

**Minutes of the 4th meeting of the 5th ASFC held on 12th July, 2016 at
Chairman's chamber**

The meeting was presided over by the Chairman. At the outset the Chairman welcomed all the members present the meeting. He then appraised the members in brief about the progress made so far in preparation of the final Report of the 5th ASFC and mentioned the hurdles faced in this regard. After thread bare discussion the following important points emerged.

- (1) The Chairman raised the issue of award of 14th Finance Commission and its implication on the State Finances besides finance of the Local Bodies including Sixth Schedule Area. Mr. K. Barman, Member of the Commission enquired about loss and gain due to the 14th Finance Commission's award. Mr. H.K. Dewri, Director, Finance (E.A) Department clarified that State Government of Assam would be loser in many way, not only by the 14th Finance Commission award but also by the recent funding pattern of Union Government schemes to State Government's particularly those which were earlier regarded as Special Category States. The meeting concluded that the State Government would have to face fund crunch if alternative ways and means are not explored.
- (2) As regards interim report for devolution Grant to Local Bodies of general as well Sixth Schedule Area, Shri V.B. Pyarelal, Additional Chief Secretary, P&RD Department and member of the Commission suggested to incorporate a para on linking the PRIs and ULBs through computer network facilitating the controlling Government Departments with up-to-date information on revenue and expenditure on the day to day basis. He further suggested outsourcing of Tax collection of PRIs.

Dr. Ravi Kota, Member of the Commission suggested that instead of releasing fund directly to PRIs and ULBs from Finance Department the recommended Grants-in-aid under SFC and CFC, be routed through the line Departments viz. P&RD, UDD and GDD for the general area and the Budget provision for this purpose be made under concerned Department's Head of Accounts instead of the existing Head of Account – "3604-Compenation and Assignment to Local Bodies" generally under which CFC/SFC Grants are provided.

- (3) The Chairman mentioned the issue of resignation of Shri S.K. Dutta, consultant and the reports thereof and requested Commissioner & Secretary, Finance Department to urgently provide a chamber and vehicle for the consultant. The Commissioner Finance stated that required steps will be taken in this regard, and sitting accommodation and vehicle for the consultant would be ensured shortly. The Chairman suggested that the room attached to his chamber may accommodate the consultant with a partition.

(Contd...)

- (4) The meeting also discussed on the proposals submitted by the Deputy Commissioner, Kokrajhar for construction of some rural roads in the border area of Kokrajhar. The Chairman explained the importance of construction of these border link roads. However, the Commissioner Finance suggested the Commission may hand over the schemes to Finance Department for consideration, instead of recommending Grant-in-aid for the schemes under 5th ASFC. The Chairman instructed Shri B.N. Das, Consultant to take steps in this regard.
- (5) Mr. B.N. Das, Consultant sought advice from the members regarding proportion of vertical devolution of fund among the 3 tiers of PRIs i.e. ZP, AP and GP. He suggested a ratio of 30:30:40 for ZP: AP: GP respectively instead of 10:25:65, recommended by 4th ASFC. A higher allocation to ZP and AP was mooted in comparison to 3rd and 4th ASFC's allocation because of the fact that the 14th Finance Commission recommended Grant only to GP leaving out ZP and AP. Dr. Ravi Kota, member advised to examine the quantum of fund that would be received by some of the ZPs, APs and GPs for comparison.
- (6) The Director, MAD pointed out that since devolution Grant during 2015-16 could not be obtained during 2015-16 the Commission should take into account 5 years devolution while recommending Grant-in-aid to the Local Bodies by the 5th ASFC. He also requested the Commission to consider the salary component of revised staffing pattern of ULBs in their recommendation.

The meeting ended with vote of thanks from the Chair.

Sd/-
Chairman
5th Assam State Finance Commission

Memo No. FEA(SFC) 226/2015/Pt/102-A

Dated Dispur, 30th July, 2016

Copy to:

- (1) P.S. to the Chairman, 5th ASFC, Assam for favour of information to the Chairman, 5th ASFC, Assam.
- (2) Prof. Kandarpa Kr. Barman (Retd.) Department of Economics, Jonali, Zoo Road, Ghy-05. Member of 5th ASFC, Assam.
- (3) The Addl. Chief Secretary to the Govt. of Assam, P&RD Department, Member of 5th ASFC, Assam.
- (4) The Commissioner & Secretary to the Govt. of Assam, Urban Development Department, Member of 5th ASFC, Assam
- (5) The Commissioner Secretary to the Govt. of Assam, Gauhati Development Department, Special Invitee of 5th ASFC, Assam.
- (6) P.S. to the Commissioner & Secretary, Finance Department, Member Secretary, 5th ASFC, Assam for favour of information of the Commissioner & Secretary, Finance Department, Member Secretary, 5th ASFC, Assam.
- (7) The Principal Secretary BTC/ KAAC/DHACAssam.

By order etc.



Joint Director,
Finance (Economic Affairs) Department

Members & Officers present in the 4th meeting of 5th ASFC on 12.07.2016 at 10.30 AM in the Office Chamber of Chairman, 5th ASFC (CM Block, Ground Floor)

Sl.No.	Name	Designation
1	V.B. Pyarelal	Addl. Chief Secretary, Finance & P&RD.
2	Ravi Kota	Commissioner & Secretary, Finance Department and UDD, GDD.
3	Hemanta Kr. Dewri	Director, Finance (E.A) Department.
4	Hemen Das	Director, Municipal Administration.
5	Matilal Sarkar	Joint Director, Finance (E.A) Department.
6	Dr. Kandarpa Kr. Barman	Member. 5 th ASFC.
7	B.N. Das	Consultant. 5 th ASFC.
8	Abhijit Dutta	RO, Finance (E.A) Department.
9	Dipak Barman	RO, Finance (E.A) Department.