financial closure.
- g. Providing capacity-building training to Panchayat functionaries.
- h. Monitoring progress through a dedicated centralized portal, generating reports, and ensuring timely completion.

- i. Assisting MoPR in any activity related to the implementation of this Programme.

The Technical Agency acts as a bridge between ideas and implementation, enabling Panchayats and Block Panchayats to develop professionally viable projects with minimal external dependence and ensuring projects finally lead to generation of OSR for the GP/BP

## 11. Periodical Monitoring and Evaluation

The Atmanirbhar Panchayat Programme emphasises transparency, accountability and timely progress through a robust monitoring and evaluation mechanism.

The Ministry of Panchayati Raj (MoPR) shall oversee the monitoring and evaluation of the Programme through a centralized digital portal, which shall serve as the primary platform for tracking progress across all stages of the Programme. The Technical Agency (TA) engaged by MoPR shall be responsible for managing and operationalizing the monitoring process through the portal on behalf of the Ministry.

Key features of the monitoring framework include:

- a. **Real-time Tracking:** The portal will track the progress of all proposals and projects across various stages – from initial submission, State-level screening, Central (MoPR) evaluation, technical and financial feasibility assessments, document preparation, tendering, to project implementation and financial closure.
- b. **Stage-wise Updates:** Selected Gram Panchayats / Block Panchayats, with support from the TA, will upload stage-wise progress reports, documents, and milestones achieved on the portal.
- c. **Verification and Dashboards:** The TA will verify uploaded information, monitor adherence to guidelines and timelines, and generate regular progress reports and dashboards for easy visualisation and relevant data driven decision making.
- d. **Identification of Bottlenecks:** The system will help in early identification of delays, bottlenecks, or implementation challenges, enabling timely intervention by the TA, State Government, or MoPR.
- e. **Reporting to MoPR:** Consolidated reports and insights from the Portal will be shared periodically with the Ministry of Panchayati Raj to support evidence-based decision-making and overall Programme oversight.

This monitoring and evaluation framework ensures efficient use of resources, maintains transparency among all stakeholders, and helps achieve the Programme's objective of building financially sustainable & self-reliant Panchayats.

## 12. Timeline

The indicative timelines for the Atmanirbhar Panchayat Programme will be as under:

Activity	Timeline
Guideline released by the MoPR after consultation with states (vide D.O. No. M11015/368/2025-FD dated 7 <sup>th</sup> January 2026 draft guideline was circulated to states and feedback invited. Consultation was closed in the afternoon of 16 <sup>th</sup> January 2026 after VC with the States on 16 <sup>th</sup> January 2026)	T
State issues call for proposals	Within 7 days of releasing the guidelines (T+7 days)
GPs submit proposals to State	Within next 45 days (T+52 days)
State shortlisting the proposals and submission to Ministry of Panchayati Raj (MoPR)	Within next 45 days (T+97 days)
National-level selection and releasing list of selected proposals	Within next 30 days (T+127 days)
Technical Agency's (TA's) engagement with GP begins	Immediately (T+127 days)
Financial Closure (Signing of the Contract)	Within 120 days of release of selected proposals list (T+247 days)

This timeline is for the first year (Financial Year 2026-27) of the programme. The above timeline may be modified on a year-on-year basis, which will be notified accordingly.

## Annexure 1: Proposal by GP/BP

### Form of Proposal to be submitted by the Gram Panchayat/ Block Panchayat for participation under the Atmanirbhar Panchayat Programme

#### A. Administrative Details

Sl.	Parameter	Response
1	Name of Gram Panchayat/ Block Panchayat	
2	LGD Code	
3	Name & Contact of Sarpanch/ Sabhapati	
4	Name & Contact of Secretary/ BDO	
5	Date of formation of the present elected body	
6	Resolution of Gram Sabha accepting the project	To upload/attach supporting document like resolution or consent letter signed by all the members present.

#### B. Financial Details of the BP/GP

Financial data from last three finalised accounts:

Sl.	Parameter	Response		
		Year 1 (Mention year)	Year 2 (Mention year)	Year 3 (Mention year)
1	Own Source Revenue (OSR)			
a.	OSR (Tax)			
	i. Property Tax			
	ii. Other Taxes			
b.	OSR (non-tax)			

**NOTE:**

- i. The figures should be taken from the Audited Financial Statements of the last three completed financial years. However, if the accounts of the last financial year have not been audited, the figures of such a year can also be based on provisional accounts.
- ii. Provisional figures will be allowed for the last financial year only, and if the accounts of more than one preceding financial year have not been audited, the proposal will not be considered.

- iii. All the GPs/BPs will be required to attach a copy of the provisional/audited accounts with the proposal.

### C. Proposed Project Details

Sl.	Parameter	Response
<b>General Information</b>		
1	Project Title	
2	Project Typology (See indicative list in Annexure 3)	
3	Brief Description (200-500 words)	Explain the idea/concept in simple terms
4	Type of asset required for the project	<input type="checkbox"/> Land <input type="checkbox"/> Building <input type="checkbox"/> Other assets <input type="checkbox"/> No asset required
	If Land, Building, Land & Building	< Attach record of rights >
	In case of other assets	Attach ownership records e.g.: registration certificate, purchase bill, authenticated entry in asset registers, declaration from Sarpanch/Secretary/BDO in case of assets older than 5 years etc.
<b>Environmental information</b>		
5	Involvement of reserved forest land	<input type="checkbox"/> Construction on reserve forest land <input type="checkbox"/> Clearing of reserve forest land <input type="checkbox"/> Not Applicable
6	Tall trees	<input type="checkbox"/> Will be fell without transplantation <input type="checkbox"/> Will be transplanted <input type="checkbox"/> There is a compensatory plantation plan <input type="checkbox"/> Not Applicable as there is no felling of trees
7	Is wet land being filled up or constructed upon?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
8	Is there any ASI restricted zone involved in the construction site	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
<b>Relevant Project Experience</b>		
9	Value of single largest similar project implemented by the GP/BP in last 5 years	Copy of work order to be attached
<b>Financial information of the project (Experiential estimates by the GP/BP)</b>		

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Sl.	Parameter	Response		
10	Investment required for the project in Rupees			
11	How much estimated profit will be generated in rupees per year? (In Rupees)	Year 1 after break even	Year 2 after break even	Year 3 after break even
12	How much income to the GP /BP is expected from the project? (In Rupees)	Year 1 after break even	Year 2 after break even	Year 3 after break even
13	Revenue stream	<input type="checkbox"/> Revenue/ profit share protected by agreement <input type="checkbox"/> Similar project running in the locality <input type="checkbox"/> Proposed project is new to the locality		
14	Project can be scaled up with income generated from the project	<input type="checkbox"/> Yes <input type="checkbox"/> No		
15	Estimated period for project implementation of project (years and months)			
16	Year wise investment in the project (Rupees)	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
17	Expected year of generating profit from the date of commencement of implementation (1/2/3 etc.)			

For this form, the term Gram Panchayat shall include Village Council.

## Annexure 2: Evaluation at State Level

### Form of Evaluation to be filled by State Government based on Proposal submitted by the Gram Panchayat / Block Panchayat

<i>(Screening and Scoring Criteria for State level evaluation under Atmanirbhar Panchayat Programme)</i>	
<b>MANDATORY CRITERIA</b>	
1	<b>The proposal is submitted by</b> <input type="checkbox"/> Gram Panchayat <input type="checkbox"/> Village Council <input type="checkbox"/> Block Panchayat <input type="checkbox"/> None*
2	<b>Remaining tenure of the Gram Panchayat / Block Panchayat?</b> <input type="checkbox"/> At least 3 years <input type="checkbox"/> Less than 3 years
3	<b>What was the Own Source Revenue (OSR) of Panchayat in each of the last three completed financial years?</b> <b><i>If Gram Panchayat:</i></b> <input type="checkbox"/> Rs. 50 lakhs or more <input type="checkbox"/> Less than Rs. 50 lakhs <p style="text-align: center;"><b>OR</b></p> <b><i>If Block Panchayat</i></b> <input type="checkbox"/> Rs. 1 Crore or more <input type="checkbox"/> Less than Rs. 1 Crore
3A	<b>For Special Category states only</b> <b>What was the Own Source Revenue (OSR) of Panchayat in each of the last three completed financial years?</b> <b><i>If Gram Panchayat:</i></b> <input type="checkbox"/> Rs. 10 lakhs or more <input type="checkbox"/> Less than Rs. 10 lakhs <p style="text-align: center;"><b>OR</b></p> <b><i>If Block Panchayat</i></b> <input type="checkbox"/> Rs. 20 lakhs or more <input type="checkbox"/> Less than Rs.20 lakhs
4	<b>Is the project likely to meet Operation and Maintenance cost from its own revenue?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO
5	<b>What asset will be used for the proposed project?</b> <input type="checkbox"/> Land <input type="checkbox"/> Land and Building <input type="checkbox"/> Building

<i>(Screening and Scoring Criteria for State level evaluation under Atmanirbhar Panchayat Programme)</i>	
	<input type="checkbox"/> Movable assets (Plant, equipment & machinery), please specify _____ <input type="checkbox"/> No Asset Required
6	<b>Are all the asset (If required) owned by the proposing entity?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO
7	<b>Has the proposal been accepted by the Gram Sabha(s) concerned?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO
<b>OPTIONAL CRITERIA</b>	
8	<b>Has the proposal been consented to by the immediate previous Sarpanch/ Pradhan/ Mukhia/ Pramukh of the Panchayat Concerned or the immediate previous elected head of the Block Panchayat? (if applicable)</b> <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Applicable
9	<b>Has the proposal been consented to by the political opposition in the Gram Panchayat/ Block Panchayat?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Applicable
<b>Point 8 and 9 are not mandatory</b>	
<b>Environmental Screening</b>	
10	<b>Does the proposal involve construction on/clearing of reserved forest land?</b> <input type="checkbox"/> NO <input type="checkbox"/> YES
11	<b>Does the project involve change in nature of wetland?</b> <input type="checkbox"/> NO <input type="checkbox"/> YES
12	<b>Does the proposal involve construction in ASI restricted zone around a monument?</b> <input type="checkbox"/> NO <input type="checkbox"/> YES
13	<b>Does the proposal involve felling of trees without transplantation/ compensatory plantation?</b> <input type="checkbox"/> No <input type="checkbox"/> YES

<b>SCORING CRITERIA</b>				
SL.	Criteria	Max Marks	Marks secured	Remark
1	<b>Political Consensus</b> <input type="checkbox"/> Consent of the Political Opposition in the GP/BP (5 Marks)	<b>10</b>		

<b>SCORING CRITERIA</b>				
	<input type="checkbox"/> Consent of the Previous Sarpanch or Block level elected head <b>(5 Marks)</b> <input type="checkbox"/> None <b>(0 Marks)</b>			
2	<b>Relevant Experience</b> Value of similar projects handled by GP / BP in last 5 years. <input type="checkbox"/> 100% and more of proposed Project Value <b>(10 Marks)</b> <input type="checkbox"/> 50% or more of proposed Project Value <b>(5 Marks)</b> <input type="checkbox"/> less than 50% but positive proposed Project Value <b>(2.5 Marks)</b> <input type="checkbox"/> None <b>(0 Marks)</b>	<b>10</b>		
3	<b>Financial Sustainability</b>	<b>25</b>		
3.1	<b><i>Self-sustained revenue stream</i></b> <b>Will the project be able to generate profit?</b> <input type="checkbox"/> YES <b>(5 Marks)</b>  <input type="checkbox"/> NO <b>(0 Marks)</b>	5		
3.2	<b><i>Will the project increase OSR of GP/ BP?</i></b> <input type="checkbox"/> YES <b>(10 Marks)</b> <input type="checkbox"/> NO <b>(0 Marks)</b>	10		
3.3	<b><i>Risk associated with revenue stream</i></b> <input type="checkbox"/> Revenue stream for the project is assured and will be protected by agreements like rent / lease / revenue sharing agreement etc. <b>(5 Marks)</b> <input type="checkbox"/> Revenue stream for the project is uncertain and dependent on risk factors like success of business and this type of activity. <b>(0 Marks)</b>	5		
3.4	<b><i>Risk associated with local business environment</i></b>	5		

SCORING CRITERIA				
	<input type="checkbox"/> Similar business activity has preceding instances of being run successfully in the locality. <b>(5 Marks)</b> <input type="checkbox"/> Similar business activity is new to this locality <b>(0 Marks)</b>			
4	<b>Scalability</b> <input type="checkbox"/> Scalable with revenue generated from the project <b>(5 Marks)</b> <input type="checkbox"/> Not scalable with revenue generated from the project <b>(0 Marks)</b>	<b>5</b>		

**NOTE:**

- i. Each State shall designate one State Nodal Officer for this Programme from officers of the State holding a position not below that of a Joint Secretary/ Director to the State Government for forwarding the proposal to the Ministry under his/her digital signature.
- ii. Claims supported by documents will get higher weightage at the National level
- iii. Out of a total of 50 points, the qualifying score for an eligible proposal will be decided by the State concerned.
- iv. The term Gram Panchayat shall include Village Council.

## Annexure 3: Project Classification

These are indicative types of projects. GPs and BPs are free to decide on their own idea and requirements keeping the mandatory condition of generating revenue for the GPs and BPs concerned

### Project Typology

Sl.	Typology	Sub - Typology
1	Greenfield	
2	Brownfield	Redevelopment
		Retrofitting

### Project Category

Sl.	Category	Sub-Category	Example
1	Social / Soft Infrastructure	Community Facilities	Multipurpose / Community Hall
			Hostel for Men & Women
			Public Transportation Facility
2	Innovative & Sustainable Infrastructure	Clean & Green Energy	Solar power plants
			Windmills
			Rural renewable energy - (Waste to energy development)
		Clean & Green Village	Solid Waste Management with recovery of saleable items/composting
3	Economic Infrastructure	<b>Primary Sector:</b>	
		Agricultural & Allied Infrastructure	Agricultural Market Development
			Dairy Products
			Storage cum Processing Units
			Pisciculture / silviculture /sericulture/animal husbandry
			Poultry Farms
		<b>Secondary Sector:</b>	
Industrial Infrastructure			

Sl.	Category	Sub-Category	Example	
		<b>Village &amp; Cottage Industry</b>	Handicraft, Handloom, Jewellery, Pottery, Leather	
		<b>Micro, Small &amp; Medium Enterprises</b>	Market Area Development	
			Trading Activities - Fruits & Veg, Grocery / Kirana, Clothes, Stationary & Photocopiers	
		<b>Tertiary Sector:</b>		
		<b>Service Industries</b>	Technology based Start-ups: Digital Services / Seva Kendra	
		<b>Travel, Tourism and Hospitality</b>	Cultural & Heritage Tourism	
			Religious Tourism	
			Adventure Tourism	
			Wellness / Medical Tourism	
			Agri Tourism	
Eco Tourism				
MICE Tourism				
4	<b>Physical / Hard Infrastructure</b>	<b>Digital Infrastructure</b>	Telecommunication & Networking Towers	
		<b>Transportation Network</b>	Parking & Truck Terminals	

## Annexure 4: Explanation of Innovative Financing

### A. PPP: Public Private Partnership

Public Private Partnership (PPP) is a general term used for financing of public projects through mobilization of private investors' funds. This is a means of creating public assets without straining the public exchequer.

Here, the private investors put their investment for a public project with pre decided or business dependent returns from the project for specific pre-determined period. During this period, the investor operates the asset created and on expiry of this period, the investor hands over the assets to the public entity concerned for their decision on further mode of operation.

There are different models for PPP. Some popular ones are Build Operate Transfer (BOT), Build Operate Own (BOO), Build Own Operate Transfer (BOOT), Design Build Finance Operate Transfer (DBFOT).

- i) **Build Operate Transfer (BOT):** Under BOT, the private investor selected through a transparent bidding process invests for construction/implementation of a project to create assets for public benefit. During a predefined period, the investor recovers return on his investment while operating/maintaining the asset. This time period is called the concession period and the private investor is called the concessioner. Under different variations of this model, the investor shares revenue/profit or pays rent for the asset to the public entity partnering in the project. At the end of the concession period, the investor transfers the asset to the public entity.

#### ***Illustrative example:***

A Panchayat has brought in an investor through an open bidding process to set up a Agri processing unit on land owned by the Panchayat. The bidding parameter was the highest lease rent offered by the bidder. The investor puts its money and constructs the unit with all necessary machineries in the **Build** phase. Once the unit is ready, the operation of the facilities is done by the investor at its own cost in the **operate** phase for a period of say ten years (**concession period**). During this period, the investor recovers its investment through the profit generated from the unit. During the concession period, the Panchayat gets lease rent for its land used in the project. After the expiry of the concession period, all movable and immovable assets of the unit are transferred to the Panchayat in the **transfer** phase. The entire arrangement is managed through an agreement wherein the obligations of the investor and the

Panchayat, the payout mechanism and the transfer formalities are clearly laid out. This agreement is the **concession agreement**, and the investor is the **concessioner**.

In this way, through BOT process, assets may be created and OSR generated for the Panchayat.

### **Some suggested sectors and projects where similar model may be applied**

#### **1. Rural Markets and Agri Value Infrastructure**

##### **Projects**

- Modern **Gramin Haats / Rural Markets**
- Collection & aggregation centres for milk, fruits, vegetables
- Cold storage & pack houses

##### **Revenue Streams**

- User charges (vendors, farmers)
- Storage & logistics fees
- Parking, advertisement rights

#### **2. Transport & Logistics**

##### **Projects**

- Bus stands, truck terminals
- Rural parking complexes
- Last-mile logistics hubs

##### **Revenue Streams**

- Parking fees
- Entry/terminal charges
- Advertisement rights

#### **3. Advertisement & Asset Monetization**

##### **Projects**

- Hoardings, digital screens
- Branding rights for Panchayat assets
- Naming rights (parks, markets)

##### **Revenue Streams**

- Advertisement fees

- Licensing fees

#### 4. Water Supply & Waste Management

##### Projects

- Rural piped water supply systems
- Solid waste collection & processing (composting, MRFs)
- Faecal sludge treatment plants (FSTPs)

##### Revenue Streams

- User charges (households, institutions)
- Sale of compost / recyclables
- Service fees from government schemes convergence

#### 5. Panchayat Commercial Assets

##### Projects

- Shops, kiosks, rural malls
- Marriage halls / community centres
- Warehouses, godowns

##### Revenue Streams

- Rent, lease charges
- Event booking fees

- ii) **Build Own Operate (BOO):** Under this, the private investor creates the asset with its own investment which may be full or part of the total investment required. On creation of asset, the investor becomes the licensee for the asset and is allowed to recover user charges on a government approved rate and shares revenue/profit and/or pays rent for the underlying government asset. The usage of the asset is governed by the terms of engagement with the public body/government.

##### ***Illustrative Example:***

A Panchayat concerned with managing the waste generated in its area invites an open tender to engage investors to set up a waste processing unit on BOO basis. The preferred bidder is selected based on highest royalty amount offered within the scope of the project defined by the Panchayat. The selected investor then **builds** waste processing plant. The investor **owns** the plant as a licensee of the Panchayat. **Operates** the plant with its own funds while recovering investment through sell of products derived from the treatment plant like gas, manure and recyclable materials (paper, plastic, glass, metals etc.). While

operating the plant, the investor continues to pay royalty to the Panchayat in a pre-agreed manner. There is a concession agreement between Panchayat and the investor laying down obligations of each side and the manner as well as amount of royalty to be paid.

Generally, in such cases during the initial say 5 years, the royalties are lower and the royalties increase in a telescopic manner to protect the interests of both the investor and the Panchayat. A revision clause is generally put in the agreement to review the agreement after say 15 years.

Similar projects may be taken up by Panchayats in BOO method to generate OSR.

### **Some suggested sectors and projects where similar model may be applied**

#### **1. Panchayat Commercial Assets**

##### **Projects**

- Shops, kiosks, rural malls
- Marriage halls / community centres
- Warehouses, godowns

##### **Revenue Streams**

- Rent, lease charges
- Event booking fees

#### **2. Digital Infrastructure & Services**

##### **Projects**

- Common Service Centres (CSCs) expansion
- Rural BPOs / digital service hubs
- Telecom towers on Panchayat land

##### **Revenue Streams**

- Lease rent
- Service charges (e-governance, banking, etc.)

#### **3. Natural Resource Management**

##### **Projects**

- Sand mining (regulated)
- Fisheries in Panchayat ponds

- Minor forest produce aggregation

#### **Revenue Streams**

- Royalty, lease fees
- Auction-based income

#### **4. Tourism & Eco-Tourism (High potential in select geographies)**

##### **Projects**

- Eco-tourism parks, lakes, heritage sites
- Homestay clusters
- Adventure tourism (trekking, boating)

##### **Revenue Streams**

- Entry fees, parking
- Activity charges
- Revenue share from operators

#### **5. Advertisement & Asset Monetization**

##### **Projects**

- Hoardings, digital screens
- Branding rights for Panchayat assets
- Naming rights (parks, markets)

##### **Revenue Streams**

- Advertisement fees
- Licensing fees

- iii) **Build Own Operate Transfer (BOOT):** Under this model the initial arrangement is the same as under BOO. However, under BOOT after the expiry of the concession period, the investor transfers the asset to the public body for further decision on it.

##### ***Illustrative Example:***

A Panchayat intending to set up a water treatment plant to support its water supply network invites open tender for engaging investor in BOOT model. The bidder offering highest lease rent on the land is selected for the purpose. The investor enters into a concession agreement with the Panchayat for say 20 years, **builds** the plant utilising source of raw water identified by the Panchayat, on land owned by the Panchayat. Starts **operating** the plant at its own cost

while **owning** the plant (not the land) as licensee of the Panchayat. During the concession period it pays lease rent to the Panchayat while Panchayat buys the treated water on a pre-determined rate. The Panchayat allows it to sell water outside also. On expiry of the concession period of 20 years, the investor **transfers** all plant and machinery in proper working condition, to the Panchayat.

In similar manner, Panchayats can set up critical infrastructure in the villages while ensuring OSR for them.

**Some suggested sectors and projects where similar model may be applied**

**1. Renewable Energy & Energy Assets**

**Projects**

- Solar plants on Panchayat land/buildings
- Solar-powered irrigation systems
- Biogas plants using cattle waste

**Revenue Streams**

- Power sale (DISCOM / local use)
- Lease rent for land

**2. Tourism & Eco-Tourism**

**Projects**

- Eco-tourism parks
- Homestay clusters
- Adventure tourism (trekking, boating)

**Revenue Streams**

- Entry fees, parking fees
- Activity charges
- Revenue share from operators

**3. Rural Markets & Agri-Value Infrastructure**

**Projects**

- Modern **Gramin Haats / Rural Markets**
- Collection & aggregation centres for milk, fruits, vegetables
- Cold storage & pack houses

**Revenue Streams**

- User charges (vendors, farmers)
- Storage & logistics fees
- Parking, advertisement rights

#### 4. Natural Resource Management

##### Projects

- Sand mining (regulated)
- Fisheries in Panchayat ponds
- Minor forest produce aggregation

##### Revenue Streams

- Royalty, lease fees
- Auction-based income

- iv) **Design Build Finance Operate Transfer (DBFOT):** It is yet another model of PPP only. Under this model the investor develops the design of the project based on the concept or idea of the public partner. It implements the project with its own investment, leading to creation of assets. Then operates the assets recovering revenue from operation while sharing revenue/profit and/or paying rentals for lease of underlying asset (e.g. land lease rent for a plot of land on which a facility is developed). After a pre-determined concession period, the asset is transferred to the public body.

##### ***Illustrative Example:***

A Panchayat has a large tract of non-arable land. It intends to put up a solar power plant on it which will generate electricity for its streetlights and excess power if any will be pushed into the grid. It has got the power potential assessed through the technical wing of the State renewable energy department and found that a solar power plant on this plot will be able to generate sufficient power for its streetlighting needs with surplus in most of the months of the year. However, the Panchayat does not have the skills to design the plant and does not intend to invest in the project. Hence, it floated a tender to engage a contractor/investor to get the plant ready and operated in DBFOT model while generating OSR for them.

The open tender invited bidders to offer a percentage share of the excess power sold to the grid over and above the collector determined lease rent for the plot of land. The bidder offering highest percentage share was selected and **concession agreement** was entered into for a concession period of 20 years. The onboarded investor **designed** the plant which was vetted by the State renewable energy department. Then, the investor **built** the power plant at the

selected site with its own **financing**. Once the plant was commissioned, the investor started **operating** it at its own cost while paying lease rent to the Panchayat. During the concession period the Panchayat was getting free power for its streetlights while getting a share of revenue generated from the excess power shared in the grid in the agreed rate. After expiry of the 20-year concession period, the investor **transferred** the plant in proper working condition, to the Panchayat to decide on its operations.

Similar projects may be taken up by the Panchayats to create infrastructure in DBFOT model while generating **OSR** for them.

### **Some suggested sectors and projects where similar model may be applied**

#### **1. Water Supply & Waste Management**

##### **Projects**

- Rural piped water supply systems
- Solid waste collection & processing (composting, MRFs)
- Faecal sludge treatment plants (FSTPs)

##### **Revenue Streams**

- User charges (households, institutions)
- Sale of compost / recyclables
- Service fees from government schemes convergence

#### **2. Dairy & Livestock Infrastructure**

##### **Projects**

- Bulk milk coolers (BMCs)
- Fodder banks & silage units
- Livestock markets, veterinary centres

##### **Revenue Streams**

- User charges (farmers)
- Service fees
- Lease to cooperatives/private dairies

#### **3. Renewable Energy & Energy Assets**

##### **Projects**

- Solar plants on Panchayat land/buildings
- Solar-powered irrigation systems
- Biogas plants using cattle waste

**Revenue Streams**

- Power sale (DISCOM)
- Lease rent for land

**4. Transport & Logistics****Projects**

- Bus stands, truck terminals
- Rural parking complexes
- Last-mile logistics hubs

**Revenue Streams**

- Parking fees
- Entry/terminal charges
- Advertisement rights

**B. CSR: Corporate Social Responsibility**

Corporate Social Responsibility expenditure is mandatory under section 135 of Companies Act 2013. Companies with net worth above Rupees 500 crores or turnover above Rs.1000 crores or net profit above Rs.5 crore must spend at least 2% of their average net profits made during the three immediately preceding financial years towards CSR liabilities.

Under these provisions, CSR expenses may be incurred for

- **Social Development:** Eradicating hunger, poverty, and malnutrition; promoting education, vocational skills, and gender equality; empowering women; and supporting elderly care.
- **Environmental & Heritage Protection:** Ensuring ecological balance, sanitation, safe drinking water, animal welfare, and conservation of natural resources, alongside protecting national heritage and culture.
- **Infrastructure & Development:** Rural development projects, slum area redevelopment, and disaster management activities.
- **Sports & Welfare:** Promoting rural, Paralympic, and Olympic sports, as well as welfare for armed forces veterans and their dependents.
- **Technology:** Supporting central/state-funded incubator projects in science, technology, engineering, and medicine.

In the context of the Atmanirbhar Panchayat scheme, if any company comes forward to develop some project under any of the above categories under a GP/BP which would lead to generation of revenue for the GP/BP while qualifying as a CSR project in any of the other five categories, then that is welcome.

***Illustrative Example:***

A Panchayat had an old fort declared National Heritage site. Interested tourists visited the place but due to lack of maintenance and lack of tourist facilities, the site was losing appeal. The finances of the Panchayat were already under stress, so they could not finance the required restoration and facility creation. They tied up with the **CSR** trust of an eminent corporate organization and with the fund got the fort restored and created tourist facilities like waiting rooms, pay and use toilet, guest house facilities, parking facilities as well as food court. The operation of food court and guest house was outsourced against license fees. This created a revenue stream for the Panchayat. The revenue from parking fees, waiting rooms and pay & use toilets created a parallel revenue stream.

Similar projects may be taken up by Panchayats wherein the **CSR fund** creates an infrastructure in the permissible category while generating OSR for the Panchayat.

**C. Convergence of schemes**

Convergence of schemes refers to utilisation of fund from one government scheme (A) in another scheme (B) based on eligibility of the project taken under B to be financed under scheme A. In this type of financing the project taken up must be eligible under both the schemes.

***Illustrative Example:***

A panchayat with large portion of population involved in cattle rearing intended to manage the dung in a more efficient manner, so that the overall environment of the village is improved as well as higher value added to the cattle waste. With this intention they placed the proposal in the Gram Sabha meeting, where it was resolved that a local investor will be engaged in the project to be developed on Panchayat land and the funds from GOBAR DHAN scheme will be accessed.

Through an open bidding process, the local investor was brought in for setting up a gas plant. The investor put the margin fund to set up the gas plant while capital incentive was accessed under GOBAR DHAN scheme.

The investor paid lease rent for the land and recovered its revenue from sell of gas. While the farmers providing cow dung got free manure or equivalent money. On the expiry of the concession period, the plant was transferred to the Panchayat. Thus, there was convergence of BOT and GOBAR DHAN scheme and Panchayat developed a source of OSR.

Apart from PPP two schemes may be converged in a similar way to generate revenue for the Panchayat.

## Annexure 5: Examples of Best Practices

### Examples of best practices in OSR Generation

#### 1. “Vegetable Market Initiative” – Billekallu, Andhra Pradesh

##### Background

Billekallu is a rural village located in Aspari Block of Kurnool District, approximately 74 km from the district headquarters. Predominantly agrarian, the village is known for tomato cultivation and seasonal vegetable production. Recognizing the need for a structured local marketplace and a sustainable revenue stream, the Gram Panchayat (GP) undertook the establishment of a vegetable market as a strategic initiative to strengthen its Own Source Revenue (OSR).



*Figure 1: Tomato Market at Billekallu Gram Panchayat, Kurnool District, constructed at the behest of the GP and villagers using own resources and loan; enhanced OSR (market auction income)*

##### Objective

The initiative aimed to:

- Provide a local platform for farmers to sell agricultural produce at fair prices.
- Reduce dependence on distant markets and lower transportation costs.
- Create a sustainable and recurring source of revenue for the Gram Panchayat.

##### Institutional and Financial Model

Land for the market was collectively purchased through contributions from villagers with facilitation by the Gram Panchayat. Infrastructure development was supported by community contributions and financial assistance through a loan from the National Bank for Agriculture and Rural Development (NABARD).

The market primarily facilitates the sale of tomatoes and other seasonal vegetables. Revenue is generated through user fees, market charges, and transaction-based collections, managed directly by the Gram Panchayat.

## Revenue Performance

The vegetable market has become a major contributor to the GP's OSR. Over the past four financial years (2020–24), the Gram Panchayat *generated an average annual revenue of approximately INR 41,41,250*. In FY 2023–24, **revenue reached its highest level of INR 68,00,000**, marking a significant milestone in strengthening financial autonomy.

## Impact

The initiative has delivered multiple benefits:

- **Enhanced Farmer Income:** Improved price realization and reduced transportation costs.
- **Employment Generation:** Direct and indirect employment in market operations and allied services.
- **Strengthened Local Infrastructure:** Revenue reinvested into basic civic amenities and development works.
- **Financial Sustainability:** Established a consistent and self-sustaining revenue stream for the Gram Panchayat.

**Key Success Factors:** Strong community participation and ownership, Strategic utilization of local agricultural potential, Access to institutional credit support, Transparent and accountable revenue management by the GP.

## Replicability

The Billekallu model demonstrates that agriculturally productive Gram Panchayats can develop organized rural markets as viable revenue-generating assets. Community co-financing, coupled with institutional support and efficient management, can significantly enhance OSR while promoting local economic development.

## Conclusion:

The Vegetable Market Initiative of Billekallu Gram Panchayat stands as a replicable model of rural self-reliance. By leveraging local resources, community participation, and institutional finance, the GP has created a sustainable revenue-generating asset that strengthens both farmer livelihoods and Panchayat financial capacity.

## 2. Minor Forest Produce (MFP) Licensing Model – Bhaliakata, Odisha, (PESA Area)

### Background

Bhaliakata Gram Panchayat is situated in a remote and densely forested region of Odisha, located near multiple elephant corridors. The village economy is largely dependent on the collection of Minor Forest Produce (MFP), including Sal seeds, honey, Mahua flowers, and medicinal plants. These forest-based resources form a critical source of livelihood for tribal households. However, prior to intervention, collectors were vulnerable to exploitative pricing practices by traders who purchased MFP directly from villagers at low rates and resold them at higher margins.



Figure 2: 2Clockwise from above Minor Forest Produce licence issued by Mochibahal GP, Sambalpur, Odisha; The Forest Department godown of Kendu leaves; Kendu leaves

### Intervention: Licensing of MFP Buyers

To safeguard villagers' interests and strengthen its Own Source Revenue (OSR), the Gram Panchayat introduced a system of issuing licenses to buyers of Minor Forest Produce (MFP). Under this system:

- Traders are required to obtain a license from the Gram Panchayat before purchasing Minor Forest Produce (MFP) from villagers.
- Unlicensed buyers are not permitted to operate within the Panchayat jurisdiction.
- The GP negotiates and monitors pricing practices to prevent distress sales and price manipulation.

This regulatory mechanism ensures transparency in transactions and enhances bargaining power for forest produce collectors.

### Revenue Model

***The Gram Panchayat generates revenue through the issuance and renewal of MFP buyer licenses.*** This has created a steady and locally managed revenue stream, contributing directly to the GP's OSR.

***The model provides dual benefits: (i.) Protection of villagers from exploitative trade practices; (ii.) Augmentation of Panchayat revenue without imposing additional financial burden on residents.***

### **Impact**

- **Fair Price Realization:** Villagers receive improved and more stable prices for forest produce.
- **Income Enhancement:** Strengthened livelihoods for tribal households dependent on forest-based activities.
- **Institutional Oversight:** Improved regulation of local trade activities.
- **Revenue Augmentation:** Sustainable addition to GP's Own Source Revenue.

### **Special Note on Kendu Leaves**

In tribal belts of Odisha, Kendu leaf collection is a major economic activity. However, administration and licensing related to Kendu leaves are managed separately by the Forest Department through a dedicated state-level mechanism. The Gram Panchayat does not issue licenses for Kendu leaf trade.

### **Conclusion**

The Bhaliakata Minor Forest Produce Licensing Model demonstrates “how Gram Panchayats in forested and tribal regions can regulate local trade to protect vulnerable producers while generating sustainable revenue.” By institutionalizing buyer licensing, the GP has created a balanced framework that promotes fair market practices, strengthens livelihoods, and enhances fiscal autonomy. ***This model is replicable in similarly forest-dependent Panchayats across the country.***

### 3. Village Development Utilizing an Innovative OSR - Strategy of Pre-wedding shoots by a Hilly Village, Sirasu GP, Pauri, Uttarakhand

#### Background



Sirasu is a small village located in the Himalayan region along the banks of the sacred Ganga River. The village has approximately 118 families and a population of around 600 residents. Despite its small size and remote location, Sirasu Gram Panchayat has demonstrated how innovative local initiatives can create sustainable sources of OSR. By identifying the tourism potential of the scenic landscape and utilising locally available assets, the Panchayat has been able to generate significant revenue and invest it back into community development.

Figure 3: (a) Sirasu Village



Figure 4: (b), (c), (d) Pre-wedding Shoot locations

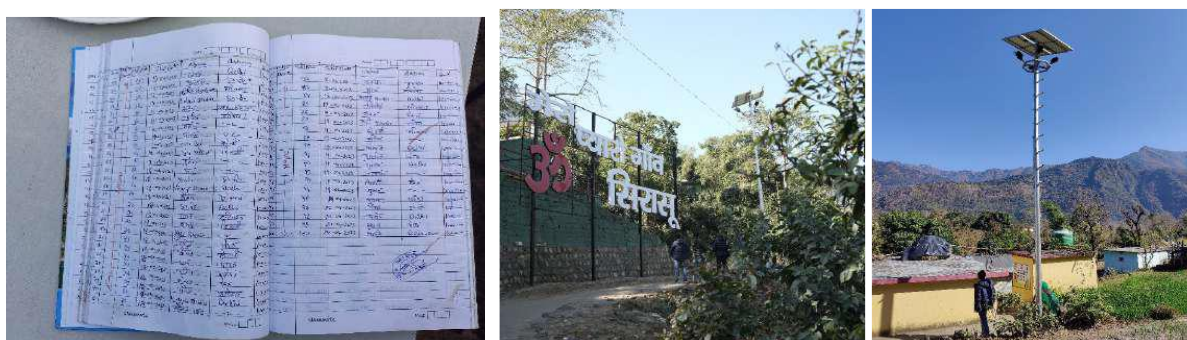


Figure 5: (e) Register maintaining account of fees charged; (f) signboard of village that gives a sense of pride; (g) solar streetlights

#### Objective

- To create innovative and sustainable sources of Own Source Revenue for the Panchayat.
- To promote tourism while ensuring environmental management in the village.
- To generate employment opportunities for local youth and reduce migration.
- To utilise locally generated revenue for infrastructure development and public services.

#### Institutional Mechanism

The Gram Panchayat of Sirasu has adopted a proactive approach in identifying unconventional opportunities for revenue generation. Recognising the scenic beauty of the village and its popularity among tourists, the Panchayat introduced a structured system to regulate and monetise pre-wedding photography shoots. Initially started to address issues such as littering and unmanaged tourist activity, the initiative soon evolved into a well-managed local enterprise. Alongside tourism-related initiatives, the Panchayat has also introduced a community asset-based model where items such as crockery, chairs, and event furniture owned by the Panchayat are rented to villagers during social and cultural events. These locally managed services are administered directly by the Panchayat, ensuring transparency and regular revenue collection.

### OSR Generation

One of the most successful initiatives of Sirasu Gram Panchayat is the promotion of pre-wedding shoot tourism. In 2018, the Panchayat began charging **a nominal fee of ₹500 per couple for conducting photo shoots** in scenic locations across the village. What began as a modest measure to regulate tourist activity soon became a significant source of income. Over time, **the fee was increased to ₹1,000 per couple**, and **the initiative now generates approximately ₹15–20 lakh annually, compared to the initial ₹1.5 lakh per year.**

This initiative has also created livelihood opportunities for residents. Youth in the village have begun offering supporting services such as bike rentals, adventure tourism activities like river rafting, and hospitality services. Small businesses such as local cafés have also emerged to cater to visiting tourists and photography teams.

Another source of OSR is the rental of Panchayat-owned crockery, chairs, and furniture. These items are **rented to villagers for social gatherings and events at a nominal fee of around ₹500**, creating an additional revenue stream while also supporting community members who may not have access to such resources.

### Outcomes

The revenue generated through these initiatives has been reinvested in improving village infrastructure and services. One of the major investments has been the installation of solar-powered streetlights at intervals of about 200 metres, addressing frequent power outages and improving safety during night hours. The Panchayat has also utilised OSR funds for constructing paved roads in the hilly terrain, improving school infrastructure, and supporting other local development activities.

### Conclusion

Sirasu Gram Panchayat illustrates how even a small rural community can successfully mobilise Own Source Revenue through innovative and locally relevant initiatives. By leveraging tourism potential and community assets, the Panchayat has strengthened its financial independence while creating employment opportunities and improving infrastructure. The Sirasu model highlights the importance of local leadership, creativity, and community participation in building financially resilient Panchayats.

## 4. Ambulance Service Initiative – Fulbari I Gram Panchayat, Jalpaiguri District, West Bengal

### Background

Fulbari I Gram Panchayat, located in Rajganj Block of Jalpaiguri district, approximately 50 km from the district headquarters, identified limited emergency transport facilities as a critical gap in local healthcare access. Rural residents, particularly during medical emergencies, faced delays in reaching hospitals due to the absence of reliable ambulance services. Recognising this need, the Gram Panchayat adopted an innovative approach by investing its own funds to purchase an ambulance for community use.



Figure 6: Ambulance purchased by GP using its own funds to serve the local population during health crises

### Institutional and Financial Model

To ensure operational and financial sustainability, the GP adopted a public–private operational framework: (I) The ambulance was procured using the Gram Panchayat’s own resources; (II) The vehicle is leased annually to a private organisation for operation and maintenance; (III) **The GP earns approximately ₹50,000 per year from the lease arrangement, contributing directly to its Own Source Revenue (OSR).** This arrangement reduces the administrative and operational burden on the GP while ensuring regular service delivery.

### Social Inclusion Measures

While the service operates on a fee-based model, the GP has incorporated strong equity safeguards: For poor and terminally ill patients, the GP subsidises the service; In deserving cases, the Panchayat bears the fuel costs to ensure no denial of emergency healthcare due to financial constraints.

This ensures that revenue generation does not compromise access for vulnerable groups.

### **Impact**

The initiative has produced multiple outcomes: a.) **Improved Healthcare Access:** Timely transport during medical emergencies. b.) **Revenue Augmentation:** Annual lease income strengthens GP's OSR. C.) **Employment Generation:** Local youth are engaged as drivers and caretakers, reducing unemployment. d.) **Operational Sustainability:** Clear revenue mechanism ensures continued service provision without recurring fiscal stress on the GP.

### **Key Success Factors**

- Strategic use of Panchayat-owned assets.
- Public–private operational partnership.
- Balance between revenue generation and social responsibility.
- Transparent leasing arrangement.

### **Replicability**

The Fulbari I model demonstrates that Gram Panchayats can invest in essential public service assets and design revenue-linked operational models to ensure sustainability. Similar approaches can be adopted for services such as water tankers, agricultural equipment, or community transport vehicles.

### **Conclusion**

The Ambulance Service Initiative of Fulbari I Gram Panchayat exemplifies how local governments can simultaneously address critical social needs and strengthen financial autonomy. By combining asset creation, structured leasing, and targeted subsidies, the GP has developed a financially sustainable and socially inclusive model that enhances healthcare access while augmenting its Own Source Revenue.

## 5. Diversified Local Revenue Model – Patna Gram Panchayat, Chhattisgarh

### Context

Patna Gram Panchayat is in Baikunthpur tehsil of Koriya district in the state of Chhattisgarh. The village is situated approximately 15 kilometres from Baikunthpur, which serves as both the district and sub-district headquarters. Patna Gram Panchayat covers a geographical area of about 613.25 hectares and has a population of 5,124 residents, including 2,551 males and 2,573 females. The Panchayat comprises around 1,216 households. With a growing population and increasing demand for basic services, the Panchayat recognised the importance of strengthening its financial capacity through local resource mobilisation. By adopting a diversified approach to revenue generation, the Gram Panchayat has successfully increased its Own Source Revenue (OSR), enabling it to support local development and improve public services.

***In the financial year 2021–22, Patna Gram Panchayat generated approximately ₹18.68 lakh as OSR through multiple local revenue streams.***



*Figure 7: OSR generation through multiple local revenue streams like Koriya Neer, water tax, electricity tax, market fees, rent from shops, contracting ponds, animal registration, land transfer fees, rent from installation of mobile tower, certificate issue fees, business registration fees etc.*

### Objective

- To strengthen the financial base of the Gram Panchayat through diversified revenue sources.
- To ensure sustainable funding for local infrastructure and civic services.
- To improve transparency and efficiency in local tax and fee collection.
- To reduce dependence on external grants by mobilising local resources.

### Institutional Mechanism

Patna Gram Panchayat has developed a structured mechanism for identifying and collecting revenue from various local sources. The Panchayat regulates economic activities and public resources within its jurisdiction and levies appropriate fees, taxes, and service charges. The Panchayat administration maintains records of taxable activities and public assets to ensure proper collection of dues. Local resources such as markets, ponds, shops, and service facilities are systematically managed through leasing or contractual arrangements, ensuring regular income for the Panchayat. Community awareness and administrative monitoring help maintain compliance and timely payment of taxes and fees.

### **OSR Generation**

Patna Gram Panchayat generates revenue from a variety of tax and non-tax sources. One of the key revenue streams is the collection of **water tax under the “Koriya Neer” scheme**, which supports the operation and maintenance of local water supply services. Additional income is generated through **electricity tax, market fees, and rent from Panchayat-owned shops** operating within the Panchayat area.

The Panchayat also earns revenue through the **contracting of ponds for fisheries**, which provides both livelihood opportunities and income for the Panchayat. Other sources of revenue include **animal registration fees, land transfer fees, certificate issuance fees, and business registration charges** collected for various administrative services.

Further revenue is generated through **rent received from the installation of mobile towers within Panchayat jurisdiction**, which provides a stable and predictable income stream. The combination of these diversified sources contributed to the Panchayat generating approximately **₹18.68 lakh in Own Source Revenue during the financial year 2021–22**.

### **Outcomes**

The diversified revenue strategy has strengthened the Panchayat's financial capacity, enabling it to invest in local development works and civic infrastructure. Revenue generated from OSR supports improvements in water supply, sanitation, maintenance of public infrastructure, and other essential services. The system has also encouraged better management of Panchayat assets and improved administrative efficiency.

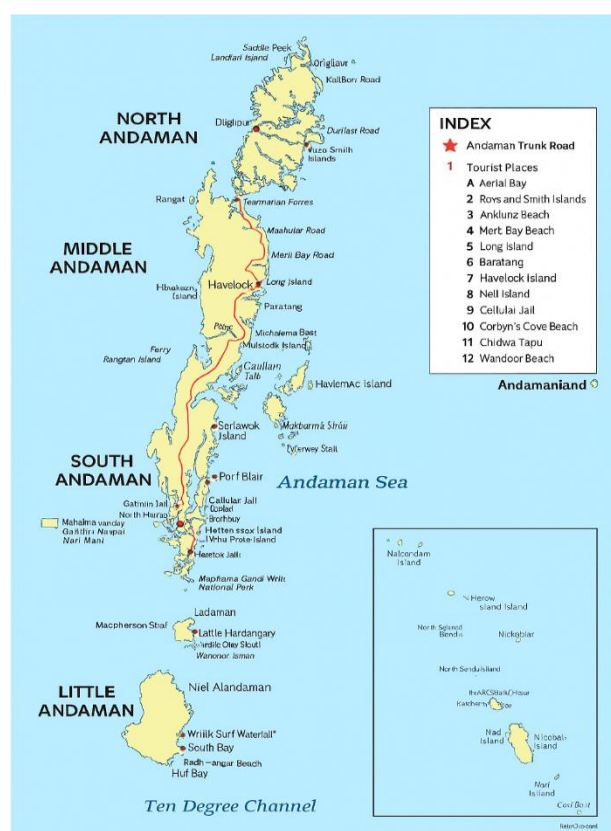
### **Conclusion**

Patna Gram Panchayat demonstrates how rural local bodies can strengthen their financial sustainability through diversified revenue mobilisation. By effectively managing local assets and collecting taxes and service charges from multiple sources, the Panchayat has created a stable OSR base that supports infrastructure development and improves the quality of public services for the community.

## 6. Incentive-Driven Revenue Mobilisation Model – Andaman and Nicobar Islands (Meethakhari Gram Panchayat)

### Context

The Union Territory of Andaman and Nicobar Islands has developed a distinctive framework for strengthening the Own Source Revenue (OSR) of Panchayati Raj Institutions. The total geographical area of the islands is approximately 8,249 sq. km, of which about 8,211.08 sq. km is rural, and 37.92 sq. km is urban. According to the 2011 Census, the total population is 3,80,581, including 2,37,093 residents in rural areas and 1,43,488 in urban areas.



Under the Panchayati Raj system, the Union Territory has two District Panchayats, seven Block Panchayats, and 70 Gram Panchayats. In this institutional structure, Gram Panchayats play the primary role in generating OSR. Through a combination of local resource management and incentive-based policies introduced by the administration, Panchayats have been able to mobilise substantial local revenue. **Across the Union Territory, Gram Panchayats collectively generated approximately ₹3.02 crore in OSR.**

Figure 8: map highlighting the major tourist places on Andaman Trunk Road

### Objective

- To strengthen financial autonomy of Gram Panchayats through local revenue mobilisation.
- To encourage Panchayats to identify and utilise local revenue sources.
- To incentivise Panchayats through matching grants for higher revenue collection.
- To improve local infrastructure and service delivery using locally generated funds.

### Institutional Mechanism

The Andaman and Nicobar Administration has introduced a matching grant system to encourage Panchayats to mobilise their own revenues. According to a government

notification issued on 20 January 2012, Panchayati Raj Institutions are eligible to receive a grant-in-aid based on the revenue they collect. The matching grant is provided in the ratio of 1:3, meaning that for every rupee generated as own revenue, the Panchayat can receive three rupees as a matching grant from the administration. The revenue considered for this scheme includes taxes, duties, tolls, cess, and fees as well as income generated from Panchayat-owned assets such as rent and hiring charges. However, donations, interest income from deposits, and government grants are excluded from this calculation. This policy has motivated Panchayats to explore new revenue sources and strengthen financial management practices.

### **OSR Generation**

Gram Panchayats in the Union Territory generate revenue primarily through non-tax sources. Major sources include licence fees, building or shop rents, permit fees, trade registration fees, building plan approval charges, penalties and fines, and various user charges such as entry fees. Additional income is generated through market receipts from local haats, leasing of ponds, ferries, bungalows, and markets, as well as tolls collected from roads and ferries. Panchayats also receive revenue from mobile tower permissions, advertisement and publicity charges, sale of scrap materials and trees, mineral royalties, and hiring charges for Panchayat assets.

***In Meethakhari Gram Panchayat in Ferrargunj Block of South Andaman district, which generated ₹15,74,575 as OSR in the financial year 2021–22. The revenue was derived from multiple sources including ₹1.48 lakh from a community hall, ₹37,300 from a cattle pond, small rental income from utensils and chairs, and receipts from Panchayat markets.***

### **Outcomes**

The incentive-based revenue system has encouraged Panchayats to actively manage their assets and explore new revenue opportunities. As a result, Panchayats across the islands have strengthened their financial resources and improved their ability to fund local development works. Increased OSR has supported infrastructure development, maintenance of public assets, and improved delivery of community services.

### **Conclusion**

The Andaman and Nicobar Islands provide an innovative example of how incentive-based fiscal policies can motivate Panchayats to strengthen their Own Source Revenue. The matching grant mechanism, combined with diversified non-tax revenue sources and effective asset management, has created a sustainable model that enhances the financial autonomy and development capacity of Gram Panchayats.

## 7. Temple-Linked Market Economy Model – Mukundapurpatna, Odisha

### Background

Mukundapurpatna Gram Panchayat, located in a tribal region of Odisha, comprises six villages with a population of around 8,000 people across 11 wards. Agriculture, small-scale trade, and local markets form the primary sources of livelihood for most households. A defining feature of the Panchayat is the presence of the well-known Tarini Mata Temple, which attracts nearly one crore devotees annually and up to three lakh visitors on peak occasions such as New Year celebrations. The large inflow of pilgrims has created significant economic activity in the surrounding area. Recognising this potential, the Gram Panchayat adopted a structured approach to managing markets, public infrastructure, and local resources to generate Own Source Revenue (OSR) while supporting livelihoods.



Figure 9: SHG led coconut processing unit in Mukundapurpatna GP in Odisha

### Objective

- To leverage religious tourism for strengthening the financial base of the Gram Panchayat.
- To organise and regulate local markets and public infrastructure for revenue generation.
- To create livelihood opportunities for local communities through market-linked economic activities.
- To utilise Panchayat-managed assets for sustainable OSR mobilisation.

### Institutional Mechanism

The Gram Panchayat plays a key facilitative and regulatory role by:

- Organising and managing weekly haat markets to support local trade and generate stall-based revenue.

- Renting shops in Panchayat-managed market complexes through structured fee systems approved in the Gram Sabha.
- Managing public infrastructure such as bus stands and community halls with user charges.
- Supporting Self-Help Groups (SHGs) in value addition and processing activities linked to temple offerings.

Through this system, the Panchayat ensures transparent management of local economic activities while creating steady revenue streams.

### **Key Economic Activities**

Economic activity in the Panchayat is closely linked to the temple ecosystem and surrounding markets. Major activities include:

- Weekly haat markets held twice a week with nearly 300 stalls for farmers, traders, and vendors.
- Commercial activity in Panchayat-managed market complexes with shops rented to local businesses.
- Entry fees collected from private vehicles using the Panchayat-operated bus stand.
- SHG-led coconut processing units producing laddoos, oil, and other value-added products from coconuts offered at the temple.
- Fish farming in 23 Panchayat-managed water tanks leased for aquaculture.

These activities generate employment for residents while ensuring productive utilisation of community assets.

### **Revenue Linkage with Gram Panchayat**

The model contributes to the Panchayat's OSR through:

- Stall fees collected from weekly haat markets.
- Rental income from market complex shops.
- Entry fees from vehicles using the bus stand.
- Charges for community facilities such as Kalyan Mandaps used for social functions.
- Lease income from water tanks used for fish farming.

Through these mechanisms, economic activities linked to religious tourism directly contribute to structured revenue mobilisation.

### **Outcomes**

- ***Significant increase in Panchayat OSR, rising from ₹93,000 in 2006 to ₹36.78 lakh in 2018.***
- Strengthened local markets and trading opportunities for farmers and small vendors.

- Employment and livelihood opportunities through SHG-led enterprises and fisheries.
- Improved capacity of the Panchayat to fund welfare initiatives and local development programmes.
- Better utilisation and management of Panchayat-owned assets.

### **Replicability for Other Gram Panchayats**

Gram Panchayats with pilgrimage centres, tourist attractions, or large local markets may adopt this model by:

- Mapping economic opportunities associated with tourism or local trade hubs.
- Organising and regulating weekly markets with structured stall fee systems.
- Developing Panchayat-managed market complexes and public facilities.
- Promoting SHG-based value addition linked to locally available resources.
- Introducing transparent user charges for community infrastructure and services.

### **Challenges**

- Political interference occasionally affects decision-making and the timely implementation of development initiatives.
- Limited financial flexibility due to tied components of Central Finance Commission grants restricts the Panchayat's capacity for large-scale asset creation.
- Seasonal water shortages reduce productivity in leased ponds and fisheries.
- Instances of collusion during resource auctions or outsourcing by SHGs can weaken competitive bidding and reduce potential OSR.

### **Conclusion**

The Mukundapurpatna Gram Panchayat model demonstrates how religious tourism, local markets, and community enterprises can be strategically integrated to strengthen Own Source Revenue. By effectively managing economic activity around the temple ecosystem and reinvesting the revenue into development initiatives, the Panchayat has created a sustainable model of local financial resilience and inclusive rural growth.

## 8. Dairy Cooperative Model for Livelihood Security – Kheda district, Gujarat

### Context

Gram Panchayats such as Malai, Pandvania, Sokhda, and Haijarabad in Kheda district revealed that nearly 80% of households are small farmers with limited commercial establishments. Agriculture and dairy farming form the backbone of local livelihoods. Under such socio-economic conditions, the dairy cooperative structure based on the Anand pattern has significantly strengthened income security and rural prosperity.



Figure 10: picture from left to right – (a) Milk, the inspiration behind a revolution; (b) milk commissioner of Bombay, an Englishman, and his deputy visited Anand; (c) & (d) the Kaira District Co-operative Milk Producers' Union Limited, Anand; Source: [Amuldairy.com/history.php](http://Amuldairy.com/history.php)

### Institutional Framework: The Anand Pattern

The cooperative dairy system follows a three-tier structure:

**Village Level – Dairy Cooperative Society (DCS):** Milk producers form a Village Dairy Cooperative Society and operate a milk collection centre (milk mandri). Any milk producer can become a member by supplying milk. Quality testing is conducted at the collection centre, and payments are made based on fat content and quality parameters. Annual profits are distributed among members proportionate to their milk contribution.

**District Level – District Cooperative Milk Producers' Union:** The Kheda District Co-operative Milk Producers' Union, headquartered at Anand and popularly known as

Amul, procures milk from village societies, processes it, and manufactures value-added products such as butter, cheese, ghee, milk powder, and packaged milk.

**State Level – State Federation:** An apex marketing federation coordinates branding, marketing, and distribution across the state, ensuring scale efficiencies and market access.

This structured system eliminates middlemen and contractor control, ensuring maximum benefit to producers.

### Operational and Financial Performance

In Malai Gram Panchayat:

- Around 160 households supply approximately **1,600 litres of milk daily**.
- Procurement rates range between **₹47–49 per litre** depending on fat content and quality.
- **Monthly turnover of the milk collection centre is approximately ₹16–17 lakh.**
- **On average, a household supplies 30 litres per day and earns nearly ₹30,000 per month.**

*While the other Gram Panchayats in the district reflect similar performance levels, Kheda district has an average OSR of Rs. 9,08,27,750.*

### Support Services

The cooperative model extends beyond procurement and payment. It provides:

- Veterinary care and animal health services.
- Training in modern dairy farming practices.
- Access to inputs and technical guidance.

These services enhance productivity, milk quality, and long-term sustainability.

### Impact

- **Stable and Assured Market Access:** Daily procurement ensures predictable income.
- **Fair and Transparent Pricing:** Quality-based payment mechanism.
- **Profit Sharing:** Annual dividends strengthen member engagement.
- **Elimination of Middlemen:** Direct linkage between producers and processors.
- **Improved Livelihood Security:** Significant enhancement in household incomes.
- **Community Solidarity:** Collective ownership fosters social cohesion.

### Relevance for Gram Panchayats

While dairy cooperatives operate as independent institutions, Gram Panchayats play a facilitative role by:

- Supporting infrastructure development.
- Enabling land or building space for collection centres.
- Promoting cooperative membership among villagers.

The model strengthens the rural economy, expands local economic activity, and indirectly enhances the revenue potential of Gram Panchayats.

### **Conclusion**

The dairy cooperative model in Kheda district demonstrates how structured producer collectives, organised under a three-tier framework, can transform rural livelihoods. By ensuring fair pricing, eliminating intermediaries, and providing institutional support, the Anand-pattern cooperative system offers a replicable pathway for income enhancement, economic resilience, and community-led rural development.

## 9. Non-Tax Own Source Revenue Generation by a Gram Panchayat, Ranipokhari GP, Uttarakhand

### Background

Ranipokhari, a small village in Uttarakhand with a population of approximately 10,000, has demonstrated extraordinary efforts in developing its infrastructure, improving local services, and generating revenue through creative solutions. The Gram Panchayat, has implemented innovative strategies to generate Own Source Revenue (OSR), ensuring sustainable development and self-reliance for the village.

### Aim & Objective

The Gram Panchayat aims to continue its growth by-

- Expanding revenue-generating projects like solar panel installations on Panchayat land.
- Increasing participation in creative activities by forming groups for women and children to contribute to village development.
- Further improving infrastructure, including education, healthcare, and sanitation.



Figure 11: organic and value-added products manufactured by SHGs and supported by Ranipokhari GP, Uttarakhand



Figure 12: picture from left to right – (a) Uttara, the organic store supported by Ranipokhari GP; (b) & (c) cleanliness supported by CSR initiative at Ranipokhari GP, Uttarakhand



Figure 13: (a) & (b): Haat Bazaar – Ranipokhari GP, Uttarakhand

### Key Initiatives and Strategies for OSR:

- **Haat Bazaar (Market Place):** The Gram Panchayat transformed unused land into a bustling marketplace where vendors sell goods, generating substantial revenue from auctioning of space for shops. Despite initial skepticism from shopkeepers, the Haat Bazaar now ranks as one of the highest revenue-generating markets in the area.
- **Panchayat-Owned Shops:** With support from a local MLA, the Panchayat secured land to build shops, further boosting its revenue. These shops are rented out to local entrepreneurs, generating a steady income.
- **Village Fairs (Melas):** Ranipokhari hosts periodic Melas (fairs) that not only enhance community spirit but also generate revenue. **A recent Mela earned ₹40,000 over a 25-day period.**
- **Renting of Panchayat Ghar and Marriage Hall:** The Panchayat owns a marriage hall 'Baraat Ghar' and a large Panchayat Ghar (community hall), which are rented out for weddings and social events. Additionally, catering services like tea and breakfast are provided, further increasing income.
- **User Charges for Services:** A user charge system was introduced for services like garbage collection, where each household pays ₹30. **Over time, these charges have grown from ₹10-20,000 per month to ₹60-70,000 per month.**

### Challenges Faced

- **Initial Resistance:** Convincing the community to pay user charges for garbage collection, explaining the importance of "swacchata", and participating in revenue generating activities posed a significant challenge. However, persistent efforts to explain the benefits of this initiative eventually led to broad acceptance
- **Financial Risk in Haat Bazaar:** Initially, there were doubts about the viability of the Haat Bazaar. Shopkeepers feared financial losses
- **Lack of By-Laws related to Tax collection:** The Gram Panchayat has expressed a desire to levy taxes on entities that set up hotels or factories but is currently restricted due to no clear by-laws on the matter.

### Community Development and Welfare

- **Healthcare Initiatives:** Ranipokhari Gram Panchayat has arranged bi-monthly health camps in collaboration with AIIMS Rishikesh, providing essential preventive medical services to villagers.
- **Education Improvements:** The Panchayat has addressed infrastructure issues in local schools, such as a lack of teachers and poor facilities.
- **Environmental Efforts:** Ranipokhari is committed to reducing pollution and improving the local environment. The Panchayat plans to plant 1,000 trees in the coming year and encourages the community to participate in tree-planting initiatives.

### **SHGs and Women Empowerment:**

Ranipokhari has successfully established SHGs for women, who are now producing and selling items like clothes and food products in a big shop provided to them on Panchayat land. This initiative not only empowers women but also contributes to the local economy. Today there are 50 active SHGs in this village.

### **Key Sources of OSR Generation for Ranipokhari Gram Panchayat (2023-24)**

1. Fees for Registration of Property **Based on Mapping: ₹6,000**
2. Revenue from Auctioning of **Haat Bazaar: ₹20,70,100** (It has also generated over **₹25,25,000 in 2024-25** from auctioning of Haat Bazaar on the property owned by the GP).
3. Rent from Panchayat **Owned Shops: ₹3,60,000**
4. Income from **Panchayat Assets (Marriage Hall, Playground, Panchayat Ghat, etc.): ₹12,000.**
5. **Income from Village Fair (Mela): ₹20,000**

### **Conclusion**

The Ranipokhari Gram Panchayat's model of OSR generation demonstrates the potential for local governments to be self-sustaining through innovative approaches, leadership, and community involvement. The success of this model is evident in the rapid development and increasing revenue streams, which ensure continued progress and stability for the village.

## 10. Governance and Local Revenue Mobilisation – Leepuram Gram Panchayat, Tamil Nadu

### Context

Leepuram Gram Panchayat is in Agastheewaram Block of Kanyakumari district in Tamil Nadu, about 5 km from Kanyakumari town and 25 km from Nagercoil, the district headquarters. The Panchayat covers an area of 2.23 sq. km and comprises 1,753 households with a population of 8,462 and a literacy rate of about 85 percent. Owing to its proximity to the sea, fishing is a major livelihood activity, while agriculture—particularly paddy, banana, and coconut cultivation—also supports the local economy. The Panchayat includes the historic Vattakottai Fort, an 18th-century coastal fort maintained by the Archaeological Survey of India and visited by a large number of tourists. Leepuram Gram Panchayat gained recognition for its governance practices and was selected for an award under the Panchayat Empowerment and Accountability Incentive Scheme (PEAIS). The Panchayat has combined participatory governance with innovative local revenue mobilisation to strengthen infrastructure and service delivery.



Figure 14: Picture from left to right – (a) GP imposing a toll on vehicles to access the Fort. (b) link road between Amanakanvilai and Samaikoil Street. (c) construction of streetlights has instilled a sense of empowerment among the women

### Objective

- To strengthen participatory governance through active Gram Sabha engagement.
- To enhance Own Source Revenue (OSR) through effective local resource mobilisation.
- To improve local infrastructure and public service delivery.
- To promote transparency, accountability, and community participation in local governance.

### Institutional Mechanism

The Panchayat follows a structured governance system that encourages transparency and community participation. Panchayat and Gram Sabha meetings are held regularly

with strong attendance, including participation from women and community groups. Standing committees have been formed to address areas such as sanitation, welfare, agriculture, education, and infrastructure. The annual development plan and budget are prepared in consultation with the Gram Sabha, ensuring that community priorities are incorporated. Social audits of programmes such as MGNREGS and the Public Distribution System are conducted during Gram Sabha meetings, allowing beneficiaries to review records and raise concerns directly with officials.

### **OSR Generation**

Leepuram Gram Panchayat has implemented several initiatives to strengthen its Own Source Revenue. One key initiative is the collection of vehicle tolls on the road leading to the Vattakottai Fort. Although the Panchayat cannot charge an entry fee for the fort itself, it collects tolls from vehicles accessing the site through a tender system. The right to collect this toll is auctioned annually, with the highest bidder paying a fixed amount to the Panchayat. **Revenue from this initiative increased steadily from ₹61,958 in 2010–11 to ₹1,50,000 in 2013–14.**

In addition, the Panchayat has improved the collection of house tax and professional tax through awareness campaigns, Gram Sabha discussions, and door-to-door follow-ups to reduce arrears. As a result, **house tax collections increased from ₹2,00,000 in 2010–11 to ₹3,00,000 in 2012–13, while professional tax collections also increased during the same period.** These measures have strengthened the Panchayat's financial base and supported local development activities.

### **Outcomes**

The increased revenue has enabled the Panchayat to improve infrastructure such as street lighting, road connectivity, sanitation facilities, and drinking water supply. Environmental initiatives, including solar-powered streetlights and awareness campaigns on waste management, have also been introduced. Strong transparency measures and participatory planning have improved trust between the Panchayat and the community, encouraging greater public involvement in governance.

### **Conclusion**

Leepuram Gram Panchayat demonstrates how participatory governance, transparency, and effective revenue mobilisation can strengthen local self-governance. By leveraging tourism-related opportunities and improving local tax collection systems, the Panchayat has enhanced its financial capacity while maintaining strong community engagement and accountability in development initiatives.

## 11. Institutional Farm-Based Revenue Model – Thrissur District Panchayat, Kerala

### Context

Thrissur District Panchayat in Kerala represents an important example of how higher-tier Panchayati Raj Institutions can mobilise Own Source Revenue (OSR) through the management of institutional assets. Unlike Gram Panchayats, District Panchayats generally have limited authority to levy taxes. As a result, they rely primarily on non-tax revenues and grants from the State Government to support administrative and development activities. Thrissur District Panchayat has adopted a strategy of utilising its institutional infrastructure—particularly agricultural farms and related establishments—to generate revenue. The District Panchayat manages several agricultural farms, seed farms, and livestock facilities, which serve both as agricultural production centres and revenue-generating institutions. Through improved management practices, quality control, and systematic monitoring, the Panchayat has been able to generate significant non-tax revenue from these assets.



Figure 15: Pictures from left to right – (a) District Panchayat, Kerala; (b), (c), (d) & (e) agricultural farms and related establishments

### Objective

- To strengthen the financial capacity of the District Panchayat through non-tax revenue generation.
- To utilise agricultural and institutional assets productively.
- To support agricultural development while creating sustainable revenue streams.
- To reduce dependence on external grants by improving asset-based income generation.

### Institutional Mechanism

The Thrissur District Panchayat manages several institutional assets that contribute to its non-tax revenue. These include eight state seed farms, a pig farm located at Kunnamkulam, and other revenue-generating facilities such as an electronics park and

hatchery at Ollur. These institutions are managed either directly by the Panchayat or through structured administrative arrangements. The Panchayat also collects revenue from user charges, sale of scrap materials, tender forms, and rental income from buildings and infrastructure under its control.

To enhance revenue, the Panchayat has undertaken measures such as strict monitoring of farm operations, improvement of production quality, and regular review of institutional performance. Efforts are also being made to revise the by-laws governing the hatchery and electronics park so that rental rates can be updated in line with current market conditions.

### **OSR Generation**

Agricultural and seed farms constitute the major component of non-tax revenue for the Thrissur District Panchayat. Revenue is generated through the production and sale of seeds, seedlings, and agricultural products. For instance, the State Seed Farm at Nadavarambu **generated ₹28.31 lakh in 2017–18** and continued to contribute revenue in subsequent years. Similarly, the State Seed Farm at Pananchery **generated ₹56.58 lakh in 2017–18**, while other farms such as Pazhayannur, Kodassery, Mannuthy, and Edathiruthy also contributed to the revenue pool.

In addition to seed farms, the District Agricultural Farm at Chelakkara and the Government Coconut Nursery at Irinjalakuda have become important income sources. The coconut nursery, in particular, has shown significant growth, **generating ₹23.81 lakh in 2017–18 and increasing to ₹96.41 lakh by 2021–22**. Revenue is further supplemented by income from the pig farm at Kunnankulam, rental income from the electronics park and hatchery at Ollur, and user charges and service fees collected by the Panchayat.

### **Outcomes**

The systematic management of farms and institutional assets has enabled the District Panchayat to create a stable stream of non-tax revenue. These resources support agricultural extension activities, maintenance of farm infrastructure, and various development initiatives undertaken by the District Panchayat. Improved monitoring and quality control have also strengthened the productivity of these institutions.

### **Conclusion**

Thrissur District Panchayat demonstrates how higher-level Panchayati Raj Institutions can strengthen their financial resources through the productive management of institutional assets. By leveraging agricultural farms, livestock facilities, and public infrastructure, the Panchayat has created a sustainable model of non-tax revenue generation that supports both agricultural development and institutional financial sustainability.

## 12. Pilgrimage-Linked Revenue Mobilisation – Chakmoh Gram Panchayat, Himachal Pradesh

### Context

Chakmoh Gram Panchayat is in Bijhri Development Block of Hamirpur district in Himachal Pradesh and was established on 3 August 1991. The Panchayat covers an area of approximately 5 sq. km and comprises 599 households with a population of 2,495 residents, including 1,230 males and 1,265 females. Among these households, 67 are identified as Below Poverty Line (BPL) families. The Panchayat is situated near the famous pilgrimage centre of Deotsidh, which houses the revered Baba Balak Nath Temple and attracts many devotees throughout the year. Due to its strategic location near this religious destination, Chakmoh has developed into a small service hub with facilities such as schools, a college, bank, post office, hospital, ration shop, and an animal medical centre. The presence of pilgrims and local commercial activities has created opportunities for the Panchayat to mobilise local revenue and strengthen its financial resources.



Figure 16: (a) village community centre office, Chakmoh; (b) pilgrim, Chakmoh

### Objective

- To strengthen the financial base of the Gram Panchayat through locally generated revenue.
- To leverage religious tourism and commercial activities for Own Source Revenue (OSR).
- To utilise locally generated funds for improving civic infrastructure and basic services.
- To support sustainable local governance with reduced dependence on external grants.

### Institutional Mechanism

Chakmoh Gram Panchayat has developed a structured system for collecting revenue from local economic activities and services within its jurisdiction. The Panchayat regulates shops, vendors, and commercial establishments operating near the pilgrimage area and collects taxes and service charges from them. Transparent procedures are followed for allocating temporary commercial spaces and collecting

taxes, ensuring accountability in revenue administration. The Panchayat also organises local fairs and religious gatherings, which serve as important cultural events as well as revenue-generating opportunities.

### OSR Generation

***The Panchayat generates an average annual Own Source Revenue of approximately ₹6.94 lakh through multiple local sources.*** One of the primary revenue streams is commercial tax collected from shops, vendors, and service providers operating within the Panchayat area.

Another significant source of income comes from the annual mela or fair organised in the Panchayat. During this event, the Panchayat arranges temporary shades and market stalls that are rented to traders and vendors. The fair attracts visitors and pilgrims from nearby areas, enabling local businesses to operate and allowing the Panchayat to generate additional income through stall rentals.



*Figure 17: pictures from left to right (a) & (b) annual mela fair organised by panchayat where Shades and stalls are arranged by the Panchayat and given on rent; (C) construction of drains & street*

### Outcomes

Revenue generated through OSR has been actively utilised to support civic amenities and local development works. Funds have been used for repairing the Panchayat building, constructing drains, cleaning streets and drainage channels, repairing local roads, extending piped water supply, constructing paved pathways, installing and maintaining handpumps, and managing street lighting systems. By using locally generated funds for these essential services, the Panchayat has been able to respond quickly to community needs.

### Conclusion

Chakmoh Gram Panchayat demonstrates how Panchayats located near pilgrimage centres can effectively mobilise Own Source Revenue by regulating local commerce and organising community events. By leveraging religious tourism and local market activities, the Panchayat has created a sustainable revenue base that supports infrastructure development and essential civic services, strengthening local self-governance and community welfare.

### 13. Asset-Based Own Source Revenue Model, Purba Ganki Gram Panchayat, Tripura

#### Background

Purba Ganki Gram Panchayat, located 3 km from Khowai Block Headquarters, comprises six habitations with 980 households and a population of 3,640. Primarily agrarian and surrounded by forest areas, the GP has successfully developed a diversified asset-based model to strengthen its Own Source Revenue (OSR), generating ₹9.24 lakh annually.



Figure 18: Pictures from left to right (a) Jungle Mahal eco-park (b) Mukut Community Hall

#### Key Revenue Sources

**1. Jungle Mahal Eco-Park:** Developed through convergence of BADP, BEUP, MGNREGA, and PDF funds, the eco-park was handed over to the GP for management. It attracts tourists, especially during winter, and is frequently used for school excursions.

*Revenue earned since inception: ₹8,36,991.*

**2. Mukut Community Hall:** The GP rents this facility for social and community events under a structured fee system. *Revenue earned since inception: ₹1,00,480.*

**3. Leasing of 11 Ponds:** Ponds under GP control are leased to fish farmers and societies through transparent processes. Lease amounts are deposited directly into the GP account.

*Revenue earned till date: ₹9,24,627.*

#### Governance Practices

- Convergence-based asset creation.
- Transparent leasing and rental mechanisms.
- Proper accounting and direct bank deposits.
- Reinvestment of funds for maintenance and local development.

#### Key Takeaways

- Monetisation of natural and community assets can significantly enhance OSR.

- Eco-tourism, infrastructure rental, and fisheries leasing provide sustainable non-tax revenue streams.
- Transparent financial management builds trust and ensures sustainability.

**Replicability:** Gram Panchayats can map available assets, adopt structured user charges, ensure transparent leasing, and reinvest earnings to build long-term fiscal sustainability.

**Conclusion:** Purba Ganki GP demonstrates that strategic asset management can strengthen financial autonomy without imposing additional tax burdens on rural citizens.

## 14. State-Led Legal Empowerment and Awareness-Based OSR Mobilisation Model, Rural Local Bodies, Tripura

### Background

The Government of Tripura undertook a structured initiative to enhance Own Source Revenue (OSR) across Rural Local Bodies (RLBs). The primary objective was to reduce dependency on Grants-in-Aid and strengthen financial self-sufficiency of Panchayats through legal empowerment, awareness generation, and systematic tax mobilisation.

***In 2019–20, Panchayats across the State collectively generated ₹3.80 Crore as OSR.***

### Legal and Institutional Framework

The initiative was anchored in the provisions of the Tripura Panchayats Act, 1993 and the Tripura Panchayats (Taxes, Fees, Rates & Tolls) Rules, 2011, which empower Gram Panchayats to levy:

- Property tax on lands and buildings
- Fees on trade licences
- Vehicle registration fees (non-mechanically propelled)
- Water, lighting, and conservancy rates
- Fees during fairs, melas, and pilgrimages
- Tolls on ferries and roads under GP management

The Rules prescribe nominal annual house tax rates (₹40 for pucca, ₹20 for semi-pucca, ₹10 for kutchha houses), with exemption for BPL households.

### Environment Generation and Awareness Strategy:

To operationalise these provisions, the State emphasised:

- Open-door meetings and group discussions at village level
- Ward-level awareness campaigns led by elected representatives
- Sensitisation of Panchayat functionaries on legal powers and revenue mechanisms
- Direct interaction with citizens to address local concerns and build trust

This participatory approach improved compliance and strengthened confidence among both officials and rural citizens.

### Outcomes

- Enhanced awareness of Panchayat taxation powers
- Improved tax and fee collection across GPs
- Reduced over-reliance on external grants
- Strengthened fiscal autonomy of Rural Local Bodies

### Key Takeaways

- Clear legal backing combined with community sensitisation significantly enhances OSR.

- Nominal tax rates with social safeguards ensures inclusiveness.
- Awareness-driven compliance is more sustainable than enforcement-driven collection.

**Replicability:** States may strengthen OSR by clarifying statutory taxation powers, conducting structured awareness campaigns, and empowering elected representatives to lead local revenue mobilisation efforts.

**Conclusion:** Tripura's experience demonstrates that legal empowerment coupled with community engagement can substantially improve fiscal performance of Rural Local Bodies.

## 15. Commercial Shopping Complex for OSR Enhancement – Dhamora Gram Panchayat, Rampur District, Uttar Pradesh

### Background

Dhamora Gram Panchayat in Rampur district identified a **1012 sq. m. Gram Sabha land parcel (Ghata No. 25)** located along a roadside that was frequently subjected to encroachments. Recognizing the **high commercial potential of the land**, the Gram Panchayat decided to convert the vacant and vulnerable parcel into a **revenue-generating commercial asset**. The objective was not only to prevent future encroachments but also to create **livelihood opportunities for residents and strengthen the Panchayat's Own Source Revenue (OSR)**.

### Revenue Strategy and Sources

The Gram Panchayat adopted an **innovative self-financing model** for developing a **commercial shopping complex** on the Gram Sabha land. Key elements of the strategy included:

- The **Gram Sabha formally approved the development of a commercial shopping complex** and defined the roles of the Gram Panchayat in terms of development, funding, ownership, and maintenance.
- To ensure **financial transparency and avoid the use of public funds**, the Panchayat decided to **allocate shops to prospective occupants and collect advance contributions** for construction.
- A public **advertisement was issued inviting applications** for shop allotment.
- The **application fee was fixed at ₹1,00,000 per shop**, which helped mobilize funds for the development of the complex.

The response from the community was highly encouraging, with **96 applications received for 43 shops**, demonstrating strong demand for commercial space. A **committee comprising the Sub-Divisional Magistrate (SDM), Block Development Officer (BDO), and the Gram Pradhan** oversaw the allotment process to ensure transparency and compliance with relevant rules and regulations.

### Outcomes

The initiative resulted in several significant outcomes for the Panchayat and the local community:

- **43 commercial shops were successfully allotted**, creating **business opportunities for 43 families**.
- The Panchayat secured a **steady annual rental income of ₹2,35,200**, strengthening its **Own Source Revenue (OSR)**.
- The development of the shopping complex **prevented further encroachments** on valuable Gram Sabha land.
- The project stimulated **local economic activity and employment generation**, contributing to the growth of the village economy.
- Encouraged by the success of the first complex, the Panchayat has **initiated the construction of two additional shopping complexes**.



Figure 19: Dhamora initiative on establishing commercial Shops

### Lessons for Replication

The Dhamora Gram Panchayat initiative highlights several important lessons for other Panchayats:

- **Strategic utilisation of Gram Sabha land** can convert underutilised or encroached land into productive assets.
- **Self-financing models using advance contributions from beneficiaries** can reduce reliance on public funds.
- **Transparent allocation mechanisms involving administrative oversight** help build trust and ensure fairness.
- Development of **commercial infrastructure in rural areas** can **simultaneously generate revenue and create employment opportunities.**

### Conclusion

The commercial shopping complex developed by Dhamora Gram Panchayat demonstrates how **innovative asset monetisation and participatory financing mechanisms** can significantly enhance OSR while supporting local economic development. By transforming encroachment-prone land into a revenue-generating commercial hub, the Panchayat has strengthened its financial sustainability and created a **replicable model for other Gram Panchayats seeking to improve their own source revenue.**

## 16. Enhancing Own Source Revenue through Market Shed Development – Dhemaji Zilla Panchayat, Assam

### Background

Dhemaji Zilla Panchayat in Dhemaji district sought to strengthen its **Own Source Revenue (OSR)** while improving local economic infrastructure. Many villages under its jurisdiction lacked proper market spaces, forcing vendors to operate in unorganized conditions and limiting the Panchayat's ability to generate revenue from local markets. Recognizing this gap, the Zilla Panchayat decided to develop structured market infrastructure that could simultaneously support local livelihoods and generate revenue for the Panchayat.

### Revenue Strategy and Sources

In **FY 2015–16**, the Zilla Panchayat adopted an **asset creation and monetisation strategy** by constructing **market sheds** in key village markets. After conducting an area assessment and consulting local stakeholders, priority locations were identified where vendors lacked adequate space to sell goods. Market sheds were subsequently constructed in locations such as Manikpur Bazaar, Borpak Tiniali, Gogamukh, Mingmung, Latak, Jonai, and Betonipam.

The Panchayat introduced a **structured revenue collection system**, which included:

- **Monthly rental charges** collected from vendors using the market sheds.
- **Annual market-related taxes or user fees** levied on traders operating in these facilities.

This approach enabled the Panchayat to convert a basic public infrastructure asset into a **sustainable and recurring revenue source**.

### Outcomes

The initiative generated both **economic and institutional benefits**:

- Vendors received **organized and secure spaces** to sell their goods in daily and weekly markets.
- Local communities gained **better access to essential goods and services**, reducing the need to travel long distances.
- The market sheds created **steady revenue streams for the Panchayat**, contributing significantly to **₹97,11,110 of OSR generated by the Zilla Panchayat in FY 2015–16**.

The funds generated were reinvested into **local development activities**, including the renovation of the Zilla Panchayat office and construction of a small conference hall.



*Figure 20: Market Sheds*

### **Lessons for Replication**

The experience of Dhemaji Zilla Panchayat highlights several lessons for other Panchayats seeking to enhance OSR:

- **Asset-based revenue generation** can be an effective strategy for local governments.
- **Local market infrastructure** offers strong potential for revenue generation while supporting livelihoods.
- **Stakeholder consultations and location assessment** are crucial to ensure that assets are developed in high-demand areas.
- Establishing **clear and structured fee or rent collection mechanisms** ensures sustainability of the revenue model.

### **Conclusion**

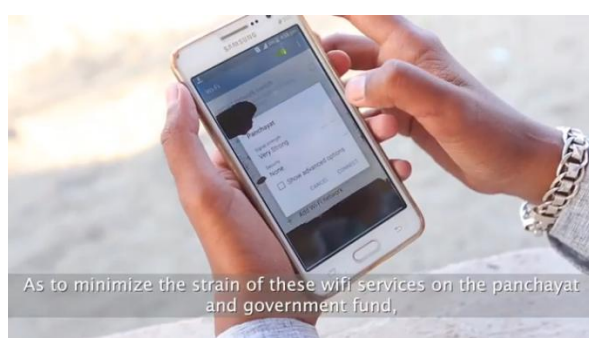
- The market shed initiative by Dhemaji Zilla Panchayat demonstrates how **strategic infrastructure development combined with structured revenue collection** can significantly enhance OSR. By leveraging local market demand and creating revenue-generating public assets, Panchayats can strengthen their financial autonomy while simultaneously promoting local economic development and improving service delivery for rural communities.

## 17. “Panchayat Aapke Dwar”: Community-Centric Revenue Transformation Model, Samagoga Gram Panchayat, Gujarat

### Background

Samagoga Gram Panchayat in Mundra taluka of Kachchh district gained national recognition for its remarkable transformation in Own Source Revenue (OSR) mobilisation. Honoured with the National Panchayati Raj Day Award in 2017, the Panchayat increased its tax collection efficiency from **5% to 90%** through an innovative doorstep governance initiative titled “**Panchayat Aapke Dwar.**”

The village, home to diverse Jain and Muslim communities, rebuilt itself after the 2001 Bhuj earthquake and today features modern amenities such as Wi-Fi hotspots and CCTV surveillance, reflecting progressive and transparent local governance.



As to minimize the strain of these wifi services on the panchayat and government fund,



Due to the presence of CCTV and wifi in Samagoga, a lot of changes were observed.

Figure 21: Wifi and CCTV in Samagoga GP

### Context and Challenge

Despite having taxable properties, the Panchayat initially faced extremely low tax realisation (around 5%). A major constraint was absentee property owners who had migrated to cities like Mumbai for employment, leaving houses locked and taxes unpaid. This significantly weakened the Panchayat’s revenue base.

### Innovative Strategy

To overcome these challenges, the Panchayat adopted a proactive outreach model:

- **Door-to-door “Panchayat Aapke Dwar” teams** visited households to collect taxes while simultaneously delivering essential services such as land records, birth and death certificates, and ration card documentation.
- Panchayat representatives travelled to Mumbai to trace migrant owners, successfully recovering **₹3–4 lakh in arrears.**
- Digital tools were introduced to track tax records and ensure transparency in collection.

By integrating service delivery with tax mobilisation, the Panchayat built trust and improved voluntary compliance.



Figure 22: community participation and door to door tax collection

### Broader Revenue Mobilisation Practices

In addition to strengthening property tax collection, Samagoga diversified its resource mobilisation through:

- Public-Private Partnerships (PPP) for infrastructure projects.
- Annual community events such as “Sangeet Sandhya” to raise funds for social causes.
- Donor recognition initiatives (naming gates and streets) to encourage voluntary contributions.
- CSR partnerships with local industries for completing development works.

### Outcomes

- Tax collection improved from 5% to 90%.
- ₹3–4 lakh recovered in arrears from migrant owners.
- Increased financial capacity for infrastructure and service delivery.
- Enhanced transparency, accountability, and community ownership.

### Replicability

The Samagoga model demonstrates that doorstep governance, migrant outreach, and digital tracking systems can significantly improve OSR performance. Gram Panchayats can replicate this approach by organising mobile tax camps, bundling revenue collection with citizen services, leveraging CSR partnerships, and conducting community events for supplementary funding. Institutionalising proactive engagement mechanisms can sustainably strengthen fiscal autonomy across rural local bodies.

### Conclusion

Samagoga Gram Panchayat demonstrates that proactive, citizen-centric governance can dramatically transform Own Source Revenue performance. By combining doorstep service delivery, targeted outreach to migrant property owners, digital tracking systems, and community partnerships, the Panchayat converted a weak tax base into a sustainable revenue model. The “Panchayat Aapke Dwar” initiative highlights that when transparency, technology, and trust are aligned, rural local bodies can significantly enhance financial self-reliance while strengthening participatory governance.

## 18. Renewable Energy for OSR Enhancement – Odanthurai Panchayat, Tamil Nadu

### Background

Odanthurai Panchayat located in Karamadai is widely recognized for its innovative approach to sustainable development and financial self-reliance. The Panchayat aimed to reduce its dependence on government grants while addressing the growing demand for energy and promoting environmentally sustainable practices. With the vision of becoming a “**Clean and Green Panchayat**,” the local administration explored renewable energy as a viable source of income and sustainability.

### Revenue Strategy and Sources

To strengthen its **Own Source Revenue (OSR)**, the Panchayat adopted a **renewable energy-based asset monetisation strategy** by installing a **windmill** using its own savings along with a bank loan. This initiative made Odanthurai Panchayat the **first local body in Tamil Nadu to own and operate a windmill**.

The windmill generates approximately **6 lakh units of electricity annually**, which are sold to Tamil Nadu Generation and Distribution Corporation (the State Electricity Board). The electricity sale provides the Panchayat with a **stable annual income exceeding ₹16 lakh**, creating a sustainable revenue stream.



Figure 23: Odanthurai Gram Panchayat

### Outcomes

The initiative has delivered significant financial, environmental, and social benefits:

- The Panchayat generates **over ₹16 lakh annually** through the sale of electricity.
- The project strengthened the Panchayat’s **financial autonomy by creating a reliable OSR source**.
- The initiative promotes **renewable energy and environmental sustainability** at the local level.
- The Panchayat has gained recognition as a **model for clean energy adoption in rural governance**.
- Revenue generated from the project supports **local development and service delivery initiatives**.

## Lessons for Replication

The experience of Odanthurai Panchayat offers valuable lessons for other local governments:

- **Renewable energy projects can serve as long-term revenue-generating assets** for local bodies.
- **Combining Panchayat savings with institutional finance (bank loans)** can enable large infrastructure investments.
- Selling power to state utilities provides **stable and predictable revenue streams**.
- Integrating **environmental sustainability with financial planning** can produce multiple community benefits.

## Conclusion

The windmill initiative by Odanthurai Panchayat demonstrates how rural local governments can strengthen their **Own Source Revenue through innovative and sustainable investments**. By leveraging renewable energy infrastructure, the Panchayat has not only enhanced its financial capacity but also contributed to environmental conservation and local development. The model highlights the potential for **clean energy-based revenue generation**, which can be replicated by other Panchayats seeking long-term financial sustainability.

## 19. Structured Governance and Community Mobilisation for Strengthening OSR, Budhanoor Gram Panchayat, Kerala

### Background

Budhanoor Gram Panchayat in Chengannur block of Alappuzha district represents a strong example of structured Own Source Revenue (OSR) mobilisation through institutional mechanisms and community engagement. Located in Kerala's backwater-rich region, the Panchayat benefits from agriculture and tourism proximity, yet faces typical peri-urban challenges such as tax evasion and delayed payments. During 2016–17, Budhanoor demonstrated robust fiscal performance with significant revenue mobilisation across multiple sources.



*Figure 24: Restoration of water body and boosting tourism*

### OSR Performance (2016–17)

During 2016–17, Budhanoor Gram Panchayat mobilised a substantial amount of Own Source Revenue, with ₹33,43,925 collected through taxes, forming the largest share of its revenue base. In addition, the Panchayat generated ₹44,700 from rentals, ₹2,50,141 through fees and user charges, ₹78,800 from sales and hiring charges, and ₹25,949 from other miscellaneous sources. This diversified revenue structure enabled the Panchayat to maintain financial stability while supporting essential local development activities and public services.

### Institutional Strategy

A key driver of success was the constitution of a Finance Standing Committee to systematically identify tax-liable individuals and traders, prepare defaulter lists, and advise on recovery mechanisms. This institutional approach ensured accountability and regular monitoring without resorting to coercive measures.

Budhanoor also leveraged Kudumbashree women self-help groups for door-to-door tax collection. Their involvement enhanced trust reduced administrative costs, and improved voluntary compliance. Tax camps were organised periodically, enabling citizens to pay dues conveniently while accessing services such as certificates and documentation.

The Panchayat combined awareness campaigns with enforcement, reinforcing the link between local revenue and public services such as sanitation, drinking water, and infrastructure maintenance.

### **Outcomes**

- Strong tax collection base exceeding ₹33 lakh annually.
- Improved recovery from defaulters through systematic follow-up.
- Increased voluntary compliance due to community-based collection mechanisms.
- Diversified non-tax revenues supporting local development priorities.

### **Replicability**

Budhanoor's model demonstrates that structured financial oversight and community mobilisation can significantly enhance OSR performance. Gram Panchayats can replicate this approach by establishing dedicated finance committees, engaging SHGs for doorstep collections, organising periodic tax camps, and integrating awareness with service delivery. Such measures can sustainably improve compliance and strengthen fiscal autonomy.

### **Conclusion**

Budhanoor Gram Panchayat illustrates that institutional discipline combined with grassroots participation can substantially strengthen Own Source Revenue. By empowering finance committees and leveraging Kudumbashree networks for transparent and citizen-friendly collection, the Panchayat has built a sustainable and replicable model of fiscal governance rooted in accountability and community trust.

## 20. Incentive-Linked Tax Compliance Model for 100% OSR Collection, Patoda Gram Panchayat, Maharashtra

### Background

Patoda Gram Panchayat, located about 13 km from Aurangabad city, serves nearly 600 households and has emerged as a model of full tax compliance through incentive-driven governance. Once water-scarce and financially constrained, the village transformed itself into a well-developed settlement with paved roads, sanitation facilities, and reliable drinking water systems. Its model was showcased during the Ministry of Panchayati Raj's Iconic Week as a best practice in Own Source Revenue (OSR) mobilisation.



Gram Panchayat Patoda has done development work using "Own Source Revenue"

Figure 25: Patoda Gram Panchayat

### OSR Model and Revenue Base

The Panchayat generates approximately ₹20 lakh annually through 100% collection of house/property taxes. Unlike conventional enforcement-driven approaches, Patoda links tax payment directly to tangible benefits, positioning taxation as a community investment.

To strengthen revenue generation, the Panchayat took private loans to establish income-generating assets such as:

- A flour mill (atta chakki)
- An RO water plant

These investments were repaid within one year through OSR collections.

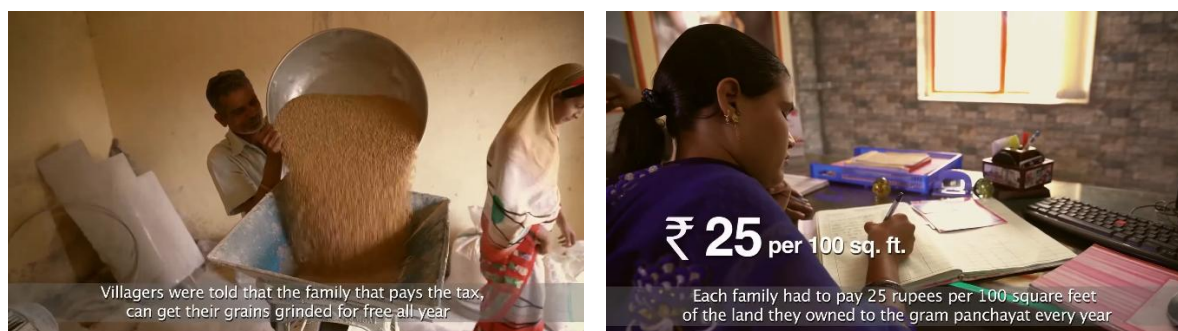


Figure 26: initiative taken up by gram panchayat

### Incentive-Based Strategy

Patoda's success lies in reciprocal benefits for taxpayers:

- Free annual grain grinding at the flour mill for 100% tax-paying households.
- A "Water Card" providing 20 litres of free RO water daily per household.
- Universal hot milk distribution in schools, benefiting all children and building social trust.

Weekly Gram Sabha meetings identify priorities and review expenditures. Digital tools and Wi-Fi systems ensure grievance redressal within 24 hours, reinforcing transparency.

Additional revenue streams include rentals from productive assets, tractor services, xeroxing facilities, and compost/plastic sales—collectively contributing over ₹17 lakh annually for local welfare initiatives.

### Outcomes

- 100% property tax recovery.
- Rapid repayment of infrastructure loans.
- Sustained funding for water, sanitation, and child nutrition programmes.
- Strengthened citizen trust through visible and inclusive service delivery.

### Replicability

Patoda's model demonstrates that incentive-linked taxation can dramatically improve compliance. Gram Panchayats can replicate this approach by securing Gram Sabha consensus, investing in high-return community assets (such as water facilities or mills), and linking tax payments to direct citizen benefits. Transparent expenditure reporting and regular community engagement further enhance long-term sustainability.

### Conclusion

Patoda Gram Panchayat illustrates that transforming taxes into visible community benefits can achieve complete compliance and financial self-reliance. By combining incentive-driven collection, productive asset creation, and participatory governance, the Panchayat has built a sustainable OSR framework rooted in trust, accountability, and shared prosperity.

## 21. Service-Linked Fee Collection and Asset Monetisation Model, Dhooni Gram Panchayat, Rajasthan

### Background

Dhooni Gram Panchayat in Devli tehsil of Tonk district demonstrates how diversified service-linked fees and asset monetisation can strengthen Own Source Revenue (OSR) in a semi-arid rural setting. Operating within the typical revenue constraints faced by Rajasthan Panchayats, Dhooni has developed a structured model that promotes financial self-reliance through efficient fee collection and commercial leasing.

### OSR Structure

The Panchayat generates **approximately ₹9.69 lakh annually** through multiple streams:

- 1. Service and Certificate Fees (Primary Source):** Revenue is collected from issuance of birth, death, caste, domicile, and income certificates, as well as fees for nominations, electricity and tap connections, ration cards, and building construction permissions.
- 2. Commercial Lease Income:** High-value annual fees are earned from commercial establishments such as petrol pumps, dhabas, and restaurants located near highways within Panchayat jurisdiction.
- 3. Asset-Based Revenues:** Shop rentals, temporary allotment of Panchayat land, and competitive tenders for local assets provide supplementary income.



Figure 27: Illustrative images of Highway

### Key Strategies

Dhooni streamlined collections by introducing integrated service counters, enabling citizens to access multiple certificates and permissions in a single visit. This bundled service model improved convenience and reduced evasion.

The Panchayat also optimised idle assets by leasing shops and temporarily allotting land through transparent tender processes to secure market-based returns. Highway-front properties, including petrol pumps and eateries, were strategically leveraged for premium rentals.

Annual audits and public awareness camps reinforced compliance, while visible investments in roads, water supply, and sanitation strengthened community trust.

### **Replicability**

The Dhooni model highlights that mapping Panchayat assets and integrating service-based fee systems can significantly enhance OSR. Other Gram Panchayats can replicate this approach by digitising certificate services, bundling permissions at single-window camps, and leasing commercially viable assets through transparent tenders. Linking revenue generation to visible civic improvements can sustainably improve voluntary compliance and fiscal autonomy.

### **Conclusion**

Dhooni Gram Panchayat demonstrates that structured service fees and strategic asset leasing can significantly enhance Own Source Revenue in rural areas. By integrating citizen services with transparent commercial monetisation and visible infrastructure investments, the Panchayat has built a sustainable and replicable model of fiscal self-reliance.

## 22. Community Infrastructure Monetisation Model for Sustainable OSR, Hasanamapet Gram Panchayat, Tamil Nadu

### Background

Hasanamapet Gram Panchayat in Cheyyar taluk of Tiruvannamalai district demonstrates how public infrastructure can be transformed into a steady Own Source Revenue (OSR) stream. Located in a peri-urban setting about 12 km from Thiruvethipuram town, the Panchayat benefits from good road and rail connectivity, making it suitable for hosting social and community events.

### OSR Model

The Panchayat **generates approximately ₹3.75 lakh annually** primarily through rental of its community hall at ₹7,500 per function. With nearly 50 bookings per year for weddings, meetings, and social gatherings, the hall serves as a consistent revenue-generating asset.

Rental proceeds are utilised for maintenance, sanitation, lighting, and periodic upgrades, ensuring sustained demand and repeat bookings. Essential services such as electricity and water are bundled within the rental fee, improving user convenience without requiring additional administrative costs.

### Key Strategies

- Competitive pricing aligned with local affordability to maximise occupancy.
- Marketing through local networks and digital listings to increase bookings.
- Volunteer and community oversight to maintain facilities at low cost.
- Reinvestment of revenue into visible improvements, strengthening public trust.

This self-sustaining loop allows the Panchayat to reduce dependency on grants while funding essential civic services.



Figure 28: reference image from NITI Aayog

### **Replicability**

The Hasanamapet model highlights the potential of asset-based OSR strategies. Gram Panchayats can replicate this approach by constructing or upgrading community halls in high-demand areas, adopting competitive user-fee structures, and ensuring transparent maintenance and accounting systems. Structured pricing and visible reinvestment can generate steady non-tax revenue in rural and peri-urban settings.

### **Conclusion**

Hasanamapet Gram Panchayat illustrates that strategic monetisation of public infrastructure can create a reliable and sustainable OSR stream. By leveraging community demand and maintaining transparent reinvestment practices, the Panchayat has built a simple yet effective model of financial self-reliance adaptable to similar rural contexts.

## 23. Commercial Shop Leasing Model for Sustainable Asset-Based OSR, Thogaimalai Gram Panchayat, Tamil Nadu

### Background

Thogaimalai Gram Panchayat in Karur district has emerged as a strong example of asset monetisation for sustainable Own Source Revenue (OSR). Located near Karur town in Tamil Nadu's textile and trading belt, the Panchayat benefits from growing peri-urban commercial demand. Rather than relying heavily on taxation, Thogaimalai has strategically leveraged commercial infrastructure to build a stable and predictable revenue base.

### OSR Model

The Panchayat generates approximately ₹24 lakh annually through rental income from 20 commercial shops, averaging around ₹1.2 lakh per shop per year. The shops are leased through transparent allotment processes, ensuring competitive market rates and minimal vacancy.



Figure 29: Illustrative image from Internet

A portion of the rental income (10–15%) is earmarked for routine maintenance and minor repairs, preserving asset value and ensuring long-term occupancy.

### Key Strategies

- Auction-based leasing: Open tenders secure fair market value and enhance transparency.
- Short-term renewable contracts (1–3 years): Allow periodic rent revision (5–10% escalation) to adjust for inflation.

- Reinvestment in civic services: Rental revenue funds roads, sanitation, and water supply improvements, attracting reliable tenants.
- Low vacancy management: Strategic location near commercial hubs ensures consistent demand.

This structured approach has created a steady non-tax revenue stream that stabilises Panchayat finances.

### **Replicability**

The Thogaimalai model highlights the importance of auditing Panchayat lands and identifying commercially viable sites near markets or transport corridors. Gram Panchayats can replicate this approach by constructing shop clusters, adopting transparent auction mechanisms, and earmarking funds for maintenance. Asset-based commercial leasing can significantly enhance OSR within a short period while reducing over-dependence on taxes.

### **Conclusion**

Thogaimalai Gram Panchayat demonstrates that systematic commercial leasing of public assets can generate substantial and sustainable Own Source Revenue. By combining transparent auctions, periodic rent revisions, and reinvestment in local infrastructure, the Panchayat has built a resilient financial model that supports essential services while ensuring long-term fiscal stability.

## 24. Public Asset Development and Monetisation Model for Strengthening OSR, Khowai Panchayat Samiti, Tripura

### Background

Khowai Panchayat Samiti in Khowai district represents an innovative intermediate-level model of Own Source Revenue (OSR) enhancement through strategic development of public assets which roughly around **9-10 Lakhs per year of Own Source revenue**. Operating in a resource-constrained northeastern context, the Panchayat Samiti transformed idle and underutilised properties into productive, revenue-generating community infrastructure. Its efforts were recognised nationally with the DDUPSP Award in 2017.

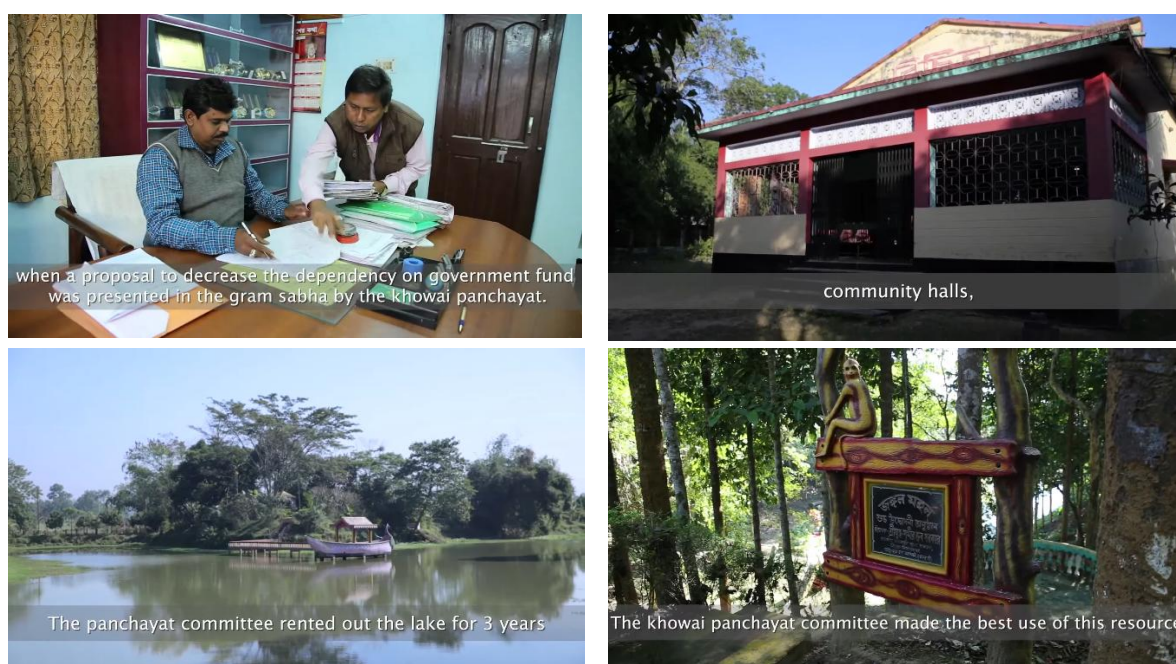


Figure 30: initiatives taken up by Khowai Panchayat Samiti, Tripura

### OSR Model

The Panchayat Samiti diversified its non-tax revenue base through development and monetisation of multiple assets: (i.) Parks: Entry and picnic fees generating steady footfall-based income; (ii) Market Stalls: Monthly rental income from shop allotments; (iii) Community Halls: Function bookings providing event-based revenue peaks; (iv) Fisheries: Annual leasing and auction of ponds for optimal returns; (v) Mango Gardens: Seasonal income through produce sales. By leveraging the agrarian and riverine geography of the region, the Samiti ensured location-specific asset optimisation.

### Key Strategies

Initial investments were made to convert unused land into functional infrastructure. Parks were developed with minimal capital expenditure and nominal entry charges were introduced to balance affordability and sustainability. Fisheries and orchards were leased through competitive processes to secure market rates.

Revenue generated is systematically reinvested into maintenance, expansion, and civic improvements, ensuring continuity of the asset cycle. Standing committees oversee transparent accounting and financial monitoring.

### **Replicability**

The Khowai model demonstrates that public asset development can significantly enhance OSR without increasing tax burdens. Panchayat Samitis and Gram Panchayats can replicate this approach by mapping idle lands, developing low-cost recreational or productive assets, and adopting transparent auction mechanisms. Location-based planning—such as fisheries in riverine areas or orchards in agrarian zones—can maximise returns and strengthen fiscal sustainability.

### **Conclusion**

Khowai Panchayat Samiti demonstrates how strategic asset development and monetisation of public properties can generate sustainable non-tax revenue, ensuring financial self-reliance through reinvestment in infrastructure and transparent management practices.

## 25. “Tourism-Linked Property Tax Reform” – Kumily, Kerala

### Background

Kumily Gram Panchayat, located in Azhutha Taluk of Idukki District, Kerala, functions as a major gateway for pilgrims visiting Sabarimala and lies in close proximity to the Periyar Tiger Reserve. The Panchayat experiences intense seasonal inflow of pilgrims and tourists, resulting in high commercial activity, particularly in the hospitality sector.

Despite this, Own Source Revenue (OSR) remained relatively low until the mid-2000s due to under-assessment of property taxes on resorts and hotels. Recognizing this gap, the Gram Panchayat initiated a structured reform to align taxation with actual commercial values and strengthen fiscal sustainability.

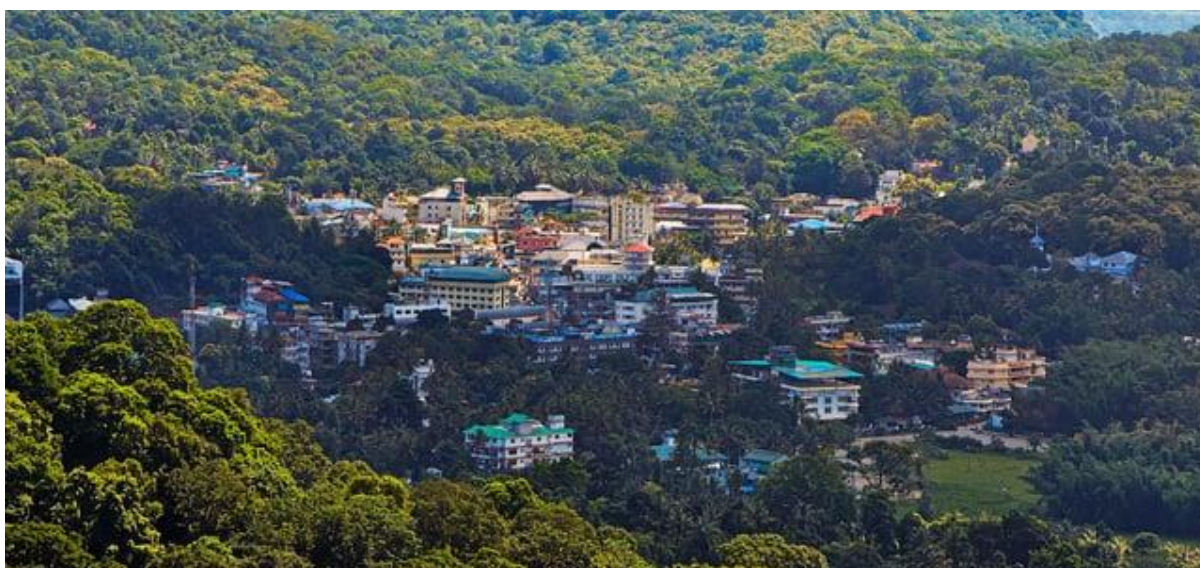


Figure 31: Source: illustrative image from Internet

### Objective

The initiative aimed to rationalize property tax assessments in line with prevailing rental values of tourism establishments, enhance tax and non-tax revenue through transparent and legally compliant mechanisms, and improve the Panchayat’s capacity to manage sanitation, infrastructure, and tourism-related service demands.

### Institutional and Regulatory Framework

Following 2005, the Finance Standing Committee invoked provisions under the Kerala Panchayat Raj Rules (Rule 11) to undertake suo motu revision of property taxes for resorts and hotels. Statutory notices were issued proposing revised assessments based on rental value parity.

Initial resistance from stakeholders was addressed through structured consultations, hearings, and negotiations, enabling consensus-based revisions that balanced regulatory enforcement with commercial viability.

### Revenue Performance

The reform resulted in a dramatic improvement in Own Source Revenue. Prior to the intervention, during 2004–05, the Panchayat’s annual OSR stood at approximately ₹30 lakh. Within five years of implementing the revised property tax regime, **annual collections increased to over ₹1.3 crore** by 2009–10, representing an approximate 4.5-fold increase.

This sustained growth provided the Gram Panchayat with a stable revenue base to meet recurring operational expenditures and finance service improvements in a high-tourism context.

### **Key Strategies Adopted**

- Legal invocation of tax revision powers combined with stakeholder dialogue to ensure fairness and compliance.
- Alignment of property tax rates with high rental values prevalent in tourism resorts and hotels.
- Awareness generation and political consensus to mitigate resistance.
- Strategic reinvestment of enhanced revenues into sanitation, street lighting, and cleanliness to sustain tourism inflows.
- Exploration of additional non-tax revenue streams linked to regulated tourism services.

### **Impact**

The initiative significantly strengthened the Panchayat’s fiscal position and service delivery capacity. Improved sanitation, lighting, and cleanliness enhanced the overall visitor experience while supporting local livelihoods through increased demand for local produce such as vegetables and spices. The reform also established a culture of compliance and transparency in local taxation.

### **Key Success Factors**

Strong institutional leadership by the Finance Standing Committee, transparent application of statutory provisions, continuous engagement with tourism stakeholders, and visible reinvestment of revenues into public services were critical to the success of the initiative.

### **Replicability**

The Kumily case demonstrates that tourism-intensive Gram Panchayats can substantially enhance OSR by periodically auditing commercial properties, revising taxes to reflect market values, and strengthening revenue administration. The approach is particularly relevant for pilgrim towns, eco-tourism hubs, and hill stations experiencing seasonal population surges.

### **Conclusion**

The Tourism-Linked Property Tax Reform undertaken by Kumily Gram Panchayat represents a replicable and sustainable model of OSR enhancement in high-tourism

rural areas. By combining statutory authority with stakeholder engagement and service-oriented reinvestment, the Panchayat achieved long-term revenue growth while improving the quality of local governance.

## 26. “Comprehensive Asset Monetisation Model” – Dharmaj, Gujarat

### Background

Dharmaj Gram Panchayat is in Petlad Taluka of Anand District, Gujarat, and covers an area of approximately 1,444.93 hectares. The village lies within Gujarat’s agriculturally prosperous belt, supported by dairy farming and cultivation of crops such as tobacco, rice, and banana.

Dharmaj is widely recognised for its strong community institutions and significant support from a global Non-Resident Indian (NRI) population, particularly from the USA, Canada, and Australia. Leveraging this socio-economic strength, the Gram Panchayat has developed an extensive portfolio of revenue-generating assets, making it one of the most financially self-reliant village panchayats in India.

### Objective

The initiative aimed to:

- Build long-term fiscal self-reliance through systematic monetisation of Gram Panchayat assets.
- Reduce dependence on state and central grants by strengthening Own Source Revenue (OSR).
- Deliver urban-grade civic services in a rural setting through efficient asset management.
- Institutionalise transparent governance mechanisms for asset operation and maintenance.

### Local Economic and Institutional Context

Dharmaj functions within Gujarat’s dairy heartland, supported by extensive irrigation infrastructure, including approximately 70 private tube wells and multiple village ponds. The village also benefits from strong financial and social institutions, including more than a dozen banking facilities, a cooperative bank, healthcare institutions supported by the **Jalaram Trust**, and an active network of women’s Self-Help Groups (SHGs).

The strong NRI network has played a catalytic role by providing initial capital and institutional support, which the Panchayat has leveraged to create income-generating public assets rather than one-time welfare infrastructure.

### OSR Model and Revenue Sources

***Dharmaj Gram Panchayat generates approximately ₹3 crore annually*** through diversified OSR streams derived from more than 20 assets owned and managed by the Panchayat. These include mobile communication towers, market shops and godowns, grasslands (gauchar), public parks, marriage halls, tube wells, ponds, and various service-oriented assets.

Revenue is mobilised through a combination of annual rentals, lease charges, and user fees. Commercial assets such as mobile towers, shops, and storage godowns

provide stable rental income. Recreational and community assets including parks with boating and swimming facilities, marriage lawns, and halls generate event-based and user-fee revenue. Agricultural and utility assets such as grasslands, ponds, and tube wells contribute through lease arrangements and sales.



*Figure 32: Initiatives taken by Dharmaj, Gujarat*

Notably, the Panchayat earns over **₹25 lakh annually** from gauchar land through managed grass cultivation and fruit-bearing trees, supplying fodder and produce to nearly 400 households daily at minimal operational cost.

### **Governance and Management Framework**

The Gram Panchayat has constituted multiple specialised committees focusing on sectors such as wasteland management, water supply, street lighting, sanitation, and asset maintenance. These committees are responsible for monitoring operations, fixing user charges, and ensuring upkeep of assets.

A meticulously maintained asset registers tracks ownership, condition, maintenance schedules, and revenue flows for each asset, significantly reducing leakage and improving accountability. Panchayat-owned machinery—including tractors, generators, drainage and road maintenance equipment, ambulances, and service centres are also monetised through regulated usage.

### **Key Strategies Adopted**

- **Asset Diversification:** Development of a wide range of revenue-generating assets to spread financial risk.

- **Committee-Based Governance:** Dedicated committees ensure focused oversight and operational efficiency.
- **Low-Capex Revenue Generation:** Use of natural assets such as grasslands and ponds to generate income with minimal recurring expenditure.
- **NRI Partnership Model:** Strategic use of diaspora contributions as seed capital for assets that generate perpetual OSR.
- **Transparency and Documentation:** Regular updating of asset registers and public disclosure of revenue use.

### **Impact**

The asset monetisation strategy has enabled Dharmaj Gram Panchayat to deliver high-quality civic services comparable to urban local bodies. Enhanced revenues support reliable water supply, sanitation, road maintenance, public lighting, healthcare access, and community facilities. The model has also reduced fiscal stress and strengthened long-term planning capacity at the Panchayat level.

### **Key Success Factors**

Strong institutional capacity, systematic asset documentation, community trust, active NRI engagement, and disciplined reinvestment of revenues into asset maintenance and service delivery have been central to the success of the Dharmaj model.

### **Replicability**

The Dharmaj experience demonstrates that Gram Panchayats—particularly in agriculturally prosperous or NRI-linked regions—can significantly enhance OSR by:

- Conducting comprehensive inventories of Panchayat-owned land and assets.
- Developing low-investment, high-return assets such as grasslands, ponds, and rental properties.
- Constituting sector-specific committees for asset management.
- Leveraging diaspora or community institutions for initial capital support.

### **Conclusion**

The Comprehensive Asset Monetisation Model of Dharmaj Gram Panchayat stands as a robust and scalable example of rural fiscal self-reliance. By combining diversified asset portfolios, strong governance mechanisms, and strategic community and NRI partnerships, the Panchayat has established a sustainable OSR ecosystem that supports both economic resilience and high-quality public service delivery.

## 27. “Plastic Waste Circular Economy and OSR Model” – Panjampatti, Tamil Nadu

### Background

Panjampatti Gram Panchayat, also referred to as N. Panjampatti Gram Panchayat, is located in Dindigul Taluk of Dindigul District, Tamil Nadu. The Panchayat spans an area of approximately 722.76 hectares and has a population of about 6,393 residents living in nearly 1,667 households. With a literacy rate of around 78.55 per cent, the village exhibits strong community participation, which has supported innovative approaches to waste management and revenue generation.

Situated near the urbanising periphery of Dindigul town, Panjampatti faces increasing plastic waste generation. Recognising this challenge as an opportunity, the Gram Panchayat adopted a waste-to-wealth strategy centred on plastic processing to strengthen its Own Source Revenue (OSR).

### Objective

The initiative aimed to:

- Convert plastic waste into a sustainable source of Panchayat revenue.
- Establish a circular economy model through organised collection and processing of plastic waste.
- Reduce environmental pollution and landfill dependence.
- Reinvest locally generated revenue into civic infrastructure and services.

### Local and Demographic Context

Panjampatti has a population density of approximately nine persons per hectare, with balanced gender distribution. Its relatively high literacy levels have enabled awareness-building and community participation in waste segregation and collection initiatives. Proximity to Dindigul town has ensured both steady availability of plastic waste and access to downstream users of processed material.

### OSR Model and Revenue Mechanism

The primary source of OSR for Panjampatti Gram Panchayat is a plastic shredding unit operated through a Panchayat-level federation. The operational model involves the Gram Panchayat collecting and supplying segregated plastic waste, which is processed into shredded plastic. The processed output is sold on a per-kilogram basis to the federation, **generating approximately ₹22 lakh in annual revenue.**

A structured buyback policy supports the model, under which households and local establishments are incentivised to return plastic waste in exchange for payments. This ensures a steady supply of raw material while fostering community ownership of waste management practices. The shredding unit functions as a self-sustaining enterprise with relatively low operational costs.



*Figure 33: shredding machine in panchayat*

### **Institutional and Operational Strategy**

The Panchayat has adopted a federation-led operational structure, wherein day-to-day management of the shredding unit is handled by the federation, while the Gram Panchayat retains oversight and regulatory control. This separation of governance and operations has improved efficiency and accountability.

Revenue generated through the sale of processed plastic is reinvested into waste management infrastructure, road maintenance, and basic service improvements. Visible improvements in cleanliness and service delivery have further strengthened public participation in the buyback system.

### **Key Strategies Adopted**

- **Federation-Led Enterprise Model:** Delegation of operational responsibilities to a Panchayat-level federation for professional management.
- **Plastic Buyback System:** Incentivised return of plastic waste to ensure continuous raw material supply.
- **Circular Economy Approach:** Integration of collection, processing, and sale within a closed-loop system.
- **Reinvestment in Public Services:** Use of OSR to enhance infrastructure and cleanliness, reinforcing community trust.

### **Impact**

The initiative has enabled Panjampatti Gram Panchayat to generate a stable non-tax revenue stream while simultaneously addressing plastic waste management

challenges. The model has reduced environmental pollution, promoted segregation at source, and strengthened the Panchayat's fiscal capacity for local development.

### **Key Success Factors**

- High levels of community awareness and participation.
- Efficient institutional arrangement through the federation.
- Proximity to urban markets for processed plastic.
- Strong linkage between environmental outcomes and revenue generation.

### **Replicability**

The Panjampatti model demonstrates that Gram Panchayats in semi-urban and urbanising rural areas can successfully adopt plastic waste processing as an OSR strategy. Key prerequisites include community participation, assured downstream demand for processed plastic, and clear institutional arrangements separating governance from operations.

### **Conclusion**

The Plastic Waste Circular Economy and OSR Model of Panjampatti Gram Panchayat stands as a replicable example of sustainable revenue generation aligned with environmental objectives. By transforming plastic waste into an economic asset through a federation-led enterprise and buyback system, the Panchayat has strengthened both ecological outcomes and local fiscal resilience.

## 28. “Diversified Asset-Based OSR Model” – Bonaigarh, Odisha

### Background

Bonaigarh Gram Panchayat is in Bonaigarh Block of Sundargarh District, Odisha, and functions close to the block headquarters. Spread over an area of approximately 1,047.84 hectares, the Panchayat serves a population of about 10,162 residents across 2,457 households. The area represents a transition zone where tribal agrarian livelihoods coexist with increasing commercial activity driven by proximity to industrial and administrative centres in the Sundargarh belt.

To strengthen fiscal autonomy and reduce dependence on external grants, the Gram Panchayat adopted a diversified Own Source Revenue (OSR) strategy centred on systematic development and monetisation of Panchayat-owned assets.

### Objective

The initiative aimed to:

- Establish long-term financial self-sufficiency through asset-based revenue generation.
- Convert civic infrastructure into sustainable revenue-generating assets.
- Promote inclusive local economic development, including participation of women’s SHGs.
- Reinvest OSR into public infrastructure and service delivery.

### Local and Economic Context

Bonaigarh’s location near the block headquarters has enabled the emergence of urban-like commercial demand within a rural setting. While agriculture remains an important livelihood, increasing footfall for markets, services, and recreation has created opportunities for structured rentals, auctions, and user charges managed by the Gram Panchayat.

### OSR Model and Revenue Performance

Bonaigarh Gram Panchayat **generates approximately ₹27.40 lakh annually** through a diversified portfolio of assets and user charges.

A major share of revenue is derived from 20 Panchayat-owned market complexes comprising 262 shops. These shops together generate about ₹2.27 lakh per month, translating to approximately ₹27.24 lakh annually. Eight of these shops have been allocated to women’s Self-Help Groups under Mission Shakti, combining revenue generation with livelihood support.

Weekly haats constitute another significant revenue stream. The haat auctions have shown steady growth, with annual bid values increasing from ₹5.50 lakh in 2020–21 to ₹7.81 lakh in 2022–23. Similarly, 19 Panchayat-owned ponds are auctioned annually, with revenues rising from ₹56,000 in 2019–20 to ₹1.64 lakh in 2022–23.

The Panchayat also mobilises OSR through water supply charges and recreational facilities. Revenue of about ₹8.35 lakh is generated from 348 piped water connections, charged at ₹200 per household per month, supplemented by tanker supply fees of ₹700 per load. Additional income is earned through park entry fees, a Kalyan Mandap charged at ₹1,500 per day, a meeting hall rented at ₹1,000 per event, and a nominal monthly subscription for an e-library.



Figure 34: Assets of the GP on improving OSR

### Institutional and Operational Strategies

Revenue growth has been supported by reinvestment of OSR into asset expansion. Four market complexes were constructed using Panchayat-generated funds, creating a multiplier effect on rental income. Competitive auctions are used for haats and ponds, ensuring transparency and maximisation of returns. Approximately ₹6.5 lakh

has recently been invested in haat maintenance to sustain asset quality and bidder interest.

During the COVID-19 period, water charges were temporarily waived to support households and later reinstated in a rational manner. Allocation of shops to SHGs has institutionalised inclusivity within the revenue model.

### **Utilisation of OSR**

Revenue generated through OSR has been reinvested into:

- Construction and maintenance of roads and drainage systems.
- Development and upkeep of parks and public spaces.
- Improvement of crematorium facilities and soak pits.
- Provision of electricity and basic civic infrastructure.

Visible improvements in infrastructure have reinforced public compliance with user charges and rentals.

### **Key Strategies Adopted**

- **Scale-Based Asset Development:** Expansion of market complexes using OSR to create recurring rental income.
- **Efficient Auctioning:** Competitive auctions for haats and ponds to capture market value.
- **Revenue Diversification:** Combination of rentals, auctions, and user fees to stabilise income.
- **Inclusive Allocation:** Reservation of commercial spaces for women's SHGs.
- **Service-Fee Linkage:** Direct reinvestment of revenues into local infrastructure.

### **Impact**

The diversified asset-based approach has enabled Bonaigarh Gram Panchayat to fund infrastructure development independently while supporting local livelihoods. The Panchayat has achieved a stable OSR base that supports both routine service delivery and capital investments.

### **Key Success Factors**

- Strategic location near administrative and commercial centres.
- Systematic inventory and monetisation of Panchayat assets.
- Transparent auction and rental mechanisms.
- Balanced focus on revenue generation and social inclusion.

### **Replicability**

The Bonaigarh model demonstrates that Gram Panchayats, particularly in growing block headquarters or industrial belts, can achieve financial self-sufficiency by developing and managing asset networks. Market complexes, haats, ponds, and user-fee-based services offer scalable opportunities when combined with transparent governance and reinvestment strategies.

## **Conclusion**

The Diversified Asset-Based OSR Model of Bonaigarh Gram Panchayat stands as a strong example of rural fiscal self-reliance. By systematically converting public assets into revenue-generating infrastructure and reinvesting earnings into visible public services, the Panchayat has created a sustainable and inclusive model of local governance that is replicable across similar rural and semi-urban contexts.

## 29 “Peri-Urban Commercial Asset–Driven OSR Model” – Azara, Assam

### Background

Azara Gram Panchayat is in Kamalpur Block of Kamrup district, Assam, and is among the largest Gram Panchayats in the state. The Panchayat serves a population of approximately 26,815 residents across 3,237 households.

Owing to its peri-urban character and proximity to major transport infrastructure, Azara Gram Panchayat has consistently mobilised substantial Own Source Revenue (OSR). Its experience illustrates how non-tax revenue from commercial assets can sustain Panchayat operations with limited dependence on external grants.

### Objective

The initiative aimed to:

- Strengthen fiscal self-reliance through non-tax and fee-based revenue.
- Leverage peri-urban location advantages for commercial asset monetisation.
- Ensure uninterrupted Panchayat administration through stable OSR.
- Transparently reinvest revenue into routine governance and service delivery.

### Location and Economic Context

Azara Gram Panchayat benefits from its proximity to **Lokpriya Gopinath Bordoloi International Airport** (Borjhar) and National Highway–37. This strategic location has encouraged the development of godowns, shops, hostels, and private educational institutions catering to Guwahati’s expanding urban fringe.

High traffic movement and commercial demand in the area have created favourable conditions for rentals, leases, and regulatory fees administered by the Gram Panchayat.

### OSR Model and Revenue Performance

Azara Gram Panchayat recorded steady OSR growth over the three-year period from 2019–20 to 2021–22. In 2019–20, the **Panchayat generated ₹41.92 lakh in OSR**. This increased to ₹42.42 lakh in 2020–21 and further to ₹43.17 lakh in 2021–22, reflecting consistent year-on-year growth driven by stable non-tax revenue streams.

A significant share of OSR is derived from commercial assets and regulatory fees. Godown-related taxes constitute the largest component, contributing approximately 43 per cent of total OSR. Rental income from shops accounts for about 17 per cent, while building permission fees contribute roughly 15 per cent. Levies on private schools contribute around 11 per cent, followed by No Objection Certificate (NOC) fees at about 8 per cent and hostel-related fees at approximately 6 per cent.

### Institutional and Operational Strategies

The Gram Panchayat has prioritised monetisation of high-value commercial assets such as godowns and shops through structured leasing and tendering processes. Regulatory fees related to building permissions, NOCs, and institutional operations have been systematically enforced in growth areas.

Revenue generated through OSR is earmarked primarily for operational expenditures, including printing and stationery, conduct of Gaon Sabha meetings, electricity charges, and remuneration for office staff and elected members. This clear linkage between OSR and day-to-day administration has ensured continuity of governance functions.



*Figure 35: Commercial assets created by the GP*

### Utilisation of OSR

OSR collected by Azara Gram Panchayat is predominantly used to:

- Meet administrative and office-related expenses.
- Support routine governance activities and meetings.
- Ensure uninterrupted basic operations without reliance on grants.

Transparent utilisation of funds has helped maintain compliance and trust among fee-paying entities.

### Key Strategies Adopted

- **Asset-Centric Revenue Mobilisation:** Focus on godown and shop-related taxes and rentals in high-demand locations.
- **Diversified Non-Tax Fees:** Collection of building permission charges, NOCs, and institutional levies.

- **Location Leveraging:** Capitalising on airport and highway proximity to sustain commercial demand.
- **Operational Ring-Fencing:** Use of OSR primarily for administrative continuity and governance costs.

### **Impact**

The peri-urban, commercial asset-driven revenue model has enabled Azara Gram Panchayat to maintain stable financial performance over multiple years. Reliable OSR has ensured smooth Panchayat functioning and reduced vulnerability to delays or fluctuations in external funding.

### **Key Success Factors**

- Strategic geographic location near major transport corridors.
- Strong non-tax revenue base anchored in commercial activity.
- Consistent enforcement of regulatory fees.
- Transparent and predictable use of OSR for governance functions.

### **Replicability**

The Azara experience demonstrates that Gram Panchayats located near highways, airports, or urban peripheries can significantly strengthen OSR by systematically mapping commercial assets and enforcing non-tax levies. The model is particularly relevant for peri-urban Panchayats experiencing spillover growth from nearby cities.

### **Conclusion**

The Peri-Urban Commercial Asset-Driven OSR Model of Azara Gram Panchayat highlights the potential of non-tax revenue in sustaining local governance. By leveraging its strategic location and prioritising commercial asset monetisation, the Panchayat has built a stable and replicable framework for fiscal self-reliance in rapidly urbanising rural regions.

### 30. “Community Awareness–Led and Asset-Based OSR Growth Model” – Jitujuri, West Bengal

#### Background

Jitujuri Gram Panchayat is located in Manbazar-I Block of Purulia district, West Bengal. The Gram Panchayat serves predominantly agrarian and forest-fringe hamlets in a region characterised by low rainfall and red soil conditions.

Like many rural Panchayats in Purulia, Jitujuri traditionally faced constraints in Own Source Revenue (OSR) mobilisation due to limited commercial activity and a narrow tax base. Despite these challenges, the Panchayat achieved a significant turnaround through a combination of community mobilisation and productive asset creation.



Figure 36: Illustrative image from the Internet

#### Objective

The initiative aimed to:

- Improve OSR through enhanced taxpayer awareness and voluntary compliance.
- Reduce dependency on a narrow tax base by diversifying revenue sources.
- Convert OSR and scheme funds into income-generating community assets.
- Use OSR as a tool for long-term rural economic strengthening.

#### Local Context

Jitujuri Gram Panchayat is situated in the Manbazar-I block, an area marked by scattered agrarian settlements and forested landscapes. Agricultural activity is constrained by rainfall variability, but the red soil is suitable for fruit cultivation and medicinal plants. In such contexts, Panchayats often struggle to mobilise meaningful tax revenue, making non-tax sources and asset-based income critical.

#### OSR Growth Performance

Between 2018–19 and 2021–22, Jitujuri Gram Panchayat recorded a substantial increase in OSR. Revenue rose from ₹2,16,769 in 2018–19 to ₹5,26,544 in 2021–22, representing an overall growth of approximately 142 per cent over the period. This

growth was achieved through sustained awareness efforts and gradual strengthening of local revenue instruments.

### **Sources of OSR**

OSR mobilisation was driven by a mix of tax and non-tax sources. This included land and building taxes, along with tolls, rates, and fees collected from local markets and roads. Improved compliance and coverage, rather than higher rates, formed the core of the revenue strategy.

### **Creation of Income-Generating Assets**

In parallel with improved collections, the Gram Panchayat invested OSR and scheme funds in the creation of productive assets. More than 15,000 fruit trees were planted on Panchayat and community lands. Approximately 20 acres were brought under irrigation, enhancing agricultural productivity and enabling cultivation of cash crops. In addition, about 1.5 acres were developed for medicinal plant cultivation.

To support livelihood diversification, assets such as a Self-Help Group (SHG) cluster house were created, along with initiatives in beekeeping and mushroom cultivation. These activities generated group-based incomes, with returns contributing directly or indirectly to Panchayat revenues.

### **Strategies Adopted**

A key strategy was intensive community engagement. The Panchayat organised regular awareness camps, rallies, and para baithaks (hamlet-level meetings) to educate residents about their tax and fee obligations. These interactions focused on trust-building and transparency, leading to higher voluntary compliance without reliance on coercive enforcement.

Simultaneously, initial OSR collections and funds from schemes such as **MGNREGA** were utilised to develop revenue-yielding assets. The approach ensured that residents could see tangible benefits from payments made to the Panchayat, reinforcing compliance.

### **Utilisation of OSR**

OSR was reinvested in:

- Creation and maintenance of productive assets.
- Support to SHG-based livelihood activities.
- Enabling irrigation and plantation activities that strengthen the local economy and future tax base.

This reinvestment strategy helped transform OSR from a purely administrative resource into a development catalyst.

### **Key Success Factors**

- Strong emphasis on awareness and community mobilisation.
- Asset-led reinvestment suited to local agro-climatic conditions.

- Use of low-capital, high-return livelihood assets.
- Balanced mix of immediate fee collections and long-term income generation.

### **Replicability**

The Jitujuri model demonstrates that even Gram Panchayats with limited commercial activity can significantly enhance OSR by combining awareness-driven compliance with strategic asset creation. The approach is particularly relevant for rural and tribal areas across West Bengal where natural resources and community participation can be leveraged for sustainable revenue growth.

### **Conclusion**

The Community Awareness–Led and Asset-Based OSR Growth Model of Jitujuri Gram Panchayat shows how informed citizens and productive investments can jointly transform local finances. By aligning revenue mobilisation with livelihood enhancement, the Panchayat achieved substantial OSR growth while supporting broader rural economic uplift in the Purulia region.

### 31. “Asset-Led Financial Self-Reliance through Multi-Purpose Infrastructure” – Sirmour Zila Parishad, Himachal Pradesh

#### Background

Sirmour Zila Parishad, headquartered at Nahan, in Himachal Pradesh, has achieved annual Own Source Revenue (OSR) of approximately **₹18 lakhs** through systematic monetisation of a single, well-planned multi-purpose asset complex.

As an intermediate-tier Panchayati Raj Institution with 17 elected members (including 9 women), the Zila Parishad demonstrates how long-term infrastructure investments can deliver sustained financial independence for rural local governments.



*Figure 37: monetization of community hall and commercial shops*

#### Objective

The Zila Parishad's OSR strategy aimed to:

- Achieve operational self-reliance through rental income.
- Create durable public assets with multiple revenue streams.
- Ensure asset longevity through dedicated maintenance staffing.
- Reduce dependence on state and central grants for routine expenditures.

#### Location Context

Located in the district headquarters town of Nahan, the Zila Parishad complex serves a hilly district with dispersed rural settlements. Its central location makes the facility attractive for social functions, official meetings, government programmes, and short-term accommodation, responding to increasing administrative and event-related demand in the district.

#### OSR Sources and Asset Portfolio

**Annual OSR of approximately ₹18 lakhs** is generated entirely through rentals from the Zila Parishad's built assets, developed around 25 years ago.

The asset mix includes:

- One large multi-purpose community hall used for social and official events.
- Ten rooms and five dormitories catering to tourists, officials, and visitors.
- Six commercial shops generating steady monthly rent.
- Three residential units leased for long-term occupation.

Together, these assets provide a balanced mix of high-frequency event income and stable recurring rentals.

### **Revenue Mechanism**

The community hall serves as the primary revenue driver through event bookings, while accommodation facilities ensure consistent occupancy from official and visitor stays. Commercial shops and residential units provide predictable monthly income, stabilising cash flow throughout the year.

### **Strategies Adopted**

The Zila Parishad invested in constructing a single integrated complex rather than scattered assets, enabling efficient management and reduced overheads. Competitive rental rates and regular bookings have ensured high utilisation.

A key strategy has been dedicated asset stewardship. Five full-time employees are assigned exclusively for maintenance, operations, and upkeep of the complex. This proactive maintenance approach has prevented asset deterioration and sustained long-term revenue potential.

### **Utilisation of OSR**

OSR generated from the complex supports the Zila Parishad's routine operational expenses, contributing directly to institutional self-dependence and reducing reliance on external funding for day-to-day functions.

### **Key Success Factors**

- Strategic location at the district headquarters.
- Diversified revenue streams within a single asset complex.
- Continuous maintenance through dedicated staff.
- Long-term vision in capital investment yielding recurring returns.

### **Best Practices**

- **Multi-Use Asset Development:** Combining community halls, accommodation, shops, and residences within one complex maximises land use efficiency and revenue potential.
- **Asset Stewardship:** Dedicated staffing ensures asset longevity and sustained occupancy.

- **Inclusive Governance:** Strong participation of women representatives enhances community trust and accountability.

### **Replication Potential**

This model is highly replicable for Zila Parishads and Block Panchayats, particularly in district and block headquarters. Developing hybrid complexes with halls, rooms, and shops can sustainably **generate ₹15–20 lakhs annually**. Allocating a fixed portion of OSR (5–10%) for maintenance is critical for long-term viability. The model is especially suitable for hilly states such as Himachal Pradesh, where compact, centrally located assets are more effective than dispersed infrastructure.

### **Conclusion**

Sirmour Zila Parishad illustrates how patient capital investment in well-designed public infrastructure can translate into long-term fiscal self-reliance. The case underscores the importance of asset quality, location, and maintenance in building sustainable OSR systems for intermediate-tier PRIs.

## 32. Property Tax-Based Revenue Mobilisation – Hemmanahalli Gram Panchayat, Karnataka

### Context

Hemmanahalli Gram Panchayat is in Maddur Taluk of Mandya district in Karnataka. The village is situated about 4 km from the sub-district headquarters at Maddur and approximately 26 km from the district headquarters at Mandya. According to the Census 2011, Hemmanahalli village covers a geographical area of around 381.65 hectares and has a population of 1,969 people, including 971 males and 998 females, living in approximately 497 households. Despite its relatively small size, the Gram Panchayat has demonstrated strong financial management and administrative efficiency. The Panchayat has received three awards in recognition of its best performance in local governance and revenue mobilisation. **Through effective tax administration and digital systems, the Panchayat has been able to generate substantial Own Source Revenue (OSR)**, particularly through property tax collection.



Figure 38: Hemmanahalli Gram Panchayat, Karnataka (Secretary @MoPR\_GOI visited Hemmanahalli Gram Panchayat under @ZP\_Mandya in #Karnataka and interacted with Panchayat representatives, functionaries and local residents regarding the progress in implementation of various people-oriented rural development programmes, Feb 25, 2021)

### Objective

- To strengthen the financial sustainability of the Gram Panchayat through efficient property tax collection.
- To improve transparency and accuracy in tax assessment through digital platforms.
- To utilise locally generated revenue for infrastructure development and public services.
- To enhance governance and community facilities through strategic investment of OSR.

### Institutional Mechanism

Hemmanahalli Gram Panchayat has adopted a systematic approach to tax administration supported by digital tools. In Karnataka, the Panchatantra Version-2 Application has been developed for Gram Panchayats to assess and calculate property tax based on the market value determined by the Sub-Registrar. This digital system ensures uniformity and transparency in property valuation and tax assessment.

The Panchayat has also appointed a Bill Collector who regularly visits households to ensure timely tax collection and maintain proper records. This proactive approach has significantly improved tax compliance among residents. The combination of digital assessment and regular field-level monitoring has strengthened the Panchayat's ability to mobilise revenue effectively.

### **OSR Generation**

The primary source of Own Source Revenue for Hemmanahalli Gram Panchayat is property tax, which is calculated based on the valuation of properties as determined by the Sub-Registrar's office. Using the Panchatantra Version-2 digital application, the Panchayat accurately assesses tax liabilities and ensures systematic billing and collection. Through this system, ***the Gram Panchayat collects approximately ₹12 lakh annually from property tax alone, making it one of the key contributors to the Panchayat's financial resources.***

### **Outcomes**

The revenue generated through property tax has been utilised for several important development initiatives. ***One of the major achievements of the Panchayat is the construction of a Gram Soudha, a modern Panchayat office building developed with an estimated cost of around ₹5 crore using OSR.*** The building also accommodates other government offices serving the village, improving access to public services.

In addition, the Panchayat maintains a large library with digital connectivity, providing residents with access to knowledge resources and internet facilities. The Panchayat follows a balanced expenditure pattern, where ***approximately 60 percent of the OSR is utilised for developmental activities*** such as infrastructure improvements, while the ***remaining 40 percent is allocated for maintenance and operational expenses.***

### **Conclusion**

Hemmanahalli Gram Panchayat demonstrates how efficient property tax administration supported by digital tools can significantly enhance Own Source Revenue. By ensuring transparent tax assessment, consistent collection, and strategic utilisation of funds, the Panchayat has strengthened its financial capacity and improved local infrastructure and public services. This model highlights the importance of strong administrative systems and digital governance in promoting financially self-reliant rural local bodies.

### 33. Heritage Tourism and Community Service-Based Revenue Model – Heingang Gram Panchayat, Manipur

#### Context

Heingang Gram Panchayat is in Imphal East district of Manipur, about 7 km north of the district headquarters at Porompat. The Panchayat covers an area of approximately 3 square kilometres and has an estimated population of around 8,000 residents. The village is characterised by diverse natural and cultural resources, including freshwater lakes, rivers, hills, forests, and rich cultural heritage. These features provide opportunities for tourism and community-based economic activities. Recognising these local strengths, the Gram Panchayat has developed a model for generating Own Source Revenue (OSR) by utilising heritage tourism, community infrastructure, and public utility services. Through these initiatives, **the Panchayat generates an average annual OSR of about ₹5.8 lakh**, which contributes to local development and maintenance of community services.



Figure 39: Picture from left to right- (a) & (b) Awareness campaign at Heingang GP; (c) Eputhou Marjing Khubam at Heingang Ching

#### Objective

- To generate sustainable Own Source Revenue by leveraging local cultural and natural assets.
- To promote heritage tourism and community participation in village development.
- To strengthen financial independence of the Gram Panchayat.
- To utilise locally generated revenue for improving public services and infrastructure.

#### Institutional Mechanism

Heingang Gram Panchayat has adopted a collaborative institutional mechanism involving local committees and community organisations. One of the key assets managed by the Panchayat is the Ibudhou Marjing Khubam Heritage Site, which is operated by a committee known as the *Ibudhou Marjing Khubam Kanba Lup*. The committee comprises elected representatives of the Gram Panchayat and community members who collectively organise daily, weekly, and annual cultural events at the heritage site.

The Panchayat also operates a **community hall associated with the heritage site**, which is rented out for social and cultural functions. Additionally, the Panchayat manages **drinking water supply services** through the Water Supply and Sanitation Committee of Heingang Awang and Makha Reservoir. This committee oversees the maintenance of the water supply infrastructure and ensures the collection of user charges from households.

### OSR Generation

The primary source of Own Source Revenue for Heingang Gram Panchayat is the visitor entry fee collected at the Ibudhou Marjing Khubam Heritage Site. The site **attracts an average of around 280 visitors per day**. Each visitor is charged an **entry fee of ₹30, generating an annual turnover of approximately ₹30.24 lakh**. Out of this amount, **the Gram Panchayat receives 10 percent as its share, which contributes about ₹3.02 lakh to its annual OSR**.

Another important **revenue stream is the rental of the community hall and associated services at the heritage site**. The hall is frequently hired for cultural, religious, and social events. On average, four events are held per week, generating **about ₹4,000 to ₹5,000 per event**. This results in an **annual turnover of approximately ₹8.64 lakh, of which 10 percent—around ₹86,000—is received by the Gram Panchayat as revenue**.

The Panchayat also generates **revenue through user charges for drinking water supply services**. Approximately 800 households are connected to the piped water supply system and **pay a monthly charge of ₹200**. This service **generates an annual turnover of around ₹19.20 lakh, with the Gram Panchayat receiving 10 percent (about ₹1.92 lakh) as its share**.

### Outcomes

The diversified revenue streams from heritage tourism, community assets, and public utility services have strengthened the financial position of the Gram Panchayat. The initiatives have also encouraged community participation in managing local resources and maintaining infrastructure. Tourism-related activities have increased local economic opportunities while promoting the cultural heritage of the village.

### Conclusion

Heingang Gram Panchayat demonstrates how heritage tourism and community-managed services can be effectively leveraged to generate Own Source Revenue. By integrating cultural assets, public utilities, and participatory governance mechanisms, the Panchayat has created a sustainable revenue model that supports local development while preserving its cultural and natural heritage.

## 34. “Material Recovery Facility (MRF)”, Nitte, Karnataka

### Background

Karnataka’s first Material Recovery Facility (MRF) was established in Nitte Gram Panchayat, Udupi district, and is the oldest among five such facilities in the region. The MRF was set up using rural drinking water funds under the Water & Sanitation Department of the Zilla Panchayat. The initiative was designed to address growing challenges of solid waste management in rural areas while creating a financially sustainable operational model.



Figure 40: (a) Material Recovery Facility, Nitte (b) Waste Storage Facility, Nitte

### Institutional and Operational Framework

A truck provided by the Zilla Panchayat collects dry waste daily from 45 Gram Panchayats, transporting approximately 3.5 tonnes per trip in two rounds. The facility processes only dry waste, while wet waste is managed separately by respective Gram Panchayats.

The NGO Sahas supplied the required machinery, and a private agency oversees operations and maintenance. The facility segregates waste into multiple categories such as cartons, plastics, and glass bottles using three conveyor-based segregation belts. Approximately 40% of the collected waste is recyclable, while 50–60% is non-recyclable. Around 1–2% of the non-recyclable fraction, primarily Multi-Layer Plastic (MLP), is sent to cement factories for co-processing.

### Revenue and Financial Model

The Nitte MRF follows a “zero-cost” model, wherein no financial transactions occur between the facility and the Gram Panchayats. Instead, operational sustainability is ensured through:

- **Sale of recyclable materials via auction to brokers**
- Market-linked pricing (e.g., plastic prices fluctuating with crude oil rates)

- Partnerships and financial support, including contributions from Repurpose Global

Recyclables are compressed using a bailing machine before sale. Transportation costs for sending non-recyclables to cement factories—ranging between INR 45,000–50,000 per trip (4–5 trips per month)—are borne by Mangala Agency.

***“The facility records an average monthly turnover of approximately INR 15 lakh. While profits and losses vary based on market conditions, surplus funds are reinvested into repairs and maintenance, ensuring operational continuity.”***

### **Employment and Social Impact**

The MRF provides significant local employment. The day shift employs eight men, 22 women, and three loaders, while the night shift includes five men and ten women. This has contributed to livelihood generation, particularly for women, while strengthening community participation in waste segregation practices.

### **Performance and Outcomes**

The Nitte MRF processes nearly seven tonnes of dry waste daily, demonstrating high efficiency and strong household-level cooperation. Its success contrasts with facilities operating under the “payback model,” such as in Ramnagar, where limited community participation restricts processing capacity to seven tonnes per month.

#### **Key outcomes include:**

- Scientific management of rural dry waste across 45 Gram Panchayats
- Resource recovery and circular economy promotion
- Financial self-sustainability without burdening Panchayats
- Employment generation and strengthened institutional collaboration

### **Conclusion**

The Nitte Material Recovery Facility represents a replicable model of decentralized rural waste management that combines institutional support, NGO partnership, private sector efficiency, and community participation. By adopting a zero-cost, revenue-based model driven by recyclable sales, the facility demonstrates how environmental sustainability and financial viability can be integrated at the Gram Panchayat level.

## 35. Solid Waste Management & CSR-Led Development – Jalabpur Gudal, Uttar Pradesh

### Background

Jalabpur Gudal Gram Panchayat adopted an integrated approach to solid and liquid waste management to improve sanitation outcomes while strengthening its Own Source Revenue (OSR). Recognizing the dual challenge of environmental degradation and limited financial resources, the GP introduced systematic waste segregation, composting, and greywater management interventions. ***Jalabpur Gudal is the only GP in Uttar Pradesh that has recently begun the collection of user fees for waste in 2023-24 with the OSR of Rs.50,658.***



Figure 41: Pictures from the left – (a) & (b) Segregation of Garbage at RRC Centre, (c) Door-to-Door collection of garbage, (d) Awareness Campaign on Sanitation

### Solid & Liquid Waste Management Model

The GP established a Resource Recovery Centre (RRC) where segregated dry waste is processed and channelled for recycling. Door-to-door collection ensures consistent waste segregation at source. Recyclable waste is monetized, thereby contributing directly to the GP's OSR.

For liquid waste management, two soak pits were constructed to manage grey water and black water. This significantly reduced waterlogging and related health issues in the village. Compost pits were also created to allow villagers to dispose of organic waste at a nominal fee, converting biodegradable waste into compost and creating an

additional revenue stream. These initiatives not only improved sanitation standards but also transformed waste into a resource-generating asset for the Panchayat.

### **Recognition & Awards**

Due to effective implementation and sustained sanitation efforts, the Gram Panchayat received: Clean and Green Panchayat Award (2018) from the Chief Minister; Deen Dayal Upadhyay Panchayat Sashaktikaran Puraskar (2021) for excellence in development management

### **CSR-Based Resource Mobilization**

To address financial constraints and expand developmental works, the GP proactively mobilized Corporate Social Responsibility (CSR) funds. The GP President approached Indian Oil Corporation (IOC) in Najibabad and other local industries to support community projects. Well-prepared project proposals outlining local needs and expected social impact enabled the GP to secure CSR assistance.

### **Development Outcomes through CSR**

CSR funds were utilized for modernization and upgradation of government primary schools, including Construction of toilet blocks, Installation of water filters and coolers, Borewell drilling for safe drinking water, Construction of mid-day meal sheds, Flooring and painting of classrooms, Establishment of an Anganwadi Centre within school premises

These interventions significantly improved educational infrastructure and created a conducive learning environment for children.

**Impact:** Improved sanitation and environmental sustainability, Generation of OSR through sale of recyclable waste and composting, Reduction in waterlogging and health-related issues, Strengthened educational infrastructure, Enhanced GP credibility and institutional capacity

**Key Success Factors:** Strong leadership and proactive approach of the GP, Community participation in waste segregation, Innovative conversion of waste into revenue, Strategic engagement with corporate sector for CSR funding, Transparent implementation and effective management

### **Conclusion**

The Jalabpur Gudal Gram Panchayat demonstrates how integrated waste management combined with CSR mobilization can strengthen financial sustainability and local development. By converting sanitation initiatives into revenue-generating mechanisms and leveraging corporate partnerships, the GP has established a replicable model of environmentally responsible and financially empowered rural governance.



Figure 42: Compost Pits at Jalabpur Gudal Gram Panchayat



Figure 43: Picture from left to right (a) Primary school (b) Anganwadi school (c) & (d) essential facilities such as classroom furniture, drinking water coolers, and washrooms.

## 36. Rural Water Supply & Revenue Model – Wardha district, Maharashtra

### Background

Gram Panchayats in Wardha district, Maharashtra, have achieved **100% coverage of functional water supply pipelines**, making it one of the strongest examples of rural water governance observed during field assessments. Unlike several other states where villages continue to depend on wells, hand pumps, or non-functional pipelines, Wardha has ensured fully operational household tap connections across Panchayats.

This achievement is closely aligned with the implementation of the **Jal Jeevan Mission** under the initiative *Har Ghar Nal Se Jal (HGNSJ)*, implemented by the State Water and Sanitation Mission (SWSM), Government of Maharashtra.



Figure 44: Picture from left to right (a) Overhead Tank at Gram Panchayat (b) Pipeline Water Supply to Households

### Institutional Framework

The **Rural Water Supply Division of the Zilla Parishad, Wardha** plays a proactive role in implementing regional and district-level water supply schemes. Two structured models are operational:

#### 1. Single Village Scheme (SVS)

- Implemented in Gram Panchayats with an in-village water source.
- Fully maintained and managed by the respective Gram Panchayat.
- Water charges are collected by the GP and used for operation, maintenance, and manpower costs.
- ***Entire revenue remains with the GP, strengthening its Own Source Revenue (OSR).***

## 2. Multi-Village Scheme (MVS)

- Applicable where villages lack an internal water source.
- Water is sourced from rivers or reservoirs located outside GP boundaries.
- Implemented and technically managed by the Rural Water Supply Division.
- **Revenue sharing model: 80:20 ratio, where 80% of water charges go to the Department (for bulk supply and infrastructure maintenance) and 20% is retained by the concerned Gram Panchayats.**

This 80:20 structure, continued from earlier arrangements under the Maharashtra Jeevan Pradhikaran framework, ensures financial viability of regional systems while enabling Panchayats to manage distribution within their jurisdiction.

### Revenue and Sustainability Model

- User charges collected from households form a structured and recurring revenue stream.
- In Single Village Schemes, revenue fully supports GP-managed operations.
- In Multi-Village Schemes, shared revenue balances common infrastructure costs and local management responsibilities.
- Gram Panchayats manage intra-village distribution networks and pay salaries of local water supply staff.

### Impact

- **Universal Functional Household Tap Connections (FHTC)** across GPs.
- **Reduced dependence on traditional and unreliable water sources.**
- **Strengthened OSR through systematic water charge collection.**
- **Clear institutional division of responsibilities**, improving accountability.
- **Sustainable maintenance framework** through cost-sharing arrangements.

### Key Success Factors

- Proactive leadership of Zilla Parishad.
- Structured revenue-sharing mechanism.
- Clear operational division between bulk supply and local distribution.
- Strong implementation of Jal Jeevan Mission objectives.

### Conclusion

The Wardha rural water supply model demonstrates how universal service delivery and financial sustainability can coexist. Through structured institutional coordination and a well-defined revenue-sharing mechanism, Gram Panchayats have ensured reliable water access while generating stable Own Source Revenue. The model offers a replicable framework for other districts seeking to strengthen rural infrastructure alongside fiscal autonomy.

### 37. Market-Led Own Source Revenue Model, Godhi Gram Panchayat, Moradabad, Uttar Pradesh

#### Background

Godhi Gram Panchayat is located 12 km from Moradabad city, popularly known as the “Brass City” for its globally renowned metal handicrafts industry. The GP covers 139.66 hectares with a population of 4,035 (633 households). Its proximity to a major industrial cluster and the presence of small metal-based domestic units provide a strong economic base.

#### Key Source of Revenue

**Weekly Haat Bazaar (Friday Market):** The primary source of OSR is the vibrant weekly rural market held every Friday. The market attracts traders and buyers from nearby areas and includes vegetables, utensils, clothing, handicrafts, and cattle trade. Due to its strategic location near Moradabad’s metal industry hub, the market experiences high commercial activity.

Revenue is generated through stall fees, market charges, and user fees collected by the Panchayat in a structured manner. **Annual OSR Generated: ₹47 Lakh**



*Figure 45: Weekly haat bazaar (Friday Market)*

#### Utilisation of OSR

The Panchayat has strategically reinvested its own revenue into public welfare and infrastructure development, including:

- Construction of Panchayat Bhawan
- Community Sanitary Complexes (CSC) to promote hygiene, dignity, safety, and sanitation awareness
- Solid Waste Management and Wastewater Drainage Systems
- Road Construction and Improvement Works



Figure 46: Construction of Panchayat Bhawan



Figure 47: picture from left to right (a) Community Sanitary Complexes (CSC) (b) Construction of Road

### Governance Practices

- Systematic fee collection from market vendors
- Transparent accounting of market revenue
- Direct utilisation of OSR for visible community assets
- Linking revenue generation with service delivery improvements

### Key Takeaways

- Rural markets (Haat Bazaars) can serve as major non-tax revenue sources.
- Proximity to industrial or commercial hubs enhances revenue potential.
- Reinvestment of OSR in sanitation, roads, and public infrastructure builds public trust and compliance.

**Replicability:** Gram Panchayats can strengthen OSR by formalising local markets, rationalising user charges, and ensuring transparent reinvestment in community infrastructure.

**Conclusion:** Godhi GP demonstrates how market-led revenue mobilisation can significantly enhance financial autonomy and support sustainable rural development.

## 38. Case Waste-to-Revenue Model through Community-Led Sanitation, Mohiuddinpur Gram Panchayat, Meerut, Uttar Pradesh

### Background

Mohiuddinpur Gram Panchayat, with a population of 6,233 (Census 2011), is located near Meerut city and covers 3.99 sq. km. Inspired by Mahatma Gandhi's emphasis on sanitation, the GP resolved in a Gram Sabha (22 April 2022) to make the village garbage-free while simultaneously enhancing its Own Source Revenue (OSR) through structured Solid and Liquid Waste Management (SLWM).



Figure 48: Picture from Left to right (a) Meerut's Mohiuddinpur Village Sets an Example in Waste Management (ETV Bharat); (b) Woman from an SHG near waste collection vehicle (ETV Bharat); (c) Women workers segregate waste collected in Mohiuddinpur (ETV Bharat); (d) Waste segregation centre (ETV Bharat)

### Intervention Strategy

The initiative was planned through community consultation and baseline assessment.

Key steps included:

- Identification of a waste management company for technical support
- Public awareness and behavioural change campaigns

- Identification of land and construction of a segregation shed
- Procurement of garbage truck/dustbin lorry
- Distribution of household bins for wet and dry waste segregation
- Engagement of Self-Help Groups (SHGs) for door-to-door waste collection

### **Revenue Model**

Revenue is generated through:

- User charges collected from households
- Sale of recyclable dry waste
- Compost and other waste by-products

***This structured approach has enabled the GP to generate ₹8.40 lakh annually as OSR, ensuring operational sustainability.***

### **Outcomes**

- 100% door-to-door waste collection
- Improved sanitation and environmental hygiene
- Strong community ownership and participation
- Transparent monitoring through a village-level committee
- Employment generation for 6 local workers (primarily SHG members)
- Financial self-sustainability of operations and maintenance

### **Key Takeaways**

- Waste management can be transformed into a sustainable revenue source.
- Community engagement through Gram Sabha strengthens ownership.
- SHG involvement ensures efficient service delivery and livelihood creation.
- User-fee-based sanitation systems reduce dependency on external grants.

**Replicability:** Gram Panchayats can adopt a community-driven SLWM model with user charges, SHG engagement, and transparent monitoring to simultaneously improve sanitation and enhance Own Source Revenue.

**Conclusion:** Mohiuddinpur GP demonstrates that sanitation reforms, when community-led and financially structured, can become a viable pathway for sustainable rural revenue generation.

### 39. Community-Driven Tax Mobilisation and Social Welfare Financing Model, Bhanukumari–I Gram Panchayat, Kooch Bihar, West Bengal

#### Background

Bhanukumari–I Gram Panchayat is in Tufanganj II subdivision of Kooch Bihar district, 39 km from Cooch Behar district headquarters. The GP covers 836.57 hectares with a population of 14,340 and 3,344 households (Census 2011). Despite being predominantly agrarian—with most residents engaged as farmers, labourers, and daily wage earners—the GP generates **₹11.08 lakh annually as Own Source Revenue (OSR)**.



Figure 49: picture from left to right (a) GP utilizes its OSR to provide support and services, distribute relief materials during natural disasters; (b) & (c) repairing and maintenance of public utility services

#### Revenue Mobilisation Strategy

The GP strengthened OSR through proactive community engagement and systematic revenue collection:

- Organisation of regular village-level camps for awareness and tax collection.
- Sensitisation of citizens on tax compliance and civic responsibilities.
- Registration and renewal of trade licenses of local businesses.
- Ensuring prior permission for building construction within GP jurisdiction.
- Continuous coordination between elected representatives, staff, and community members.

Active citizen participation and transparent governance practices contributed significantly to steady growth in OSR over recent financial years.

### Utilisation of OSR

The Panchayat strategically deploys its own funds for:

- Support to poor mothers and children.
- Assistance to needy students.
- Distribution of relief materials during natural disasters.
- Repair and maintenance of public utilities.
- Public health awareness activities and related expenditures.

The GP is also planning to introduce a **bike ambulance service** from its own resources to improve access to emergency services in remote areas.

OSR increased **from ₹9,19,303 in 2019–20 to ₹11,07,946 in 2021–22**, reflecting a growth of approximately **20.52 percent** over the period. The increase was achieved not through new taxes, but through systematic enforcement, improved coverage, and enhanced compliance.

### Key Takeaways

- Regular tax camps and community sensitisation improve compliance.
- Registration of trades and construction permissions are important non-tax revenue sources.
- Transparent utilisation of OSR for visible welfare measures builds public trust.
- Even predominantly agrarian GPs can strengthen fiscal capacity through participatory governance.

**Replicability:** Gram Panchayats can adopt structured awareness campaigns, streamline licensing processes, and ensure transparent utilisation of funds to enhance OSR sustainably.

**Conclusion:** Bhanukumari-I GP demonstrates that community participation and accountable governance are central to strengthening financial autonomy at the grassroots level.

## 40. “Sanitation-Linked User Fee and Market Revenue Model” – Subhashgram, Andaman & Nicobar Islands

### Background

Subhashgram Gram Panchayat is situated in Diglipur Tehsil of North and Middle Andaman District in the Andaman and Nicobar Islands. Functioning as the administrative and commercial nucleus of Diglipur, the Panchayat serves a demographically diverse population comprising multiple religious and linguistic communities.

Given the constraints of island geography, limited land availability, and higher service delivery costs, strengthening Own Source Revenue (OSR) has been critical for sustaining local development. Subhashgram Gram Panchayat adopted a comprehensive strategy combining sanitation-linked user charges, market-based rents, and service fees to enhance fiscal resilience.

### Objective

The initiative aimed to:

- Strengthen OSR through systematic user fees and market-based revenue mechanisms.
- Integrate sanitation services with revenue generation to ensure sustainability.
- Leverage high footfall commercial zones for consistent non-tax income.
- Reinvest locally generated revenue into public infrastructure and services.

### Location and Functional Context

Subhashgram lies approximately 8 km from the regional administrative centre of Diglipur and functions as its primary market hub. The Panchayat hosts the main bus terminus and a mixed-use bazaar, while a helipad is located within a short distance. These factors generate high daily footfall, creating opportunities for monetising vendor spaces, market rooms, and service facilities.

### OSR Model and Revenue Performance

During the financial year 2021–22, Subhashgram Gram Panchayat generated ₹21.67 lakh in Own Source Revenue through a diversified set of non-tax and user-based charges. Major revenue streams included household and commercial user fees, solid waste and garbage collection charges, certificate delivery fees, rents from market rooms, daily rents collected from vegetable and fish vendors, utensil hiring charges, and other miscellaneous service fees.

In addition to recurring OSR, the Panchayat received ₹8 lakh as prize money for winning the **Deen Dayal Upadhyay Panchayat Sashaktikaran Puraskar** under the General Category in 2018–19 and was again recognised under the Revenue Generation category in 2020–21. Achieving the award twice is a rare accomplishment for Panchayats in the Andaman & Nicobar Islands.



Figure 50: Market Revenue Model” – Subhashgram, Andaman & Nicobar Islands

### **Institutional and Operational Strategies**

User fees and waste charges are collected through door-to-door mechanisms by sanitation workers, ensuring high compliance. Community dustbins are cleared daily, reinforcing the service–payment linkage. Market-related revenues are generated through monthly rentals of Panchayat-owned rooms and daily charges levied on vendors operating near the bus terminus and vegetable market.

Sanitation outcomes have been further strengthened through integration with Swachh Bharat Mission (Gramin) incentives, with the Panchayat receiving multiple recognitions under SBM(G). The Panchayat has also initiated efforts to establish

waste segregation and composting facilities to process vegetable waste into organic manure, enhancing both environmental and revenue outcomes.

### **Use of OSR for Infrastructure Development**

Revenue mobilised through OSR has been reinvested into:

- Maintenance of the Panchayat shopping complex.
- Construction and operation of a community sanitary complex with pay-and-use toilets near the vegetable market.
- Development of designated vending zones with regulated daily rent collection.

These investments have improved service delivery while creating additional avenues for recurring income.

### **Impact**

The model has enabled Subhashgram Gram Panchayat to maintain high standards of cleanliness, sanitation, and market management despite geographic constraints. The integration of sanitation services with user charges has created a self-sustaining loop, while organised vendor management has ensured predictable daily revenues.

### **Key Success Factors**

- Strong linkage between service delivery and user charges.
- Strategic monetisation of high-footfall commercial spaces.
- Institutional discipline in fee collection and service provision.
- Effective use of performance-linked incentives and awards to expand revenue-generating infrastructure.

### **Replicability**

The Subhashgram experience demonstrates that peri-urban and island Gram Panchayats can significantly enhance OSR by:

- Mandating household and commercial user fees linked to sanitation services.
- Organising and auctioning vendor spaces in market and transport hubs.
- Reinvesting award incentives into assets that generate future revenue.
- Integrating waste management with resource recovery initiatives such as composting.

### **Conclusion**

The Sanitation-Linked User Fee and Market Revenue Model of Subhashgram Gram Panchayat stand as a distinctive example of fiscal innovation in an island context. By combining disciplined user-charge systems, efficient market management, and reinvestment of performance incentives, the Panchayat has built a resilient OSR framework that supports sustainable development and high-quality public services.



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