13

STANDING COMMITTEE ON HOUSING AND URBAN AFFAIRS (2025-26)

EIGHTEENTH LOK SABHA

MINISTRY OF HOUSING AND URBAN AFFAIRS

(DEPARTMENT OF URBAN DEVELOPMENT)

Census Criteria for Defining Urban Areas

THIRTEENTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

September, 2026/Bhadrapada, 1948 (Saka)

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Presented to Speaker on 25.09.2026



LOK SABHA SECRETARIAT
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COMPOSITION OF THE STANDING COMMITTEE ON HOUSING AND URBAN AFFAIRS (2025-26)

Shri Magunta Sreenivasulu Reddy - Chairperson

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1.	**Shri Savin Bansal**	-	**Joint Secretary**
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3.	**Ms. Swati Parwal**	-	**Deputy Secretary**

***** Nominated w.e.f. 03.06.2026 consequent upon retirement of Smt. Kiran Choudhry, MP and Shri Ram Chander Jangra, MP 09.04.2026.

INTRODUCTION

I, the Chairperson of the Standing Committee on Housing and Urban Affairs (2025-26), having been authorized by the Committee, present the Thirteenth Report (18th Lok Sabha) on the subject, 'Census Criteria for Defining Urban Areas' relating to the Department of Urban Development, Ministry of Housing and Urban Affairs.

2. The Committee examined this subject with a view to assessing the adequacy of the existing definition of 'urban' in the context of rapid urbanisation and changing settlement patterns. The Committee focused on the distinction between Census-based and administrative definitions of urban areas, and the need for a definition that more effectively captures the emerging transition from rural to urban areas and facilitates appropriate planning, governance and delivery of urban services.

3. The Committee were briefed on the subject by the representatives of (i) M/o Housing and Urban Affairs, (ii) Registrar General and Census Commissioner of India on 17 October 2025.

4. The Committee wish to express their thanks to the officials of the Ministry of Housing and Urban Affairs and Registrar General and Census Commissioner of India for appearing before them and furnishing the information that were sought in connection with the examination of the subject.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the Officials of Lok Sabha Secretariat attached to the Committee.

6. The Committee considered and adopted Draft Report at their Sitting held on 16 September 2026.

7. For facility of reference, the observations/recommendations of the Committee are highlighted in bold letters in Part II of the Report.

Magunta Sreenivasulu Reddy
Chairperson
Standing Committee on Housing and Urban Affairs

New Delhi;
16 September, 2026
25 Bhadrapada, 1948 (Saka)

REPORT

PART-I

I. INTRODUCTORY

India is experiencing one of the fastest urban transitions globally. The urban population is projected to grow from 377 million (31%) in 2011 to 876 million (53%) by 2050. However, urban areas occupy merely about 3% of total land area while contributing around 60% of the GDP and are expected to contribute approximately 80% of GDP by 2047. This rapid urbanisation brings with it enormous opportunities for growth, accompanied by complex challenges relating to planning, infrastructure, governance and equitable service delivery. Along with rapid urbanisation, there has also been a continuous rural urban migration which is also adding to the urban congestion.

2. The Census of India categories the geographical India into 'rural' and 'urban'. But there exists a mismatch between the Census definition of 'urban' and the administrative definition of 'urban'. This leads to a definitional challenge in India's urban framework. Terms such as statutory towns, census towns and outgrowth areas are used frequently, often interchangeably, across policy circles. However, each carries specific meaning and distinct administrative implications. In the ongoing Census 2027, the existing criteria for defining 'Census Towns' has been retained as used in Census 2011 to ensure comparability.

3. The Committee felt that there is a need to revisit the definition of 'urban' areas in India. As urbanisation does not happen in silos and with the current rapidity with which the physically defined boundaries between 'rural' and 'urban' are increasingly becoming blurred; it is felt that India may face challenges in effectively planning for urbanisation goals if the definition of 'urban' does not evolve with changing settlement patterns. With this objective, the Committee took up the subject for detailed examination and report. In the process, the Committee obtained background materials and took oral evidence and obtained post-evidence written replies from the Ministry of Housing and Urban Affairs (MoHUA) and the Office of Registrar General & Census Commissioner of India (ORGI). Based on the written replies and oral depositions of the Ministry and the Census

Commissioner of India, the Committee have examined various issues pertaining to the subject matter as enumerated in the succeeding paragraphs followed by the Committee' Observations/Recommendations.

II. Existing definition of 'urban'

4. 'Urban' area in India comprises of 'Statutory Towns' (ST) and 'Census Towns' (CT). There are two varying agencies which are defining ST and CT in India.

(i) Census definition of 'urban'- As per the Census of India, 'urban area' constitutes Statutory Towns and Census Towns. The Registrar General and Census Commissioner of India provide the definition of 'Census Towns'. The Census of India applies criteria like population size, density of population and percentage of male work force in non-agriculture sector in identifying urban areas termed as 'Census Towns' at every ten years interval.

(ii) TheStatutory administrative definition of 'urban'- The State Governments notifies the 'Statutory Towns' and thus, decide about the civic status of towns such as municipal corporations, municipality, cantonment board, notified area committee, *etc*. Notifying of the 'Statutory Towns' by the State Governments is not related to census criteria of defining 'Census Towns' or with 'Census Towns' per se.

5. To the question as to why the definition of 'urban' matters, the representative of MoHUA explained as given:

(i) Funds- The definition of 'urban' determines fiscal transfers from the Centre to States and ULBs, and miscalculation can distort allocations;

(ii) Functions and Functionaries- Requirements in urban areas are distinct from those in rural areas (planning, infrastructure, staffing)'

(iii) Frameworks- A standardised definition ensures accurate urban measurement and international comparability;

(iv) Future- Appropriate definitions are needed to capture the rural-urban continuum and peri-urban growth and manage transitions.

6. Highlighting the importance of the definition of 'urban', the Secretary, MoHUA submitted before the Committee:

> "……the way urbanization has evolved in this country, and the rapidity with which it is progressing, has enormous positive consequences, potential for growth, as well as challenges. Sir, even as we stand, going by certain conventional definitions, India is 36 per cent urban.
>
> There are some international definitions, while we have not accepted them, who estimate that we have perhaps already crossed 50 per cent. So, the way we define urban is also going to have implications for policy formulation, for implementation, and for our spatial imagination…."

7. On the issue whether the current definition can capture the true level of urbanisation, the Secretary, MoHUA stated as follows:

> "But as we are all aware, urbanization cannot be captured, in my considered view, by these parameters alone. There are many more aspects, many more definitions that we might need to look at as we go forward. And I'm aware that the Census of India primarily is a demographic exercise, trying to assess population, how much population has evolved, where are people living, what are the various activities. And for us, while the census is very important, as an important data source, we also serve, at the very outset, I would like to submit, we may have to, with the guidance of the hon. Committee, have to evolve parameters that are proxy indicators of urbanization as we go forward. For instance, if we were to take only density as one of the elements, then many of our villages are denser than many cities, because that is the way village sites are established. If we were to take a criterion such as what is the non-farm employment, today more and more increasingly, close to around 40% of female labour force participation is taking place, which also needs to be acknowledged in the future. Third, the phenomenon of migration for livelihood purposes, of youngsters coming to more urban areas for delivering services, for livelihoods, *etc.*, is another thing that is impacting. And also, what is going to be important is the ability of the urban areas to support economic activity. And the economic activity that urban area is capable of supporting, in contrast to rural areas, is that it can support complex activity, where more than one or two or three types of material, inter-dependency on large geographies, where services, goods, materials coming from maybe across the globe can come together and work, which can happen in an urban area, but may not happen in a rural area so efficiently. So, these are the new realities that we have to deal with.
>
> ….I must also admit that our understanding, in my view, is not complete. We are still trying to identify what would be the right parameters."

"If we go by the 'census' definition, in 2011, we had statutory towns which were 4,041 in number constituting 84 per cent of the total urban population. Census towns were 3,892 constituting 15 per cent and urban out growths were 1,031 constituting one per cent."

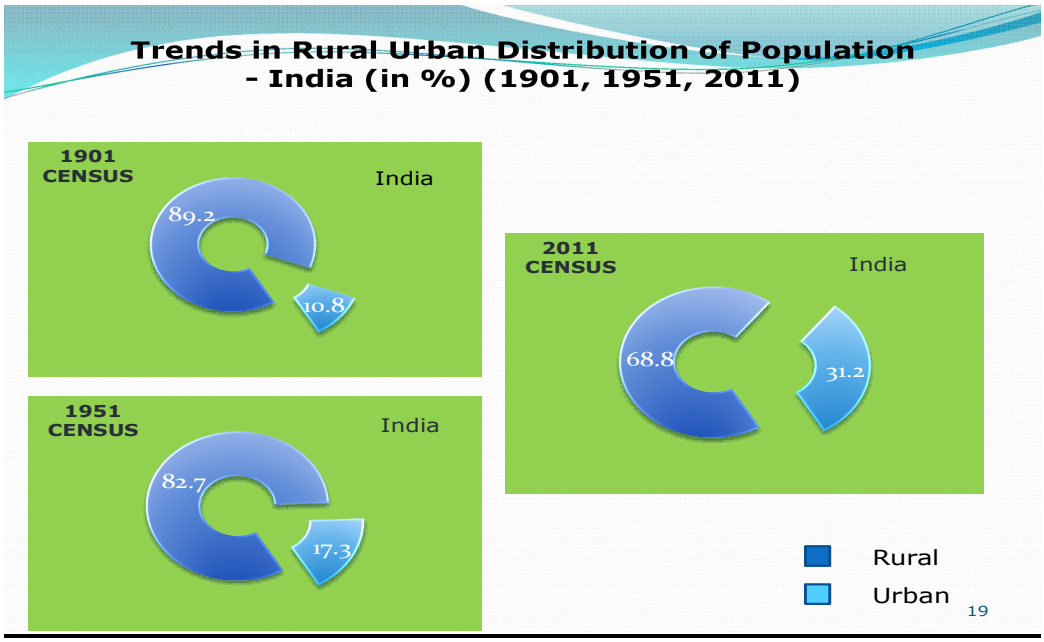
(i) <u>Census Definition of 'urban'</u>

8. The first Census in India was conducted in the year 1872 non-synchronously. In the year 1881, a Census was taken for the entire country simultaneously. Since then, Census has been conducted once in every ten years. The last Census was conducted in 2011. Census 2021 could not be conducted due to worldwide spread of COVID-19. The next Census will be undertaken in 2027 which would be the 16th Census in the country and the 8th since Independence.

9. As regards the Census process, the Census Commissioner apprised the Committee that the main objective of the Census is to ensure that there is no omission or duplication. To achieve this goal, it is imperative to have a robust and updated frame of administrative units at all levels (State, District, Sub-District, Town/Ward/Village). The first step in this direction is updation of jurisdictional changes that have taken place between the freezing dates of previous and upcoming Census. All the State/UT Governments have already been requested not to make any jurisdiction changes from 01.01.2026 to 31.03.2027. After ensuring the updation of all jurisdictional changes, the second step in this direction is rural-urban classification.

10. About the 'rural-urban' classification, the Registrar General & Census Commissioner informed the Committee as under:-

"Census of India follows a dichotomous approach wherein the entire geographical area of the country is classified as either urban or rural."



Source: Census of India 2011 'Rural Urban Distribution of Population (Provisional Population Totals' Dr C. Chandramouli Registrar General & Census Commissioner, India Ministry of Home Affairs New Delhi : 15th July 2011

11. As per the Census of India, urban areas comprise Statutory Towns, Census Towns, Outgrowths and Urban Agglomerations (a combination of Statutory Towns and Outgrowths). Concept and detailed approach of identification of these areas is mentioned in Census Circulars. Census's urban definition considers several features such as demography, density and socio-economic character of the population, as given below:

- **Statutory Towns:** All administrative units that have been defined by statute as urban like Municipal Corporation, Municipality, Cantonment Board, Notified Town Area Committee, Town Panchayat, Nagar Palika, *etc*. irrespective of their demographic characteristics are known as Statutory Town. Further Statutory Towns with population of 1,00,000 and above are categorized as cities.

- **Census Towns** : All villages that satisfy all of the following criteria:
  i. A minimum population of 5,000 persons;
  ii. 75% and above of the male main working population being engaged in non-agricultural pursuits; and
  iii. A density of population of at least 400 persons per sq. km. (1,000 per sq. mile).

•**Outgrowths**: In some cases railway colonies, university campuses, port areas, military camps *etc.*, would have come up near a statutory town outside its statutory limits but within the revenue limits of a village or villages contiguous to the town. Each of these individual areas may not by itself satisfy the criteria to qualify as an independent urban unit but by virtue of its urban features in terms of infrastructure and amenities but it may qualify to be clubbed with the existing towns as their continuous urban spread. While determining the adjoining revenue village as outgrowth of a town, it is ensured that it possesses the urban features in terms of infrastructure and amenities such as pucca roads, electricity, tap water connection, drainage system for disposal of waste water, educational institutions, post offices, medical facilities, banks, etc. Identification of Out Growths is done by joint physical inspection by the officers from Directorate of Census Operations and concerned local authority.

•**Urban Agglomerations**: An Urban Agglomeration is a continuous urban spread constituting a town and its adjoining outgrowths (OGs), or two or more physically contiguous towns together with or without outgrowths of such towns. For identification of Urban Agglomerations following criteria is adopted:

a. The core town or at least one of the constituent towns of an Urban Agglomeration should necessarily be a statutory town; and
b. The total population of an Urban Agglomeration (*i.e.* all the constituents put together) should not be less than 20,000 as per Census 2011."

12. The table given below, as furnished by the Ministry, summaries the types of urban areas and the agencies responsible for defining them.

Urban type	Governance	Definition	Agency	Number (% of Urban population)#
Statutory Towns (STs)	Urban	All Administrative units that have been defined by any statute as urban (i.e. Municipalities/ULBs, CBs, ITS)	State*	4041 **(84%)**

Census Towns (CTs)	Rural	All rural areas with: **Pop. size:** 5,000 or more **Pop. density:** At least 400 persons per sq. km **Non-farm employment:** At least 75% for male main workforce	RGI	3892 **(15%)**
Out Growths (OGs)	Rural	All viable units, such as a village or part of a village, contiguous to a ST and possessing urban features in terms of infrastructure and amenities	State & RGI	1031 **(1%)**

**Cantonment Boards (CBs) are notified by the Central Government.*
 # Percentage to total urban population in 2011 (377 million)

Census Towns

13. Regarding the definition of 'Census Towns', the Registrar General and Census Commissioner submitted before the Committee that there was not any rigid definition of Census Towns in the Censuses of pre-independence era. It basically focused on higher proportion of population engaged in trade and industrial activities and a continuous group of houses. Further, provincial/State Census Superintendents exercised a great deal of discretion in identifying Census Towns in their Province/State. For the first time in Census 1961, rigid criteria were adopted for identification of Census Towns. Census Towns were identified on the basis of a number of empirical tests, along with an additional criterion that the place should, in the opinion of the Superintendent of the State, possess certain pronounced urban characteristics and amenities. However, from the 1981 Census onwards, this criterion was discontinued, and the identification of Census Towns was made purely on objective and empirical grounds.

14. On being asked as to why it was decided to retain the 2011 definition of Census Towns or in fact, the 1981 definition of 'urban' in the ongoing Census, the ORGI replied as under:

> "The definition of a Census Town is kept the same as in Census 2011 to maintain uniformity, comparability, and reliability of data overtime."

15. As per the Census Commissioner, the Census Towns are identified while preparing and updating the frame for Census *i.e.* before taking of Census operations and become the part of urban frame. As a matter of practice, all villages having a population count of 4000 and above in previous Census (expected to cross the population count of 5000 in next Census) and satisfying the other two criteria *i.e.*, population density and economic activity as per data from previous Census are identified as CTs and are included in the urban frame for upcoming Census. It may be pertinent to mention that due to paucity of area figures of villages in absence of cadastral surveys in many North-Eastern States, it is difficult to identify Census Towns as population density cannot be worked out without area figures.

16. The Registrar General & Census Commissioner explained the significance of Census Towns as under:-

a. Census Town serve as an indicator of pre-urbanization, marking a transition phase from rural to urban characteristics.
b. Census Towns (CTs) help the Census of India capture the real extent of urban growth in the country revealing the hidden dimension of India's urbanization, beyond the officially recognized municipalities and corporations.
c. Census Towns often serve as a reference for State/UT authorities when considering areas for notification as Statutory Towns.
d. Various government agencies such as NSSO; Labour Bureau; Ministry of Environment, Forest & Climate Change take Census Towns into account for various surveys and policy making purpose.

17. To provide the Committee a better understanding of the role of Census Towns (CTs), the Registrar General & Census Commissioner explained as given:

> "….as per census2011, which is the last census that we have, rural population was 83.3 crore, about 68.8 per cent, urban population was 37.7 crore about 31.2 per cent, and population in census towns which we talked about is 5.4 crore and share of census towns in India's urban population is about 14.4 per cent. So, this time, we expect this figure would have gone much higher."

18. On being asked as to whether the Indian Census provide an explicit definition of the term 'rural', the reply received from the Registrar General & Census Commissioner is as under: -

"Census of India has a detailed and precise definition for urban areas- covering statutory towns, census towns, and urban agglomerations – anything outside these categories is automatically treated as rural. This avoids ambiguity, keeps the classification simple, and allows states to follow diverse administrative structures without requiring a uniform national definition of rural. It also ensures consistency across censuses."

Rural-Urban Population and share of CTs in India's urban population as per Census 2001 and 2011 (In Million)

(as furnished by the Census Commissioner)

Census Year	**2001**	**2011**
Rural Population	742.0 (72.2 %)	833.1 (68.8%)
Urban Population	286.11 (27.81%)	377.1 (31.2%)
Population in Census Towns	21.0	54.3
Share of CTs in India's Urban Population (%)	7.36%	14.40%

19. Given that many small towns and semi-urban areas no longer rely primarily on agriculture, the Registrar General of India was asked whether the government is considering revising the criteria of requiring 75% of the male workforce to be engaged in non-agricultural work for considering an area as 'urban', the reply received is as given below:-

"Considering the contribution of workers engaged in agriculture sector, using the criterion that 75% of male main workers be engaged in non-agricultural activities appears appropriate for identifying Census Towns."

20. To the query whether built-up density, water and sanitation coverage, and similar indicators which as key markers of urbanization will be considered in the updated definition and the current status of deliberations in this regard, the reply received from the Office of Registrar General & Census Commissioner is given below:

"Census's urban definition considers a number of features such as demography, density and socio-economic character of the population.

Statutory Town refers to any administrative unit legally defined as urban—such as a Municipal Corporation, Municipality, Cantonment Board, Notified Town Area Committee, Town Panchayat, or Nagar Palika—regardless of its demographic characteristics.

Census Towns are villages that meet all of the following criteria: a minimum population of 5,000, at least 75% of the male main working population engaged in non-agricultural pursuits, and a population density of at least 400 persons per sq. km.

Outgrowths (OGs) are areas such as railway colonies, university campuses, port areas, and military camps that lie outside the statutory limits of a town but within the revenue boundaries of contiguous villages; although these areas may not independently qualify as urban units, they possess urban features—such as pucca roads, electricity, water supply, drainage, educational and medical facilities, post offices, and banks—and are therefore treated as part of the town's continuous urban spread.

Urban Agglomeration (UA) is a continuous urban area consisting of a town and its adjoining outgrowths, or two or more physically contiguous towns with or without their outgrowths; for identification, atleast one constituent town must be a statutory town, and the total population of the UA must be at least 20,000 as per Census 2011. UA's are identified by joint inspection carried out be directorate of census operations and concerned state authority."

(ii) <u>Statutory administrative definition of 'urban'</u>

21. Thus, in the preceding paragraphs, it is seen that Census Towns are those areas which are defined as urban by the Census of India but continue to be under rural governance till notified by State Government as Statutory Towns. Thus, for the administrative purposes, these are Statutory Towns which are administered by different types of Urban Local Bodies. Following the enactment of the Seventy-fourth Constitutional Amendment Act, 1992, all the State Governments were required to amend their existing Municipal legislations to sync them with Part IX-A of the Constitution. However, the criteria adopted by State for creation of municipality varies from State to State. Elaborating on this point, the representative of NIUA deposed before the Committee as under:

"…. urban development is a State subject, so we have variation of criteria to identify statutory towns. For example, for municipal corporations, the population size varies from 50,000 in Himachal Pradesh to five lakh in Tripura or West Bengal. Density per sq. km. also varies from 500 to 3,000, non-farm employment from 50 per cent to 85 percent and revenue generated from Rs.2 crore to Rs.6 crore. The municipal corporations also have varied definitions in addition to the

nagar panchayats. Again, following the 74th Constitutional amendment in 1992, we have large urban areas which are basically the municipal corporations, small urban areas with which are the municipal councils and transitional urban areas which are the entry point of urban, which are the town panchayats or nagar panchayats."

22. The distinction between statistical urbanisation and administrative urbanisation has significant implication for planning, financing and delivery of urban services particularly in settlements where urban characteristics have emerged but municipal institutions have yet not been instituted.

Criteria for defining 'Municipality' under various State Municipal Acts

23. Article 243Q of the Indian Constitution dealing with the constitution of Municipalities, provides that:

(1) There shall be constituted in every State,--

(a) a Nagar Panchayat (by whatever name called) for a transitional area, that is to say, an area in transition from a rural area to an urban area.

(b) a Municipal Council for a smaller urban area; and

(c) a Municipal Corporation for a larger urban area,

in accordance with the provisions of this Part:

Provided that a Municipality under this clause may not be constituted in such urban area or part thereof as the Governor may, having regard to the size of the area and the municipal services being provided or proposed to be provided by an industrial establishment in that area and such other factors as he may deem fit, by public notification, specify to be an industrial township.

(2) In this article, 'a transitional area', 'a smaller urban area' or 'a larger urban area' means such area as the Governor may, having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance or such other factors as he may deem fit, specify by public notification for the purposes of this Part.

24. Article 243Q, thus, provides a broad constitutional framework rather than a uniform criterion for declaring areas as transitional, small or large urban areas. This

discretion available to State governments under this constitutional provision has resulted in considerable variation in the criteria adopted by different States.

25. The State-level variations in the identification of Statutory Towns (STs) as submitted by the Ministry is given below:

Type of Municipalities	Population Size (No)	Population Density / Sq. km	Non-farm Employment	Revenue Generated
Municipal Corporation	50,000-5,00,000 (12 states)	500-3,000 (3 states)	50%-85% (6 states)	>2 cr./ p.a to >6 cr./ p.a (2 states)
Municipal Council	5,000-1,50,000 (12 states)	500-1,500 (2 states)	35%-85% (6 states)	>9 lakh/ p.ato>60 lakh/ p.a (2 states)
Nagar Panchayat	2,000-30,000 (13 states)	400-500 (2 states)	25%-85% (6 states)	>5 lakh/ p.a to >40 lakh/ p.a (2 states)

Note: First row in a cell represents the criteria range, based on 15 states which have clear criteria by state law, while the figure in parentheses indicates the number of states.

26. The above variation indicates that there is no uniform administrative threshold for recognising urban areas across States while such flexibility enables States to consider local factors, however, excessive variation leads to differential access to urban governance mechanism and developmental programmes.

27. The State-wise criteria adopted in identifying Statutory Towns (STs) has been summarised by the Ministry as under:

	Only Population (1 Criterion)	**Population and Economic Activities (2 Criteria)**	**Population, Density, Economic Activity (3 Criteria)**	**Population, Density, Economic Activities, Revenue Generation**

				(4 Criteria)
Large Urban Area	**Haryana, Maharashtra** Pop ≥ 3 Lakh Himachal Pradesh Pop ≥ 50,000	**Bihar** Pop ≥ 2,00,000; Employment 75% in non agriculture activity **Sikkim** Pop - ≥ 70,000; Employment 50% in non agriculture activity	**Tripura** Pop - ≥ 5,00,000; Density - ≥ 500/ Sq. Km; Employment 50% in non agriculture activity **West Bengal** Pop - ≥5,00,000; Density - ≥ 3,000/ Sq. km; Employment 75% in non agriculture activity	**Karnataka** Pop: ≥ 3 Lakh Density: ≥3,000 /Sq.km; Employment 50% in non agriculture activity Revenue - Max of ₹6 crore p.a or ₹200 per person p.a
Small Urban Area	**Haryana** Population 50,001-3,00,000 **Jharkhand** Population 40,000 - 1,49,999	**Bihar** Population 40,000-1,99,999 and Employment ≥ 75% in non-farm **Himachal Pradesh** Population >5000 and Revenue ≥ 10 lakh p.a.	**Karnataka** Pop: ≥20,000 to 300,000; Density: ≥1500 /Sq.km; Employment 50% in non farm **Tripura** Pop: >50,000; Density: ≥500 /Sq.km; Employment 50% in non farm	**Telangana** Pop: 40,000 to 300,000 Density: ≥500 /Sq.km; Employment 40% in non farm; Revenue: 60 lakh p.a.
Transitional Urban Area	**Mizoram, Odisha** Population ≥ 10,000 **Tamil Nadu** Population ≥30,000	**Himachal Pradesh** Population >2,000; Revenue >5 lakh / p.a **Maharashtra** Population 10,000 – 25,000; Employment 25% or ≥50% in non-farm depending on proximity to a large town	**Karnataka** Population 10,000 – 19,999; Density ≥400/ Sq. km; Employment ≥ 50% in non-farm **Tripura** Population <50,000; Density ≥500/ Sq. km; Employment > 50% in non-farm	**Telangana** Population ≥20,000-40,000; Density ≥400/ Sq. km; Employment ≥ 25% in non-farm; Revenue 40 lakh per year **West Bengal** Pop ≥30,000; Density ≥750/sq. km; Employment ≥50% in non-agri.

No clear definition (M.Corp, M.Cl, NP) – Andhra Pradesh, Chhattisgarh, Gujarat, Kerala, Madhya Pradesh, Punjab, Rajasthan, Uttarakhand, Manipur, etc. The Governor, may having regard to the population, the density, the revenue generated, the percentage of non- agricultural employment, the economic importance or such other factors as he may deem fit, specify by public notification.

III. Criteria adopted/followed by different countries of the world for defining 'urban'

28. Talking about the criteria and approach adopted for defining 'urban' by various countries around the world, Director, National Institute of Urban Affairs (NIUA) briefed the Committee as given:

> "If we look at the international practices for defining 'urban', we had tried to look at the data provided by the United Nations World Urban Prospects of 2018, which is the latest data. As per that, what comes out through this analysis is that around 70 per cent of the countries use one criterion or two criteria to define 'urban'. In India, as I mentioned, we look at three criteria for determining census towns. There are countries which take into account four criteria, but that is only five per cent. Another five per cent looks at the entire urban population as urban. In 12 countries, or five per cent, there is no definition or clear definition for identifying urban. Three are alternative approaches which have come up. Before I go into that, there are also countries which look at one criterion which is basically administrative or population. Two criteria look at population and density. There are also countries including India which look at population or density and also economic criteria. When we look at alternative approaches, what we find is that international NGOs, researchers have proposed various approaches. One is the functional urban area by the European Union followed by the World Bank which has looked at population size, density and a travel time of 45 minutes to the main city. There are functional urban areas which are using the population density and also the catchment areas of mobile phone data. Researches, United Nations and the European Union's Degree of Urbanisation look at population density, population size and also contiguity of urban settlements. Denis & Marius look at population and contiguity, whereas other researchers look at night light data."

29. Applying the above international criteria and approaches to the Indian context, Director, NIUA further explained as under:

> "When we look at India's urban scenarios under changed criteria in 2011Census, and if we look at only the administration definition, what we find is that we were 26 per cent urban in 2011. If we take into account Census Towns, Statutory Towns and urban outgrowths, we were 31 per cent urban. If we look at only the population size, we were 47 per cent urban. If we look at only the density criteria, we were around 74% per cent urban. If we look at only the economic activity, we were 35 per cent urban. If we look at alternative approaches, as per World Bank Agglomeration Index, we were 55 per cent urban and if we take into account the DEGURBA classification, we were 81 percent urban."

30. Supplementing the above submission, the Secretary, MoHUA made the following observation before the Committee,

> "I just wanted to mention that when we were evaluating the data looking at what is happening, we can see that there is a wide variation in terms of urban, ranging from 81 per cent under the DEGURBA approach to 31 per cent. When we take it up, there is a wide variation. But when we actually evaluate and see how is urbanisation evolving, there is a 'corridorisation' that is happening. We submitted that earlier also. If you look at the map of India, there are broadly eight or nine corridors in which urban areas are densified along the highways, along the infrastructure."

31. It can be seen that such corridor-based urban growth require planning mechanisms that extend beyond existing administrative boundaries.

IV. Conversion of Census Towns (CTs) into Statutory Towns (STs)

32. Census Towns are defined as urban by the Census of India but they remain under rural governance. The Statutory Towns are notified by the States on criteria varying from State to State. The State-wise data on conversion of Census Towns (CTs) into Statutory Towns (STs)during the preceding two Census (2001 and 2011), as furnished by Office of Registrar General of India, is given at **Annexure-I.**

33. As per the data given in the **Annexure-I**, before 2011 Census, out of total 623 new CTs, 16 CTs were notified as STs and 31 CTs were merged with old STs. Similarly, before the 2026 Census, out of the total 2576 new CTs, 175 CTs were notified as STs, 367 CTs merged with old STs and 12 CTs of NCT Delhi will be treated as STs for census purposes. Thus, not many Census Towns are converted into Statutory Towns, indicating a significant gap between census-based identification of urban characteristics and administrative recognition of urban areas.

34. The State-wise data on the number of Urban Local Bodies (Municipal Corporation, Municipal Council and Nagar Panchayat) as provided by the ORGI is given at **Annexure-II.**

35. Recognising that Statutory ULBs facilitate planned urban development, enhanced revenue mobilisation and eligibility to urban development funds and central

assistance, the then Secretary (Ministry of Urban Development) in 2016 requested the Chief Secretaries of 28 States to take immediate and necessary action to convert 3,784 Census Towns into Statutory Urban Local Bodies to promote planned urban development. He stressed that "the opportunity of planned urban development might get lost if unplanned construction and ad hoc provisioning of infrastructure is allowed to take place over a long time." When asked about the outcome of this communication and whether any follow-up action was taken on the matter and if not, then the reasons there for, the MoHUA replied as given:

> "As per the provisions of Article 243 W of the Constitution, in conjunction with the Seventh and Twelfth Schedules, matters relating to urban development fall within the purview of States/Urban Local Bodies. The process of notifying STs rests with the respective State Governments under their statutes in line with powers conferred under Article 243Q of the Constitution, which empowers the Governor to declare an area urban based on factors such as population, density, and non-agricultural employment etc. Further, the identification of STs and CTs is being carried out by the O/o RGI & Census Commissioner during the census survey normally conducted at decadal interval. Therefore, more reliable data related to STs and CTs are captured by the O/o RGI & Census Commissioner.
>
> While MoHUA being a user of the Census data, it includes STs under their Missions/Programmes for central assistance once it is notified and subsequently reported by the concerned State/UT to this Ministry, so that urban developmental activities including provisioning of basic amenities such as water supply, sewerage services etc. in these newly notified STs could be undertaken in planned manner. In this backdrop, then Secretary (UD) highlighted the need for statutory ULBs for planned and coordinated infrastructure development, enhancement of revenues and efficient delivery of services to citizens leading to overall growth of economic activities."

V. Issues with the existing definition of 'urban'

36. Explaining the issues with the definition of 'urban', the representative of the Ministry of Housing and Urban Affairs deposed before the Committee as under:

> "…the old binary of saying rural and urban is no longer adequate – that is the point we are making. It is because that was the approach that was possible perhaps in 60's. It is no longer possible now because of the diversity and complexity of economic activity, particularly the services sector. What do we need to have to define a particular area as urban in terms of its ability to support

large populations, ability of that area to carry through mobility systems large populations and thereby enable them to be functionally efficient?

Frankly, we do not have the full answer. That is why, we were giving the presentation of the complexity. I would like to state a small example. Supposing in the area of transportation alone, we were to say what would be an urban area and what will be a rural area. If I, as a citizen, were living in a rural area, possibly, my need to travel would be three times or four times a day, which will make me functionally efficient. But in a city, I might need to travel several times more than that to become functionally efficient. This means the ability of the city transportation system to enable me to transfer seamlessly and efficiently is much more than in the rural area. So, in a rural area perhaps a bus service of 30 minutes' frequency can be adequate. But in a city like Delhi, with a metro system running, we are trying to run on a five-minute or a six-minute frequency in the Delhi metro system with a 99.96 per cent efficiency of timeliness. Unless that happens, this urban area does not work."

37. Further, elaborating on the subject, the Ministry highlighted the following concerns regarding the existing Census definition of 'urban':

(i) Outdated and Rigid Criteria in a Dynamic Context

- Census definition (since 1971) uses fixed cutoffs — Population ≥ 5,000, Density ≥ 400/sq.km, and ≥75% male main non-farm workers — which no longer reflect today's demographic, economic, or spatial transformations
- Urban characteristics have evolved, but the definition remains static.

(ii) Uniform Thresholds Ignore Regional Diversity

- The Census applies a uniform population threshold (Population ≥ 5,000, Density ≥ 400/sq.km), ignoring state-specific variations (e.g., hilly vs. plain states)
- Hilly states are under-represented—smaller settlements rarely meet the criteria

(iii) Misrepresentation of Population Density

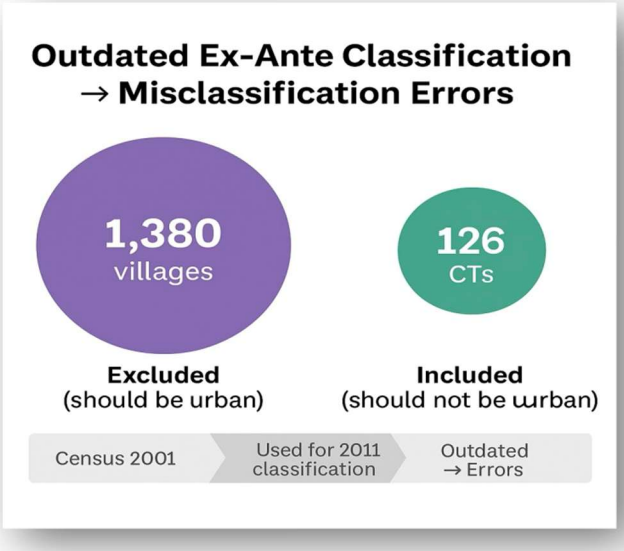
- Current classification uses administrative (revenue) area, not abadi (built-up) area
- This results in underestimation of density and misclassification of settlements

(iv) Gender Bias in Economic Criteria

- The 75% male main non-farm worker rule (since 1971) excludes female participation
- In 1961, total workforce (male + female) was used — current definition is gender-biased

(v) Outdated Ex-Ante Classification

- Rural–urban classification is pre-decided (ex-ante), based on outdated data from the previous Census.
- Leads to exclusion and inclusion errors — e.g., villages meeting urban criteria are missed, and some areas wrongly classified as urban.



(vi) Overlooking Peri-Urban and Transitional Areas

- The Census follows a binary rural–urban classification, leaving out many fast-growing peri-urban areas that function as urban but remain classified as rural.

- This binary framework fails to capture transitional spaces that are central to India's ongoing urban expansion.

38. The Ministry also identified keys issues with the Statutory Towns (STs) definition and summarise them before the Committee as under:

(i) Wide Variation in Population Thresholds across States

- Population thresholds for declaring Statutory Towns vary significantly and often lack coherence.
    - *Transitional areas: 2,000 (Himachal Pradesh) → 30,000 (Tamil Nadu, West Bengal)*
    - *Smaller towns: 5,000 (Himachal Pradesh, Sikkim) → 1.5 lakh (Mizoram)*

- *Larger towns: 50,000 (Himachal Pradesh) → 5 lakh (Mizoram, Tripura, West Bengal)*

(ii) Violations of Declared Criteria

- Many small and transitional towns do not meet population or economic benchmarks but are still declared Urban Local Bodies (ULBs).
- This weakens the integrity and comparability of urban classifications.

(iii) Executive Fiat and Discretionary Decisions

- In several states without explicit Urban Acts, the declaration of urban areas rests on executive discretion
- This leads to arbitrary and politically contested decisions on what becomes or unbecomes urban

(iv) Implications for Governance and Comparability

- Inconsistent criteria and discretionary practices have resulted in divergent interpretations of "urban" across states
- This causes weak comparability, governance overlaps, and uneven policy implementation.

39. Elaborating on how the existing definition of 'urban' is leading to 'governance' challenges, the issues submitted by the Ministry are as under:

(i) Absence of Regional and Functional Planning- Blind Spot

- Urban governance is confined to statutory limits, ignoring Census Towns, peri-urban areas, and growth corridors where most expansion occurs, leading to fragmented and uncoordinated development

(ii) Political and Local Resistance

- Elected representatives and local people resist urban status to retain rural tenure, avoid higher taxes and user charges, and continue accessing rural subsidies and schemes

(iii) Executive Discretion and Legal Inconsistencies

- Urban notifications differ across states, often based on administrative discretion rather than uniform legal norms, undermining transparency and comparability

(iv) Governance and Capacity Gaps

- Many small or newly declared ULBs lack institutional capacity, manpower, and financial strength to deliver urban services effectively

(v) Data Silos and Coordination Challenges

- Data sharing among agencies is limited. The lack of integrated, spatially updated databases constrains evidence-based planning and timely reclassification

40. The Ministry also submitted the following programmatic issues in 'urban' definition before the Committee:

(i) Inconsistent Classification and Funding Exclusion

- Inconsistent recognition of urban areas across states distorts scheme eligibility, funding distribution, and programme design, leaving Census Towns, peri-urban, and transitional areas outside major urban programmes

(ii) Binary Urban–Rural Approach

- Schemes are designed strictly for either rural or urban jurisdictions, ignoring functionally urban settlements, resulting in service gaps and underinvestment in transition zones

(iii) Lack of Programme Convergence

- Central and state schemes often operate independently without coordination

(iv) Weak Link Between Definition and Planning

- Urban classification remains disconnected from development planning cycles, causing misalignment between demographic trends, infrastructure needs, and programme design

(v) Data Gaps for Targeting and Monitoring

- Limited access to granular, geo-coded, and disaggregated data hinders effective programme design

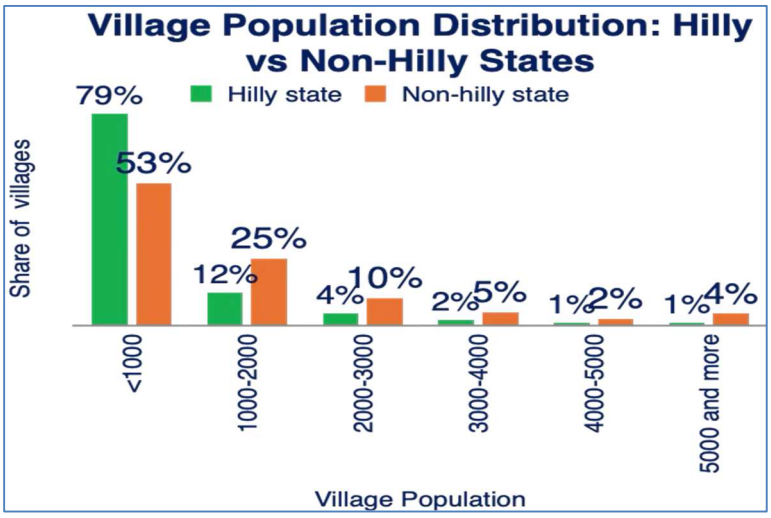
41. The above programmatic related issues highlight the fact that classification of settlements has direct implications for access to infrastructure, centrally sponsored development schemes and other institutional support.

42. From the list of issues submitted by the Ministry of Housing and Urban Affairs mentioned in the preceding paragraphs, some specific issues which require immediate action and greater deliberation have been examined by the Committee in detail in the following paragraphs.

(a) <u>Ignoring regional diversity by setting uniform threshold for declaring Census Towns</u>

43. The representative of the Ministry while elaborating on the issues with the existing definition of 'urban' submitted before the Committee:

> "Here, we see that it is basically the urban characteristics which have evolved so much over the time, but the definition remains static. The second is the uniform threshold which ignores the regional diversity. For example, the hilly States are under-represented. However, the smaller settlements rarely meet the criteria. Say, for example, on the right hand side – the hilly and the non-hilly States – we have actually depicted he figure in terms of the share of the villages. So, for the frequency, say less than 1000 population, is about 80 per cent, which are the villages in the hilly State, and about 53 per cent in the non-hilly States."



44. On being asked the logic for using the same metric for declaring an area as 'Census Town' for both the hilly states like Sikkim and a densely populated plains state like West Bengal. Isn't the 'one-size-fits-all' policy unfair to hilly and sparsely populated states, thereby depriving them of urban development funds, the office of Registrar General and Census Commissioner of India replied as given:

> "This office does not define urban and rural area. For statutory towns, the directorate of Census operations obtains list of all towns as notified by concerned State/UT authority for conducting Census. Regarding Census towns, it is difficult to identify and apply state-wise different objective criteria for identifying census towns due to diverse condition of India. This would also affect comparison of rural-urban data across states."

(b) Gender-bias in the existing definition of 'Census Towns'

45. The 1961 Census was based on the 'total workforce'. Whereas the existing definition covers only 'male main working population'. As per the Periodic Labour Force Survey (PLFS) conducted by National Statistical Office (NSO), overall female Labour Force Participation Rate (LFPR) for persons aged 15 years and above stands at 34.8% in August 2026. Regarding this, the Committee enquired from the Census Commissioner as to why the earlier progressive and inclusive definition was revised and whether it is not desirable to upgrade the existing definition of 'Census Towns' to reflect the contribution of women workforce in urbanisation. The reply provided is as given:

> "1961 की जनगणना से, गैर-कृषि गतिविधि में 75% पुरुष मुख्य कार्यशील आबादी पर विचार करने की अवधारणा थी। 1961, 1971 और उसके बाद की जनगणनाओं में कृषि गतिविधियों की परिभाषा में एकमात्र अंतर यह है कि 1961 और 1971 की जनगणनाओं में, बागान, वानिकी, मछली पकड़ने, लकड़ी काटने आदि जैसी गतिविधियों में कार्यरत पुरुषों को गैर-कृषि गतिविधियों में श्रमिक माना गया और इस प्रकार 75% मानदंड में उनका योगदान था। 1981 के बाद से, इस उद्देश्य के लिए इन गतिविधियों को खेती और कृषि के समान माना जाने लगा।
>
> गैर-कृषि गतिविधियों में महिला श्रमिकों का अनुपात जनगणना नगर तय करने में इसलिए नहीं लिया जाता क्योंकि महिलाओं की काम में भागीदारी सामाजिक कारणों, कम रिपोर्टिंग और अनौपचारिक काम की वजह से जगह-जगह बदलती रहती है। इसीलिए यह शहरी स्वरूप पहचानने का भरोसेमंद माप नहीं माना जाता। इसके बजाय पुरुष मुख्य श्रमिकों का गैर-कृषि काम में हिस्सा एक अधिक स्थिर और स्पष्ट संकेतक माना जाता है।
>
> इसके अलावा, गैर-कृषि कामों में महिलाओं का अनुपात पुरुषों की तुलना में बहुत कम होता है। अगर इसे मानदंड में जोड़ा जाए, तो गैर-कृषि काम करने वाली महिलाओं की कम संख्या से जनगणना नगरों की संख्या और घट जाएगी।"

46. Thus, according to the Census Commissioner of India, the proportion of female workers engaged in non-agricultural activities is not used as a criterion for classifying 'census towns' because female workforce participation fluctuates significantly due to social factors, under-reporting, and the informal nature of the work. Consequently, it is not considered a reliable indicator for identifying urban characteristics. Instead, the

share of male main workers engaged in non-agricultural activities is regarded as a more stable and clearer indicator. Moreover, the proportion of women in non-agricultural work is much lower than that of men. If this were included as a criterion, the number of census towns would decrease further due to the low number of women engaged in non-agricultural employment.

(c) <u>Ex-ante Classification under the existing definition</u>

47. The Ministry in their brief submitted to the Committee has stated that Urban classification in India is determined ex-ante—that is, in advance—based on preceding Census data. According to the Ministry, this results in both inclusion and exclusion errors: many villages that now meet urban characteristics continue to be classified as 'rural', while some areas remain 'urban' despite no longer meeting the prescribed criteria.

48. In this context, the Committee asked the Registrar General and Census Commissioner about the rationale for ex-ante determination of 'urban'. The Census Commissioner submitted as under:

> "The Census of India follows an ex-ante approach for rural-urban classification because an updated and finalized Census frame is required before commencement of Census operations to ensure complete coverage of the population without omission or duplication.
>
> The preparation of the Census frame involves (i) updation of all jurisdictional changes, (ii) rural-urban classification including identification of Census Towns, and (iii) identification of Urban Agglomerations and Outgrowths. These activities are undertaken prior to the conduct of Census so that enumeration blocks, charge boundaries, supervisory jurisdictions, maps, training arrangements and field deployment can be finalized in advance.
>
> This approach is essential for planning and conducting a nation-wide Census in a uniform and time-bound manner."

49. On being asked whether it is true that due to ex-ante classification of 'urban' many villages that now meet urban characteristics continue as 'rural' and whether the Registrar General and Census Commissioner not upgrade villages meeting urban

characteristics as ‘urban’, the reply given by Office of Registrar General and Census Commissioner is as under:

> “Under the existing methodology, some villages which may satisfy the prescribed urban criteria on the basis of data generated during the current Census cannot be classified as Census Towns for that very Census. Similarly, some Census Towns identified on the basis of data from the previous Census may subsequently cease to satisfy one or more criteria but continue to remain Census Towns until the next revision of the Census frame.
>
> This is an inherent consequence of the ex-ante approach followed for preparation of the Census frame. Further, until Census 2011, Census data was collected through paper schedules. Consequently, the processing, coding, and tabulation of worker-related information took lot of time and were time-consuming, resulting in a considerable delay in publication of worker related data. Since the rural and urban population figures were published much before the worker related data, there was no scope for changing the Census Towns related figures.
>
> The present methodology has been followed consistently to ensure stability of the Census frame, uniformity of classification and smooth conduct of Census operations across the country. Though, Census towns are identified based on Census 2011, it may, however, be noted that with the forthcoming digital Census and availability of data in digital form, at the point of release of data, if the data on criteria underpinning Census Towns is digitally available, the Census Towns may be updated.”

50. The Ministry has submitted before the Committee that ‘ex-post urban classification, implemented after data collection using a standardised questionnaire for both rural and urban areas, would improve accuracy while maintaining timelines’. Considering this view, the Committee asked the Registrar General and Census Commissioner whether it is possible to shift to an ex-post classification of areas as ‘rural’ and ‘urban’ in the ongoing Census exercise or to have an ex-post classification of areas after the current Census data is obtained, even though the census exercise has been initiated with ex-ante classification. The reply provided to the Committee is as under:

> “At this stage, it is not feasible to shift to an ex-post classification of areas as ‘rural’ and ‘urban’ for Census 2027.
>
> However, the issue of improving the timeliness and accuracy of identification of Census Towns is being examined in the context of the forthcoming digital Census, wherein availability of data in electronic form may facilitate a review of

existing procedures for future Censuses. Since the ongoing exercise of Census is being done digital means, if the data on criteria underpinning Census Towns is digitally available, the Census Towns may be updated."

(d) <u>Variation in criteria followed by States for notifying 'Statutory Towns'</u>

51. Although the primary focus of this report is the Census definition of 'urban', however, the Committee during detailed examination found that it is the statutory urban areas which are administratively considered as 'urban'. Thus, the inconsistencies in statutory administrative definition of 'urban' have also been examined. The Committee considered it necessary to examine the statutory framework because administrative recognition of urban areas determines government structures, institutional responsibilities and access to urban development programmes.

52. As per the brief provided by the Ministry, the process of identifying Statutory Towns rests with the State Governments, leading to wide variation and inconsistency across the country. While some states specify eligibility criteria such as minimum population, population density, share of non-farm employment, or revenue generation, others lack such statutory provisions and provide broad discretion to the Governor or the State Government. This discretion flows from Article 243Q of the Constitution, which empowers the Governor to declare an area urban based on factors such as population, density, and non-agricultural employment. This has resulted in a discretionary and non-standardised approach to recognising urban settlements.

53. The States do not follow one criterion for declaring an area as 'urban', the criteria vary from State to State. On this, during oral deposition, the Ministry submitted as under:

> "In several States, without explicit Urban Acts, the declaration of urban areas rests on the executive discretion. This leads to arbitrary and politically-contested decisions on what becomes urban or what unbecomes urban. Then, comes the implications for governance and comparability. So, the inconsistent criteria and discretionary practices have resulted in divergent interpretations of 'urban' across the States. Now, this causes weak comparability, governance overlaps, and uneven policy implementation."

54. Elaborating on the issue of significantly varying population thresholds set by different States for declaring Statutory Towns which often lacks coherence, the representative of the Ministry deposed before the Committee as given below:

> "Here, another thing is that many small and transitional towns do not meet the population or economic benchmarks but are still declared Urban Local Bodies. For example, there is a Statutory Town called Haldibari in West Bengal, which has a population of 14,404 but is not meeting the criteria of a Transitional Area. There are 19 such towns also in West Bengal. Chandernagore is another Municipal Corporation, with a population of 1.5 lakh but it does not meet the criteria of 5 lakh of a Municipal Corporation. So, this weakens the integrity and comparability of urban classifications."

55. Further, highlighting the executive discretion in declaring an area as urban, the Ministry submitted as under:

> "Urban notifications differ across the States, often based on administrative discretion rather than uniform legal norms and that undermines the transparency and comparability."

56. The Ministry has recommended for developing national guidelines that could help standardise the declaration of statutory towns and enhance comparability across states. The Committee thus enquired whether the Ministry has held any consultation with the States about developing national guidelines that could help establish criteria for declaration of statutory towns and enhance comparability across states. The Ministry replied submitted as follows:

> "As per 12th Schedule of the Constitution of India, urban planning including town planning is a State subject. Further, Article 243Q of the Constitution provides the constitutional framework for classification of areas as transitional, smaller urban or larger urban areas and vests the authority for such determination with the Governor of the State, having regard to factors specified therein such as population, density, and non-agricultural employment *etc*.
>
> The MoHUA regularly engages with States/UTs through meetings, conferences, workshops and capacity building programmes on issues and challenges related to rapid urbanisation, urban governance, and planning of emerging settlements. Given the diversity of settlements patterns, administrative structures and statutory frameworks across States/UTs, the decision regarding declaration of statutory towns continues to rest with the respective State Governments."

57. It is evident that India's urban transition has created a situation where statistical recognition of urban characteristics and administrative recognition of urban governance do not always occur simultaneously.

(e) <u>Declassification from urban to rural</u>

58. Another issue examined by the Committee relates to declassification of urban areas into rural in some of the States. As per one study on the subject, in Tamil Nadu, in June 2004, 566 town panchayats (small urban local bodies) were reclassified as rural panchayats reportedly due to concerns relating to urban taxation. Declassification from urban to rural is possible in Kerela and in Tamil Nadu but not in all other states. When the Ministry were asked to give the factual position on this, the Ministry submitted as under:

> "As per the provisions of Article 243 W of the Constitution, in conjunction with the Seventh and Twelfth Schedules, matters relating to urban development fall within the purview of States/Urban Local Bodies. The process of notifying STs rests with the State Governments under their respective statutes in line with powers conferred under Article 243Q of the Constitution, which empowers the Governor to declare an area urban based on factors such as population, density, and non-agricultural employment etc. Each State/UT enacted or may enact its local self-government act and framed or may frame their respective rules in line with powers conferred under 74thConstitutional Amendment Act (CAA), 1992, which varies across States/UTs.
>
> For example, in the case of Tamil Nadu, the classification of the Urban Local Bodies (ULBs) shall be reviewed every three years, based on the norms specified in sub-rule (1) Section 3 of Chapter-II under the Tamil Nadu Urban Local Bodies Rules, 2023 framed under Tamil Nadu Urban Local Bodies Act, 1998, which was enacted in line with the 74th CAA, 1992. Similarly, the Kerala Municipality Act, 1994 (KM Act) was enacted in line with the 74th CAA, which has inclusion and exclusion provisions of municipals and municipal area in Section 4 of Chapter-II.
>
> Further as per another study on the subject, in West Bengal and in Kerela, the two states with the highest number of new Census Towns, the provision available in the 74th amendment to have town panchayat or nagar panchayat for transitional urban areas does not exist, which might explain the slow process of municipalisation.

The Kerala Municipality Act, 1994 (KM Act) has the provision of Nagar Panchayat or Town Panchayat for transitional urban area in Section 4 of Chapter-II, while West Bengal as per se has no provision of Nagar Panchayat/Town Panchayat for transitional urban area, but has classification of municipal areas (5 classification) based on population criteria ranging from ≤ 25000 to > than 2 lakh according to Section 7 of the West Bengal Municipal Act, 1993. Further, power to abolish or alter the limits of municipal area are given to State Government under Section 9 of the West Bengal Municipal Act, 1993."

(f) <u>Fails to capture the Rural-urban continuum</u>

59. India's urbanisation is a 'rural-urban continuum'; however, existing Census definition divides it into a rigid 'binary'. Because of this, the peri-urban areas in the periphery of cities neither belong to cities nor to villages and remain deprived of basic infrastructure. The Committee sought to know from the Registrar General and Census Commissioner about our policy to address this 'governance vacuum'. The reply received is stated below:

"This question does not pertain to this office. This office does not define 'rural' and 'urban' areas. For conducting Census, the directorate of Census operations obtains list of all administrative unitsfrom each State/UT authority for conducting Census."

60. When the same question was asked from the Ministry, the written submission made is as under:

"As per the provisions of Article 243 W of the Constitution, in conjunction with the Seventh and Twelfth Schedules, matters relating to urban development fall within the purview of States/Urban Local Bodies. The Government of India supplements the efforts of States/UTs through schematic interventions, policy advisories, and by providing financial and technical support for planned urban development. The Urban and Regional Development Plans Formulation and Implementation (URDPFI) Guidelines, 2014 follow the Census classification framework while also emphasizing integrated planning for urban agglomerations, metropolitan regions, growth corridors and regional development areas. The Guidelines maybe adopted by States/UTs in accordance with their respective Town and Country Planning Acts and related statutory provisions. This Ministry is also promoting GIS-based planning for planning areas covering ULBs, outgrowths and village areas within planning boundaries. This approach facilitates geospatial data integration and evidence-based planning for the identification, monitoring and management of emerging urban growth areas."

61. The Ministry in their brief has highlighted the governance and programmatic gaps stating that urban governance in India remains largely confined to statutory town limits, overlooking peri-urban areas that function as urban. Moreover, many urban schemes exclude these peri-urban settlements, resulting in fragmented planning, weak service delivery, and persistent under investment in transition zones.

62. Therefore, the Ministry has proposed to introduce an additional layer for transitional areas to strengthen the governance and planning of rapidly urbanising regions, an additional category of Transitional Areas may be introduced within the existing settlement classification framework. This layer would capture rural settlements that are urbanising, using a reduced non-farm workforce cut-off (e.g., 51%-75%) to reflect their evolving character.

63. In this regard, the Committee enquired from the Registrar General and Census Commissioner of India whether classification of peri-urban regions using a reduced non-farm workforce cut-off (e.g., 51%-75%) is possible now when the census exercise is already underway. The ORGI reply is stated below:

> "As the Census exercise is already underway, it is not feasible to introduce a new category of "peri-urban" areas or to modify the existing workforce criterion at this stage. Any mid-course change in classification criteria would have significant implications for field operations, training, data collection, processing, tabulation and comparability of Census results."

64. When asked whether this classification of peri-urban regions could subsequently be undertaken using data generated through the ongoing Census exercise, the Ministry submitted that the issue needs to be deliberated among the concerned stakeholders.

65. The Committee further enquired whether proposed peri-urban classification can be done as a post-census exercise with the data obtained through the ongoing census. The reply received from the office of the Registrar General and Census Commissioner of India is as given:

> "The ongoing census is being done by digital means. After finalization of data, Village/town level data for all parameters as per tabulation plan can be made available to ministry of Housing and Urban to undertake post-Census analytical exercises to identify and study peri-urban or transitional settlements using suitable indicators and thresholds."

66. As per the Registrar General of India, the Census Towns are indicative of pre-urbanisation and reveal the hidden dimension of India's urbanisation. The Ministry were asked whether Census Towns can be considered as peri-urban/ transitional areas, the reply given is stated below:

> "The present urbanisation pattern of India encompasses large metropolitan centres, medium and small towns, peri-urban settlements, and "rurban" areas. The governance of these settlements also varies, spanning both formal urban governance and rural governance systems. Census Towns can be considered as peri-urban/transitional areas. However, while Census Towns may be considered transitional areas, the classification should also recognise settlements outside these areas that exhibit urbanising (transitional) characteristics."

(g) <u>Need for smooth Rural-Urban Transition</u>

67. It is seen that due to local resistance, the State Governments are at times unwilling to convert of CTs into STs. This local resistance is due to the fear of higher local taxation, absence of rural employment and poverty alleviation schemes such as G-RAM-G, introduction of urban bylaws and planning devices, *etc*. Cases have been reported where the taxes for various services are collected by the ULB without actually making those services available to the people.

68. To facilitate a smooth rural-to-urban transition, the Ministry has suggested - 'ensuring continuity of local leadership during the conversion of rural areas into urban, allowing existing representatives to serve until the end of their tenure. Introduce urban taxes, user charges, and bye-laws gradually, while maintaining access to rural schemes and benefits during the transition period to prevent disruptions in welfare delivery. Establish State- and Local-Level Transition Units to coordinate planning, finance, and governance, ensuring a seamless and inclusive shift to urban administration.'

69. On this suggestion of the Ministry, the Committee enquired whether the Ministry has held any consultation with the States regarding the proposal of introducing a 'transition period' and related issues, such as the duration of this transition period, the targets to be achieved during this period, nature of collaboration between local governing bodies, etc. The reply furnished by the Ministry is as under:

> "As per the 12th Schedule of the Constitution of India, urban planning including town planning is a State subject. The Ministry has engaged with States/UTs through various consultations, workshops and technical discussions on issues relating to urbanization, planning of emerging settlements and management of peri-urban growth. The Urban and Regional Development Plans Formulation and Implementation (URDPFI) Guidelines, 2014 advocate a hierarchical planning framework comprising Regional Plans, Metropolitan Plans, District Plans and Development Plans to facilitate orderly development of areas experiencing rapid urbanization.
>
> The Ministry has not prescribed any uniform national 'transition period' for Census Towns or other transitional settlements. Given the diversity in demographic characteristics, growth patterns, governance structures and statutory frameworks across States/UTs, a standard transition timeline may not be appropriate. Instead, the Ministry encourages States/UTs to adopt a phased and context-specific approach to planning and infrastructure development through appropriate statutory planning instruments, including Regional Plans and Development Plans, while ensuring coordination among relevant local bodies and planning authorities."

70. The Committee further enquired whether the Ministry has conducted any detailed study on the ensuring a smooth rural-to-urban transition. The response received is as under:

> "The Ministry and its technical organizations, including the Town and Country Planning Organisation (TCPO), have undertaken studies, and consultations from time to time on urbanization trends, spatial planning, urban-rural linkages and management of emerging settlements. The findings generally emphasize integrated planning, provision of infrastructure, strengthening of local institutions, adoption of GIS-based planning tools, and coordinated development of urban-rural regions to facilitate smooth transition from rural to urban areas."

71. During the Sitting on the subject, the Committee were apprised that the Ministry are separately working with the Ministry of Rural Development to provide urban quality of life in non-urban areas located along the eight-nine broad corridors of urbanisation.

The Ministry was asked to elaborate on the proposal and the nature of collaboration envisaged between the two Ministries. The submission made by the Ministry is as under:

> "There are 4041 Statutory Towns (STs) and 3892 Census Towns (CTs) as per Census 2011. Census towns are those villages / Panchayats having a population of 5000 and above, at least 75% of male main working population are employed in non-agricultural activities and density of population is at least 400 persons per sq. km. However, Census Towns are urban in nature (high density of population). Estimated urban population in 2025 is 45-50 crore which is expected to increase to 85-87 crore by 2047. This means an additional urban population of nearly 40 crore people over next 20 years would lead to high density urban areas. This would guide the urban development in two ways - (i) Retrofitting of inner-city core areas / Brownfield development and (ii) Greenfield development – which would be happening in expanding peripheral areas of cities and rural areas. The Greenfield development is expected to cluster along the economic / transit corridors like high-speed rail networks, regional rapid transit systems (RRTS), and major expressways. This would bring urban amenities such as water supply, sanitation & sewerage management, buses for transport services *etc*. to non-urban high-density areas including census towns. Therefore, it would be pertinent to have planned investments around such potential areas for urban water, sanitation and sewerage."

(h) <u>Extension of Central Government Schemes to Census Towns and peri-urban areas</u>

72. During examination of the subject, the Committee noted that the Census Towns and peri-urban areas also confront same urban challenges, such as traffic congestion, garbage, shortage of water, *etc*. as any metro city. But administratively, only 'Statutory Towns' and its population is considered 'urban'. The coverage of various Schemes of the Ministry related to development of urban infrastructure are mostly confined to Statutory Towns administered by Urban Local Bodies (ULBs).

73. While briefing the Committee about the governance-related issues arising from the current definition of 'urban', the representative of the Ministry pointed out the absence of regional and functional planning and stated as under:

> "Urban governance is confined to statutory limits, ignoring the census towns, peri-urban areas, and the growth corridors, where most expansion occurs, leading to fragmented and uncoordinated development.

…… The inconsistent recognition of urban areas across States distorts the scheme eligibility, funding distribution, and programme design, leaving census towns, peri-urban, and transitional areas outside major urban programmes."

74. Thus, Census Towns continue to be administered under the Panchayats unless converted into Statutory Towns. Therefore, the Committee enquired from the Ministry whether the Schemes/ Missions/ Programmes of the Ministry are extended to Census Towns. The reply furnished is given below:

"….. All schemes, missions and programmes of the Ministry are not automatically applicable to Census Towns. The eligibility of any area for assistance under a scheme is governed by the objectives, scope and operational guidelines of the concerned scheme. Since Census Towns continue to be administered by Panchayati Raj Institutions unless notified as statutory towns, their eligibility is determined in accordance with the provisions of the respective scheme.

Under the restructured PM SVANidhi Scheme, the Ministry is covering the Census Towns as well. The Census Towns are not statutory towns and so continue to be under rural local administration."

75. Taking the matter further, the Committee questioned the Ministry on how they plan to implement restructured PM SVANidhi Scheme which is dependent on the implementation of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014 meant to protect the rights of urban street vendors and to regulate street vending activities in urban areas, in the Census Towns governed by Rural Local Body. The methodology provided explained by the Ministry given below:

"The PM SVANidhi Scheme has been extended to Census Towns and peri-urban areas to bring street vendors into the formal financial system and support the growth and stabilization of their businesses through access to institutional credit.

The Scheme adopts a City-Region approach and extends benefit under the scheme seamlessly beyond statutory towns to census towns, peri-urban areas, etc. in a graded manner, thereby creating increased livelihood opportunities.

Peri-urban vendors who carry out vending activities within the jurisdiction of an Urban Local Body (ULB) are issued a Letter of Recommendation (LoR) by the concerned ULB.

In Census Towns, eligible vendors are identified and Letters of Recommendation (LoRs) are issued by the Block Development Officer (BDO), ensuring effective implementation of the Scheme.

Applications are processed through the PM SVANidhi portal in a two-stage process comprising field verification by a Block Level Verification Committee and approval by the Block Development Officer (BDO), who is authorized to issue the Letter of Recommendation (LoR). Upon issuance of the LoR, the application is automatically forwarded to the lending institution for loan processing as per the Scheme guidelines."

76. Drawing inference from the PM SVANidhi Scheme, the Committee asked the Ministry whether they propose to extend the coverage of future Schemes of the Ministry to Census Towns and, if so, what will be the implementation mechanism would be adopted. The reply provided is given below:

"No such proposals are under consideration in this Ministry."

77. The Ministry were asked to give their comments on the suggestion that since urban development is a State subject, instead of establishing a standard framework for defining urban, the Ministry should focus on mechanism for providing urban planning and funding for basic amenities to the transitional towns. The submission made by the Ministry is as follows:

"As per the 12th Schedule of the Constitution of India, urban planning including town planning is a State subject. The Ministry recognizes that rapidly urbanizing settlements, including Census Towns and peri-urban areas, require timely planning interventions to ensure sustainable and orderly growth. The Urban and Regional Development Plans Formulation and Implementation (URDPFI) Guidelines, 2014 advocate an integrated planning framework comprising Regional Plans, Metropolitan Plans, District Plans, Development Plans/Master Plans and Local Area Plans for managing urbanization and rural-urban transitions.

The Guidelines emphasize that planning should be undertaken based on functional economic regions and growth dynamics rather than solely on administrative boundaries. Consequently, many Census Towns, Out Growths and other transitional settlements are already covered under Regional Plans, Development Plans and notified Planning Areas constituted by the respective State Governments. The Ministry, supports strengthening spatial planning, infrastructure provisioning and service delivery in such transitional settlements through appropriate planning mechanisms while respecting the constitutional mandate of States in matters of urban planning and local governance."

(i) Need for Inter-censal surveys

78. The Census is a decadal exercise. A decade is a long time wherein cities undergo lot of transformation. The Ministry, therefore, has suggested for introducing periodic inter-censal surveys to capture rapid urban changes and emerging settlement patterns and also to address the issue of data gaps in targeting and monitoring of various schemes. Limited availability of granular, geo-coded, and disaggregated data hinders effective programme design. According to the Ministry, inter-censal surveys would ensure that policy formulation and programme design are based on timely and updated data, thereby improving the responsiveness of urban planning and governance frameworks.

79. On being asked about the Ministries, Departments, Offices that the Ministry intends to involve or take assistance from for conducting the proposed inter-censal surveys, the reply received is as under:

> "MoHUA, being a user of Census data, the issue of inter-censal surveys, may be deliberated upon among the following suggestive Ministries/Departments:
>
> a. Ministry of Statistics and Programme Implementation (MoSPI)
>
> b. Ministry of Rural Development (MoRD)
>
> c. Office of Registrar General and Census Commissioner of India
>
> d. Indian Space Research Organisation (ISRO)
>
> e. State Departments of Economics and Statistics (DES)
>
> f. State Urban Development Departments/Directorate of Municipal Admiration."

80. The Committee also asked the Ministry whether they intend to seek the services of the Registrar General & Census Commissioner for conducting inter-censal surveys and if so, the reasons thereof. The Ministry's response is given below:

> "MoHUA, being a user of Census data, does not conduct data surveys, as the same are being carried out by O/o RGI & Census Commissioner and MoSPI or any other data generative Ministries/Departments."

81. The comments of the Registrar General & Census Commissioner were sought on the above suggestion of the Ministry and whether would be possible for the RGI to conduct or assist in inter-censal surveys as suggested by the Ministry. The reply furnished is as under:

> "The Census of India is a statutory exercise conducted under the provisions of the Census Act, 1948 and is designed to provide comprehensive demographic, social and economic data for the entire country in a specified interval. The primary mandate of the Registrar General and Census Commissioner of India (RGI) is the conduct of the Census and related statutory functions.
>
> The suggestion of conducting periodic inter-censal surveys for capturing rapid urban changes is a policy matter that may be examined separately by the Government. However, such surveys are distinct from the Census in terms of objectives, methodology, coverage and legal framework."

82. On the stated subject, the office of Registrar General and Census Commissioner further submitted as under:

> "जनगणना एक दशकीय प्रक्रिया है।.....विभिन्न मंत्रालयों जैसे सांख्यिकी और कार्यक्रम कार्यान्वयन मंत्रालय, स्वास्थ्य और कल्याण मंत्रालय आदि, द्वारा जनगणना ढ़ांचे का उपयोग करके अंतर-जनगणना अवधि के दौरान विभिन्न सर्वेक्षण किये जाते हैं।"

83. The Ministry during the briefing on the subject "Review of Slums Re-development and Re-settlement Initiatives of MoHUA", submitted before the Committee that to have more regular and more granular data on slums, besides the Census and NSO survey data, they are working with Ministry of Statistics and Programme Implementation (MoSPI) to generate granular data on slums at every two years. When asked whether the Ministry, on the similar lines, can collaborate with MoSPI to formulate a mechanism for collection and generation of inter-censal data needed by them, the answer received is given below:

> "….the issue to formulate a mechanism for collection and generation of inter-censal data is required to be deliberated among the concerned stakeholders."

(j) Consultations held on revisiting the definition of 'Census Towns'

84. Since several issues relating to the existing definition of 'Census Towns' were highlighted before the Committee by the Ministry, the Committee were keen to know whether any consultation had taken place between the Ministry and the Registrar General and Census Commissioner of India regarding the definition of 'Census Towns'. The information received from the Ministry and ORGI is discussed in the following paragraphs.

85. The Registrar General of India (RGI) apprised the Committee in writing that consultation with Ministry of Housing and Urban Affairs (MoHUA) and Ministry of Labour & Employment (MoL&E) was held in 2024. After discussion, opinion of the participants was solicited on the following issues:

i. Change in Population and Population Density thresholds used to define a Census Town.
ii. Inclusion of female workforce engaged in non-agricultural pursuits in addition to the male workforce in the criteria for defining the Census town.
iii. Inclusion of marginal workforce in addition to the main workforce in the criteria for defining the Census town.
iv. Adoption of a new concept of Degree of urbanisation for classification of area while keeping existing dichotomous classification of Rural-Urban intact.

86. It was further stated that the Ministry *vide* an OM dated 23.02.2024, suggested adopting a differential criteria approach for identifying Census Towns across the country and to reducing the population and population density thresholds for North-Eastern States/Hilly areas. However, objective criteria were not provided by the Ministry.

87. A copy of the OM dated 23.02.2024 *vide* which the views/observations of the Ministry were conveyed to O/o RGI & Census Commissioner on their request, is placed at **Annexure-III**. The Ministry, in a written submission, stated that since the views/observations were conveyed on the request of O/o RGI & Census Commissioner, therefore, the question of the Ministry receiving any communication/reply from the RGI on the suggestions made does not arise.

88. It emerges that O/o RGI &Census Commissioner received certain suggestions from MoHUA on the criteria to identify Census Towns *vide* an OM dated 23.02.2024 and found the criteria suggested by the Ministry not be objective. But then this observation was neither communicated to the Ministry nor were they asked to suggest some objective criteria for identifying Census Town. In fact, the Office of Registrar General clarified to the Committee that no further consultation with MoHUA was undertaken on the aforesaid suggestion given by them.

89. However, the Ministry subsequently, in collaboration with the NIUA, initiated a series of expert consultations between 2024 and 2025. The process included a Working Group on the Transition System for the Rural–Urban Continuum (November 2024), which explored frameworks for identifying and managing transitional zones. This was followed by an Expert Consultation on the Definition of "Urban" (September 2025) which examined the limitations of the existing Census definition and proposed alternative criteria.

90. The key findings and outcomes of the consultation organised by MoHUA in hybrid mode on 25th September 2025, with experts focussed on policy and administrative impacts of revising India's urban definition, as submitted by the Ministry are given below:

> "A consultation meeting was organised by MoHUA in collaboration with National Institute of Urban Affairs (NIUA) on 25 September 2025 wherein the policy implications of the existing 'Census' definition of urban areas and to explore possible directions for future reforms were deliberated upon by officials from this Ministry with NIUA and experts from various institutes/organisations like South Asian University, Institute of Human Developments and Institute for Social and Economic Change. The following suggestions emerged out from this consultation meeting:
>
> - A regional approach framework may be adopted that would support coordinated planning, ensure service standards, and strengthen regional management.
> - The adoption of a digital Census with geo-coded granular data offers MoHUA an opportunity to collaborate with the Registrar General of India (RGI) for improved access to data, enabling better understanding of density, commuting and migration for effective policy design and formulation of schemes/programmes.

- Need-based and eligibility-based access of urban services/programmes by recognizing urban influence zones.
- Explore the possibility of inter-censal surveys in consultation with concerned stakeholders, including lightweight biennial city-level house-listing, to track fast-changing settlements and monitor slums, rental/ownership patterns, and service delivery.

As current schemes operate only within statutory limits, corridor-based approaches can be explored."

91. The key findings and outcomes of the consultation organised by MoHUA & NIUA at Vigyan Bhawan on 8th October 2025 with experts focussed on integrating urban peri-urban areas into metropolitan city planning frameworks, as provided by the Ministry is given below:

"In observance of World Habitat Day, 2025, a series of technical sessions was organised by MoHUA and NIUA at Vigyan Bhawan on 8th October, 2025 in collaboration with UN-Habitat that provided a valuable platform to exchange ideas, share experiences and envision pathway toward sustainable urban future. As part of the celebrations, three technical sessions were organised i.e. Integration of Urban and Peri-urban Areas; Understanding and Responding to Urban Flooding; and Equitable Cities wherein diverse experts and panellist like policy makers, academia, expert from UN Habitat *etc*. across three sessions deliberated on pressing challenges of urbanisation. Following suggestions were emerged from these deliberations:

- There is a need to have a flexible and evidence-based framework for identifying peri-urban areas using indicators such as population density, proximity to urban centres, land-use dynamics, infrastructure access, and economic activity.
- Need to guide states in the classification, planning, financing and governance of transitional areas; while allowing for regional flexibility and adaptation.
- States should proactively identify and designate transition zones within their planning frameworks and prepare time-bound urban expansion plans that clearly demarcate roads (Rights of Way), public spaces, and essential infrastructure.
- Need to have an open peri-urban observatories with real-time dashboards to monitor growth, ecology, infrastructure, and finance.
- Introduce a clearly defined Transition Period for Rural Local Bodies (RLBs) that are in the process of merging with or transitioning into ULBs.

- Funding for transitional areas needs to come from multiple sources, including the convergence of existing schemes, co-financing models, and gap funding from state governments. Additionally, the Central Finance Commission may earmark dedicated funds for these areas, recognising their economic importance, as many economic activities often take place outside the municipal boundaries of cities.

- Effective peri-urban management requires collaboration between ULBs and RLBs. Integrated planning ensures these adjacent areas benefit mutually from coordinated policies.

- Strengthening the capacities of officials and elected representatives managing peri-urban areas is essential for effective governance."

92. As per the information furnished by the Ministry, these expert consultations were conducted by the Ministry after the suggestions sent to RGI *vide* OM dated 23.02.2024. The Ministry were asked whether the findings, learnings, recommendations emerging from these expert consultations were shared with the RGI. The written reply submitted to the Committee is as under:

> "As elucidated above, the experts from diverse groups deliberated on pressing challenges of urbanisation to envision the pathway for sustainable urban future. The findings/learnings from the consultations were already presented before the Standing Committee meeting (17.10.2025) in which representative of RGI was present. A copy of presentation made by MoHUA during the meeting was shared with the representative of RGI."

93. To the question whether MoHUA had expressed any disagreement regarding the existing definition of Census Towns or the rigid binary classification of country into 'rural' and 'urban' followed by the Census of India and whether the Registrar General and Census Commissioner of India had undertaken any further consultation with MoHUA after the 23rd February 2024 communication, the ORGI responded as under:

> "No, the Ministry of Housing and Urban Affairs did not express any disagreement with the existing definition of Census Towns or with the dichotomous rural-urban classification followed by the Census of India after 23rd February 2024."

94. To the query whether the Registrar General and Census Commissioner of India is considering updating the definition of 'urban' by including additional factors or criteria,

and if so, details of consultations, expert discussions, or committee deliberations held on this matter, the reply received is as given:

> "…. this office is at advance stage regarding preparation for Census 2027. The freezing date for all administrative units *i.e.* 01.01.2026 has already been communicated to all States/UTs so that list of all administrative units can be finalized well before the start of first phase of Census 2027. As it may affect the on-going Census preparatory work, it will be difficult to change the definition of Census town, at this moment."

95. When asked whether a permanent coordination platform would be established to address issue relating to 'data silos' and lack of coordination among the Registrar General and Census Commissioner of India, MoHUA and other state governments, the Registrar General of India responded as under:

> "महापंजीयक तथा जनगणना आयुक्त का कार्यालय जनगणना के प्रश्नों और कार्यप्रणाली को अंतिम रूप देने के लिए संबंधित मंत्रालयों, सरकारी विभागों, डेटा उपयोगकर्ताओं, विभिन्न संस्थानों आदि के साथ परामर्श करता है। इसके अलावा, सभी राज्यों/केंद्रशासित प्रदेशों में जनगणना का कार्यान्वयन संबंधित राज्य/केंद्रशासित प्रदेश सरकार द्वारा किया जाता है।"

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PART-II

OBSERVATIONS/RECOMMENDATIONS

1. Review and Rationalization of the Definition of 'Urban' in India

India is experiencing one of the fastest urban transitions globally. The urban population is projected to grow from 377 million (31%) in 2011 to 876 million (53%) by 2050. This urban population is concentrated in merely about 3% of total land area of the country. Along with rapid urbanisation, there has also been a continuous rural urban migration which is also adding to the urban congestion. It is in this backdrop that the Committee have examined the definition of 'urban'.

The Committee, having heard the different stakeholder on the subject, acknowledge that the existing definition of 'urban' needs revisiting as suggested by the Ministry of Housing and Urban Affairs to capture the evolving nature and actual scale of urbanization in India and to enable timely policy interventions. Interestingly, the definition of 'urban' in India operates through two distinct dimensions. One emanating from the Census which provides the demographic demarcation of urban areas and the other gives the statutory administrative demarcation of urban areas flowing from the State Municipal Acts or orders.It is not that the 'Census Towns' are invariably converted to 'Statutory Towns'. Consequently, 14.4 percent of India's urban population out of the total urban population of 37.7 crore in 2011 continue to remain under the administrative control of Rural Local bodies despite being classified as 'urban' population under the Census.

The Registrar General and Census Commissioner of India deposed before the Committee that this office is at advance stage regarding preparation for Census 2027. The freezing date for all administrative units *i.e.* 01.01.2026 has already been communicated to all States/UTs so that list of all administrative units can be finalized well before the start of first phase of Census 2027. As it may affect the

on-going Census preparatory work, it will be difficult to change the definition of Census town, at this moment. The Committee agree with the view and feel that at this juncture while the Census 2027 exercise has already begun, it would not be advisable to suggest changes to the criteria set for defining 'Census Towns' which pre-dates to 1981 and falls short of addressing the current dynamics of urbanization.

Further, in the process of examination of the subject, the Committee also observed that the Census Towns recognized by the Census of India are neither governed by Urban Local Bodies nor automatically covered under the Schemes and Programmes of MoHUA. Nonetheless, the Census data forms the primary and authentic data which assists in gauging both actual urbanization and its trends in India.

The Committee, thus, observe that the issue of defining urban areas cannot be treated merely as a statistical exercise. It must be examined from the perspective of social justice, gender equality, decentralisation and the constitutional rights of ordinary people.

2. <u>Making the definition of Census Towns 'gender inclusive'</u>

The existing criteria for identifying Census Towns, particularly the requirement that75 per cent of the male main working population should be engaged in non-agricultural activities, require urgent reconsideration. According to the Census Commissioner of India, the proportion of female workers engaged in non-agricultural activities is not used as a criterion for classifying 'census towns' because female workforce participation fluctuates significantly due to social factors, under-reporting, and the informal nature of the work. Consequently, it is not considered a reliable indicator for identifying urban characteristics. Instead, the share of male main workers engaged in non-agricultural activities is regarded as a more stable and clearer indicator. Moreover, the proportion of women in non-agricultural work is much lower than that of men. If this were included as a

criterion, the number of census towns would decrease further due to the low number of women engaged in non-agricultural employment.

The Committee are of the view that this criterion is based on a male-centric understanding of work and does not adequately reflect the growing participation of women in economic activities. It also fails to capture the contribution of women engaged in self-employment, informal work, home-based work, service-sector activities and other forms of employment that are often undercounted.

Female labour force participation has been steadily increasing. As per the data referred to in the Committee's discussions, female Labour Force Participation Rate for persons aged 15 years and above stood at 34.8 per cent in August, 2026. In this context, continuing with a criterion based exclusively on male main workers would not reflect the changing socio-economic realities of India.

The Ministry are therefore advised to commission a focused study to revise the gender-biased criterion and develop a gender-inclusive methodology for identifying urban areas. The revised methodology should recognise the entire workforce, including women workers, self-employed persons, informal workers, home-based workers, migrant workers and those engaged in emerging service and digital-sector activities. A gender audit of Census definitions and data collection procedures may also be undertaken to identify and address systematic undercounting of women's work.

3. <u>Emphasis on conversion of eligible Census Towns into Statutory Towns</u>

As per the Census 2011 data, there were 2576 new Census Towns, thereby taking the total count of Census Towns to 3,892. Out of this, only 175 Census Towns have been notified into Statutory Towns, 367 Census Towns merged with existing Statutory Towns and 12 Census Towns of NCT Delhi will be treated as part of Statutory Towns in the ongoing census exercise for census purposes. Therefore, as of now, there are more than 3,000 Census Towns that continue to remain

under the administrative control of Rural Local Body (RLB) despite exhibiting urban characteristics as per the criteria prescribed by the RGI&CC.

The Committee observe that Census Towns represent settlements which have undergone significant socio-economic transformation but continue to be governed through rural administrative structures unless notified as Statutory Towns by the respective State Governments. This difference between demographic recognition and administrative status deprives them of planned urban development, enhanced revenues and more particularly, timely intervention in terms of Central schemes and funds.

The Committee note that in 2016, the then Secretary of the Ministry of Urban Development has requested the Chief Secretaries of all the States to take immediate and necessary action for conversion of 3,784 Census Towns into Statutory Urban Local Bodies to promote planned urban development, emphasizing that the opportunity of planned urban development, and had highlighted delayed action may result in unplanned construction and ad hoc infrastructure development.

The Committee, therefore, are of the strong opinion that more and more Census Towns be recognized as 'Statutory Towns' so that urban amenities could be extended to these Towns. Conversion of Census Towns into Statutory Towns is also needed to check the rural-urban migration. The Committee, thus, recommend that after the release of Census 2027 data, the Ministry should again engage with States/UTs to examine the feasibility of converting eligible Census Towns into Statutory Urban Local Bodies so that planned urban development, infrastructure provisioning and effective delivery of services can be ensured. The thrust should be on developing new Towns and Model Township on the outskirts of city. The Committee further recommend that an updated database regarding the status of conversion of Census Towns into Statutory Towns may be maintained in coordination with States/UTs.

4. Consultation with States/UTs to rationalize criteria for 'Statutory Towns'

A Statutory Town refers to any administrative unit legally defined as urban—such as a Municipal Corporation, Municipality, Cantonment Board, Notified Town Area Committee, Town Panchayat, or Nagar Palika—regardless of its demographic characteristics. Article 243Q of the Indian Constitution empowers the Governor to declare an area as 'urban' based on factors such as population, density, and non-agricultural employment, *etc*. The discretionary power of the Governor and the absence of legislation determining the criteria for declaring 'municipality' in several States has resulted in a discretionary and non-standardised approach to recognising urban settlements. The States do not follow one criterion for declaring an area as 'urban'; the criteria vary from State to State.

The Committee observe that States follow different criteria for declaring Statutory Towns, while some States prescribed parameters relating to population density, economic activity or revenue generation, others provide greater discretion to administrative authorities. Such variations have resulted in inconsistent recognition of urban settlements across States.

The Committee trust that where the Census definition is largely seen as an indicator of urbanisation, it is actually the statutory definition of 'urban' which counts for administrative and policy purposes. Therefore, it is the administrative definition of 'urban' that requires greater scrutiny, rationalization and review in order to gauge the actual urbanization in India, and for ensuring effective governance and policy implementation.

The Committee therefore, are of the view that such wide variation in the parameters adopted by the States for determining a 'Statutory Town' affect the true depiction of urbanisation in India and may create challenges in planning and programme implementation. At the same time, a uniform national threshold may not adequately reflect the diverse settlement patterns and socio-economic realities of different States. The criteria should therefore be flexible, evidence-

based and sensitive to regional conditions without compromising transparency and comparability.

The Committee, thus recommend that the Ministry must initiate consultations with all the States and Union Territories to explore the feasibility of developing national guidelines that could help rationalise the criteria for notifying 'Statutory Towns' and enhance comparability across states, while giving due regard to the constitutional powers of States in matters relating to urban governance.

5. <u>Recognizing Census Towns as 'transitional areas'</u>

The Registrar General & Census Commissioner of India informed the Committee that Census Town serve as an indicator of pre-urbanization, marking a transition phase from rural to urban characteristics. Further, Census Towns (CTs) help the Census of India capture the real extent of urban growth in the country revealing the hidden dimension of India's urbanization, beyond the officially recognized municipalities and corporations.

As regards consideration of Census Towns as peri-urban/transitional areas, the Ministry has informed that the present urbanisation pattern of India encompasses large metropolitan centres, medium and small towns, peri-urban settlements, and "rurban" areas. The governance of these settlements also varies, spanning both formal urban governance and rural governance systems. Census Towns can be considered as peri-urban/transitional areas.

The Committee also agree and are of the view that the Census Towns should be treated as 'transitional areas' for administrative purposes. The Committee, therefore, recommend that the Ministry should after consulting all the stakeholders, take the initiative of declaring the Census Towns as 'transitional areas' so that they get the required policy focus and intervention.

6. Need for guidelines for smooth rural-urban transition

The Committee note that there is considerable local resistance to the conversion of Rural Local Bodies into Urban Local Bodies, primarily due to apprehensions regarding higher local taxation, loss of access to rural employment and poverty alleviation schemes such as G-RAM-G, and the introduction of urban bye-laws, planning regulations and other statutory requirements. Consequently, State Governments may, at times, be reluctant to convert Census Towns into Statutory Towns. The Committee have also been apprised of instances where Urban Local Bodies (ULBs) have levied and collected taxes for various services without ensuring the actual provision of such services to the people.

To address these concerns and facilitate a smooth and orderly rural-to-urban transition, the Committee agree with the suggestion of the Ministry regarding the continuity of local leadership during the process of conversion of rural areas into urban areas, including allowing the existing elected representatives to continue in office until the completion of their tenure. The Committee further recommend that urban taxes, user charges and bye-laws be introduced in a phased manner, while ensuring continued access to rural schemes and benefits during the transition period so as to avoid any disruption in the delivery of welfare services. The Committee also recommend the establishment of State- and Local-Level Transition Units to coordinate planning, financing and governance, to facilitate a seamless, inclusive and well-managed transition to urban administration.

The Ministry has further submitted that given the diversity in demographic characteristics, growth patterns, governance structures and statutory frameworks across States/UTs, prescribing a uniform transition timeline may not be appropriate for Census Towns and other transitional settlements. The Ministry has accordingly encouraged States/UTs to adopt a phased and context-specific approach to planning and infrastructure development through appropriate statutory planning instruments, including Regional Plans and Development Plans,

while ensuring effective coordination among the concerned local bodies and planning authorities.

While appreciating the suggestions made by the Ministry, the Committee are of the view that, in light of the tardy pace of conversion of Census Towns into Statutory Towns, with several such conversions remaining pending for decades, it would not be advisable to leave the 'transition period' undefined or entirely to the discretion of the States/UTs. The Committee, therefore, recommend that the Ministry, in consultation with the States and Union Territories, devise an overarching framework prescribing broad, step-by-step phases for the transition of a Rural Local Body into an administratively 'urban' area. Each phase should be clearly defined and measurable so that the progress of transition can be objectively assessed and quantified. The framework should also prescribe a maximum time period within which the transition is to be completed and it should also be ensured that this transition is accomplished before the next Census exercise. The Committee further emphasise that there should be active coordination between the State Government and the local self-governing bodies and constant monitoring by the Centre so that India's urbanisation is achieved in the desired manner.

7. <u>Developing a time-bound national frameworkfor the planned development of Census Towns and peri-urban regions</u>

Another serious concern of the Committee is the exclusion of Census Towns and peri-urban settlements from the institutional and financial framework of urban governance. The Committee note that the Census Towns and peri-urban areas are also facing urban challenges such as traffic congestion, inadequate waste management and water shortages, much like any Statutory Town or metropolitan area. However, from an administrative perspective, only 'Statutory Towns' and their population are recognised as 'urban'. Consequently, the coverage of various schemes of the Ministry relating to urban infrastructure and development is largely confined to Statutory Towns administered by Urban Local Bodies (ULBs).

Census Towns are, therefore, often deprived of the comprehensive urban planning, financial resources and technical capacities required to address the challenges associated with rapid urbanisation. The absence of timely and integrated planning may result in haphazard and unplanned growth, leading to housing congestion, inefficient use of resources, inadequate waste management, pollution, serious service gaps, inequality in access to basic facilities and other associated urban challenges.

The Ministry, in this regard, informed the Committee that urban governance is generally confined to statutory municipal limits, thereby leaving Census Towns, peri-urban areas and growth corridors—where a substantial proportion of urban expansion takes place—outside a coordinated urban governance framework. The inconsistent recognition of urban areas across States also affects scheme eligibility, distribution of funds and programme design, resulting in Census Towns, peri-urban areas and transitional settlements being left outside several major urban development programmes. The Committee note that all schemes, missions and programmes of the Ministry are not automatically applicable to Census Towns, as the eligibility of an area for assistance under any particular scheme is determined by the objectives, scope and operational guidelines of that scheme. Since Census Towns continue to be administered by Panchayati Raj Institutions unless they are notified as Statutory Towns, their eligibility for various schemes is accordingly determined in accordance with the provisions of the respective schemes.

The Committee observe that the Ministry has, however, extended the restructured PM SVANidhi Scheme to Census Towns. In Census Towns, eligible street vendors are identified and Letters of Recommendation (LoRs) are issued by the Block Development Officer (BDO), thereby facilitating the effective implementation of the Scheme.

The Committee opine that the present approach risks creating a situation where the Government recognises urbanisation in official statistics but does not extend

corresponding governance structures, public services and financial support to the people living in these settlements. Such an approach will deepen the crisis of unplanned urbanisation and place an unfair burden on working-class and low-income households.

In this regard, the Committee are of the view that the approach adopted under the restructured PM SVANidhi Scheme provides a useful precedent for extending the benefits of urban development interventions to Census Towns. The Committee, therefore, recommend that the Ministry, in consultation with the States and UTs, develop a time-bound national framework for the planned development of Census Towns and peri-urban regionswherein rural-urban linkages are closely integrated so that these regions are developed as a 'Visionary Towns' with all basic urban infrastructure. Such a framework should provide for transitional administrative arrangements and dedicated financial assistance. Urban classification should not become a pretext for denying welfare benefits. Census Towns and peri-urban settlements must be made eligible for relevant urban development programmes, including housing, sanitation, drinking water, public transport, livelihood support and climate-resilient infrastructure. The Ministry must ensure that statistical recognition of urbanisation is accompanied by financial devolution and institutional responsibility.

8. <u>Need to device procedure for conducting inter-censal surveys</u>

The Committee note that the Census is a decennial exercise and that a period of ten years is sufficiently long for cities and settlements to undergo significant demographic, spatial and socio-economic transformation. The Ministry has, therefore, suggested before the Committee the introduction of periodic inter-censal surveys to capture rapid changes in urbanisation and emerging settlement patterns, as well as to address data gaps in the targeting, implementation and monitoring of various schemes and programmes. The Committee further note that limited availability of granular, geo-coded and disaggregated data poses challenges for effective programme design and evidence-based urban planning.

The Ministry has accordingly emphasised that inter-censal surveys would provide timely and updated information, thereby enabling more responsive policy formulation, programme design and urban governance.

Regarding the modalities for conducting such surveys, the Ministry stated that being a user of Census data, it does not undertake such surveys, which are generally conducted by the Office of the Registrar General and Census Commissioner of India (RGI), the Ministry of Statistics and Programme Implementation (MoSPI) or other data-generating Ministries/Departments. The Registrar General and Census Commissioner of India (RGI) has, however, informed the Committee that its primary mandate is to conduct the Census and discharge related statutory functions. It has further stated that the proposal for conducting periodic inter-censal surveys to capture rapid urban changes is a policy matter which may be examined separately by the Government, and that such surveys would be distinct from the Census in terms of their objectives, methodology, coverage and legal framework.

The Ministry has further suggested that the feasibility and modalities of conducting inter-censal surveys may be deliberated upon by the concerned Ministries/Departments and organisations, including:

(a) Ministry of Statistics and Programme Implementation (MoSPI);
(b) Ministry of Rural Development (MoRD);
(c) Office of the Registrar General and Census Commissioner of India;
(d) Indian Space Research Organisation (ISRO);
(e) State Departments of Economics and Statistics (DES); and
(f)State Urban Development Departments/Directorates of Municipal Administration.

The Committee welcome the suggestion of the Ministry for undertaking periodic inter-censal surveys and recognise the importance of timely, reliable and disaggregated data for effective urban planning, policy formulation and implementation of development programmes. The Committee, therefore, recommend that the Ministry, in consultation with the Office of the Registrar General and Census Commissioner of India and other concerned

Ministries/Departments and organisations, examine the feasibility of instituting periodic inter-censal surveys for capturing changes in urbanisation, emerging settlement patterns and other relevant urban indicators. The Committee further recommend that, based on the outcome of such consultations, the Ministry take necessary steps for establishing an appropriate institutional mechanism and modalities for undertaking such surveys, so as to ensure that urban planning and policy interventions are informed by timely and updated data.

9. <u>Need for consultation and coordination between MoHUA and RGI over the definition of 'Census Towns'</u>

The Committee note that, in 2024, the Registrar General and Census Commissioner of India (RGI) held consultations with the Ministry of Housing and Urban Affairs (MoHUA) and the Ministry of Labour & Employment (MoL&E) regarding the criteria for defining 'Census Towns' and the broader definition of 'urban' areas. MoHUA communicated its suggestions to the RGI; however, the RGI observed that the Ministry had not furnished specific objective criteria in this regard. Thereafter, MoHUA undertook a series of consultations with experts during 2024 and 2025 on the subject. The Committee note, however, that the RGI was not part of these consultations, nor were the outcomes thereof formally communicated to the RGI along with specific and objectively defined suggestions.

The Committee are of the view that the issue of defining 'Census Towns' has wider implications and, therefore, warrants comprehensive consultation among all relevant stakeholders. The Committee also consider it important that the States/UTs, being directly concerned with the planning and administration of urban and transitional settlements, are suitably involved in the process. The Committee recognise that any immediate amendment to the existing criteria for defining 'Census Towns' may not be feasible. The Committee, therefore, recommend that the Ministry establish an appropriate institutional platform involving the RGI, States/UTs and other relevant stakeholders to facilitate structured and comprehensive deliberations on the subject. Such a platform should endeavour to evolve objective, transparent and mutually acceptable

criteria for the identification and classification of 'Census Towns', which may be considered for adoption in future Censuses.

Magunta Sreenivasulu Reddy
Chairperson
Standing Committee on Housing and Urban Affairs

New Delhi;
16 September, 2026
25 Bhadrapada, 1948 (Saka)

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Annexure - 1

Table showing state-wise data on conversion of CTs into STs during the preceding two Census (2001 & 2011)									
Sl.No.	State/UTs	Total No. of CTs as per 2001	No. New CTs (as per 2001 data	No. of New CTs declared as STs before 2011		Total No. of CTs as per 2011 Census data	No. of New CTs (as per 2011 data	No. of New CTs declared as STs before 2026 Census	
				Newly Notified STs	Merged in old STs			Newly Notified STs	Merged in old STs
1	2	3	4	5	6	7	8	9	10
1	Jammu and Kashmir (UT) *	3	2	0	0	34	31	0	4
2	Ladakh (UT) *	-	-	-	-	2	2	0	0
3	Himachal Pradesh	1	1	0	0	3	3	0	0
4	Punjab	18	16	0	2	74	55	3	11
5	Chandigarh (UT)	0	0	0	0	5	5	0	5
6	Uttrakhand	12	8	0	0	41	30	6	12
7	Haryana	22	13	0	2	74	50	5	17
8	NCT Delhi	59	35	0	0	110	55	0	43CT merged in ST and **12CT** @alongwith all the remaining villages treated as part of ST for census purpose
9	Rajasthan	38	16	0	2	112	67	17	12
10	Uttar Pradesh	66	42	0	1	267	205	20	60
11	Bihar	5	2	0	0	60	56	6	10
12	Sikkim	1	1	0	1	1	1	0	0
13	Arunachal Pradesh	17	7	6	0	1	1	1	0
14	Nagaland	1	0	0	0	7	7	2	0
15	Manipur	5	4	0	0	23	15	0	0
16	Mizoram	0	0	0	0	0	0	0	0
17	Tripura	10	6	1	0	26	22	0	0
18	Meghalaya	6	1	0	0	12	6	0	0
19	Aasam	45	31	2	0	126	85	0	1
20	West Bengal	252	102	0	0	780	501	7	4
21	Jharkhand	108	35	0	6	188	107	10	9
22	Odisha	31	13	0	0	116	86	7	10
23	Chhattisgarh	22	18	4	10	14	10	3	1
24	Madhya Pradesh	55	24	0	0	112	59	6	21
25	Gujarat	74	22	1	2	153	86	3	27
26	Dadra and Nagar Haveli and Daman and Diu (UT)	2	1	1	0	11	11	0	0

27	**Maharashtra**	127	67	0	0	278	154	19	30
28	**Andhra Pradesh ****	93	33	1	0	112	72	4	8
29	**Telangana ****	-	-	-	-	116	66	16	29
30	**Karnataka**	44	29	0	5	127	84	17	23
31	**Goa**	30	16	0	0	56	26	0	0
32	**Lakshadweep (UT)**	3	0	0	0	6	3	0	0
33	**Kerala**	99	17	0	0	461	362	22	8
34	**Tamil Nadu**	111	59	0	0	376	247	0	22
35	**Puducherry (UT)**	0	0	0	0	4	4	0	0
36	**Andaman & Nicobar Islands (UT)**	2	2	0	0	4	2	1	0
	TOTAL	1362	623	16	31	3892	2576	175	379

* It is pertinent to mention here that as per the notification dated 09.08.2019, Jammu and Kashmir state has been bifurcation in two UTs namely Jammu and Kashmir (UT) and Ladakh (UT).

** It is pertinent to mention here that as per the notification dated 01.03.2014, Andhra Pradesh state has been bifurcation in to state namely Andhra Pradesh and Telangana.

@ Note: Following villages will be treated as urban for Census purpose only as per RGI D.O. No. 9/7/2021CD(Cen) dated 27/10/2021 and subsequently by State Govt. letter no. F.36(132)/Div. Comm/2017/Part-I/602 dated 3/3/2022 Singhola, Hamid Pur, Taj Pur Kalan, Palla, Qullak Pur, Sunger Pur Delhi, Shah Pur Garhi, Ochandi, Mungesh Pur, Iradat Nagar alias Naya Bans, Bankauli (CT), Raja Pur Kalan (Un-inhabited), Tehri Daulat Pur (Un-inhabited), Sunger Pur Shahdara (Un-inhabited), Shanjar Pur (Un-inhabited), Chatesar, Nizam Pur Rashid Pur, Sultan Pur Majra (CT), Jagat Pur ilaqa Delhi, Jagat Pur ilaqa Shahdara (Un-inhabited), Badar Pur Majra Burari (Un-inhabited), Badar Pur Khadar, Pur Delhi, Saba Pur Delhi, Sadat Pur Musalmanan, Baqiabad (CT), Khan Pur Dhani (CT), Pur Shahdara (Un-inhabited), Jafrabad (CT), Shakar Pur Baramad , Chilla Saroda Khadar (CT), Surakh Pur, Mundhela Khurd, Mundhela Kalan, Baqar Garh, Issa Pur, Kangan Heri, Raghu Pur, Badu Sarai, Nanak Heri, Jhatikra, Shikar Pur, Goman Hera, Dhansa, Ghalib Pur, Raota, Deorala, Kair (CT), Jain Pur (Un-inhabited), Moradabad Pahari (CT), Kusum Pur (CT), Fateh Pur Beri (CT), Chandan Holla (CT), Tigri (CT), Saidabad (CT)

Annexure - 2

Table showing State-wise data on Urban Local Bodies (ULBs)					
Sl.No.	States/UTs	Number of Urban Local Bodies (ULBs)			
		Municipal Corporation	Municipal Council	Nagar Panchayat	$ Other ULBs in diffrent states
1	2	3	4	5	6
1	Jammu & Kashmir (UT) *	2	19	0	59
2	Ladakh (UT) *	0	0	0	2
3	Himachal Pradesh	8	29	38	6
4	Punjab	14	99	53	3
5	Chandigarh (UT)	1	0	0	0
6	Uttrakhand	11	0	51	56
7	Haryana	11	24	0	53
8	NCT Delhi	1	1	0	1
9	Rajasthan	10	47	0	254
10	Uttar Pradesh	17	0	546	220
11	Bihar	19	89	156	1
12	Sikkim	1	1	7	0
13	Arunachal Pradesh	1	1	0	44
14	Nagaland	0	0	0	39
15	Manipur	1	26	0	1
16	Mizoram	1	1	0	26
17	Tripura	1	13	7	0
18	Meghalaya	0	0	0	9
19	Aasam	3	0	0	119
20	West Bengal	7	0	0	125
21	Jharkhand	9	19	20	3
22	Odisha	5	0	0	140
23	Chhattisgarh	14	0	124	57
24	Madhya Pradesh	17	0	0	408
25	Gujarat	17	0	0	180
26	Dadra and Nagar Haveli and Daman and Diu (UT)	0	3	0	0
27	Maharashtra	29	248	147	7
28	Andhra Pradesh **	17	0	18	88
29	Telangana **	8	125	0	1
30	Karnataka	18	186	122	6
31	Goa	1	13	0	0
32	Lakshadweep (UT)	0	0	0	0
33	Kerala	6	87	0	1
34	Tamil Nadu	25	145	477	4
35	Puducherry (UT)	0	0	0	5
36	Andaman & Nicobar Islands (UT)	0	1	0	0

* It is pertinent to mention here that as per the notification dated 09.08.2019, Jammu and Kashmir state has been bifurcation in to UTs namely Jammu and Kashmir (UT) and Ladakh (UT).

** It is pertinent to mention here that as per the notification dated 01.03.2014, Andhra Pradesh state has been bifurcation in to state namely Andhra Pradesh and Telangana.

$ This includes Nagar Parishad, Municipality, Muncipal committee, C.B., Muncipal Board, Notified Town, Town Committee, Special Area Development Authority (SADA), Indurdustrial Township,Notified Area, Nagar Panchayat Parishad, Samol Town Committee, Notified Area Committee, Industrial Notified Area, etc.

File No. A-46020/09/2023-EA/ 9152793
Government of India
Ministry of Housing & Urban Affairs
(Economic Division)
****

Nirman Bhawan, New Delhi
Dated: 23 February, 2024

OFFICE MEMORANDUM

Sub: Criteria for defining Census Town – regarding.

Reference is invited to your Letter No. 9/26/2018 CD dated 15th February, 2024 on the above subject and subsequent discussions during the Meeting held under the chairmanship of Registrar General on 22nd February, 2024.

2. In this context, it is stated that as regards the definition of Census Towns, the methodology for identifying census towns (CT) needs to be revisited. The Ministry has the following observations in this regard:

(i) **Issue:** When the Census of India declares an area as a new CT, such an area is identified ahead of the population enumeration, and the selection criteria are applied to specified villages of the previous census. This implies that it would take a decade for a settlement to be recognised as a CT even though the criteria were fulfilled 10 years back, or a settlement that has fulfilled the criteria in more recent years will not be included because of its ineligibility as per the last census.
Action point: The provisional population figures derived from Census Towns of previous census could be used to arrive at tentative number of Census Towns. However, after the census operations, the final population tables must be updated with the new Census Towns identified during the current Census enumeration. This will help in updating the Census results with the current enumeration of census towns.

(ii) **Issue:** The criterion for identification of census towns applies the same parameters uniformly across all states, which may not be appropriate. For instance, having a uniform density indicator of 400 persons per square km needs to be revisited as the density of areas with urban characteristics may differ significantly across regions. Same holds true for population size.
Action point: For the North-Eastern / Hilly areas, the minimum density could be downwardly revised. Similarly the population requirement of 5000 persons in the settlement could be reduced for these areas.

(iii) **Issue:** The present Census definition has a male bias in identification of non-farm employment. Only male workforce working in non-agricultural activities are considered.
Action point: In economic criteria, both male and female workforce in non-agricultural activities may be considered. However, an analytical exercise could be undertaken to assess the impact.

(iv) **Issue:** Census considers 75 per cent of male **main workers** engaged in non-agricultural activity as one of the criteria to identify a Census Town.
Action Point: The inclusion of only main workers has a pulling-down effect on the share of the workforce in non-agricultural activity. Therefore, it is suggested to include both **main and marginal workers (both male and female)**. However, an analytical exercise could be undertaken to assess the impact.

(v) **Issue:** Density of built-up area could also be taken to capture the growth of human settlements. The use of satellite imagery of built-up areas and their densities to measure the extent of urbanisation could be taken up as such exercises by different forum have indicated a much higher level of urbanisation. For instance, the United Nations, along with six other organisations, has developed a new methodology which is known as degree of urbanisation (DEGURBA). It combines **satellite images and census data** and identifies the settlements as cities, towns and semi-dense areas, and rural areas. By using these classes instead of only two (urban and rural), it captures the urban-rural continuum.
Action point: A similar methodology could be envisaged for census data for a more realistic estimate of urbanisation.

3. This issues with the approval of the competent authority.

Bhatia

(Puneet Bhatia)
Assistant Director

Shri Sanjay,
Additional Registrar General,
O/o The Registrar General, India,
Census Division, 4th Floor, Janganana Bhawan,
2 / A Mansingh Road, New Delhi – 110011.

Appendix-I

STANDING COMMITTEE ON HOUSING AND URBAN AFFAIRS (2025-26)

Minutes of the Second Sitting of the Standing Committee on Housing and Urban Affairs held on Friday, 17 October, 2025

The Committee sat from 1030 hours to 1230 hours in Main Committee Room (MCR), Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Magunta Sreenivasulu Reddy - Chairperson

Members

Lok Sabha

2. Shri Manickam Tagore B.
3. Shri Satpal Brahamchari
4. Shri Hibi Eden
5. Smt. Hema Malini
6. Shri Selvam G.
7. Smt. Mahima Kumari Mewar
8. Shri Naresh Ganpat Mhaske
9. Shri Rambhual Nishad
10. Shri Sanjay Dina Patil
11. Shri Chamala Kiran Kumar Reddy
12. Smt. Mala Rajya Laxmi Shah
13. Shri Alok Sharma
14. Shri Ram Shiromani Verma
15. Shri Ravindra Dattaram Waikar

Rajya Sabha

16. Shri Ram Chander Jangra
17. Smt. Maya Naroliya
18. Shri Sandeep Kumar Pathak
19. Shri A. A. Rahim

Secretariat

1.	Shri Y. M. Kandpal	Additional Secretary
2.	Smt. Archna Pathania	Director
3.	Ms. Swati Parwal	Deputy Secretary

Ministry of Housing and Urban Affairs

1.	Shri Srinivas Katikithala	Secretary, MoHUA
2.	Smt. D. Thara	Addl. Secretary
3.	Shri Kuldip Narayan	Joint Secretary
4.	Shri Dinesh Kapila	Economic Advisor
5.	Shri Gopal Prasad	Economic Advisor

Ministry of Home Affairs

1.	Shri Mritunjay Kumar Narayan	Registrar General and Census Commissioner
2.	Shri Biswajit Das	Deputy Director General/JS

2. At the outset, the Chairperson welcomed Members of the Standing Committee on Housing and Urban Affairs. The Committee then discussed the probable date(s) of the study visit of the Committee and decided that the study visit may be undertaken in the Second-Third week of November.

3. Thereafter, the representatives of the Ministry of Housing & Urban Affairs and office of Registrar General and Census Commissioner, Ministry of Home Affairs were called for a briefing on the subject 'Census Criteria for defining Urban areas'. Welcoming the representatives of the Ministry of Housing and Urban Affairs and Ministry of Home Affairs, the Chairperson highlighted the definitional challenge of various terms used in India's Urban framework such as statutory towns, census towns, outgrowth areas etc. which are often used interchangeably but has specific meaning and administrative implication in developmental planning and funding. The Chairperson also sought to know the rationale for retaining the same criteria for defining 'Urban areas' as was followed for Census 2011 and wondered whether the said criteria needs to be revisited to align with contemporary urbanization trends & economic realities.

4. The representatives of the Ministry of Housing and Urban Affairs briefed the Committee on the subject through a power point presentation. The power point presentation highlighted the importance of definition the term 'Urban', the existing definition of urban areas, international practices for defining urban areas and alternative approaches, India's urban scenarios under changed criteria, key issues related to existing urban definition and steps proposed to be taken for strengthening the existing urban definition leading to improved governance systems and programme implementation.

5. The representative of Office of Registrar General and Census Commissioner also briefed the Committee through a power point presentation regarding the background for Census 2027, the Rural- Urban framework being followed, the definition of Urban areas i.e. statutory towns, urban agglomeration and census towns and significance of defining Census towns.

6. The Members then raised several issues and concerns such as the need to have a separate criteria for hilly areas, north eastern states and UTs such as Andaman & Nicobar, gender bias in the existing definition of Census towns ignoring female participation in workforce, need to have a guideline at Central level for defining Urban areas, need to involve Members while deciding such policy issues, need to have a criteria which facilitates gender budgeting and Regional development, mechanism to check misrepresentation, training of personnel carrying out census for maintaining privacy and dignity, suitable uniform mechanism for caste census across states, counting of nomadic tribes, mechanism for counting migrating population correctly, need to maintain quality of data and reduce margin of errors *etc*.

7. The Chairperson then thanked the witnesses for sharing valuable information with the Committee and directed them that any pending information not readily available during the sitting be submitted to the Committee Secretariat, in writing, at the earliest.

The Committee then adjourned till the next sitting

(Verbatim Proceedings of this Sitting of the Committee has been kept on record.)

Appendix-II

STANDING COMMITTEE ON HOUSING AND URBAN AFFAIRS

Minutes of the Twenty Fifth Sitting of the Standing Committee on Housing and Urban Affairs (2025-26) held on Wednesday, 16 September, 2026

The Committee sat from 1130 hours to 1345 hours in Committee Room 2, PHAE, New Delhi.

PRESENT

Shri Magunta Sreenivasulu Reddy - Chairperson

Members

Lok Sabha

2. Smt. Lovely Anand
3. Shri Satpal Brahamchari
4. Shri Rambhual Nishad
5. Smt. Mala Rajya Laxmi Shah
6. Shri Kanwar Singh Tanwar
7. Shri Ram Shiromani Verma
8. Shri Ravindra Dattaram Waikar

Rajya Sabha

9. Shri G. C. Chandrashekhar
10. Shri A. A. Rahim
11. Shri Jogen Mohan
12. Shri Ramrao Sakharam Wadkute

Secretariat

1.	Shri Savin Bansal	Joint Secretary
2.	Smt. Archna Pathania	Director
3.	Ms. Swati Parwal	Deputy Secretary

Department of Capital Development, MoHUA

1.	Ms. D. Thara	Secretary

Delhi Development Authority (DDA)

1	Shri N. Saravana Kumar	Vice-Chairman, DDA

2	Shri Ravi Shankar	Pr. Commissioner, DDA
3	Shri Chittaranjan Dash	Pr. Commissioner (Personnel), DDA
4	Smt. Manju Paul	Commissioner (Planning), DDA

2. At the outset, Hon'ble Chairperson welcomed the Members of the Standing Committee on Housing and Urban Affairs to the sitting of the Committee.

3. The Committee then took up for consideration of the Draft Report on the subject **'Census Criteria for Defining Urban Areas'** and adopted the same with some modifications in the light of suggestions made by the Members. The Committee authorized the Chairperson to finalize the report and present the same to the Hon'ble Speaker.

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* Matter not related with the Report

The Committee then adjourned.

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