

***Fourth State Finance Commission***  
***Sikkim***



***Report For The Award Period***  
***(2015-2020)***



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Sikkim***

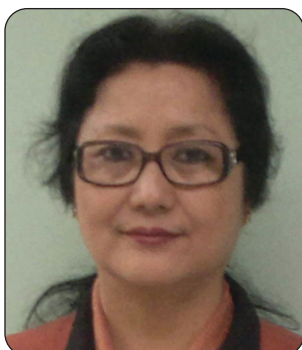
***May, 2013  
Gangtok***

***Report For The Award Period  
(2015-2020)***





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# 1. Introduction

## Constitution of the Commission

**1.1** In exercise of the powers conferred by Articles 243I and 243Y of the Constitution of India read with Chapter X of Sikkim Panchayat Act, 1993, the Sikkim Municipalities Act, 2007, and in pursuance of Section 3 of the Sikkim (Constitution of Finance Commission) Rules, 1995, the Governor of Sikkim constituted the Fourth State Finance Commission (4<sup>th</sup> SFC) vide notification no: 03/Fin/Adm. dated 15.06.2012, consisting of **Shri A.K. Chettri, IAS, Secretary, Co-operation Department, as the Chairman**, along with the following three officers as members:

❖ **Smt. C.C. Wangdi, Additional Secretary, RM & DD – Member**

❖ **Shri L.B. Chettri, Additional Secretary, UD & HD – Member, and**

❖ **Shri Binod Sharma, Chief Accounts Officer, E & PD – Member Secretary**

*(After the constitution of the 4<sup>th</sup> SFC, the members Smt. C.C. Wangdi and Shri L.B. Chettri have been promoted to the rank of Special Secretary in their respective departments in September, 2012)*

## Terms of Reference

**1.2** The Terms of Reference (ToR) of the 4<sup>th</sup> SFC, Sikkim, are as follows:

The Commission shall make recommendations as to the following matters, namely:

**I (a)** The principles which should govern:

- (i) The distribution between the State and the Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Councils and Nagar Panchayats

of the net proceeds of the taxes, duties, tolls and fees leviable by the State which may be divided between them under Part IX and IX A of the Constitution of India, and the allocation between the Zilla Panchayats (ZPs), Gram Panchayats (GPs) and Urban Local Bodies (ULBs) at all levels of their respective shares of such proceeds.

(ii) The determination of the taxes, duties, tolls and fees which may be assigned to or appropriated by the Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Councils and Nagar Panchayats, and

(iii) The grants-in-aid to the Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Councils and Nagar Panchayats from the Consolidated Fund of the State.

**(b)** The measures needed to improve the financial position of the Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Councils and Nagar Panchayats.

**II.** The Commission shall also:

- i. Examine and make suggestions the extent to which and the manner in which the resource available to the local bodies could be best utilized for meeting the expenditure of the bodies.
- ii. Make a detailed analysis of the repayment of loans and advances, if any, extended by the Government from time to time to the Local Bodies and make suitable recommendation for repayment of Government dues and make possibility of adjusting these dues against future devolution of revenues from Government to these bodies, and
- iii. Examine the resources of the Local Bodies for the five years commencing on 1<sup>st</sup> April 2010, on the basis of the existing and proposed level of taxation and non tax revenues reached at the end of 2008-2009.

- III.** In making its recommendations, the Commission shall have regard to among other things, resources of the State Government and the demands thereon on account of expenditure on civil administration, debt servicing, development and other committed expenditure.
- IV.** Suggest to improve the quality of public expenditure to obtain better outputs and outcomes.
- V.** Examine the components of maintenance and upkeep of capital assets created by the Local Bodies or transferred by the Government to the Local Bodies.
- VI.** In making its recommendation on various matters, the Commission shall take the base of population figure as of 2001, in all such cases where population is a factor for determination for devolution of taxes, duties and grants-in-aid.
- VII.** The Commission shall indicate the basis on which it has arrived at its findings and make available the estimates and expenditure of each tier of Local Bodies within the State, and
- VIII.** The Commission shall submit its recommendation to the Governor within 31<sup>st</sup> day of December, 2012, covering the period of five years commencing on the 1st day of April 2015.

**1.3** The 4<sup>th</sup> SFC's Office tenure was extended till 15.05.2013, mainly for the reasons mentioned below:

- i. Adoption of comprehensive approach (to address various issues included in both the ToR and model templates for the Report of the SFCs) for formulating the Commission's recommendations, and
- ii. Elections for PRIs were held in October, 2012, wherein the Code of Conduct, deployment of district and sub-district level officials in the

election processes, and transition of rural governance to newly elected Panchayats delayed the pace of preparation of this Commission's report.

## **Design of the Report**

**1.4** Design of the 4<sup>th</sup> SFC's Report is built on the broad objectives as outlined in its ToR, and the model templates for the report of the SFCs as prescribed by the 13<sup>th</sup> FC, and the Task Force on Strengthening of the Institution of State Finance Commissions, under the aegis of Ministry of Panchayati Raj, Government of India. All efforts have been made to help the stakeholders/readers to easily navigate through the chapters, tables, and annexures in the report. The stakeholder's inputs/views on Local and State Finances along with their components such as own revenues, revenue expenditure, tax devolution and others, which were obtained through various consultations, meetings, questionnaires, formats, secondary information resources, and other correspondence have been included in this report.

**1.5** The report of the Commission attempts to address all issues of its ToR and comprise of 12 Chapters. Chapters 1 and 2 provide details on ToR of the Commission, approach followed and issues worked upon. Chapter 3 offers analysis on State Finance, impact of implementation of previous SFCs recommendations on State and Local Finances. Chapter 4 gives an update on the status of decentralized governance, devolution, and related administrative issues concerning rural and urban local bodies. Chapter 4 also presents a review on the recommendations of previous SFCs and Action Taken Reports (ATRs). Assessment of finances of Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) are dealt in Chapters 5 and 6. While Chapter 8 contains information on debt of Local Bodies, Chapters 7 and 9 draws the attention of the reader on estimates of gap in financial resources and the requisite funds earmarked for Local Bodies through the scheme of devolution, and the non-financial measures needed for strengthening the Local Bodies. Chapter 10

records various issues for consideration by the Central Government institutions. Chapter 11 dwells upon database improvement, Capacity Building and Training (CB&T), and concluding remarks. Finally, Chapter 12 contains the Summary of Recommendations made by the Commission.

**1.6** This Commission is of the view that ***there is a profound and urgent need to enhance the capacities of Local Bodies to absorb the contents of this report/other Finance Commission reports, as only then the Local Bodies will be in a position to understand the importance of these reports vis-à-vis their Constitutional roles and responsibilities towards providing transparent governance to its subjects, and making available the grassroots level accountable financial data*** to development economists and planners.

## **Data and Information Collected and Utilized**

**1.7** For the preparation of the Commission's report, a multitude of primary and secondary data/information (Annexure 1.1 provides the list of information sources referred by the Commission), both qualitative and quantitative, was collected from Local Bodies, concerned Line Departments of Government of Sikkim, Office of the Accountant General, Sikkim, previous SFC/CFC reports, background papers and study reports available online (via portals such as rbi.org.in, etc), and valuable inputs offered by development professionals/institutions. However, the Commission observed that the data obtained from majority of the PRIs through the prescribed formats is inaccurate and incomplete (mainly due to lack of capacity and awareness on the subject) on many fronts, whereas the data/information supplied by the ULBs was of moderate quality. Even the information sought on issues pertaining to present and anticipated devolution of funds, functions, and functionaries, and relevant others, from the line departments (excepting a few) was not as desired by the Commission. The Commission could utilize, though with limitations, the data and information from the Local Bodies and Line Departments for analysis and inclusion in this report. The data not displayed

in the report can be accessed from Finance Commission Division, FRED, Government of Sikkim (GoS).

## **Major Activities and Meetings**

**1.8** Apart from the usual approach of issuing ToR as public notice in the local newspapers inviting suggestions/comments/views of the citizens, the Commission made efforts to reach approximately 40 eminent personalities and retired public servants in Sikkim to elicit learned responses on the ToR, however, the response was very minimal. To enhance the knowledge level on SFC issues, the Commission, relied upon various background papers and analytical reports, apart from the ingestion of regular information capsules through the knowledge consultancy service provider, Srikar Know Con Services, Hyderabad.

**1.9** The Commission could not have its dedicated web portal, however, the Commission, tried to invite suggestions/comments/views of netizens on the ToR by advertising the 4<sup>th</sup> SFC's Facebook page link through public notices in the local news papers. The Commission, however, did not receive even a single response through this micro, yet innovative, attempt.

**1.10** In this connection, the Commission recommends that a web portal and online MIS is essential for not only having a ready-to-use database but also for tracking and updating the fund transfers and utilization certificates received on a monthly basis. The Commission also noticed that information on implementation status /impact of previous SFCs/CFCs recommendations is not readily available. The Commission recommends that Action Taken Reports (ATRs) /status on recommendations must be updated annually, and include mandatory write up on the changes/improvements being achieved in local finances and governance due to SFC/CFC recommendations. The ATRs along with the implementation status of the recommendations should be uploaded, annually, on the web portal.

**1.11** The Commission had meetings and consultative workshops with officials from State Line Departments, AG Office, Elected Representatives (ERs) and functionaries of PRIs and ULBs, previous SFC members, and other experts/resource persons from public administration and finance to gain valuable insight on various issues in its ToR. The Commission also visited few GPs and ULBs for gathering firsthand feedback on the magnitude of decentralized governance and devolution at grassroots level, and constraints thereof in effective decentralization of 3Fs (funds, functions, and functionaries). The particulars of these meetings, consultative workshops, and visits are available at Annexure 1.2.

## **Acknowledgments**

**1.12** First and foremost, the Commission expresses its deep sense of gratitude to His Excellency the Governor of Sikkim, Shri Balmiki Prasad Singh, and the Government of Sikkim headed by the Hon'ble Chief Minister Shri Pawan Chamling for constituting the Fourth State Finance Commission and providing it the opportunity to recommend measures for empowering the PRIs and ULBs for greater role in socio-economic development and social justice, and better delivery of services, impacting the rural and urban residents in our State.

**1.13** The Commission expresses its profound gratefulness to Shri Karma Gyatso, Administrative Advisor to the Government of Sikkim, Smt. Rinchen Ongmu, IAS, Chief Secretary to the Government of Sikkim, Shri M.G. Kiran, IAS, Commissioner-cum-Secretary, Finance Revenue and Expenditure Department (FRED), and Heads of State Line Departments for extending their wholesome support and guidance in various activities in the preparation of this report.

**1.14** The Commission extends its special appreciation and thanks to Shri Gopal Basnet, Controller of Accounts, FRED, Shri B.K. Pradhan, Principal



Director, FRED, Shri S.D. Pradhan, Principal Director, FRED, Shri Deepak Darnal, OSD, FRED, Shri Govind Kaushik, Director, FRED, Shri C.C. Bhutia, Joint Director, FRED, Shri L.M. Pradhan, Director (Panchayat)-cum-Special Secretary, RMDD, Dr. Sandeep Tambe, IFS, Special Secretary, RMDD, Smt. Norzing Shenga, Joint Secretary (Panchayat), RMDD, Shri Kumar Bardewa, Chief Accounts Officer, RMDD, Shri Raj Narayan Pradhan, Chief Accounts Officer, UDHD, and Shri B.K. Jha, Senior Audit Officer, Office of the Principal Accountant General, Sikkim, for their valuable inputs and contributions.

**1.15** The Commission also acknowledges the special inputs and suggestions extended by Shri R. Telang, IAS, Commissioner-cum-Secretary to the Governor of Sikkim, Chairman - 3<sup>rd</sup> SFC, and Shri D.P. Sharma, IAS, Secretary, AH&VS Department, Member - 3<sup>rd</sup> SFC, in fine tuning its approach on many issues.

**1.16** The Commission would like to thank Shri K.T. Chankapa, IAS, Chief Electoral Officer, Sikkim, for providing accommodation and logistic support to the Commission in the premises of the Election Department.

**1.17** The Commission expresses its gratitude to Shri T.P. Koirala, Advisor to the Government of Sikkim (Retd.), Shri S.K. Sharma, Principal Director to the Government of Sikkim (Retd.), and Dr. P.K Chettri, Joint Secretary to the Government of West Bengal (Retd.) for sharing their knowledge and experience.

**1.18** The Commission records its appreciation and thanks to Shri Bidhan Datta, Director to the Government of Sikkim (Retd.) and Member - 3<sup>rd</sup> SFC for his valuable assistance in analysis of data related to State Finances and other issues during the preparation of the Commission's report.

**1.19** The Commission is also grateful to the multitude of elected representatives, officers and functionaries at the respective rural and urban



local bodies, and the District and Block administrative centers for their timely inputs and contributions towards the preparation of the report.

**1.20** The Commission places on record its deep appreciation to the contribution made by Shri Pavan Kumar Yangaldas and his team from Srikar Know Con Services, Hyderabad, in various consultative meetings and workshops, and the preparation of this report. The work done by him helped the Commission in formulating its views on some of the critical issues in its ToR and model template for the SFC report, and the Commission is thankful to him for his sincere efforts.

**1.21** The Commission is also indebted to its support staff and assistants who did an excellent job behind the desk.



## **2. Issues, Approaches and Methodology**

**2.1** As per the recommendations of 3<sup>rd</sup> SFC – Sikkim, the Government of Sikkim constituted the present Commission – 4<sup>th</sup> SFC – well in advance in July, 2012, so as to enable the in-time availability of Commission’s Report and ATR along with the State’s Memorandum for consideration of 14<sup>th</sup> CFC. The underlying purpose – amongst others – of the Commission is to recommend the assigned taxes, share of taxes, and grants-in-aid from the State Government, and the supplement fund requirement from the Union Government to Panchayats and Municipalities (via the Consolidated State Fund) in the State of Sikkim.

**2.2** The Commission, with a view to address the various issues applicable in the process of evaluating and defining the scenario for distribution of finances within the various tiers of governance, prudently felt to equip itself with a competent and reliable knowledge and information consultancy services provider. The Commission, after due consultations with various stakeholders, decided to engage the services of Srikar Know Con Services, Hyderabad, an empanelled institution on Integrated District Planning, with the Ministry of Panchayati Raj, Government of India. SKCS was entrusted with the responsibility of assisting the Commission in not only guiding the various consultative processes but also in assimilating and consolidating multitude of information emanating from grassroots, districts, state and national levels, and in the preparation of the report of the Commission.

**2.3** As per the feedback from the 3<sup>rd</sup> SFC members, the Commission found that the data inputs from GPs and ZPs through different formats and questionnaires were not very encouraging, and often lacked consistency and authenticity. Though the Directorate of Local Fund Audit (DLFA) is established in Sikkim, it is at a nascent stage and has audited only 7 PRIs and 1 ULB till date, as per its status report submitted to the State Legislative Assembly in April 2013.

**2.4** One of the major concerns noted by the Commission is the lack of processes in place which can provide updated status on the impact/implementation of previous SFC recommendations. The usual practice is to have an ATR exercise carried out within three (03) months of the finalization of the SFC's report, and reject some recommendations, accept some, and partially accept others by the State Government. ATR exercise done four – five years ago does not lend a full picture of either the implementation or the outcome of the well-thought out recommendations of the SFCs. This commission is of the view that had there been a annual procedure/processes/system to update the status on implementation/impact of the recommendations either by the concerned line department or SFC Division in Finance Department, it would have offered a documented feedback on the positives or if not could have given proper reasons/constraints for non-implementation of recommendations. This Commission could not have the benefit of such annually updated and recorded feedback and related information on the impact/implementation of previous SFCs recommendations.

**2.5** Next the Commission tried to bank on the data availability of Local Bodies receipts and payments through 13th FC's scheme "Preparation of Local Bodies Accounts by collecting data on receipts and payments of these bodies", which could have been used a supplement for triangulating the data collected, however, the Commission drew a blank.

**2.6** The Commission decided to organize workshops at State and District levels for Local Bodies for orientation on various formats and data requirements. However, due to the Code of Conduct regulations for Panchayat elections in October, 2012, the workshops were postponed, and subsequently the information was collected from the GPs and ZPs in January-February, 2013. Members of the Commission also visited GPs and ULBs to get a first hand feel and information on decentralization practices in vogue. Issues such as decentralized governance and devolution have been dealt with in detail in Chapter 4 of this Report.

**2.7** Though the capacity development of the Local Bodies is not one of the priority tasks of the SFCs, this Commission played the role of ‘friend, philosopher, and guide’ in educating the Local Bodies and enhancing their understanding on the roles and responsibilities of Local Self-Governments (LSGs) as mandated in the Constitution of India, and State’s Panchayat and Municipalities Acts, through the mass-reach of grassroots Elected Representatives (ERs) and functionaries available during the District and State level workshops.

**2.8** The Commission also organized State level workshop and meetings with various Line Departments (LDs) urging them to review the activity mapping for PRIs and ULBs and to provide possible ways of devolving funds and functionaries for the functions already transferred. The Commission circulated formats and queries to State Line Departments and requested them to submit a **‘Departmental Memorandum’** on enhancing the fund flows to the Local Bodies in particular, and deepening decentralization and devolution in general.

**2.9** Urban Local Bodies (ULBs) in Sikkim were established recently, in 2010-11, and the Commission realized that a greater focus is required on these ULBs in terms of their funds & functionaries requirements, and more so, because of their relatively high population densities (including floating

population), and they being positioned as major tourist & business hubs in Sikkim.

**2.10** On the Local Bodies revenue generation/mobilization front, the Commission, after the initial feedback from various quarters, decided to integrate revenue effort as one of the parameters for inter-se distribution of funds within PRIs and ULBs. This incentivization measure is introduced to instill a sense of motivation/competition in the Local Bodies, and encourage them to make best efforts for mobilizing increased own revenues for their benefit. The Commission unambiguously believes that fund transfers/grants to Local Bodies, as per recommendations of SFCs, are additional inflows, and not a substitute to either their own resources or other developmental fund flows from Line Departments.

**2.11** The Commission's approach is built on the core principle of making the PRIs and ULBs as independent and sustainable LSGs which can provide standardized basic services to citizens with minimum to optimal support from higher tiers of governments as per Constitutional stipulations. The ***topmost concern of the Commission*** has been to maintain a fine balance with respect to the vertical and horizontal fund transfers (amongst all tiers of governance within the State) so as to match and serve, prudently, the common interests of the State Government and the Local Self-Governments.

**2.12** Though the Commission thought of ascertaining the devolution formula on transfer of plan funds to Local Bodies, considering the limited flexibility and committed liabilities in State Finance, non-flow of plan funds in the Financial Years (FYs) 2010-11 to 2012-13 to Local Bodies, and lack of information on plan fund projections from the Development Planning Economic Reforms and North Eastern Council Affairs Department (DPER&NECAD), the Commission limited its focus to non-plan funds /grants (excluding salaries of teachers). However, this Commission has recommended that State Government should devise ways and means for transferring plan

and non-plan funds in a predictable size and manner, so that the Local Bodies (PRIs & ULBs) can work in tandem with District Planning Committee (DPC) to fulfill their constitutionally mandated responsibilities towards economic development and social justice within their jurisdictions. Towards this end, the view of the Commission is that State Government should initiate steps to approve the district plans and budgets (comprising of municipal and panchayat budgets, which are prepared as per the Municipalities Act, 2007, and Panchayat Act, 1993, respectively).

**2.13** For the purpose of tax devolution and grants-in-aid to Local Bodies, initially, the Commission thought of adopting global sharing mechanism, however, due to high inelasticity and limited buoyancy in anticipated revenue receipts of the State Government, the Commission decided to include a restricted set of revenue heads for the purpose of fiscal transfers from the State Government to Local Bodies through the scheme of devolution. A fixed percentage of the restricted set of state taxes pooled together has been considered for sharing with the Local Bodies. The Commission has attempted to make tax sharing simple, transparent, predictable and objective, which allows Local Bodies to have a definitive share of a divisible pool of state taxes. The predictable share of taxes will assist the Local Bodies in progressive planning towards the usage of funds/grants on their local development priorities. Also, the Commission has broached incentive grants /conditional transfers to Local Bodies upon satisfying certain improvement /performance indicators as included in Chapter 7. The Commission noticed that the Local Bodies are neither leveraging their existing sources nor optimally utilizing their powers of taxation for generating higher revenues. The Commission has introduced some simple but mandatory conditions for the award of conditional grants, which will ascertain the accountability of Local Bodies in utilization of funds in a transparent, purposeful, and timely manner.

**2.14** To address the issue of backwardness and infrastructure gaps in GPs, the Commission has aimed to allocate increased share of funds to the GPs in proportion to their vulnerability based on the Vulnerability Index (VI) developed by Rural Management and Development Department (RM&DD), GoS, by allocating certain weightage to Vulnerability Index while determining the inter-se distribution within GPs. Additionally, few intra-State issues have also been indicated in Chapter 10 of this report for consideration of the Central Finance Commission.

**2.15** As far as the District Plans are concerned, the State Government has adopted a Technical Support Institution (TSI) to assist DPCs, PRIs, and ULBs in the preparation of decentralized district development plans. However, the Commission noticed that the ownership of DPCs in the decentralized governance framework is found to be severely lacking, as the DPCs are not involved as one of the parties to the tripartite agreement with the concerned Line Department and TSI, according to the guidelines issued by the Ministry of Panchayati Raj, Government of India. The lack of ownership of DPCs in the plan preparation process is clearly evident, as the activities towards the preparation of District Plans for the plan year 2013-14 are yet to commence. The Commission firmly believes that each district has its specific priorities and pace for the local area development planning. The Commission recommends that Constitutionally mandated DPCs should be given their rightful ownership in deciding the decentralized district development planning priorities through their involvement as parties to the agreement as per the relevant guidelines.

**2.16** The Commission observed that owing to lack of information on Resource Envelopes (REs) from Line Departments, currently, the district plans are a mere consolidation of standalone BRGF schemes and certain wishlists from the PRIs and ULBs. The Commission recommends that the District Plans should invariably be integrated into State Plan as per the guidelines in force.



**2.17** Presently, only the plans of two development schemes consisting of proposals from MGNREGS and BRGF are approved by the DPCs. Further, the DPCs are handicapped in performing their roles and responsibilities as mandated by the Constitution of India, due to inadequate manpower strength and expertise in different subjects connected to the activities of decentralized district planning. The Commission believes that DPCs, through the extended support from the TSIs and other professional organizations, will be in a position to prepare good quality district plans.

**2.18** The Commission recommends that a suitable mechanism be devised by the concerned departments to include Sabhapatis of Gram Panchayats as grassroots level representatives of the citizens in the DPCs.

**2.19** The Commission has considered all relevant factors and sufficiently deliberated to quantify the limits on funds transfer to Local Bodies vis-à-vis the fiscal flexibility and commitments of the State Government towards expenditure on civil administration, debt servicing, development and other committed liabilities for the award period of five years starting from 1<sup>st</sup> April, 2015.



## **3. Finances of the State**

### **A Critical Analysis of the State Finances**

**3.1** Sikkim being strategically located in the North-Eastern Region of the Nation, with three (03) international boundaries around, has a low tax base, and depends heavily on fund transfers from the Central Government. According to the Census of India 2011, the population of Sikkim is recorded at 6.07 lakhs and the percentage of rural population of the State is 75% i.e. 4.52 lakhs. In recognition of the compliance of statutory provisions and effective adoption of the provisions of the 73<sup>rd</sup> Constitutional Amendment Act, in letter and spirit, coupled with the innovative measures taken, and also on the basis of its performance, Sikkim has been ranked as the 3<sup>rd</sup> best State in the Country in implementation of Panchayati Raj by the Ministry of Panchayati Raj, Government of India. Sikkim, a landlocked state, is situated in the Eastern Himalayas, and has a total area of 7096 Sq. Km. It has 4 districts and 9 sub-divisions, and has been included in the North Eastern Council since December 2002. The NH 31A is the only lifeline which connects the State with the rest of the Country.

**3.2** The fiscal trend of the State indicates maintenance of surplus in revenue account while it continues to have fiscal deficit, although attempts have been made to achieve fiscal consolidation in recent years. The surplus in revenue account, which declined from 11.69% of GSDP in 2008-09 to 2.47% in 2010-11, would improve to 13.16% in 2011-12 and to 17.52% in 2012-13. An overview of the fiscal profile of the State is given in Tables 3.1 and 3.2.

**Table 3.1: Revised Gross State Domestic Product (GSDP) of Sikkim**

(Base Year: 2004-05)

Year	GSDP at Constant Prices (Rs. in Crore)
2008-09	2534.99
2009-10	4401.01
2010-11	4759.41
2011-12	5147.61

**Table 3.2: An Overview of Sikkim's Fiscal Parameters**

(% to GSDP)

Particulars	2008-09	2009-10	2010-11	2011-12 (RE)	2012-13 (BE)
<b>Revenues</b>	<b>54.44</b>	<b>49.48</b>	<b>38.07</b>	<b>54.90</b>	<b>58.21</b>
<b>Own Revenues</b>	<b>15.22</b>	<b>14.16</b>	<b>9.23</b>	<b>8.10</b>	<b>9.28</b>
Own Tax Revenues	6.17	4.72	4.95	4.01	5.06
Own Non-Tax Revenues	9.05	9.44	4.28	4.09	4.22
<b>Central Transfers</b>	<b>39.22</b>	<b>35.32</b>	<b>28.84</b>	<b>46.80</b>	<b>48.93</b>
Tax Devolution	11.28	7.90	9.29	9.75	10.36
Grants	27.95	27.42	19.55	37.05	38.56
<b>Revenue Expenditure</b>	<b>42.75</b>	<b>38.58</b>	<b>35.60</b>	<b>41.74</b>	<b>40.69</b>
Interest Payment	4.78	3.26	3.30	2.86	2.89
Pension	1.84	2.65	2.83	2.58	3.43
<b>Capital Expenditure</b>	<b>18.94</b>	<b>14.45</b>	<b>8.07</b>	<b>18.59</b>	<b>21.02</b>
Capital Outlay	18.94	13.68	7.98	17.82	20.96
Net Lending	0.00	0.77	0.09	0.77	0.07
<b>Revenue Deficit</b>	<b>-11.69</b>	<b>-10.89</b>	<b>-2.47</b>	<b>-13.16</b>	<b>-17.52</b>
<b>Fiscal Deficit</b>	<b>7.25</b>	<b>3.56</b>	<b>5.60</b>	<b>4.75</b>	<b>3.50</b>
<b>Primary Deficit</b>	<b>2.47</b>	<b>0.30</b>	<b>2.29</b>	<b>1.89</b>	<b>0.61</b>
<b>Outstanding Debt</b>	<b>59.86</b>	<b>48.37</b>	<b>42.99</b>	<b>41.75</b>	<b>41.03</b>

**Table 3.3: Own Revenues of Sikkim**

(Rs. in Crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Own Revenues</b>	<b>307.9</b>	<b>373.25</b>	<b>671.07</b>	<b>521.69</b>	<b>714.91</b>
Tax	138.72	141.10	223.65	279.54	500.50
Non-Tax	169.18	232.15	447.42	242.15	214.41

**Table 3.4: Composition of Own Tax Revenues**

(in percentage)

Particulars	2008-09	2009-10	2010-11	2011-12 (RE)	2012-13 (BE)
<b>Own Tax Revenues</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Sales Tax	50.80	54.10	51.10	39.30	53.00
State Excise Duties	23.30	25.60	25.30	37.20	26.90
Motor Vehicle Tax	3.50	3.50	3.80	6.00	4.20
Stamp Duty & Registration Fees	2.20	2.00	2.00	1.30	2.10
Other Taxes	12.90	14.40	17.60	16.20	13.80

**Table 3.5: Summary of Fiscal Operations for the Years 2009-10 and 2010-11**

(Rs. in Crore)

Receipts	2009-10	2010-11	Disbursements	2009-10	2010-11		Total
<b>Section A: REVENUE</b>					<b>Non-Plan</b>	<b>Plan</b>	
Tax Revenue	223.65	279.54	General Services	1566.63	1559.97	20.58	1580.55
Non-Tax Revenue	1356.44	1137.76	Social Services	691.28	449.99	366.44	816.43
Share of Union Taxes / Duties	374.68	524.99	Economic services	480.13	209.36	288.25	497.61
Grants from Govt. of India	1299.62	1105.02	Grants-in-Aid & Contribution	-	12.94	-	12.94
<b>Total Revenue Receipts</b>	<b>3254.39</b>	<b>3047.31</b>	<b>Total Revenue Expenditure</b>	<b>2738.04</b>	-	-	<b>2907.53</b>
<b>Section B: CAPITAL</b>							
Misc. Capital Receipts	-	-	Capital Outlay	648.53	-	451.07	451.07
Recoveries of Loan	0.30	0.79	Loans & Advances	36.98	-	-	5.75
Public Debt receipts	392.11	95.03	Repayment of Public Debt	86.29	-	-	73.23
Contingency Fund	-	-	Contingency Fund	-	-	-	0.10
Public Accounts	2967.71	2915.63	Public Account Disbursements	2784.90	-	-	2902.28
Opening Balance	708.24	1028.01	Closing Cash Balance	1028.01	-	-	746.81
<b>Total</b>	<b>7322.75</b>	<b>7086.77</b>	<b>Total</b>	<b>7322.75</b>	-	-	<b>7086.77</b>

(Note: Non-Tax Revenue is inclusive of Gross Receipt of Rs 938.15 crore from State Lotteries and General Services Disbursement is inclusive of Rs 895.61 crore on State Lotteries)

**3.3** Sikkim's Own Tax revenue, as given in Tables 3.3 and 3.4, increased by 24.99% from Rs. 223.65 crore in 2009-10 to Rs.279.54 crore in 2010-11. The revenue from Sales Tax contributed a major share to tax revenue (51.06%) with increase of 17.90% over the previous year. The increase in such tax revenues was mainly due to increase in rates of VAT. The State Excise Duty increased by 23.35%, other taxes increased by 36.93%. The Non-Tax revenue decreased by Rs. 205.27 crore from Rs. 447.42 crore in 2009-10 to Rs. 242.15 crore in 2010-11 recording a decline of 45.88% over the previous year. The decrease resulted mainly due to less receipts from Power (Rs.197.97 crore), Interest Receipts (Rs. 16.04 crore), and Police (Rs. 4.95 crore). The summary of fiscal transactions of the State Government for the years 2009-10 and 2010-11 indicating the overall fiscal position is shown in Table 3.5.

**3.4** The 13<sup>th</sup> FC had fixed the target of tax and non-tax revenue at Rs. 513.89 crore for the year 2010-11. The actual figure against the target is given in Table 3.6.

**Table 3.6: Details of Tax and Non-Tax Revenues**

(Rs. in Crore)

Revenue	Target	Actual
Tax	205.16	279.54
Non-Tax	308.73	242.15
<b>Total</b>	<b>513.89</b>	<b>521.69</b>

**Table 3.7: Details of Non-Plan Revenue Expenditure**

(Rs. in Crore)

NPRE	Target	Actual
Salaries	566.28	629.63
Interest Payment	141.80	186.77
Pension	78.15	160.14
Other General Services (Inclusive of Grants-in-Aid)	64.20	97.83
Social Services	53.27	206.64
Economic services	32.54	55.64
<b>Total</b>	<b>936.24</b>	<b>1336.65</b>

**3.5** Though the non-tax revenue was lower than the target fixed, the tax revenue from own sources exceeded the target. The 13<sup>th</sup> FC had also fixed the target of Non-Plan Revenue Expenditure (NPRE) for 2010-11 at Rs. 936.24 crore. The actual expenditure against the fixed target increased by 42.77%, as shown in Table 3.7.

**3.6** Sikkim is considered as a special category state. The current transfers comprising of state shares in central taxes and grants-in-aid account for over 70% of total revenue receipts of special category states. Therefore, revenue receipts of such states are driven largely by the revenue performance of the Central Government.

**3.7 *The growth in GSDP and per capita income for the State has been impressive over the decade, surpassing even the regional and national averages.*** The GSDP at Constant Prices increased from Rs. 1739.32 crore in 2004-05 to Rs. 4401.01 crore in 2009-10 (RE). The GSDP for 2011-12 is likely to grow at 9.15%. This growth is higher than the all India GDP at 2004-05 prices which is 8.39%. In the context of Sikkim, the per capita income, at Constant Prices, was Rs. 37,202.00 during 2006-07, which increased to Rs. 92,808.00 during 2010-11. This is expected to reach Rs.1,96,915.00 by the year 2016-17.

**3.8** Fiscal Responsibility and Budget Management (FRBM) Act has been implemented during the financial year 2010-11. This is in essence, a target based framework to ensure that State Government finances are managed to achieve equitable long term macroeconomic stability, consistent with attainment of the medium term growth. In recognition of this effort, the 13<sup>th</sup> FC has awarded Rs. 200 crore as incentive to the State to be released within the period of three years. With the implementation of the FRBM Act, the State is also entitled for State Specific Grants for various projects amounting to Rs. 400 crore for the award period 2010-15 along with the debt interest relief facility provided by the 12<sup>th</sup> FC. Thus, the enactment of FRBM Act has

improved the fiscal position of the State with larger resource transfer from the Central Government. The Medium Term Fiscal Plan (MTFP) of the State has also been prepared in compliance with the FRBM Act. MTFP contains detailed analysis of receipts and expenditures of previous two financial years with fiscal indicators, and three years rolling fiscal target to be achieved. The aim is to bring down the fiscal deficit to 3.5% of GSDP during 2012-13, and to 3% of GSDP in 2013-14. Consistent with the provisions of the FRBM Act, the borrowing limit for financing the State Annual Plan for 2012-13 has been fixed at Rs. 244 crore, yet the target is to contain the borrowings at a much lower level than the limit indicated in the FRBM Act.

**3.9** There being no significant presence of large corporate sector activities the State Government is compelled to be a major player for generation of employment opportunities in the State. This is borne out by the fact that the financial implication on salaries alone was estimated at Rs.1300.00 crore per annum in the year 2012-13.

**3.10** The tax revenue was only Rs. 20.89 crore in 1993-94, and increased to Rs. 279.54 crore in 2010-11, which is about 1238.15 percentage increase. The non-tax revenue which was Rs. 27.55 crore in 1993-94, with an increase of 778.91%, grew to Rs. 242.14 crore in 2010-11. The State Government's grants-in-aid and share of central taxes from Central Government increased from Rs. 176.49 crore in 1993-94 to Rs. 1630.01 crore in 2010-11, with an 823.57 percentage points increase.

**3.11** The expenditure on social services, which was Rs. 63.05 crore in 1993-94, has increased to Rs.816.43 crore in 2010-11, an increase of 1194.89%. The expenditure on economic services has also shown a dramatic increase from Rs. 71.86 crore to Rs. 497.61 crore, an increase of 592.47%. The expenditure on general services also increased tremendously from Rs. 53.98 crore in 1993-94 to Rs. 1580.55 crore, an increase of 2828.03%. Special attention has been paid to the improvement of infrastructure with the



investment in capital increasing from Rs. 67.28 crore to Rs. 451.07 crore in 2010-11, an increase of 570.44%. Increased expenditure in various sectors led to expansion in manpower by the Government, over the last decade. The expenditure on salaries and wages, increased from Rs. 76.82 crore in 1993-94 to Rs. 1297.66 crore in 2010-11, which is about 1589.22 percentage points increase.

**3.12** The pension payment to retired Government employees is also part of committed expenditure of the Government which is estimated at the level of Rs. 239.66 crore per annum during the year 2012-13. ***With longer life span on account of better health and medication, and increasing number of retirement cases expected after 2014-15, the financial implication for pension is likely to be twice as much after 2014-15.*** Thus, there is a need to put in place appropriate measures to curtail expenditures and improve revenue stream to meet the growing revenue expenditure demands. To reduce future pension burden, the State Government has introduced new contributory pension fund scheme for employees appointed after 1st April, 2006. Under this scheme, Government servants are required to contribute 10% of their basic pay plus dearness allowance. The State Government is committed to contribute equal share to the employee's account. As at present a contribution of Rs. 10.25 crore per annum is being made as State's share to the pension fund.

**3.13** The value of rupee has depreciated considerably in the international market and the nation's GDP growth for 2011-12 has slumped to 6.5%, as against 8.4% of the previous year (2010-11). The trade deficit gap is widening and foreign direct investment has decreased substantially. These are signs that the country's economy is slowing down and its impact is likely to be felt by all the States of the Union. To tackle the problem, recently the Ministry of Finance, Government of India has issued certain austerity measures to reduce unproductive and wasteful Government expenditures. Similarly, the State has also put in place several austerity measures to rein in unproductive

Government expenditures such as 10% cut in all administrative expenses which include travel and office expenses, etc.

**3.14** The earthquake that devastated part of the State adversely affected the finances of the State in terms of reduction in collection of own revenues and resulted in higher expenditures focused on rehabilitation and reconstruction over the developmental activities. For some years the impact of September, 2011 earth quake will haunt the State, as it embarks on rebuilding the damaged infrastructure and rehabilitating the shattered lives of the people. The State's economy mostly depends on energy and tourism sectors, which too suffered greatly resulting in revenue shortfall which is likely to continue for some years till the restoration works are completed and the economy is put back on the rails. ***The State has passed a policy resolution to create "Sikkim Earthquake Management and Rehabilitation Fund, and Sikkim Land Policy for Private Sector Development, 2012" with a view to improve the resource base.*** Under this policy, the investors interested to set up hydro power projects, hotels, industries etc. are required to contribute and deposit funds ranging from Rs. 5.00 crore to Rs. 50.00 crore depending on the cost of the project, prior to allotment of land. The State is also coming out with a legislation to levy Earthquake Cess to be utilized for repair and rebuilding of infrastructure damaged by the earthquake. Recently, the State has also raised the power tariff by 16%. These measures reflect the determination to improve the resource position. But for a small resource-starved State, this is a formidable task, especially after the devastating earthquake. There is an urgent need for fiscal consolidation to enable the State to keep up the Plan funding from the Central Government, and the pace of economic development of the State to optimum level, despite the setback received due to the earthquake. The State is taking strong measures in terms of fiscal consolidation. One of the important aspects is to utilize the revenue received including various types of Cess funds, and to plough back such revenues into

the regular budgetary system by duly amending the various Cess Acts in vogue, appropriately.

**3.15** The State has taken up number of measures targeting revenue generation and employment opportunities to improve the living standard of the people. Traditionally, indicators such as per capita income, Gross Domestic Product (GDP) and the Human Development Index (HDI) are the primary metrics in assessing the progress of nations. However, the State is equally anxious to ensure that economic indicators as reflected in per capita income and GDP growth will have to bring about positive impact on the living conditions of the people. This includes environmentally and socially sustainable development, trans-boundary assets, human capital, manufactured capital, natural capital, and health capital in terms of extensions or reductions in life expectancy.

### **Previous SFCs Fund Transfers – Trends Vs Actual Status**

**3.16** The Commission felt it appropriate to assess the actual flow of funds to Local Bodies from the State Government as per the recommendations of previous SFCs. The 2<sup>nd</sup> SFC had recommended 1% share of State's tax receipts to PRIs. The total shareable tax revenue to the PRIs for the period 2006-07 to 2009-10 was Rs.7.94 Crore. However, the actual inflow to PRIs was **NIL** in that period, although the recommendation was accepted by the State Government.

**3.17** The 3<sup>rd</sup> SFC recommended certain measures for improving fiscal health of the Panchayats and Municipalities which although accepted by the State Government were not adhered to by the Line Departments. It is observed that while the State budget allocation increased from Rs. 1300.69 crore in 2006-07 to Rs. 2514.53 crore in 2009-10, the PRI allocations ranged from Rs. 21.53 crore in 2006-07 to Rs. 19.24 crore in 2009-10 indicating a decrease of Rs. 2.29 crore (11 percent) as against the enhancement of State budget to 93%

over the same period. Further, during 2010-11 only 1.78 percent (Rs. 13.42 crore) of plan expenditure of Rs. 754.48 crore relating to 14 departments was transferred to PRIs.

**3.18** The 3<sup>rd</sup> SFC worked out the gap between administrative expenditure and own revenue of the PRIs (had the PRIs levied all taxes as recommended by 3<sup>rd</sup> SFC) and recommended for transfer of fund of Rs. 3.62 crore for 163 GPs (to be met from 2% of revenue collected by 8 departments) for administrative expenses which was accepted by the State Govt. However, only Rs. 2.00 crore was transferred to GPs towards administrative expenditure (salaries, TA/DA, honorarium and office expenses) during 2010-11. Non-transfer of full amount for administrative expenses compelled the PRIs to spend developmental fund for defraying establishment cost, resulting in diversion of scheme fund.

**3.19** 3<sup>rd</sup> SFC also recommended for transferring of (i) 2 to 35 percent plan fund aggregating to Rs. 76.79 crore from 15 sectors towards 'Specific Purpose Grant', and (ii) 20 percent of State Plan budget under RMDD towards General Purpose Grant to GPs and ZPs. This, however, was not followed during the year 2010-11.

**3.20** Both Gram Panchayats and Zilla Panchayats have derived partial benefits from the transfers made by the State Government. All the 4 Zilla Panchayats and 80% of the Gram Panchayats i.e. 142 out of 176 GPs have their own buildings including furniture and computers, while another 23 GPs operate from rented premises. All 176 GPs are provided with one Rural Development Assistant (RDA) and one Panchayat Account Assistant (PAA). The PRIs have been able, atleast, to render some of the basic services to the people. ***The Commission observed that both PRIs & ULBs could have offered better services to their subjects, had the fund transfers been made in full as per the recommendations of 3<sup>rd</sup> SFC.*** ULBs being in the infant stage of its evolution would require enhanced fund transfers from the State Government

to carry out their functions effectively. With meager direct transfers, the impact on the finances of Local Bodies is significant, but to a limited extent.

**3.21** The Commission observed that the fund inflow to Local Bodies from the State Government, as per the previous SFCs recommendations, is not encouraging, although such recommendations were accepted by the State Government. The Commission noticed that though the State Government has committed liabilities, the actual transfers against budgetary allocations to Local Bodies could have been higher than as evident in the foregoing paragraphs. Since the actual outgo to the Local Bodies from the State Government is very minimal, the impact on State finance is not so profound.

**Table 3.8: Size of Funds Recommended by 3<sup>rd</sup> SFC**

(Rs. in Crore)

Particulars	ZP	GP	ULB	Total
Share of Taxes for partly meeting Admin. Expenditure	3.15	4.73	6.85	14.73
Grants for admin. Expenditure	14.77	3.35	18.50	36.62
Specific Purpose Grants (from various LDs/sectors)	140.65	328.18	122.10	590.93
General Purpose Grants (untied) (RMDD sector)	14.89	134.02	0.00	148.91
Special Incentive Grants	1.50	3.00	0.00	4.50
<b>Total</b>	<b>174.96</b>	<b>473.28</b>	<b>147.45</b>	<b>795.69</b>

**Table 3.9: Details of Actual Outgo to the Local Bodies**

(Rs. in Crore)

Year	Particulars	ZP	GP	ULB	Total
<b>2010-11</b>	General Purpose Grant	0.78	1.74	1.73	4.25
	Specific Purpose Grant				
	Special Incentive Grant				
	Sharing of Taxes, Duties, Tolls, Fees	0.73	1.66	0.01	2.40
	<b>Sub-Total</b>	<b>1.51</b>	<b>3.40</b>	<b>1.74</b>	<b>6.65</b>
<b>2011-12</b>	General Purpose Grant	0.70	1.58	2.34	4.62
	Specific Purpose Grant				
	Special Incentive Grant				
	Sharing of Taxes, Duties, Tolls, Fees	0.71	1.50	0.01	2.22
	<b>Sub-Total</b>	<b>1.41</b>	<b>3.08</b>	<b>2.35</b>	<b>6.84</b>

**3.22** The funds recommended for transfer to the Local bodies for the 5 year period commencing from 2010 -11 is shown in Table 3.8. The details of the actual outgo to the Local bodies (as against the recommended transfers by the 3<sup>rd</sup> SFC) from the State Government in the years 2010 -11 to 2011-12 are shown in Table 3.9.

**3.23** The PRIs are solely funded through grants-in-aid from Central and State Government for general administration as well as development activities. Funds are initially reflected in the State budget against the outlay of various administrative departments under grants-in-aid. Individual departments thereafter transfer the funds to Sachiva-Zilla Panchayats for Zilla Panchayats, and Additional District Collector (Development) for GPs as grants-in-aid. However, the Commission recommends that fund transfers meant for GPs should be made directly to them, with intimation of such fund transfers communicated to Additional District Collector (Development) and other relevant functionaries.

**3.24** As per a Cabinet decision in March 2007, various departments of the State Government were required to transfer 10 percent of the plan funds to the PRIs. It was however, noticed that the fund allocations to the PRIs ranged between 0.76 to 2.84 per cent of total expenditure of the State Government as shown in Table 3.10.

**Table 3.10: Plan Fund Allocations to the Local Bodies**

*(Rs. in Crore)*

Year	Total plan expenditure of State (Revenue & Capital)	Funds required to be allocated to PRIs	Funds actually allocated to PRIs	Percentage of Actual Allocations
2006-07	1300.69	130.07	21.53	1.66
2007-08	1562.34	156.23	44.32	2.84
2008-09	1992.34	199.23	38.90	1.95
2009-10	2514.53	251.45	19.24	0.76
2010-11	754.48*	75.45	13.42	1.78
<b>Total</b>	<b>8124.38</b>	<b>812.43</b>	<b>137.41</b>	<b>1.69</b>

\*Plan expenditure of only 14 LDs taken as per recommendation of 3<sup>rd</sup> SFC

### **Guarantees by State Government on behalf of LBs**

**3.25** In Sikkim, so far no Local Body has raised any kind of loans, accordingly there is no case of guarantees provided by the State Government on behalf of Local Bodies.





## 4. Status of Decentralized Governance and Devolution

### Devolution and Activity Mapping (Rural Local Bodies)

**4.1** Notification no. 3/RMDD/P dated 29.04.2008 issued by RM&DD, GoS, regarding the list of functions devolved /activities transferred to ZPs and GPs is as follows:

S. No.	Name of Sector /Department	Activities under ZP	Activities under GP
1.	Agriculture & Food Security	<p>Identification of areas for all programmes.</p> <p>National Agricultural Insurance Scheme.</p> <p>Extension &amp; demonstration on organic farming</p> <p>Conducting crop competition demonstration.</p> <p>Deconstruction program (identification of area and beneficiaries).</p> <p>Compensation for crop loss due to natural calamities.</p> <p>Establishment of storage facilities.</p> <p>Generate crop statistics.</p>	<p>Selection of beneficiaries for demonstration and organic manure production.</p> <p>Assist in organizing crop competitions &amp; exhibition.</p> <p>Selection of beneficiaries for special program of organic farming.</p> <p>Generating yield data.</p> <p>Reporting of crop loss.</p> <p>Maintenance of infra-structures.</p> <p>Organizing &amp; motivation for agriculture production.</p>
2.	Horticulture & Cash Crops	<p>Extension &amp; demonstration on organic farming related to horticulture.</p>	<p>Extension &amp; demonstration on organic farming related to horticulture and development of local entrepreneurs for production</p>

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		<p>Conducting crop competition &amp; exhibition.</p> <p>Training &amp; demonstration of horticulture crops including fruits, Vegetables, potato, ginger &amp; cardamom.</p> <p>Create awareness in floriculture as commercial venture.</p> <p>Assessment, verification and compensation of horticulture crop losses due to natural calamities.</p> <p>Establishment of storage facilities.</p> <p>Generate horticulture crop statistics.</p> <p>Motivation and implementation of crop insurance</p>	<p>of organic manures.</p> <p>Assist in organizing crop Competitions &amp; exhibitions.</p> <p>Training &amp; demonstration of horticulture crops through selection of right beneficiaries and areas.</p> <p>Assessment and reporting of horticulture crop losses.</p> <p>Maintenance of storage facilities.</p> <p>Generate horticulture crop statistics.</p> <p>Motivation of crop insurance programme.</p>
3.	Animal Husbandry, Livestock, Veterinary Services	<p>Rabies control, vaccination &amp; elimination of affected animals.</p> <p>Distribution of preventive materials for control of animal diseases Preventive measures.</p> <p>Compilation of reports &amp; dissemination of information.</p> <p>Identification of areas for different types of animal development programme.</p> <p>Quality monitoring.</p> <p>Meat inspection &amp; certification.</p> <p>Programmes for fodder production.</p> <p>Management of marketing of animal product. Assessment of production. Processing centres.</p> <p>Training &amp; awareness of animal husbandry related programmes.</p> <p>Organizing district-level training, workshops &amp; programmes.</p>	<p>Reporting incidents &amp; supervising implementation of works.</p> <p>Reporting incidents &amp; supervising implementation of works.</p> <p>Supervision &amp; local level survey. Implementation of programmes.</p> <p>Monitoring &amp; regulation of wastes.</p> <p>Identification of beneficiaries. Distribution of fodder.</p> <p>Collection of products for large markets.</p> <p>Assessment of production-collection centres.</p> <p>Supervision of delivery of government services.</p> <p>Identification of training needs of farmers.</p> <p>Requisition of training programme.</p> <p>Distribution of high-bred varieties of farm animals.</p>

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		<p>Cross breeding – management of artificial insemination programmes.</p> <p>Execution of works between Rs.2.00 to Rs. 5.00 lakhs.</p> <p>Identifying areas for various types of fisheries.</p>	<p>Execution of works upto Rs.2.00 lakhs.</p> <p>Supervision of implementation.</p>
4.	Education	<p>Overall supervision of JHS except appointment and transfer of teachers.</p> <p>All repairs &amp; maintenance of JHS. Supporting State authorities in survey &amp; related projects. Literacy programmes. Monitoring the programmes.</p> <p>Construction of mid-day meal kitchen and its maintenance</p>	<p>Overall supervision of functioning of PS and LPS except appointment and transfer of teachers.</p> <p>All repairs &amp; maintenance work upto Rs.10 lakhs.</p> <p>Identification of learner's assisting in literacy survey.</p> <p>Supervision of programmes.</p>
5.	Health & Family Welfare	<p>To facilitate the formation of village health and sanitation committees at the gram panchayat level.</p> <p>To ensure and help District Health Mission under NRHM to prepare need based demand driven socio demographic plans at the district level.</p> <p>To oversee effective implementation of health and family welfare programmes at the district level by monitoring and supervising the functions and functionaries, by training, equipping and empowering panchayat members suitably to manage and supervise the functioning of health care infrastructure and man-power and further co-ordinate works of different departments such as Health &amp; Family Welfare, Social Welfare, Public Health Engineering, Rural Development, etc., at the district level.</p>	<p>Form village health and sanitation; committee comprising of ANM/MPHW (M), ASHA, MSS, adequate representation for women members (Existing village sanitation committees under Total Sanitation campaign may be redesignated as Village Health and Sanitation Committees).</p> <p>To ensure and help village level health committees under NRHM to prepare area specific, need based, demand driven, socio-demographic plans at the village/sub-centre level.</p> <p>To grant approval and ensure proper utilization of funds earmarked as untied funds under NRHM.</p> <p>To ensure selection of sincere and dedicated ASHA in villages. To promote access to improved health care at the household level through female health activist (ASHA).</p>

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		<p>To ensure un-biased selection of ASHA in each village by panchayat members and to devise mechanism at the district level for monitoring of ASHA.</p> <p>Awareness generation regarding all health and family welfare related issues and generate demand from the community regarding available services provision under different National Health Programmes and State Service Provision. To increase service utilization at different levels through different effective locally acceptable approaches.</p>	<p>To demonstrate exemplary performance in compulsory registration of births, deaths, marriages and pregnancies. Ensuring safe deliveries to bring reduction in Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR).</p> <p>Identification of people in need of services and facilitate providing services in collaboration with village level health workers in respect of National Programmes like Reproductive and Child Health, Blindness, TB Control, STD/HIV/AIDS, etc.</p> <p>Keeping provision of fund for maternal and child health activities (referral of high risk cases, etc) in PRI budget.</p> <p>Awareness generation regarding all health and family welfare related issues and to generate demand from the community for services under different National and State Health Programmes.</p>
6.	Forests, Environment and Wildlife	<p>Facilitation for marketing of saplings for government &amp; private plantation.</p> <p>Providing marketing facilities for medicinal plants &amp; other forestry products.</p> <p>Training for cultivation. Protection support to Smriti Van.</p> <p>Support for control of forest fire. Prevention &amp; control.</p> <p>Awareness on grazing-regulated grazing.</p> <p>Promotion of NTFP-bamboo plantations.</p> <p>Promotion of timber substitutes marketing.</p>	<p>Establishment of community nurseries.</p> <p>Establishment of medical plants gardens for commercial purpose.</p> <p>Establishment of Smriti vans.</p> <p>Control of forest fires. Co-ordination with JFMC.</p> <p>Control of grazing on forest land. Implementation of regulated grazing. Plantation of NTFP-production.</p> <p>Micro-planning &amp; implementation of soil conservation works.</p>

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		<p>Identification of gram Panchayats for the programme.</p> <p>Monitoring of the programme. Identification of gram panchayats for the programme.</p> <p>Harvesting &amp; distribution of fuel wood.</p>	<p>Planning &amp; implementation of Green Mission works.</p> <p>Planning &amp; implementation of fuel wood plantation in community lands.</p> <p>Identification of sites.</p> <p>Upkeep of parks &amp; gardens.</p>
7.	Commerce & Industries	<p>Providing assistance to trained beneficiaries to start their own units including credit support.</p> <p>Organizing entrepreneurial development programmes.</p> <p>Providing marketing facilities for cottage and village products.</p> <p>Identifying locations for specific industrial &amp; commercial activity.</p>	<p>Identification of beneficiaries for training.</p> <p>Distribution of raw materials.</p> <p>Promotion of cottage industries based on locally available materials.</p>
8.	Disaster Management	<p>Assisting in assessment of damages during natural calamity. Providing training on rescue and relief operation.</p> <p>Co-ordinating with District Relief Committee and Village Relief Committee.</p> <p>Investment in preventive measures and also preparedness.</p> <p>Maintenance &amp; minor repairs between Rs.10 to Rs.20 lakhs.</p>	<p>Mobilizing community organization for relief and rescue.</p> <p>Organizing rescue and relief through the Gram Panchayat and Ward Disaster Management committees.</p> <p>Temporary restoration of village road, water supply, schools &amp; health centers. Identification of victims and providing relief.</p>
9.	Irrigation	<p>Creation of minor irrigation channels</p>	<p>Identification of locations for minor irrigation channels.</p> <p>All repairs of minor irrigation channels.</p>
10.	Cultural activities	<p>Identification and preservation of heritage sites.</p>	<p>Promotion of folk art.</p> <p>Preservation of traditional culture and customs.</p> <p>Rural (village) libraries.</p>
11.	Rural water supply	<p>All maintenance and new schemes between Rs.10.00 to Rs.20.00 lakhs</p>	<p>Minor repairs and new schemes upto Rs.10.00 lakhs.</p>
12.	Rural bridges	<p>All maintenance and new schemes between Rs.10.00 to Rs.20.00 lakhs.</p>	<p>Minor repairs and new schemes upto Rs.10.00 lakhs.</p>

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13.	Rural sanitation	<p>Promoting environment friendly means of disposal of solid and liquid waste.</p> <p>Maintenance of environmental hygiene.</p> <p>Construction and maintenance of institutional and community latrines and bathing places.</p>	<p>Conducting environment friendly waste management through Gram Panchayat level Water and Sanitation Committees.</p> <p>Construction and maintenance of Individual Sanitary latrines and bathing cubicles.</p>
14.	Cooperatives	Promotion of cooperative movement.	Generating awareness of cooperatives.
15.	Misc.	<p>Regulating building construction.</p> <p>Rural street lightning and its maintenance.</p> <p>Establishment &amp; maintenance of crematoriums and burial places.</p> <p>Regulating disposal of carcasses.</p> <p>Construction of ICDS Centres.</p> <p>Disbursement of OAP &amp; SA.</p> <p>Small Family Benefit Scheme.</p> <p>National Family Benefit Scheme.</p> <p>Promotion of eco-tourism.</p> <p>Maintaining tourist infrastructure and amenities at the district level.</p> <p>Promotion of use of renewable energy sources.</p> <p>Maintaining haat sheds at the Sub-Divisional level markets not falling under the jurisdiction of ULBs.</p> <p>Assisting the State Government in collection of data/ survey/ maintenance of law &amp; order and IEC activities.</p>	<p>Enforcing regulation for building construction.</p> <p>Establishing facilities for generation of renewable energy sources.</p> <p>Reporting on presence of dead carcasses.</p> <p>Supervision and maintenance of ICDS Centres.</p> <p>Maintaining tourist infrastructure and amenities at the village level.</p> <p>Regulating the use of haat sheds at the Sub-Divisional level markets not falling under the jurisdiction of ULBs.</p> <p>Collection of data for the state Government and reporting to the District Administration of the law &amp; order situation including potential dangers and disturbances.</p>
16.	All Centrally Sponsored Schemes	As per guidelines given by GOI.	As per guidelines given by GOI.



**4.2** The notification issued by the Government states that ***“Under the transferred subjects, the plan proposals shall be prepared by the concerned Line Department with Gram Panchayat and Zilla Panchayat wise breakups, as per the guidelines provided in the Activity Mapping for this purpose. The Planning & Development and the Finance Departments shall ensure that the allocations are made by these Departments and also workout modalities for timely release of resources, directly, to these institutions and rendition of accounts thereof. A modality for submission of statement of accounts for the purpose of timely re-appropriation of likely unspent resources shall also be worked out.*** Ensuring of timely execution of works, to arrange for their supervision, monitoring and reporting shall be the responsibility of the Line Departments concerned. The Officials and field functionaries deputed to the Gram Panchayat and Zilla Panchayats under this scheme shall have a lien to their parent departments concerned, but shall be directly under the administrative control of the concerned Zilla Panchayat and Gram Panchayat for the period of their posting under such Panchayats.”

**4.3** After deliberating on the notification, the Commission recommends that the ***plan proposals for the activities transferred to the Rural Local Bodies (i.e. GPs and ZPs) should be prepared by themselves.*** However, to facilitate the preparation of plan proposals by Rural Local Bodies (RLBs) the concerned Line Department must provide GP and ZP wise fund allocations (usually termed as resource envelope), as an annual practice, and the timely release of these funds directly to the RLBs need to be ensured by DPER&NECAD and FRED.

**4.4** The Commission recommends that the officials and field functionaries should be deputed to the GPs to the extent possible, and they shall have lien to their concerned parent departments, but shall be directly under the administrative control of the GPs for the period of their posting.

**4.5** The Commission finds it appropriate to reproduce the Article 243G and the matters listed in the Eleventh (11<sup>th</sup>) Schedule:

**Article 243G**

**Powers, authority and responsibilities of Panchayats.**—Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to—

- (a) the preparation of plans for economic development and social justice;
- (b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

**Eleventh Schedule**

- |  |  |
|--|--|
| 1. Agriculture, including agricultural extension.  | 15. Non-conventional energy sources.   |
| 2. Land improvement, implementation of land reforms, land consolidation and soil conservation. | 16. Poverty alleviation programme.   |
| 3. Minor irrigation, water management and watershed development.                               | 17. Education, including primary and secondary schools.  |
| 4. Animal husbandry, dairying and poultry.   | 18. Technical training and vocational education.   |
| 5. Fisheries.  | 19. Adult and non-formal education.  |
| 6. Social forestry and farm forestry.  | 20. Libraries.   |
| 7. Minor forest produce.   | 21. Cultural activities.   |
| 8. Small scale industries, including food processing industries.                               | 22. Markets and fairs.   |
| 9. Khadi, village and cottage industries.  | 23. Health and sanitation, including hospitals, primary health centres and dispensaries.                 |
| 10. Rural housing.   | 24. Family welfare.  |
| 11. Drinking water.  | 25. Women and child development.   |
| 12. Fuel and fodder.   | 26. Social welfare, including welfare of the handicapped and mentally retarded.                          |
| 13. Roads, culverts, bridges, ferries, waterways and other means of communication.             | 27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes. |
| 14. Rural electrification, including distribution of electricity.                              | 28. Public distribution system.  |
|  | 29. Maintenance of community assets.   |

**4.6** The Commission, after consultations with various Line Departments, GPs, and ZPs on the existing devolution and review of the activity mapping vis-à-vis the list of matters in the Eleventh Schedule, and duly examining the limited



but valuable information/views shared by them, has decided to recommend the following:

- i. Payment of salaries of employees of PHSC through GP by fund transfer from the concerned Line Department.
- ii. Payment of honorarium to ASHA workers through GPs.
- iii. Issue of certificate of birth and death by GPs.
- iv. Maintenance & minor repairs of PHSC and PHC through GPs.
- v. Community fodder bank/pasture development through GPs.
- vi. Silage preparation at farmer's level in the GPs.
- vii. Implementation of drought relief through GPs.
- viii. Functionaries from veterinary dispensaries and stockman centers under direct administrative control of GPs.
- ix. Renting of houses for veterinary centers in villages through ZPs
- x. Bull maintenance through ZPs
- xi. Although payment and disbursement of salaries of teachers under Primary and Junior High Schools are made by PRIs, the Assistant Directors, HRDD, posted to BACs are entrusted with the administrative matters of the teachers under PRIs. The Commission recommends that GPs should also have the responsibility over administrative/disciplinary matter of Primary School teachers.
- xii. The Commission recommends release of grants-in-aid (from NRHM) to Village level Health & Sanitation Committees (VHSCs) through respective GPs, and utilization of untied fund of NRHM by PHSCs and PHCs through GPs.
- xiii. Collection of irrigation tax shall be assigned to the GPs.
- xiv. Transfer repair works of Minor Irrigation Channels to the GPs.
- xv. 10% funds of National Rural Drinking Water Supply Program (NRDWP) should be transferred to PRIs as O&M fund, as per the program guidelines.

xvi. Review of the Activity Mapping of all Central Sponsored Schemes (CSSs) wherein the GPs are a centrality to the implementation of such schemes, and assign functions and functionaries to PRIs as per the CSSs guidelines.

**4.7** Regarding the power and functions of Panchayats, the Commission recommends that the GPs should have the responsibility over the disciplinary matter of the following officials:

- |                                 |  |
|---------------------------------|--|
| i. Anganwadi Worker             | v. Gram Rozgar Sahayak                       |
| ii. Primary Health Worker       | vi. Accredited Social Health Activist (ASHA) |
| iii. Village Level Worker       |  |
| iv. Rural Development Assistant | vii. Primary Teacher                         |

**4.8** The Commission also pursued the C&AG's Annual Technical Inspection Report for the year 2010-11 to assess the status of devolution to PRIs, and it confirmed the Commission's belief that actual grassroots devolution to the PRIs differs by a large extent to the devolution as indicated in the departmental notification. The financial transfer pertaining to functions devolved/activities mapped to PRIs ranges from 0.76% to 2.84% as against 10% of total plan funds of the State Government, as already mentioned in Chapter 3 of this report.

### **Financial Accountability (RLBs)**

**4.9** To begin with, the Commission believes that the quality of accounts maintained at any tier of government is directly dependent on how its budget is prepared and to what extent the budget is adhered to by the particular government. Though as per Section 46 and 83 of the Sikkim Panchayat Act, 1993, the GPs and ZPs are required to prepare annual budgets of their estimated receipts and disbursements and submit the budgets to the State Government for approval, the Commission observed that only in the financial year 2012-13 two GPs namely Mellidara in South Sikkim, and Sangadorjee in

West Sikkim, have prepared such budgets. However, these budgets were not approved by the State Government.

**4.10** Moreover, the Commission also examined the Statement of Accounts of the GPs and ZPs for the financial years 2009-10 to 2011-12, and it was identified that only 10% of the PRIs were in a position to submit comprehensible accounts accounting for the receipts and expenditures. As far as the role of Panchayat Accounts Assistant (PAA) stationed in every GP, they are not fully utilized for the maintenance of accounts, however, in select GPs the PAAs are involved in the roll-out of cash based version of PRIASoft accounting software. Moreover, the State Government has adopted 8 simplified formats under Modified Accounting Structure (MAS) for the PRIs. It is pertinent to note that all accounts of PRIs are prepared on cash based accounting procedure. The Commission believes that PRIASoft is one such tool that can significantly enhance the quality of accounts, and thus urge RM&DD to cover 100% of the GPs for PRIASoft implementation. The other positive is that PRIs are in the process of adopting Budget & Accounting formats as prescribed by C&AG.

**4.11** As per a statement of Office of the AG, Sikkim, ***“the migration to accrual based accounting in a phased manner has been accepted by the State Government. A seminar for all the drawing & disbursing officers and a number of Heads of the Departments of the State Government was held in 2006-07, jointly by the State Government and Office of the C&AG to enhance awareness about accrual accounting and eventual migration to accrual accounting. However, not much progress has so far been seen on the ground”.***

**4.12** The Commission noticed that as per the performance review of C&AG on PRI accounts, ***the outcome on the 11<sup>th</sup> FC funds earmarked for creation of financial database and maintenance of PRI accounts was not positive, and the desired /requisite enhancement in the capacities of the personnel engaged in the maintenance of accounts was not achieved. This could be one of the reasons for improper maintenance of the accounts, and submission of***

**substandard information on revenue receipts and expenditures** by the GPs and ZPs to this Commission.

**4.13** As there is negligible financial planning towards the preparation of budgets and maintenance of accounts, the consolidated data on expenditure of PRIs is not available with the State Government. Absence of approved budgets, and poorly written Statement of Accounts from the PRIs, constrained this Commission to say that the quality of accounts maintained by PRIs is not up to the prescribed standards.

**4.14** The Commission recommends that all the GPs and ZPs prepare the budgets for each year as stipulated in Sikkim Panchayat Act, which will enable them to spend on revenue and capital accounts as per the sanctioned funds by the State Government against the approved budgets of PRIs. This arrangement will push the PRIs towards financial planning and accountability on their expenditures, and establish financial discipline in accounting practices as well.

**4.15** The Commission also requested an update from the State Government and C&AG on the under-mentioned 13<sup>th</sup> FC recommendations, which are made to strengthen the accounting system benefitting the State Government with regards to the availability of accurate data on local finances:

- a) To buttress the accounting system, the finance accounts should include a separate statement indicating head-wise details of actual expenditures under the same heads as used in the budget for both PRIs and ULBs, and be brought into effect from 31 March 2012.**
- b) Preparation of a district-wise supplement to the budget document, which would have details of plan-wise and non-plan-wise classification of transfers separately for all categories of ULBs and all tiers of PRIs, from major head to object head under the minor heads 191, 192, and 193; and 196, 197, and 198 respectively, along with the details of funds transferred directly to the local bodies outside the State Government's budget. Parallel**

***to this, the finance accounts should also reflect such a distinction with a separate statement in the finance accounts with distinct plan/non-plan transfers for all ULBs and PRIs.***

**4.16** Though there was no response from the concerned Line Departments (excepting UDHD) on the above recommendations, response from the Office of the Principal AG, Sikkim, is reproduced below:

- a) No separate statement indicating head-wise details of expenditure under PRIs and ULBs is being reflected in Finance Accounts as the same is required to be prepared as per the prescribed format of the CAG. The State Government has opened separate budget head (Demand no. 43 and 46 for PRIs and ULBs) from the financial year 2010-11. The gross expenditure for the year 2010-11 are Rs. 265.24 crore and Rs. 3.91 crore respectively in respect of PRIs and ULBs as reflected in the Appropriation Accounts.***
- b) Similarly, separate statement in the Finance Accounts relating to funds transferred directly to local bodies outside the State Government's budget, have not been included in the Finance Accounts as per the formats of the Finance Accounts. The details of funds received by various bodies/authorities outside the State's budget have, however, been incorporated in C&AG's Report on State Finances, Government of Sikkim.***

**4.17** The Commission, deliberated on the issue, and observed that requisite efforts have not been made by the concerned Line Departments on the above-mentioned recommendations of the 13<sup>th</sup> FC, which could have helped the PRIs and ULBs to ascertain their plan/non-plan receipts in their budgets. Once the budgets of PRIs and ULBs are in place, their account management practices could be objectively evaluated. Further, only HRDD and RMDD allocated their plan and non-plan funds to the Panchayat Window in the State Budget.

**4.18** The Government of Sikkim has entrusted the statutory audit of PRIs to C&AG, and its Technical Guidance and Supervision (TG&S) is availed by GPs and ZPs. Annual Technical Inspection Reports (ATIRs) on PRIs in Sikkim for

the years 2009-10 and 2011-12 have been prepared by the C&AG. As per Section 48 (2) of the Sikkim Panchayat Act, 1993, the State Government is required to appoint Auditor for audit of the accounts of GPs. Section 48 (3) of the Act also provides audit of GP by C&AG. As per Section 86 of the Act the accounts of the funds of the GPs or ZPs shall be examined and audited by the auditor appointed under Section 48 (2) and (3). The State Government has not yet appointed any auditor under Section 48 (2) of the Sikkim Panchayat Act, 1993.

**4.19** In keeping with the recommendations of 11<sup>th</sup> FC and guidelines issued by the Ministry of Finance, the Government of Sikkim has entrusted audit of accounts of PRIs to C&AG under Section 20 (1) of C&AG's DPC Act 1971 in August 2001. Accordingly, audit of the GPs is being conducted triennially and ZPs annually by the Office of the Principal Accountant General since May 2003 as per the methodology and procedure enshrined in Auditing Standards and the Guidelines issued by C&AG. Additionally, an audit of PRIs for the years 2010-11 and 2011-12 was performed through a local CA firm.

**4.20** The Directorate of Local Fund Audit (DLFA), though at a nascent stage has managed to audit 7 PRIs till date, as per its status report submitted to the State Legislative Assembly in April 2013. The disposal status of its objections is awaited.

**Table 4.1: Details of C&AG's Audit Objections and Disposals**

<b>Year</b>	<b>IR Issued</b>	<b>Paragraph Issued</b>	<b>Paragraph Settled</b>	<b>Paragraph Outstanding</b>
<i>Up to 2005-06</i>	116	786	243	543
<i>2006-07</i>	67	320	52	268
<i>2007-08</i>	86	352	11	341
<i>2008-09</i>	56	234	20	214
<i>2009-10</i>	50	362	-	362
<i>2010-11</i>	33	192	-	192
<b>Total</b>	<b>408</b>	<b>2246</b>	<b>326</b>	<b>1920</b>

**4.21** Regarding the disposal of audit objections raised by C&AG and local CA firm in their ATIR and report respectively, the Commission feels that line departments tend to procrastinate on taking appropriate actions to dispose of such objections. As per the C&AG's ATIR, the compliance report on the observations issued by audit is to be sent within three months. The details of inspection reports by AG (Audit), as on 31.03.2011, and audit paragraphs awaiting settlement for the period 2005-2011 are as in Table 4.1.

### **Administrative Issues (RLBs)**

**4.22** In the State of Sikkim, the Sachiva of a Gram Panchayat is an Elected Representative (ER). The Commission feels that this practice is impeding the effective functioning of the Local-Self Government (GP in this case) in a decentralized framework. The Sachiva or Secretary of the Gram Panchayat, inter-alia, has to perform the following duties:

- a) Deal with the administrative matters in the Office of the Gram Panchayat,*
- b) Prepare list in respect of tax and license fees levied by Gram Panchayat,*
- c) Supervise the maintenance of Books of Accounts,*
- d) Prepare the monthly, quarterly, half-yearly and annual statement of Accounts and place the same before the Gram Panchayat,*
- e) Assist in the preparation of Budget of the estimated receipts and disbursement of Gram Panchayat under the direction of Sabhapati in due time,*
- f) Maintenance of grants-in-aid register and preparation of utilization certificates,*
- g) Keep all records of the Gram Panchayat in safe custody and produce the same in the meeting of the Gram Panchayat, and Gram Sabha,*
- h) Oversee payment of wages to labourers engaged in various programmes under implementation by the Gram Panchayat,*
- i) Record the resolution of the meeting held in the Gram Panchayat, and Gram Sabha,*



- j) Produce all records before the auditors of inspecting offices as and when required,*
- k) Submit to the appropriate authority all grants-in-aid bills in due times,*
- l) Perform duties for encashment of cheques and disbursement of fund,*
- m) Maintain all registers relating to all categories of Gram Panchayat employees, and*
- n) Perform such other duties in respect of the work of the Gram Panchayat and of the State Government as the Sabhapati or the Upa- Sabhapati or the State Government may direct.*

**4.23** The Commission observed that an Elected Representative (ER) as a Secretary of the Gram Panchayat cannot be expected to comply with the above-listed duties or others that can be appended. Additionally, if the Secretary of the Gram Panchayat is an administrative functionary, the Gram Panchayat can also proceed to take disciplinary action against the Secretary, if incase he or she is found neglecting the duty. Whereas, if the Secretary is an Elected Representative, the Gram Panchayat cannot afford to take any disciplinary action on such Secretary, and in cases where suspension or dismissal of Secretary is warranted, the issue becomes all the more complex.

**4.24** Also, in view of the increasingly large amount of funds being transferred to Gram Panchayats in the wake of power decentralization and devolution of funds to carry out various functions, it will be prudently appropriate to have an administrative functionary as the Secretary of the Gram Panchayat instead of an Elected Representative, who would have different duties to attend, which are typically applicable to any politician serving the public.

**4.25** The Commission recommends that an administrative functionary be appointed as the Secretary (Sachiva) of the Gram Panchayat, as is the practice in other States, to streamline the grassroots activities of the Gram Panchayats, and to have a functionary who can be held accountable as well. The ZP in Sikkim already have an administrative functionary as its Sachiva, the same arrangement be extended to GPs. The concerned line department



shall also make necessary amendment to the Panchayat Act to facilitate such appointment.

**4.26** Currently, the District Planning Officers (DPOs) have been posted to Zilla Panchayats on deputation by the State Government. DPO being a functionary of ZP is directly not connected to planning processes of Gram Panchayats and Urban Local Bodies in a particular district, though DPO as a Member Secretary of District Planning Committee (DPC) has minimal involvement in the supervision of plan preparation processes at GPs and ULBs. Since the DPOs belong to ZPs, they are not inclined to show optimal involvement and interest in the plan processes of GPs and ULBs. The Commission believes that District Planning Officer has to be responsible for all the planning activities/processes, irrespective of such processes pertaining to ZP or GPs or ULBs. The Commission has also observed that ULBs do not have any nodal official either for the administrative issues (other than District Collector) or planning processes at the district level. Moreover, the DPO as such should be the planning official for all the Local Bodies /planning units in the ***‘entire district’***.

**4.27** The Commission consulted various ULBs and DPOs on this issue, and ascertained that ULBs do need a nodal official at district level, and DPO would be the appropriate official to assist the ULBs in planning processes.

**4.28** The Commission recommends that the DPO shall be the district level nodal official for all the Local Bodies (PRIs and ULBs) and for all planning activities arising from the Local Bodies. The DPO should be an official of DPER&NECAD posted in district, which would enable the DPO to optimally perform the role of Member Secretary-DPC, and thus allow him/her to coordinate with the Local Bodies and State Planning Department - DPER&NECAD, in a streamlined manner.

## Devolution and Activity Mapping (Urban Local Bodies)

**4.29** Notification no. GoS/UD&HD/6/502/10/37 dated 25.06.2010 issued by UD&HD, GoS, regarding the list of functions devolved /activities transferred to ULBs viz. Municipal Corporation, Municipal Council, and Nagar Panchayats is as shown:

Name of Department	Name of Sector	Activities under Municipal Corporation	Activities under Municipal Council	Activities under Nagar Panchayat
Urban Dev & Housing Deptt.	Trade License	1. Issue of Trade License within the jurisdiction.	1. Renewal of Trade License	1. Supervisory functions
		2. Renewal of Trade License	2. Supervisory functions	-
		3. Supervisory functions	-	-
	Car Parking	1. Calling NITS for award of Car Parking Contract within the jurisdiction	1. Calling NITS for award of Car Parking contract within the jurisdiction	1. Calling NITS for award of Car Parking contract within the jurisdiction
		2. Evaluation and Award of Car Parking Contract	2. Evaluation and Award of Car Parking Contract	-
	Bazaar Contract	1. Calling NITS for award of Bazaar Contract within the jurisdiction	1. Calling NITS for award of Bazaar Contract within the jurisdiction	1. Calling NITS for award of Bazaar Contract within the jurisdiction
		2. Evaluation and award of Bazaar Contract	2. Evaluation and award of Bazaar Contract	2. Evaluation and award of Bazaar Contract
	Sanitation /Solid Waste Management	1. Collection and disposal of Municipal Solid Waste	1. Collection and disposal of Municipal Solid Waste	1. Collection and disposal of Municipal Solid Waste
		2. Collection of Sanitation Charges	2. Collection of Sanitation Charges	2. Collection of Sanitation Charges
	Urban Poverty Alleviation	1. Implementation of Poverty Alleviation Schemes	1. Implementation of Poverty Alleviation Schemes	1. Implementation of Poverty Alleviation Schemes
	Civil Works	Calling tender, conclusion of agreement, acceptance of tenders and execution of tender works up to 50 Lakhs	Calling tender, conclusion of agreement, acceptance of tenders and execution of tender works up to 30 Lakhs	Calling tender, conclusion of agreement, acceptance of tenders and execution of tender works up to 20 Lakhs

**4.30** As per the communication from UD&HD, ULBs in the State of Sikkim came into existence in the year 2010-11, and since they are only in third year of operation, the process of transfer of functions is still ongoing, and at present, the administrative structure is being strengthened to enable them to carry out the transferred functions.

**4.31** The Commission, on its part, examined the notification and the viewpoint of the concerned department, and observed that only the activities pertaining to UD&HD are devolved to the ULBs, with necessary functionaries to carry out such transferred functions/activities. The Commission has observed that Nagar Panchayats are not properly equipped with enough manpower to carry out the limited functions transferred to them, as they are given only four personnel namely Nagar Panchayat Assistant, Junior Engineer, Sub Inspector, and Peon. It is quite pertinent to note that Accountant is left out, and the accounting activities are outsourced to local CA firms.

**4.32** Further, on consultations with Nagar Panchayats across the four districts, it was informed that Chief Municipal Officer of Gangtok Municipal Corporation (GMC), East Sikkim, is simultaneously functioning as the Municipal Executive Officer (MEO) for 3 other Nagar Panchayats namely Rangpo and Singtam Nagar Panchayats in East Sikkim, and Mangan Nagar Panchayat in North Sikkim, and Deputy Municipal Officer of Namchi Municipal Council (NMC) is also functioning as MEO for Jorethang Nagar Panchayat in South Sikkim, and Geyzing Nagar Panchayat in West Sikkim, at the same time. The Commission observed that MEOs were unable to commit focused attention and time on various administrative and development issues of 3 to 4 LSGs, concomitantly. Moreover, as per the principles of decentralized governance, a functionary/official functioning as a full-time Municipal Officer of one LSG/ULB cannot be appointed as an Executive Officer for other LSGs/ULBs on a permanent basis.

**4.33** The Commission finds it appropriate to reproduce the Article 243W and the matters listed in the Twelfth (12<sup>th</sup>) Schedule:

**Article 243W**

**Powers, authority and responsibilities of Municipalities, etc.**—Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow—

(a) the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to—

(i) the preparation of plans for economic development and social justice;

(ii) the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule;

(b) the Committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in the Twelfth Schedule.

**Twelfth Schedule**

1. Urban planning including town planning.
2. Regulation of land-use and construction of buildings.
3. Planning for economic and social development.
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and promotion of ecological aspects.
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.

11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds; cremations, cremation grounds; and electric crematoriums.
15. Cattle pounds; prevention of cruelty to animals.
16. Vital statistics including registration of births and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
18. Regulation of slaughter houses and tanneries.

**4.34** The Commission, after consultation with various Line Departments and ULBs on the existing devolution of functions and functionaries, and review of the activity mapping vis-à-vis the list of matters in the Twelfth Schedule, and after deliberating on the information/views shared by them, the Commission has decided to recommend the following:

- i. To strengthen the administrative capacities of Nagar Panchayats, an Under Secretary or a suitable official be deputed to each of the Nagar Panchayats for functioning as full-fledged Municipal Executive Officer and efficient discharge of the duties and functions.
- ii. Matters/activities related to other line departments as listed in the Twelfth Schedule should be fully devolved to ULBs, particularly since the ULBs will be in their fifth year of existence, and have gained requisite operational experience and administrative strength.
- iii. DPO shall be the district level nodal official for all the ULBs and for all decentralized planning activities/functions arising from the ULBs. The DPO should be an official of DPER&NECAD posted in district, which would enable the DPO to optimally perform the role of Member Secretary-DPC and thus allow him/her to coordinate with the Local Bodies (both ULBs and PRIs) and State Planning Department - DPER&NECAD, in a streamlined manner.
- iv. Ward Committees should be constituted in all ULBs for effective implementation of development schemes as per the subjects listed in the Twelfth Schedule.

### **Financial Accountability (ULBs)**

**4.35** As in Para 4.9, the Commission reiterates the importance of budget availability and adherence to it, if any government is intending to have financial accountability. Though, as per Sections 50 & 53 of the Sikkim Municipalities Act, 2007, the ULBs are required to prepare annual budgets of their estimated income and expenditure and submit the budgets to the State Government for approval, the Commission observed that except for GMC, no other ULB has prepared a budget for approval by the State Government. GMC has prepared its budget for the FY 2011-12 and submitted to UD&HD for approval and sanction of funds by the State Government. However, it is informed that no communication on sanction of funds against

its budget was received by GMC from the nodal department. The Commission believes this is not an encouraging sign within the framework of decentralized governance.

**4.36** The Commission observed that the funds transfer to ULBs is budgeted by the State Government without the involvement or inputs from these ULBs. When there is no ownership of the ULBs on their budget, then the expenses will be made as per the inflows from the State Government, as and when transfers are made, but such expenditures are not reflected in the budgets prepared by them. Moreover, lack of budget hinders the ULBs in preparing their annual plans as well.

**4.37** The Commission was also informed that all the ULBs have adopted the accrual based double entry system of accounting, and local CA firms have been given the responsibility of providing technical guidance on the account management. Accordingly, the response from the ULBs was positive, and all the ULBs have submitted proper Statement of Accounts for the year 2010-11 and 2011-12, as requested in prescribed formats. The Commission believes that quality of accounts maintained is satisfactory, but to a limited extent.

**4.38** As in the case of PRIs, the ULBs also avail technical guidance and supervision of C&AG, and statutory audit of accounts is entrusted to C&AG. Additionally, annual audit of ULBs is performed by local CA firms. With respect to audit objections, the C&AG has not conduct any audit of ULBs to date, therefore there is no information regarding the disposal of the objections. DLFA has just concluded its audit of 1 ULB (GMC), and its disposal status of its objections is awaited.

### **Administrative Issues (ULBs)**

**4.39** As in paragraphs 4.26 to 4.28, the Commission recommends that DPO, at the district level, shall be appointed as the nodal officer for the ULBs too.



**4.40** As far as strengthening the administrative capacity of Nagar Panchayats is concerned, an Under Secretary or a suitable official be deputed to each of the Nagar Panchayats for functioning as full-fledged Municipal Executive Officer and efficient discharge of the duties and functions. The practice of having a Municipal Officer of one LSG as an Executive Officer of 2 to 3 ULBs across different districts should be dispensed with.

**4.41** Currently in ULBs, local CA firms are providing technical guidance on account keeping and management on accrual basis. However, the Nagar Panchayats do not have a full-time accountant/accounts officer maintaining their books of account. In the interest of the Nagar Panchayats, the Commission recommends that a suitable accounts official be transferred to them, which will not only enhance their capacities to deal with various transactions, but state of financial accountability will also be enhanced.

### **Status of Implementation of Previous SFC Recommendations**

**4.42** The Commission, after due deliberations, felt it appropriate to dwell upon the recommendations of all the three previous SFCs and 13<sup>th</sup> CFC (specific to LBs), so as to arrive at a common level of understanding on implementation status and impacts of ATRs on fiscal decentralization and other related issues. However, the Commission observed that to ascertain the accurate status and impact of these recommendations on finances and governance at all tiers, relevant data on measurable and qualitative parameters (covering the recommendations) is an imperative requirement, on an annual basis. In the normal scenario, the State Government performs a single Action Taken Report (ATR) within 03-06 months of SFC report submission. ***Once the ATR exercise is over, the recommendations are left to lie in the Report, and subsequent necessary actions/ updates required, say on annual basis, are not looked into. The Commission is of the view that the recording the implementation status and impacts of recommendations or preparation of 'Status Report on SFC/CFC Recommendations' should be***

**carried out, on an annual basis, to evaluate the changes/improvements being achieved in local finances and governance due to SFC recommendations.** This task should be carried out by the State Finance Commission Cell of the State Government.

## **Action Taken on Recommendations related to Finances**

### **4.43 Recommendations of 1<sup>st</sup> SFC and Actions Taken thereof:**

<b>Recommendations</b>	<b>Action Taken</b>
<i>The institutions of LSG will not be able to discharge their responsibilities without required fund and staff. Presently, these institutions are totally dependent on Grants-in-Aid provided by the State Government and the Grants from the Union Government through poverty alleviation and other schemes. As such Commission recommends to provide, and enhance funds provided to LBs.</i>	Accepted by the Government
<i>Over the past decade, the proportion of Plan Expenditure for district has increased and with further decentralization, this share will go up. A substantial part of this should be entitlements to the local bodies in the form of share of tax-revenue.</i>	Accepted by the Government
<i>A large number of CSSs such as JRY, IRDP, ARWSP, etc. are in operation in which central releases have to be matched by appropriate State release. Such State and Central releases would continue to be grants to the LBs.</i>	Accepted by the Government
<i>In view of financial position of State Government, the Commission recommends that 1% of the net proceeds of all taxes collected by the State in a year should be transferred to the LBs (PRIs). Such funds may be released to the district on quarterly basis based on the criteria such as: i) The geographical imbalance of the district, ii) The monsoon, iii) Socio-economic living standards of the people iv) The main objective of such a system of distribution was to allocate large resources to the backward Panchayat Areas</i>	Accepted by the Government
<i>Non-Plan expenditure will also be in the form of grants to the Local Bodies.</i>	Accepted by the Government
<i>So far the Government has not been collecting property tax within the urban areas. The Commission recommends that property tax should be imposed at the earliest and this tax should be collected by the Urban Local Bodies.</i>	Accepted by the Government
<i>Urban Land Tax in the form of ground rent @ Rs. 0.25 per sq.ft. is being often collected by the State Government. This tax should be enhanced to Rs 1.00 per sq.ft. per annum within Gangtok town area, and Rs 0.50 per sq.ft. per annum in other Urban Areas of Sikkim, and should be handed over to the Local Bodies.</i>	Accepted by the Government
<i>Entertainment Tax should be enhanced by 10%. In order to avoid leakage of tax revenue, the collection system should be monitored by way of affixing revenue stamps of the tax value on every ticket sold. This may be made applicable for Cinema ticket, Video Hall Ticket, Cultural programme and Musical Show.</i>	Accepted by the Government
<i>Ist SFC recommends adopting the system of having Toll Check Posts in every entry point of the Municipal Corporation. Every vehicle other than local taxis of the Corporation should pay Rs. 5/- in the entry point, and truck and buses should pay Rs. 100/-.</i>	Recommendation has been kept in abeyance



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The Commission recommends to make the rate double of the existing trade license/hawkers license.	Accepted by the Government
The Municipal Corporation should levy professional tax depending upon the nature and profitability of the profession.	Recommendation has been kept in abeyance
The Municipal Corporation and the State Govt. Department i.e Urban Development & Housing Department should introduce the system of charging Rs. 1/- for the usage of the public latrine constructed by the Corporation/Department.	Accepted by the Government
The advertisement tax should be increased by 100% within the area Municipal Corporation/Bazaar.	Accepted by the Government
The Department of Urban Development & Housing and the Municipal Corporation should revise the rent of hat shed and rent of Super Market premises as per the revised rate of Govt. i.e. Rs.3/- per square feet.	Accepted by the Government
The Commission recommends that the Panchayat Units should realize the Dhuri Khajana at the following rate instead of Rs.1/-per house as being collected by the Land Revenue Department. (a) RCC Building Rs.50 per annum. (b) Other House (Ekra/ wall) Rs.20 per annum. (c) Huts (temporary) Rs.5 per annum.	Accepted by the Government
The Panchayat units should realize Rs.1/- per tap from the user of water.	Accepted by the Government
Irrigation Facility provided by the State Govt. The Panchayat unit should realize the following water cesses from the user of irrigation at the following rate: a. The user having the holding up to 5 acre - Rs.25 per year b. Above 5 acre and up to 8 acre - Rs.50 per year c. Above 8 acre - Rs.100 per year	Accepted by the Government
Fee for construction of new houses: a. Pucca House/RCC - Rs 50/- b. Temporary House/huts - Rs 100/-	Accepted by the Government
The Commission recommends realizing the fee from occupation of haat area under Rural Marketing Centre - Rs.2/- per occupation during the haat from the Public/Grocery seller.	Accepted by the Government
The infrastructure /establishment expenditure in Panchayat being presently borne by the State Government should continue.	Accepted by the Government
The Commission recommends the introduction of new taxes and enhancement of some of the existing ones. It further recommends the assignment of some of these taxes for collection and appropriation by the Panchayats and Municipalities in order to discharge their obligatory functions under the respective Acts.	

#### 4.44 Recommendations of 2<sup>nd</sup> SFC and Actions Taken thereof:

Recommendations	Action Taken
Introduction and assignment of the following taxes, fees charges etc. to the LBs: Introduction of taxes on property in Municipal areas. Introduction of user charge for drinking water in Panchayat areas @ Rs.5/-	No information is available

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<p>per house per year.</p> <p>Introduction of user charge for use of irrigation water per annum.</p> <p>Holding up to 2 ha - Rs 25/-, Holdings above 2ha and up to 4 ha - Rs 50/-, Holdings above 4 ha - Rs 100/-.</p> <p>Introduction of fees for construction of house in Panchayat Area.</p> <p>RCC Buildings - Rs 100/-, Other Buildings ( Ekra , Brick etc) - Rs 50/-.</p> <p>Introduction of fees for occupation of haat shed in the Panchayat area @ Rs 5/- per occupation/per day for an area measuring 16sq.ft. For occupation of additional area, the charge may be Rs 1/-per sq.ft.</p> <p>Assignment of taxes on fairs, melas, markets and entertainment in Panchayat areas to PRIs.</p> <p>Introduction of service charges for registration of births and deaths @ Rs 10/- for both cases.</p>	
Allocation of grants to meet establishment cost of PRIs amounting to Rs 525.00 Lakhs per annum with an incremental rate of 7% per annum for the subsequent years.	Rs. 90.00 lakhs per annum was finalized
Setting up of Local Area Development Fund with an amount of Rs 3.00 Lakhs per annum and Rs.2.00 Lakhs per annum for the Adyaksha and Up-Adyaksha.	No information is available
Pension and medical benefits to Panchayats	Not accepted citing financial condition of the Government
<p>Enhancement of rates of Honorarium of the elected members of the Gram Panchayats and Zilla Panchayats.</p> <p>Honorarium of Gram Panchayat Sabhapati be increased from Rs.400/- in 1995 to Rs.1000/- in 2005.</p> <p>Honorarium to other members of Gram Panchayat be increased from Rs.300/- in 1995 to Rs.800/- in 2005.</p> <p>Honorarium to Zilla Panchayat Members be increased from Rs.800/- in 1998 to Rs.1000/- in 2005.</p>	Accepted by the Government

#### 4.45 Recommendations of 3<sup>rd</sup> SFC and Actions Taken (ATR dated 23<sup>rd</sup> March, 2010) thereof:

Recommendations	Action Taken
Household Tax @ Rs. 5/-, Rs, 10/- and Rs.15/- per month from each household- small, medium, and bigger respectively. For Resorts, hotel, restaurant, guest houses @ Rs. 5000/- per annum.	Accepted with modification, i.e. Household Tax for resorts, hotels, restaurant & guest houses to be Rs.2500 per annum in place of
Water and Sanitation Tax @ Re. 1/- per month from each household.	
Village Road and Environment Tax @ Rs. 2/- per month from each household.	
Panchayat Recommendation /Clearance Certificate Fees @ Rs. 20/- per case. Sale of Tender Forms as per Government norms.	
Building Construction fee @ Rs. 2/- per Sq. ft. for RCC building and @ Re. 1/- per sq. ft. for Ekra /Kacha structure.	

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<p>Other Miscellaneous Receipts (Bank interest, donation, disposal of unserviceable items, charges for use of Panchayat Ghars/ Conference Halls/ other properties etc.) (As per Panchayat resolution duly approved by DPC).</p> <p>Trade License fees and hawker license fees as per UD&amp;HD rates.</p> <p>Fees on Mela/Picnic etc. in rural area.</p> <p>(As per Panchayat resolution duly approved by DPC).</p> <p>Fees for construction of temporary sheds for any kind of social gathering in public property.</p> <p>Fees @ Rs. 20/- per application/case for minor dispute redressal. (Such redressal forum should be created in GPs).</p>	Rs.5000 per annum
<p>Annual administrative expenditure of 163 Gram Panchayats and 4 Zilla Panchayats has been estimated at Rs. 600.00 lakhs for the year 2010-11 and it is estimated that this expenditure will increase by 8% per annum therefore, the total administrative expenditure for a period of 5 years i.e. 2010-2015 is estimated at Rs. 3667.00 lakhs. Gap between the administrative expenditure and own revenue of the PRIs is 418.00 lakhs for the year 2010-11 and Rs. 2600. lakhs for a period of 5 years i.e. 2010-15. It is recommended that this gap in the administrative expenditure and revenue can be met by sharing of net proceeds of following revenue (Land Revenue, Stamps and registration, Tax on Sale, Trade etc., Animal Husbandry, Forestry and Wildlife, Minor Irrigation, Village and small industries, and Tourism) of the State Government and duly supplemented by grants-in-aid by the State Government. It is recommended that for the financial year 2010-11, 2% of the net proceeds of State revenue from the above sources which comes to Rs. 117.10 lakhs may be transferred to the PRIs.</p>	Accepted but subject to the availability of adequate funds
<p>Distribution of share of revenue as recommended above in between the ZPs and the GPs will be in the ratio of 40:60 and the internal allocation in-between the ZPs and GPs will be on share percentage based on population figures of 2001.</p>	Accepted with modification in the ratio as 30:70
<p>It is recommended that for a five year period of 2010-15 the State Government may provide Specific Purpose Grant from the following 15 Sectors (Agriculture, Horticulture, Animal Husbandry, HRDD, Health, Forest, Commerce &amp; Industries, Disaster Management, Irrigation, Culture, Rural Management &amp; Development, Co-operative, Social Welfare, Tourism, and Power) at a percentage rate ranging from 2% to 35% (approx). In addition to the above recommendations, salary provisions upto Junior High School level shall continue to be released to GPs by HRDD. The total annual allocation under this head comes to Rs. 7679.30 Lakh. For 5 years it works out to Rs. 46882.88 lakhs (2010-2015) excluding Teacher's salaries. The distribution of above fund in-between the ZPs and the GPs will be in the ratio of 30:70. The horizontal distribution among the 4 ZPs will be on the basis of population and area. The internal distribution in-between the GPs will be on the basis of population figure of 2001.</p>	Accepted but subject to the availability of adequate funds
<p>In addition to the Specific Purpose Grant given by various departments to PRIs, it is further proposed that a General Purpose Grant at an approx 20% of State Plan budget under RMDD sector should be made available to the PRIs as Untied Fund. It is estimated that annual allocation of this General</p>	Accepted but subject to the availability of adequate

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Purpose Grant would come to Rs. 2439.00 lakhs and for 5 years this grant would come to Rs. 14891.00 lakhs. It is further recommended that the internal distribution of this grant between ZPs and GPs may be in the ratio of 10:90, and the horizontal distribution among the various GPs may be based on population.	funds and review based on performance
Municipalities will impose and collect the following revenues: Property tax, Toll tax, Other taxes, Sanitation charges, Parking, Rent from premises, Other charges, Blueprint fee, License fee, Other fees, Fines. Anticipated collection for 2010-11 is Rs. 316.00 lakhs and accordingly Rs. 1919.00 lakhs will be collected for 5 years (2010-15). Administrative expenses for ULBs are estimated at Rs. 767.00 lakhs for 2010-11 and Rs. 4678.00 lakhs for 2010-15. The gap between the administrative expenses and the own revenue of the ULBs comes to Rs. 451.00 lakhs for 2010-11 and Rs. 2759.00 lakhs for 5 years (2010-15). Out of net proceeds of the States revenue under Entertainment Tax and Trade Tax /VAT, it is recommended to share Rs. 125.00 lakhs for 2010-11 and Rs. 685.00 lakhs for 5 years (2010-15). There would still be a gap of Rs. 326.00 lakhs in 2010-11 and Rs. 2074.00 lakhs in 2010-15. This gap may partially be met from anticipated savings out of existing administrative expenditure of UD&HD. The CFC/Government of India may be requested to provide special funds of Rs. 1850.00 lakhs for meeting the committed liability of ULBs for effective devolution of powers as per 74th Amendment. Beside this, for carrying out the different functional activities of the Municipalities, grant @ Rs. 2000.00 lakhs annually with 10% increase i.e. Rs. 12210.00 lakhs for 5 year (2010-15) should be provided.	Accepted, but UD&HD shall devise appropriate methodology to impose & collect the revenue. Devolution is limited to 1.5% of net collection. Grants release is subject to performance review of ULBs.
As per provision under Art.280 (3) (bb) of the Constitution, the 12th CFC had allocated Rs. 1400.00 lakhs to Sikkim for PRIs and ULBs. It is recommended that CFC/Government of India may allocate such grant @Rs. 150 per capita per annum. The annual allocation would thus be Rs. 871.00 lakhs and for 5 years it comes to 4355.00 lakhs (2010-15)	13 <sup>th</sup> FC has given recommendation, and transfer of funds to be made as provided.
Monitoring and evaluation of performance of the PRIs shall be undertaken by Directorate of Panchayats. Special incentive grant of Rs. 20.00 lakhs to each of top 3 GPs and Rs. 30.00 lakhs to the top ZP annually may be provided.	Accepted with modification: Rs. 2.00 lakhs to each of top 4 GPs. Rs. 5.00 lakhs to one top ZP annually.
Every GP and ZP shall have a separate account for Non-plan grant including collection of revenue. All the revenue collected or levied etc will be deposited in this account. The Non Plan Grant of Government shall also be deposited in this account. Accordingly it is recommended that the Panchayat Act and Finance rules should be amended to allow for different account one for Plan and other for Non plan by the respective GPs. This fund should be used for expenditure on salary, honorarium, expenditure on maintenance, purchase of stationary, equipment, etc. and to meet expenditure of Gram Prasashan	No action is required since the simplified accounts formats prescribed by C & AG for PRIs addresses



<i>Kendra. This account may be operated by Panchayat President and Secretary. All withdrawal from this account for any specific purpose can be made based on format prescribed by DLFA. Such expenditure should conform to the budget of the GP approved by DPC. The monthly bank statement of this account indicating the receipt and expenditure should be submitted to respective DPO who will compile such bank statement of the District and submit the report to DLFA bi-monthly. DLFA will take up auditing of accounts of the GPs and ZPs from time to time and see that the expenditure is as prescribed and approved by District Planning Committee.</i>	<i>this issue.</i>
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## **Action Taken on Other Recommendations**

### **4.46 Other recommendations of 1<sup>st</sup> SFC and Actions Taken thereof:**

<b>Other Recommendations</b>	<b>Action Taken</b>
<i>1<sup>st</sup> SFC has recommended the devolution of administrative and financial powers and functions to the PRIs and setting up of suitable administrative machinery at the district level. It has recommended constituting four cells to manage the functions of the Local Bodies. These are Administrative Cell, Finance &amp; Accounts Cell, Technical Cell, and Planning Cell</i>	<i>No information is available</i>
<i>Every ZP prepares a detailed district budget taking into account both the Plan and Non-Plan revenue expenditure. The ZP's budget will then be duly scrutinized by the Finance Department of the Government of Sikkim and will be incorporated in its General Budget to be presented to the State Legislature. The State Government will communicate at the beginning of the financial year, in accordance with the budget passed by the State Legislature, the fund that is earmarked under Non-Plan and Plan. The funds so transferred and the resource generated by the ZP will form the 'Consolidated Fund of the Zilla Panchayat'. All expenditure from this Fund shall be incurred in accordance with Sikkim Zilla Panchayat Financial Rules and be subjected to audit by the AG Sikkim.</i>	<i>No information is available</i>
<i>A calendar of events for the planning process is recommended so that ZP Plan can be smoothly incorporated into the State Sector Plan. This process has been designed to ensure that every reasonable local aspiration even at the village level is taken note of.</i>	<i>No information is available</i>
<i>Early constitution of the DPC to consolidate the plans prepared by Panchayats and Municipalities in the district as whole. This has been done to ensure active involvement of people not only in the identification of schemes but also for the maintenance of assets.</i>	<i>No information is available</i>

### **4.47 Other recommendations of 2<sup>nd</sup> SFC and Actions Taken thereof:**

<b>Other Recommendations</b>	<b>Action Taken</b>
<i>Preparation of Panchayat budgets.</i>	<i>No information is available</i>

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<i>Framing of Sikkim Gram Panchayat Financial Rules.</i>	Accepted by the Government
<i>Amendment of the Sikkim Zilla Panchayat Financial Rules, 2001.</i>	No information is available
<i>Posting of District Planning Officer as Member Secretary of District Planning Committee.</i>	Accepted by the Government
<i>Constitution of Committee for Monitoring and Evaluation.</i>	No information is available
<i>Winding up of advisory body to the District Planning Committee.</i>	Accepted by the Government
<i>Reconciliation of accounts of PRIs with the Rural Management &amp; Development Department.</i> <i>Allowing the PRIs some scope for self determination in selection of developmental programmes.</i> <i>Devolution of Powers to the District Sub-Divisional Level Officials.</i>	No information is available
<i>Creation of Panchayat cadre, and 4 DRDAs.</i>	No information is available

**4.48** Other recommendations of 3<sup>rd</sup> SFC and Actions Taken (ATR dated 23<sup>rd</sup> March, 2010) thereof:

Other Recommendations	Action Taken
<i>As per the Sikkim Panchayat Act, Section 40, at present, the rates of levy of Taxes, fees are to be approved by the State Government. This approval of the rates by the State Government is resulting delay in implementation of this provision. As such, it is recommended that the authority to approve the rates for levying of taxes and fees may be delegated to the DPC. The Commission is recommending minimum rates for various fees and taxes in the report. However, representatives of GP may revise these rates upwards with the prior approval of the Gram Sabha and submit to the DPC for approval.</i>	<i>Power retained by the Govt., since DPC is a statutory body specifically constituted to supervise the formulation of plans at GPs/ ZPs &amp; ULBs. However, Govt. decided to constitute an appropriate mechanism to oversee this.</i>
<i>It is recommended that the Sikkim Panchayat Act may be suitably amended and provide for creation of a Directorate of Local Fund Audit under the Finance, Revenue and Expenditure Department. This Directorate shall be responsible for conducting audit of all the Gram Panchayats, Zilla Panchayats and Urban Local Bodies.</i>	<i>Accepted, since, one of the conditions for release of General Purpose Grant awarded by 13<sup>th</sup> FC is that the Annual Report of DLFA must be placed before the State Legislature. Modalities relating to the constitution of the body will be prescribed by the Government.</i>
<i>DPC should be under direct administrative control of Planning Department. District Planning Officers shall also be under the control of Planning Department. The Planning Department should create a separate cell in the Planning</i>	<i>Accepted. Separate Demands No. 43 &amp; 46 are proposed to be opened for PRIs &amp; ULBs respectively under the</i>

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Department to monitor the functions of DPC.	administrative control of Development Commissioner, DPER & NECAD.
All the plan funds of the various LDs reflected in the respective budget of various Line Departments should be placed at the disposal of the Development Commissioner who will re-allocate the fund to the District Planning Officers.	This recommendation may not be acted upon in view of the fact that from this current financial year a separate head of demand for grants has been created for PRIs in the Government budgets.
Every GP should prepare Annual Budget which will take into consideration the sectoral allocation for GPs. The budget of GP will be placed in Gram Sabha and after approval of Gram Sabha will be submitted to DPC. DPC will examine the budget (in prescribed format) of GPs and will approve the budget or return it to the GP with observation if any. If the budget is returned back to the GP by the DPC, the GP should rectify the budget and obtain the approval of the Gram Sabha and re-submit to the DPC. Every ZP and ULB will also follow the same procedure in regard to their Annual Budget as recommended above. The District Plan may be consolidated taking into account the annual budget of all the GPs of the particular district, annual budget of the ZP and annual budget of ULBs of the District. Such District Plan may be sent to DPER & NECAD by DPC and same will form part of the State Plan.	Accepted by the Government
All the fund whether pertaining to certain revenue, taxes etc. must be accounted for in the budget and no drawal from any of the GP account should be made which is not in consonance with the approved budget. DPC may constitute a Sub-committee to examine the budget of two or three GPs and Sub-committee will submit their report to the General Body of DPC. The member of the Sub-committee may be selected in the DPC meeting for the period as determined by DPC. DPC may invite Government officials of various Departments with having knowledge of finances to be member of Sub-committee.	Accepted by the Government
Commission has recommended that the PRIs should follow the GP Financial Rules & ZP Financial Rules strictly & prepare annual statement of Accounts, Monthly Statement of accounts; Annual Budgets etc. Directorate of Panchayat should conduct effective monitoring & supervision of the respective Panchayats.	Model Accounting System be adopted by all the GPs
The Commission has recommended that a permanent State Finance Commission Cell may be set up within FRED.	Accepted by the Government. Finance Commission Division under FRED shall be entrusted with the work of the State Finance Commission Cell.

#### Fourth State Finance Commission

Commission has recommended that one accountant & one Chowkidar to each GP may be provided. The GPs may be empowered to select & appoint suitable candidates on suitable pay. The GPs will meet up the expenditure from their own revenue.	Posting of accounts personnel to each of the GPs will be taken up by FRED. GPs may appoint Chowkidar for the Gram Prasashan Kendras provided they are able to meet the wage component from their own resources.
Commission has recommended that the Salary of Rural Development Assistant & Gram Rojgar Sahayaks posted under GPs should be paid through respective GPs. Similarly, the honorarium of GP members should be paid through concerned GPs.	Accepted by the Government
It is recommended that the quantum of grants that will be available to each GP and ZP should be predictable and specific. No re-appropriation from Sectoral funds earmarked for PRIs should be allowed.	Accepted by the Government
It is recommended that grants to PRIs should be released in two installments. Various Line Departments should place the entire earmarked PRI funds at the disposal of Development Commissioner through letter of allotment at the beginning of the year. The Development Commissioner may re-allocate the fund to DPOs who will transfer the funds to the PRIs.	Entire budget of the PRIs is being reflected in a separate head of account from the current FY. Therefore, no action on this is required. Since, the fund from GoI is released in monthly installment; grants to PRIs will be released in 4 installments as usual.
It is recommended that the PRIs should submit the Utilization Certificates on annual basis to District Planning Officer (DPO), who will forward copies to all concerned Line Departments and Directorate of Local Fund Audit (DLFA).	Accepted by the Government. However, there is no need to forward the copies of Utilization Certificates to all concerned Line Departments. Since a separate demand for PRIs is proposed from this financial year.
It is recommended that the SFC should be constituted in advance in such a manner that the report of the SFC is available for consideration of the CFC. Accordingly the 4th SFC may be constituted in November 2011 i.e. 1 year in advance of the 14th CFC, which is likely to be constituted in November 2012.	Accepted by the Government
**Concerned Line Departments should depute/handover the officials/personnel/ infrastructure engaged fully in various CSSs as per the activity mapping at the disposal of the ZPs/GPs. Their salary etc may continue to be paid by the Line Departments. ACRs of all these officials/personnel will be written /countersigned by the ZPs/GPs.	-
** Activity mapping of all Centrally Sponsored Schemes would be taken up/ reviewed.	-

\*\* As these recommendations are not part of the Chapter 'Summary of Recommendations' of 3<sup>rd</sup> SFC, they were not considered in ATR.



**4.49** Updates on the relevant recommendations from the previous SFCs and 13<sup>th</sup> CFC are included in the subsequent chapters of this report, and on some occasions the Commission has highlighted the recommendations of previous SFCs, wherein the State Government has accepted them fully/partially/with modifications but no measurable action or follow-up is noticed after the initial ATR.



## **5. Finances of PRIs**

### **Revenue of GPs**

**5.1** The information received on finances of GPs is not encouraging, and wherever some information is made available it is largely inconsistent. Only 60% of the 165 GPs have been able to submit the Annual Statement of Accounts, and information from 5% of those GPs is comprehensive and reliable to a certain extent. Based on the information and other consultations the Commission could infer that due to inadequacy of the resources, GPs could perform only a few of the functions devolved to them. Owing to lack of complete information from the GPs, the Commission was constrained in making a detailed assessment of their finances. However, the Commission has used available information from the GPs and concerned Line Departments on finances of GPs, to bring out the following findings.

**5.2** Though Article 243 H of Constitution of India read with relevant clause in Sikkim Panchayat Act, and 3<sup>rd</sup> SFC recommendations enabled the GPs for collection of tax revenue, the mobilization of such tax revenue by GPs can be treated as **NIL**.

**5.3** With regards to Non-Tax Revenue (NTR), the GPs fared a little better, and the revenue figures compiled for 119 GPs on different items for the period 2009 -10 to 2011-12 is as shown in Table 5.1. Non-tax revenues from GPs increased at an average growth rate of 88 percentage points. Due to devolution of trade license issue to GPs in the year 2011-12, the NTR of GPs increased to a high of Rs.13.71 lakhs, reflecting a growth of 158 percentage

points from the year 2010-11. Income from trade license fees was 43.5% of the total non-tax revenues in the year 2011-12.

**Table 5.1: Non-Tax Revenues of the GPs for the Years 2009-10 to 2011-12**

(Rs. in Lakhs)

Particulars	2009-10	2010-11	2011-12
Water user charges	0.12	0.78	1.03
Rent from premises	0.09	0.39	2.48
NOC fees	2.15	2.07	2.26
Haat fees	0.00	0.17	0.18
Trade license fees	0.40	0.22	5.97
Irrigation charges	0.00	0.00	0.01
Registration fees	1.07	1.35	1.34
Sale of tender forms	0.67	0.33	0.44
<b>Total</b>	<b>4.50</b>	<b>5.31</b>	<b>13.71</b>

**5.4** However, it is noticed that **GPs are confined to issue of NOC and collection of required fees for issue of trade license, whereas the actual trade license is signed and issued by the BDOs at BAC level.** Generally, the reason attributed for practicing such procedure is that GPs do not have the requisite capacity to carry out the function effectively. The Commission recommends that, in the spirit of true decentralized governance framework, the GPs should be the final issuing authority for trade license at grassroots level. This will not only give higher accountability to GPs but also provide a platform to them to perform, conclusively, on the function devolved.

**5.5** After due consultations with the concerned Line Departments and GPs, the Commission has assessed that there is a potential to generate additional tax revenues (untapped tax potential) by the GPs through the levy of Property Tax as shown in Table 5.2.

**Table 5.2: Details of untapped tax potential at GP level for the period 2015-20**

(Rs. in Lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Property Tax	26.24	28.34	30.60	33.05	35.70
<b>Total</b>	<b>26.24</b>	<b>28.34</b>	<b>30.60</b>	<b>33.05</b>	<b>35.70</b>

## Transfers from State Government to GPs

**Table 5.3: Fund Transfers from State Government to GPs for Period 2010-13**

(Rs. in Crore)

Particulars	2010-11	2011-12	2012-13
Assigned Taxes	0.00	0.00	0.00
Share of State Taxes	1.66	2.24	2.67
General Purpose Grants	2.17	2.00	2.40
Transfers for Agency functions – Grants-in-Aids (Teachers Salary: Plan)	81.3	59.61	48.62
Transfers for Agency functions - Grants-in-Aids (Teachers Salary: Non-Plan)	154.02	136.56	156.36
Special Incentive Grant	0.08	0.08	0.08
<b>Total</b>	<b>239.23</b>	<b>200.49</b>	<b>210.13</b>

**5.6** The GPs could not furnish required information pertaining to fund transfers from State Government to them. However, on the basis of available data from the State Government, the information for such transfers for the years 2010-11, 2011-12, and 2012-13 have been indicated in the above Table 5.3. The trend shows a decrease by 16.19% in 2011-12 from 2010-11, and growth of 4.80% in 2012-13 over 2011-12, with an average decline of 5.70% in fund transfers from the State Government to GPs over the same period.

## Transfers from Central Government to GPs

**Table 5.4: Fund Transfers from Central Government to GPs for Period 2009-13**

(Rs. in Crore)

Particulars	2009-10	2010-11	2011-12	2012-13
13th FC Basic Grant	-	7.14	13.94	18.66
13th FC Performance Grant	-	0.00	4.76	11.18
SGSY	2.47	2.90	3.97	1.36
IAY	2.63	3.87	9.56	3.50
MGNREGA	64.07	74.58	103.86	100.50
<b>Total</b>	<b>69.17</b>	<b>88.50</b>	<b>136.01</b>	<b>135.20</b>

**5.7** The fund flow from the Central Government to GPs is as given in the above Table 5.4. The fund transfer to the GPs through MGNREGA is the highest, which constitutes about 75% of the total inflows. However, the total

inflows to the GPs remained more or less the same during the years 2011-12 and 2012-13.

**5.8** Finance Commission (FC) grants are in addition to the State Government flows (on account of administrative expenses) to the GPs. ***The impact of 13<sup>th</sup> FC grants is quite significant at the GP level for the reason that sufficient allocations could not be provided to them from State Finance vis-à-vis the 3<sup>rd</sup> SFC recommendations.*** The GPs have utilized FC grants on various purposes such as office expenses, solid waste management, purchase of furniture and computers, adult education, salary of PAA, honorarium to panchayats, repair of RWSS, distribution of polypipes, distribution of piglets, and construction of sheds, footpaths, protective walls & toilets.

### **Capital Account Receipts & Debt Status of GPs**

**5.9** The capital account receipts of GPs are **NIL** as on date. As regard to debt status of the GPs, so far, there are no recorded borrowings by them.

### **Expenditure on Revenue Account of GPs**

**5.10** The Commission has noted, with great concern, that the GPs have not been able to submit even the annual accounts. Only a few have submitted, and the quality of which is far below the satisfactory levels. It appears that proper training has not been imparted to the concerned officials in the GPs. There is an immediate need to arrange for wholesome and thorough training to the relevant functionaries at GP level to improve the quality of accounts being maintained. On the basis of information furnished by 119 GPs, an attempt has been made to build up a statement to indicate the expenditure incurred on revenue account under different heads. The compilation of which is presented in the Table 5.5, and the average growth rate of the expenditure on revenue account is 23.6%.

**Table 5.5: Details of Expenditure on Revenue Account of GPs**

(Rs. in Crore)

Particulars	2009-10	2010-11	2011-12
<b>Establishment</b>	<b>7.67</b>	<b>10.84</b>	<b>11.57</b>
a) Salaries & wages for employees	7.65	10.78	11.48
b) Pension etc. for employees	0.00	0.00	0.00
c) Any other	0.02	0.06	0.08
<b>Operation &amp; Maintenance</b>	<b>2.94</b>	<b>2.81</b>	<b>3.23</b>
(i) Water Supply	1.41	1.87	2.03
(ii) Buildings	0.14	0.08	0.31
(iii) Street Lighting	0.02	0.01	0.00
(iv) Sanitation	0.57	0.25	0.16
(v) Solid Waste Disposal	0.05	0.05	0.01
(vi) Roads	0.08	0.07	0.04
(vii) Community Assets	0.37	0.26	0.40
(iv) Any other maintenance Expenditure	0.30	0.24	0.27
<b>Regulatory &amp; Enforcement Expenditures</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>
<b>Slum settlement/ improvement/upgrading expenditure</b>	<b>0.02</b>	<b>0.02</b>	<b>0.04</b>
<b>Capital Expenditure</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
(i) Water Supply	0.00	0.00	0.00
(ii) Buildings	0.00	0.00	0.00
(iii) Roads	0.00	0.00	0.00
<b>Welfare Expenditure for citizens</b>	<b>2.79</b>	<b>4.37</b>	<b>6.00</b>
a) Education (excluding teachers salary)	2.33	3.70	5.27
b) Pension etc. for citizens	0.32	0.59	0.66
c) Any other welfare expenditure for citizens	0.13	0.08	0.07
<b>Administrative Expenses</b>	<b>0.45</b>	<b>0.43</b>	<b>0.97</b>
a) Legal Charges	0.00	0.00	0.01
b) Office Expenses	0.24	0.20	0.38
c) Computerization	0.04	0.03	0.25
d) Training	0.07	0.03	0.06
e) Advisory & Consultancy	0.00	0.00	0.10
f) Honorarium	0.04	0.05	0.10
g) Expenses from Discretionary fund	0.00	0.01	0.00
h) Any other Admin. Exp.	0.05	0.11	0.07
<b>Expenditure on Schemes Assigned by the State Government</b>	<b>0.50</b>	<b>0.36</b>	<b>0.48</b>
<b>Expenditure on Schemes Assigned by the Central Government</b>	<b>1.03</b>	<b>1.34</b>	<b>1.13</b>
<b>Deferred Expenditure</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Unpaid Bills</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Annuity Payments</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Payment of Interest (Expenses on Interest)</b>	<b>0.00</b>	<b>0.01</b>	<b>0.02</b>
<b>Any other</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>
<b>Total</b>	<b>15.39</b>	<b>20.17</b>	<b>23.45</b>

### **Expenditure (Salaries, Pensions, and other liabilities) incurred directly by State Government on behalf of GPs**

**5.11** The salaries, Rs.44.55 lakhs approximately, of the RDAs posted in the GPs are paid directly by the State Government.

### **Deferred Expenditure – including unpaid bills, annuity payments made by the GPs**

**5.12** There are no annuity payments made by the GPs. However, there may be few unpaid bills at the end of the financial year, which are considered for payment in the subsequent year.

### **Capital Expenditure of GPs**

**5.13** Capital expenditure of GPs may be treated as **NIL**.

### **Net Budgetary Position of GPs**

**5.14** The GPs do not prepare their annual budgets although it is mandatory as per the relevant financial rules to prepare budgets and get them approved by the prescribed authority. In the absence of such GP budgets, the Commission is constrained in its assessment of the net budgetary position of the GPs.

### **Review of Fiscal and Financial Management in GPs**

**5.15** Proper accounting system and maintenance of accounting records are not followed by many of the GPs. ***DLFA, in its report has highlighted certain measures for the Gram Panchayats to improve their financial accountability.*** Though it is necessary for any organization/agency to have an effective internal control mechanism for financial management to ensure proper utilization of funds as well as proper collection of revenue receipts on the basis of budgetary estimates, it has been observed that no such



mechanism or practice is being followed by the GPs. Even though the audits are conducted by the C&AG and DLFA, and observations are made for adoption of proper financial management practices, maintenance of accounts, budget formats, and Model Accounting System (MAS) by the GPs, it is found that almost all that GPs are lacking on adopting the necessary measures as advised from time to time.

## Revenue of ZPs

**5.16** The tax revenue receipts from the ZPs may be treated as **NIL**. As far as non-tax revenue collection by ZPs is concerned, the particulars for the period 2009-12 are given in Table 5.6. Regarding the untapped tax potential at ZPs level, the ZPs do not levy any tax, hence it is **NIL**.

**Table 5.6: Non-tax revenue of ZPs for the Years 2009-10 to 2011-12**

(Rs. in Crore)

Particulars	2009-10	2010-11	2011-12
<i>Sale of Tender Forms</i>	0.004	0.003	0.008
<i>Rental Income</i>	0.003	0.004	0.004
<i>Sale &amp; Hire Charges</i>	0.019	0.000	0.000
<b>Total</b>	<b>0.026</b>	<b>0.007</b>	<b>0.012</b>

## Transfers from State Government to ZPs

**5.17** Based on the available data from the State Government, the information for such transfers for the years 2010-11, 2011-12, and 2012-13 have been shown in the Table 5.7. The trend shows an average decrease of 24%, over the years 2010-11 to 2012-13, in the outflows from the State Government to ZPs.

**Table 5.7: Fund Transfers from State Government to ZPs for Period 2010-13**

(Rs. in Crore)

Particulars	2010-11	2011-12	2012-13
<i>Assigned taxes</i>	0.00	0.00	0.00
<i>Share of State Taxes</i>	0.71	0.96	1.15
<i>General Purpose Grants</i>	4.59	3.67	1.80
<i>Special Incentive Grant</i>	0.05	0.05	0.05
<b>Total</b>	<b>5.35</b>	<b>4.68</b>	<b>3.00</b>

## Transfers from Central Government to ZPs

**5.18** The fund flow from the Central Government to ZPs is as given in Table 5.8. The transfer to the ZPs through NRDWP was the highest in the year 2011-12, which constitutes approximately 65% of the total inflows in that year. The average growth rate for the fund flows from the Central Government to the ZPs is 75%. There is a decline of 25.82% in total transfer to ZPs in 2012-13 as compared to Rs. 36.90 Cr transferred in 2011-12, as the transfer through NRDWP was **NIL** in 2012-13.

**Table 5.8: Fund Transfers from Central Government to ZPs for Period 2010-13**

(Rs. in Crore)

Particulars	2010-11	2011-12	2012-13
13th FC Basic Grant	1.44	5.98	8.00
13th FC Performance Grant	0.00	2.04	4.79
BRGF	11.97	5.02	14.58
NRDWP	0.00	23.85	0.00
<b>Total</b>	<b>13.41</b>	<b>36.90</b>	<b>27.37</b>

## Capital Account Receipts & Debt Status of ZPs

**5.19** The capital account receipts of ZPs are **NIL** as on date. As regard to debt status of the ZPs, so far, there no recorded borrowings by them.

## Expenditure on Revenue Account of ZPs

**5.20** The Commission has observed that most ZPs have not been able to submit the complete annual accounts. On the basis of data furnished by the ZPs, the compiled information is presented in Table 5.9. The average growth rate of expenditure on revenue account of Zilla Panchayats is 7.2% over the period 2009-12.

**Table 5.9: Details of Expenditure on Revenue Account of ZPs**

(Rs. in Crore)			
Particulars	2009-10	2010-11	2011-12
<b>Establishment</b>	<b>1.83</b>	<b>2.31</b>	<b>3.08</b>
a) Salaries & wages for employees	1.83	2.31	3.08
b) Pension etc. for employees	0.00	0.00	0.00
<b>Operation &amp; Maintenance</b>	<b>7.18</b>	<b>6.80</b>	<b>5.68</b>
(i) Water Supply	0.75	0.62	0.40
(ii) Buildings	5.15	4.33	3.21
(iii) Street Lighting	0.00	0.00	0.00
(iv) Sanitation	0.00	0.00	0.00
(v) Solid Waste Disposal	0.00	0.00	0.00
(vi) Roads	0.00	0.00	0.11
(vii) Community Assets	0.00	0.00	0.00
(iv) Any other maintenance expenditure	1.28	1.85	1.97
<b>Regulatory &amp; Enforcement Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Slum settlement/ improvement/ upgrading expenditure</b>	<b>0.20</b>	<b>0.00</b>	<b>0.00</b>
<b>Capital Expenditure</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
(i) Water Supply	0.00	0.00	0.00
(ii) Buildings	0.00	0.00	0.00
(iii) Roads	0.00	0.00	0.00
(iv) Any other Capital Expenditure	0.00	0.00	0.00
<b>Welfare Expenditure for citizens</b>	<b>0.71</b>	<b>0.99</b>	<b>1.25</b>
a) Education (excluding teachers salary)	0.00	0.00	0.00
b) Pension etc. for citizens	0.00	0.00	0.00
c) Any other welfare expenditure for citizens	0.71	0.99	1.25
<b>Administrative Expenses</b>	<b>0.93</b>	<b>1.20</b>	<b>1.25</b>
a) Legal Charges	0.07	0.07	0.08
b) Office Expenses	0.29	0.37	0.43
c) Computerization	0.00	0.00	0.00
d) Training	0.00	0.12	0.03
e) Advisory & Consultancy	0.20	0.20	0.20
f) Honorarium	0.28	0.34	0.34
g) Expenses from Discretionary fund	0.09	0.10	0.12
h) Any other Admin. Exp.	0.01	0.01	0.05
<b>Expenditure on Schemes Assigned by the State Government</b>	<b>6.65</b>	<b>4.50</b>	<b>3.70</b>
<b>Expenditure on Schemes Assigned by the Central Government</b>	<b>3.02</b>	<b>2.78</b>	<b>7.41</b>
<b>Deferred Expenditure</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Unpaid Bills</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Annuity Payments</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Payment of Interest (Expenses on Interest)</b>	<b>0.32</b>	<b>0.06</b>	<b>0.34</b>
<b>Any other</b>	<b>0.00</b>	<b>1.91</b>	<b>1.09</b>
<b>Total</b>	<b>20.83</b>	<b>20.56</b>	<b>23.81</b>

### **Expenditure (Salaries, Pensions, and other liabilities) incurred directly by State Government on behalf of ZPs**

**5.21** There is no such expenditure which is incurred directly by the State Government on behalf of ZPs.

### **Deferred Expenditure – including unpaid bills, annuity payments made by the ZPs**

**5.22** There are no annuity payments made by the ZPs. However, there may be few unpaid bills at the end of the financial year, which are considered for payment in the subsequent year.

### **Capital Expenditure of ZPs**

**5.23** Capital expenditure of ZPs may be treated as **NIL**.

### **Net Budgetary Position of the ZPs**

**5.24** The ZPs do not prepare their annual budgets though it is mandatory as per the relevant financial rules to prepare budgets and get them approved by the prescribed authority. In the absence of such ZP budgets, the Commission is constrained in its assessment of the net budgetary position of ZPs.

### **Review of Fiscal and Financial Management in ZPs**

**5.25** The Commission has examined the various accounts statements submitted by the ZPs, and felt that even the ZPs do not have any sound fiscal and financial management systems or practices in place. The Commission recommends that accounting personnel at ZPs be trained on financial accounting and management, so that reliable and meaningful information on finances of ZPs is available at all times.

## 6. Finances of ULBs

### Revenue of ULBs

**6.1** ULBs came into existence in the State of Sikkim, in the year 2010-11. As compared to PRIs, ULBs – though nascent – fared a lot better in furnishing requisite information to the Commission. This may be attributed to the fact that their accounts are managed by CA firms.

**6.2** Almost all ULBs (except Geyzing Nagar Panchayat) could generate tax revenue through levy of bazaar toll tax. Consolidated annual tax revenues (only bazaar toll tax included) of the ULBs are Rs. 25.10 lakhs and Rs. 42.51 lakhs for the years 2010-11 and 2011-12. The year on year growth rate for the tax revenue is 68 percentage points.

**6.3** As regards the untapped tax potential, there is lot of scope to generate additional tax revenue through levy of Property Tax by the ULBs. As per a communication from UD&HD, it is indicated that ***“The proposal for levy of property tax in the State is being studied. There was never any levy of property tax in the state till date. Since the property tax is being implemented for the first time, a careful study of political, social and economic issues need to be carried out. A committee headed by the State Chief Secretary has been constituted to oversee the implementation of the tax. This committee will advise the department on further course of the tax. This committee will advise the department on further course of action to be taken including constitution of State Property Tax Board. Further a sub-committee (working group) consisting of mid level officers have also been constituted to support the Property Tax Committee.”***

**6.4** The Commission had consultations with UD&HD to arrive at an estimate of tax potential through the levy of Property Tax by the ULBs. Accordingly, it is estimated that an amount of Rs.1330.60 lakhs can be generated, through Property Tax, over the five (05) year period 2015-2020, in these ULBs, as given in Table 6.1.

**Table 6.1: Estimates of Property Tax in ULBs for the period 2015-20**

(Rs. in Lakhs)

ULB-wise Property Tax Estimates	2015-16	2016-17	2017-18	2018-19	2019-20
Gangtok Municipal Corporation	162.00	175.00	189.00	204.10	220.40
Rangpo Nagar Panchayat	16.20	17.50	18.90	20.40	22.00
Singtam Nagar Panchayat	11.30	12.30	13.20	14.30	15.40
Namchi Municipal Council	19.40	21.00	22.70	24.50	26.40
Jorethang Nagar Panchayat	8.10	8.80	9.50	10.20	11.00
Geyzing Nagar Panchayat	4.90	5.30	5.70	6.10	6.60
Mangan Nagar Panchayat	4.90	5.30	5.70	6.10	6.60
<b>Total</b>	<b>226.80</b>	<b>245.00</b>	<b>264.60</b>	<b>285.70</b>	<b>308.60</b>

**6.5** With regards to Non-Tax Revenue (NTR), the revenue figures compiled for all the seven (07) ULBs for the years 2010-11 and 2011-12 are shown in the Table 6.2. The year on year growth rate for non-tax revenues from ULBs is 260 percentage points. NTR on account of trade license issue by the ULBs grew at approximately 300 percentage points during the same period.

**Table 6.2: Non-Tax Revenue of the ULBs for the Years 2010-11 and 2011-12**

(Rs. in Crore)

Non-Tax Revenue	2010-11	2011-12
Rental Income	0.00	0.02
Fees & User Charges (incl. Trade License Fee)	0.68	2.74
Sale & Hire Charges	0.19	0.09
<b>Total</b>	<b>0.87</b>	<b>3.16</b>

## Transfers from State Government to ULBs

**6.6** Based on the information from the State budget, the fund transfers from the State Government to ULBs for the years 2010-11, 2011-12, and 2012-13

is indicated in the Table 6.3. The trend shows an increase of 14.47% in 2011-12 from 2010-11, and a decline of 36.8% in 2012-13 over 2011-12.

**Table 6.3: Fund Transfer from State Government to ULBs for Period 2010-13**

(Rs. in Crore)

<b>Particulars</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Assigned Taxes	0.00	0.00	0.00
Share of State Taxes	1.74	2.35	2.75
General Purpose Grants	2.06	2.00	0.00
Transfers for Agency functions	0.00	0.00	0.00
Special Incentive Grant	0.00	0.00	0.00
<b>Total</b>	<b>3.80</b>	<b>4.35</b>	<b>2.75</b>

## Transfers from Central Government to ULBs

**6.7** The fund flow from the Central Government to ULBs is as given in Table 6.4. The transfer to the ULBs through SJSRY was the highest during the year 2011-12, which constituted approximately 81% of the total inflows in that year. However, there was no transfer on account of SJSRY in the year 2010-11. The trend shows an increase of approximately 517% in 2011-12 from 2010-11, and another 14.86% in 2012-13 over 2011-12. The average growth rate witnessed is about 266% in fund transfers from Central Government to the ULBs for the period 2010-13.

**Table 6.4: Fund Transfer from Central Government to ULBs for Period 2010-13**

(Rs. in Crore)

<b>Particulars</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
13th FC Basic Grant	0.12	0.12	0.33
13th FC Performance Grant	0.00	0.02	0.22
SJSRY	0.00	0.60	0.30
<b>Total</b>	<b>0.12</b>	<b>0.74</b>	<b>0.85</b>

**6.8** Finance Commission (FC) grants are in addition to the State Government flows (on account of administrative expenses) to the ULBs. The impact of 13<sup>th</sup> FC grants is quite significant at the ULB level for the reason that sufficient funds could not be provided to them from State Finance vis-à-vis the 3<sup>rd</sup> SFC recommendations during the period 2010-13.

## **Capital Account Receipts & Debt Status of ULBs**

**6.9** The capital account receipts of ULBs are **NIL** as on date. As regard to debt status of the ULBs, so far, there are no recorded borrowings by them.

## **Expenditure on Revenue Account of ULBs**

**6.10** On the basis of information furnished by the ULBs, an attempt has been made to build up a statement to indicate the expenditure incurred on revenue account under different heads, the compilation of which is presented in the Table 6.5. The year on year growth rate of expenditure on revenue account is 393.75% over Rs.1.38 crore, for the year ending March, 2012. As mentioned earlier in this report, ULBs in the State of Sikkim came into existence only in 2010-11, accordingly their establishment costs for the years 2010-11 and 2011-12 are 57.69% and 32.45% respectively, out of the total revenue expenditure. With increased devolution of functions, the establishment costs for the ULBs will tend to be very high, and may remain close to 40% of the total revenue expenditure, over the period 2015-2020.

## **Expenditure (Salaries, Pensions, and other liabilities) incurred directly by State Government on behalf of ULBs**

**6.11** There is no such expenditure which is incurred directly by the State Government on behalf of ULBs.

## **Deferred Expenditure – including unpaid bills, annuity payments made by the ULBs**

**6.12** There are no annuity payments made by the ULBs. However, there may be few unpaid bills at the end of the financial year, which are considered for payment in the subsequent year.



**Table 6.5: Details of Expenditure on Revenue Account of ULBs**

(Rs. in Crore)

Particulars	2010-11	2011-12
<b>Establishment</b>	<b>0.75</b>	<b>2.21</b>
a) Salaries & wages for employees	0.73	2.14
b) Pension etc. for employees	0.02	0.07
c) Any other	0.00	0.00
<b>Operation &amp; Maintenance</b>	<b>0.32</b>	<b>0.82</b>
(i) Water Supply	0.00	0.00
(ii) Buildings	0.00	0.00
(iii) Street Lighting	0.00	0.00
(iv) Sanitation	0.00	0.05
(v) Solid Waste Disposal	0.06	0.39
(vi) Roads	0.00	0.00
(vii) Community Assets	0.00	0.01
(iv) Any other maintenance Expenditure	0.26	0.37
<b>Regulatory &amp; Enforcement Expenditures</b>	<b>0.00</b>	<b>0.00</b>
<b>Slum settlement/ improvement/upgrading expenditure</b>	<b>0.00</b>	<b>0.00</b>
<b>Capital Expenditure</b>	<b>0.00</b>	<b>0.00</b>
(i) Water Supply	0.00	0.00
(ii) Buildings	0.00	0.00
(iii) Roads	0.00	0.00
(iv) Any other Capital Expenditure	0.00	0.00
<b>Welfare Expenditure for citizens</b>	<b>0.00</b>	<b>0.00</b>
a) Education (excluding teachers salary)	0.00	0.00
b) Pension etc. for citizens	0.00	0.00
<b>Administrative Expenses</b>	<b>0.16</b>	<b>0.56</b>
a) Legal Charges	0.00	0.00
b) Office Expenses	0.14	0.50
c) Computerization	0.00	0.00
d) Training	0.00	0.01
e) Advisory & Consultancy	0.00	0.00
f) Honorarium	0.01	0.02
g) Expenses from Discretionary fund	0.00	0.00
h) Any other Admin. Exp.	0.01	0.03
<b>Expenditure on Schemes Assigned by the State Government</b>	<b>0.10</b>	<b>2.79</b>
<b>Expenditure on Schemes Assigned by the Central Government</b>	<b>0.00</b>	<b>0.00</b>
<b>Deferred Expenditure</b>	<b>0.00</b>	<b>0.00</b>
<b>Unpaid Bills</b>	<b>0.00</b>	<b>0.00</b>
<b>Annuity Payments</b>	<b>0.00</b>	<b>0.00</b>
<b>Payment of Interest (Expenses on Interest)</b>	<b>0.00</b>	<b>0.00</b>
<b>Any other</b>	<b>0.05</b>	<b>0.44</b>
<b>Total</b>	<b>1.38</b>	<b>6.81</b>

## **Capital Expenditure of ULBs**

**6.13** Capital expenditure of ULBs may be treated as **NIL**.

## **Net Budgetary Position of the ULBs**

**6.14** The ULBs (except for GMC) did not prepare their annual budgets though it is mandatory as per the relevant financial rules to prepare budgets and get them approved by the prescribed authority. In the absence of such Municipal budgets, the Commission is constrained in its assessment of the net budgetary position of ULBs. However, the net budgetary position for GMC as per its budget statement for the year 2011-12 was minus Rs.170.99 lakhs.

## **Review of Fiscal and Financial Management in ULBs**

**6.15** The Commission observed that though the ULBs are just evolving, and growing to be seasoned LSGs, the financial management of most of the ULBs seems to be on the right track, as they are assisted by local CA firms on their account management activities.

**6.16** Though it is necessary for any organization/agency to have an effective internal control mechanism for financial management to ensure proper utilization of funds as well as proper collection of revenue receipts on the basis of budgetary estimates, it has been observed that no such mechanism or practice is being followed by most of the ULBs, except for GMC. The Commission recommends that the in-house capacities of the accounting personnel of the ULBs need to be enhanced on accrual accounting and other financial accountability processes.

## **7. Scheme of Devolution**

### **Assessment of the Gap**

**7.1** The ToR of the Commission also requires examining the resources of the Local Bodies for the five years commencing on 1<sup>st</sup> April 2010, on the basis of the existing and proposed level of taxation and non-taxation revenues reached at the end of 2008-09. Further, the ToR also specifies that the Commission shall indicate the basis on which it has arrived its findings and make available the estimates and expenditure of each tier of Local Bodies within the State.

**7.2** The Commission has deliberated on the above mentioned terms, and took a decision to examine the resources of the Local Bodies for the five years commencing on 1<sup>st</sup> April 2015, on the basis of the existing and proposed level of tax and non-tax revenues reached at the end of 2014-15. Accordingly, the Commission had requested the PRIs and ULBs to provide the actual for the period 2009-11, budgeted for 2012-13, and projection of revenue and expenditure for the period 2015-20, on a yearly basis. The Commission also consulted various Line Departments for ascertaining the anticipated devolution of functions, and taxes that can be assigned to the PRIs and ULBs during the period 2015-16 to 2019-20.

**7.3** The ToR also stipulates that the Commission, in making its recommendation on various matters, shall take the base of population figure as of 2001, in all such cases where population is a factor for determination of devolution of taxes, duties, and grants-in-aid.

**7.4** The Urban Local Bodies (ULBs) have come into existence only in the year 2010-11, and the Commission though initially thought of going by the base

year 2001 for the population figures of PRIs and ULBs, had to review its decision in view of the fact that many GPs were merged into urban areas to create seven (07) new ULBs in 2010-11. The urban population was 59870 in 2001, and it increased to 151726 by 2011 (as per Census 2011 provisional figures) registering a growth of 153.4%, constituting 24.97 % of the total provisional population of the State, in 2011.

**7.5** The current flows to the new ULBs from 3<sup>rd</sup> SFC recommendations are relatively lower than it would have been, for the reason that the 3<sup>rd</sup> SFC considered 2001 Census population figures while recommending the grants and share of taxes, whereas the population in these ULBs is much higher due to the addition of rural population from those GPs, which are merged into urban areas to form new ULBs. The Commission observed that present level of SFC transfers is largely insufficient with respect to the standardized services, which the ULBs are expected to deliver to the citizens.

**7.6** Considering the ground realities and the factual problem/issue as realized, the Commission believes that it would be appropriate to consider 2011 Census provisional population figures as the base for the purpose of projections on devolution of taxes, duties, and grant-in-aids to the ULBs and PRIs, where population is a factor in such devolution of finances. The Commission has made normative adjustments to the 2008 population figures provided by DESME, GoS, to project the population figures (harmonizing with the provisional rural and urban populations of Census 2011) for GPs, ZPs, and ULBs as of 2011, for devolution of funds to PRIs and ULBs.

**7.7** The estimates of revenue (tax and non-tax) for the GPs, ZPs, and ULBs for the period 2015-20, are indicated in the Tables 7.1 to 7.9. The yearly growth rate applied on the revenues of all the Local Bodies is 8%.

**Table 7.1: Revenue estimates of Gram Panchayats**

(Rs. in Lakhs)					
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Water & Sanitation Charges	104.95	113.35	122.41	132.21	142.78
Property Tax	26.24	28.34	30.60	33.05	35.70
Village Road & Environment Tax	10.49	11.33	12.24	13.22	14.28
Clearance/ Certificate Fee	0.18	0.19	0.21	0.22	0.24
Sale of Tender Forms	0.14	0.15	0.16	0.17	0.19
License Fee (Trade)	0.46	0.50	0.54	0.58	0.63
Irrigation Tax	14.00	15.12	16.33	17.64	19.05
<b>Total</b>	<b>156.46</b>	<b>168.97</b>	<b>182.49</b>	<b>197.09</b>	<b>212.86</b>

**7.8** Though all previous SFCs had recommended some charges, fees, and taxes to be collected during their respective award periods, most GPs did not make concerted effort to mobilize the revenues as per the projections/estimates. Keeping in view the actual collections, mobilization efforts, willingness of the citizens to pay charges, and capacity of the GPs to deliver standardized services, the Commission recommends that the levy of taxes and charges should be made after passing resolution in the Gram Sabhas. Hence the Commission has not recommended any rates. The estimates of receipts on account of Water and Sanitation Charges have however been considered at the rate of Rs.20.00 per month per household<sup>1</sup> in consequence to discussions held with most GPs. Estimates of receipts on account of Property Tax and Village Road & Environment Tax have been considered as per the recommendations of 3<sup>rd</sup> SFC at the rate of Rs.5.00 and Rs. 2.00 per month per household respectively.

**7.9** Estimates of Clearance/Certificate Fee, Sale of Tender Forms, License Fee (Trade) are indicated as per the actual figures provided by the GPs, whereas Irrigation Tax projection is based on the estimates provided by the concerned Line Department. The Commission recommends that both the concerned Line Department and GPs to work in tandem for finalizing a mechanism to enable collection of Irrigation Tax by the GPs.

<sup>1</sup> 43729 'good households', as per Census 2011, are considered for the purpose of projections, wherever revenue mobilization is through households.

**Table 7.2: Revenue estimates of Zilla Panchayats**

(Rs. in Lakhs)					
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Rent from Premises	1.86	2.01	2.17	2.34	2.53
Sale of Tender Forms	5.10	5.51	5.95	6.43	6.94
<b>Total</b>	<b>6.97</b>	<b>7.52</b>	<b>8.12</b>	<b>8.77</b>	<b>9.48</b>

**7.10** Revenue estimates on the items listed in the above Table 7.2 are based on the actual figures provided by the Zilla Panchayats.

**7.11** Revenue estimates of ULBs for Sanitation Charges, Rental Income, Garbage Collection Fee, Trade License Fee, Sale & Hire Charges, Water Charges, and Bazaar Toll Tax as shown in Tables 7.3 to 7.9 are based on the actual values provided by them, whereas Advertisement and Hoarding Tax is based on the proposed value.

**7.12** After, due consultations with GMC, and studying reports related to collection of Tourist Tax from tourists in other places in India, this Commission recommends that a minimum of Rs. 5.00 per tourist can be collected by the ULBs, and GMC shall develop a mechanism for collection of tourist tax from the tourists.

**Table 7.3: Revenue estimates of Gangtok Municipal Corporation**

(Rs. in Lakhs)					
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Sanitation Charges	20.30	21.93	23.68	25.57	27.62
Rental Income	15.12	16.33	17.63	19.04	20.57
Garbage Collection Fee	89.62	96.79	104.53	112.90	121.93
Trade License Fee	157.14	169.71	183.28	197.95	213.78
Sale and Hire Charges	8.35	9.02	9.74	10.52	11.36
Tourist Tax	25.00	27.00	29.16	31.49	34.01
Water Charges	36.75	39.69	42.87	46.29	50.00
Bazaar Toll Tax	34.71	37.48	40.48	43.72	47.22
Advertisement and Hoarding Tax	2.52	2.72	2.94	3.17	3.43
<b>Total</b>	<b>389.50</b>	<b>420.66</b>	<b>454.32</b>	<b>490.66</b>	<b>529.92</b>

**Table 7.4: Revenue estimates of Rangpo Nagar Panchayat**

(Rs. in Lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Sanitation Charges	4.06	4.39	4.74	5.12	5.53
Rental Income	0.76	0.82	0.88	0.95	1.03
Garbage Collection Fee	0.56	0.61	0.66	0.71	0.77
Trade License Fee	0.99	1.06	1.15	1.24	1.34
Sale & Hire Charges	1.03	1.12	1.21	1.30	1.41
Tourist Tax	1.25	1.35	1.46	1.57	1.70
Water Charges	3.68	3.97	4.29	4.63	5.00
Bazaar Toll Tax	3.24	3.50	3.78	4.09	4.41
Advertisement and Hoarding Tax	0.50	0.54	0.59	0.63	0.69
<b>Total</b>	<b>16.07</b>	<b>17.36</b>	<b>18.75</b>	<b>20.25</b>	<b>21.87</b>

**Table 7.5: Revenue estimates of Singtam Nagar Panchayat**

(Rs. in Lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Sanitation Charges	4.15	4.48	4.84	5.23	5.65
Rental Income	0.04	0.04	0.04	0.05	0.05
Garbage Collection fee	3.87	4.18	4.51	4.87	5.26
Trade License fee	6.77	7.31	7.90	8.53	9.21
Sale & Hire Charges	0.97	1.04	1.13	1.22	1.32
Tourist Tax	1.125	1.22	1.31	1.42	1.53
Water Charges	2.313	2.50	2.70	2.91	3.15
Bazaar Toll Tax	5.93	6.40	6.92	7.47	8.07
Advertisement and Hoarding Tax	0.34	0.37	0.40	0.43	0.46
<b>Total</b>	<b>25.50</b>	<b>27.54</b>	<b>29.74</b>	<b>32.12</b>	<b>34.69</b>

**Table 7.6: Revenue estimates of Namchi Municipal Council**

(Rs. in Lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Sanitation Tax	4.07	4.39	4.74	5.12	5.53
Rental Income	1.48	1.60	1.73	1.87	2.02
Garbage Collection fee	9.18	9.91	10.70	11.56	12.48
Trade License fee	16.06	17.34	18.73	20.23	21.84
Sale & Hire Charges	0.71	0.77	0.83	0.90	0.97
Tourist Tax	6.25	6.75	7.29	7.87	8.50
Water Charges	4.41	4.76	5.14	5.56	6.00
Bazaar Toll Tax	4.07	4.39	4.74	5.12	5.53
Advertisement and Hoarding Tax	0.38	0.41	0.44	0.48	0.51
<b>Total</b>	<b>46.60</b>	<b>50.33</b>	<b>54.35</b>	<b>58.70</b>	<b>63.40</b>



**Table 7.7: Revenue estimates of Jorethang Nagar Panchayat**

(Rs. in Lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Sanitation Tax	13.91	15.03	16.22	17.52	18.92
Rental Income	0.40	0.43	0.47	0.50	0.54
Garbage Collection fee	5.11	5.52	5.97	6.44	6.96
Trade License fee	8.95	9.67	10.44	11.27	12.18
Sale & Hire Charges	0.14	0.15	0.16	0.17	0.19
Tourist Tax	2.50	2.70	2.92	3.15	3.40
Water Charges	1.84	1.99	2.15	2.32	2.50
Bazaar Toll Tax	2.19	2.37	2.55	2.76	2.98
Advertisement and Hoarding Tax	0.13	0.14	0.15	0.16	0.17
<b>Total</b>	<b>35.17</b>	<b>37.98</b>	<b>41.02</b>	<b>44.30</b>	<b>47.84</b>

**Table 7.8: Revenue estimates of Geyzing Nagar Panchayat**

(Rs. in Lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Sanitation Tax	2.03	2.19	2.36	2.55	2.76
Rental Income	0.27	0.29	0.32	0.34	0.37
Garbage Collection fee	0.43	0.46	0.50	0.54	0.58
Trade License fee	0.75	0.81	0.87	0.94	1.02
Sale & Hire Charges	0.34	0.37	0.40	0.43	0.46
Tourist Tax	2.50	2.70	2.92	3.15	3.40
Water Charges	1.10	1.19	1.28	1.39	1.50
Bazaar Toll Tax	3.14	3.39	3.67	3.96	4.28
Advertisement and Hoarding Tax	0.13	0.14	0.15	0.16	0.17
<b>Total</b>	<b>10.69</b>	<b>11.54</b>	<b>12.46</b>	<b>13.46</b>	<b>14.54</b>

**Table 7.9: Revenue estimates of Mangan Nagar Panchayat**

(Rs. in Lakhs)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Sanitation Tax	1.98	2.14	2.31	2.49	2.69
Rental Income	0.09	0.10	0.11	0.12	0.13
Garbage Collection fee	2.26	2.44	2.64	2.85	3.08
Trade License fee	3.96	4.28	4.62	4.99	5.39
Sale & Hire Charges	0.65	0.70	0.76	0.82	0.88
Tourist Tax	2.13	2.30	2.48	2.68	2.89
Water Charges	0.94	1.01	1.09	1.18	1.27
Bazaar Toll Tax	2.67	2.89	3.12	3.37	3.63
Advertisement and Hoarding Tax	0.11	0.12	0.12	0.13	0.15
<b>Total</b>	<b>14.78</b>	<b>15.96</b>	<b>17.24</b>	<b>18.62</b>	<b>20.11</b>



**Table 7.10: Estimates of expenses for PRIs**

(Rs. in Lakhs)

Particulars	PRIs					
	GPs			ZPs		
	D&A	O&M	Sub-total	D&A	O&M	Sub-total
2015-16	1249.91	138.88	1388.79	504.47	56.05	560.52
2016-17	1349.90	149.99	1499.89	544.83	60.54	605.36
2017-18	1457.89	161.99	1619.88	588.41	65.38	653.79
2018-19	1574.52	174.95	1749.47	635.49	70.61	706.10
2019-20	1700.49	188.94	1889.43	686.32	76.26	762.58
Sub-total	7332.71	814.75	-	2959.52	328.84	-
Total	8147.46			3288.36		
Grand Total	11435.82					

**Table 7.11: Estimates of expenses for ULBs**

(Rs. in Lakhs)

ULBs	Expenses	2015-16	2016-17	2017-18	2018-19	2019-20	Sub-total
GMC	D & A	734.66	793.44	856.91	925.47	999.50	<b>4309.98</b>
	O & M	81.63	88.16	95.21	102.83	111.06	<b>478.89</b>
	<b>Sub-total</b>	<b>816.29</b>	<b>881.60</b>	<b>952.12</b>	<b>1028.29</b>	<b>1110.56</b>	<b>4788.87</b>
RNP	D & A	20.82	22.48	24.28	26.22	28.32	<b>122.12</b>
	O & M	2.31	2.50	2.70	2.91	3.15	<b>13.57</b>
	<b>Sub-total</b>	<b>23.13</b>	<b>24.98</b>	<b>26.98</b>	<b>29.14</b>	<b>31.47</b>	<b>135.68</b>
SNP	D & A	24.94	26.93	29.09	31.42	33.93	<b>146.31</b>
	O & M	2.77	2.99	3.23	3.49	3.77	<b>16.26</b>
	<b>Sub-total</b>	<b>27.71</b>	<b>29.93</b>	<b>32.32</b>	<b>34.91</b>	<b>37.70</b>	<b>162.56</b>
NMC	D & A	48.48	52.36	56.55	61.07	65.96	<b>284.42</b>
	O & M	5.39	5.82	6.28	6.79	7.33	<b>31.60</b>
	<b>Sub-total</b>	<b>53.87</b>	<b>58.18</b>	<b>62.83</b>	<b>67.86</b>	<b>73.29</b>	<b>316.02</b>
JNP	D & A	36.49	39.41	42.56	45.96	49.64	<b>214.06</b>
	O & M	4.05	4.38	4.73	5.11	5.52	<b>23.79</b>
	<b>Sub-total</b>	<b>40.54</b>	<b>43.79</b>	<b>47.29</b>	<b>51.07</b>	<b>55.16</b>	<b>237.85</b>
GNP	D & A	9.98	10.78	11.64	12.57	13.58	<b>58.55</b>
	O & M	1.11	1.2	1.29	1.4	1.51	<b>6.51</b>
	<b>Sub-total</b>	<b>11.09</b>	<b>11.98</b>	<b>12.93</b>	<b>13.97</b>	<b>15.09</b>	<b>65.06</b>
MNP	D & A	21.81	23.55	25.44	27.47	29.67	<b>127.94</b>
	O & M	2.42	2.62	2.83	3.05	3.3	<b>14.22</b>
	<b>Sub-total</b>	<b>24.23</b>	<b>26.17</b>	<b>28.27</b>	<b>30.52</b>	<b>32.97</b>	<b>142.16</b>
<b>Total</b>		<b>996.86</b>	<b>1076.62</b>	<b>1162.74</b>	<b>1255.74</b>	<b>1356.22</b>	<b>-</b>
<b>Grand Total</b>		<b>5848.18</b>					

**7.13** The expenses for all the Local Bodies (PRIs and ULBs) primarily include costs on account of Direction & Administration (D&A) and Operation & Maintenance (O&M) at 90 and 10 percentage points respectively. The estimates of expenses for the PRIs and ULBs for the award period 2015-20, are indicated in the Tables 7.10 to 7.11, which are Rs.11435.82 lakhs and Rs.5848.18 lakhs respectively. The yearly growth rate applied on the expenses of all the Local Bodies is 8%.

**7.14** Assessment of the gap in financial resources for the rural local bodies viz. the GPs and ZPs is as given in Table 7.12, which are Rs. 7229.59 lakhs and Rs. 3247.49 lakhs respectively. Similarly, assessment of the gap in financial resources for the urban local bodies (ULBs) is as given in Table 7.13, which is Rs. 2690.14 lakhs. The total normative revenue gap is Rs.13167.22 lakhs for all the Local Bodies for the period 2015-20.

**Table 7.12: Gap in financial resources of PRIs**

*(Rs. in Lakhs)*

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	Sub-total
GPs	1232.33	1330.92	1437.39	1552.38	1676.57	<b>7229.59</b>
ZPs	553.56	597.84	645.67	697.32	753.11	<b>3247.49</b>
<b>Total</b>	<b>1785.89</b>	<b>1928.76</b>	<b>2083.06</b>	<b>2249.70</b>	<b>2429.68</b>	<b>10477.08</b>

**Table 7.13: Gap in financial resources of ULBs**

*(Rs. in Lakhs)*

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	Sub-total
GMC	426.79	460.94	497.80	537.63	580.64	<b>2503.81</b>
RNP	7.06	7.62	8.23	8.89	9.60	<b>41.38</b>
SNP	2.21	2.39	2.58	2.79	3.01	<b>12.97</b>
NMC	7.27	7.85	8.48	9.16	9.89	<b>42.64</b>
JNP	5.37	5.81	6.27	6.77	7.32	<b>31.54</b>
GNP	0.40	0.44	0.47	0.51	0.55	<b>2.36</b>
MNP	9.45	10.21	11.02	11.90	12.86	<b>55.44</b>
<b>Total</b>	<b>458.55</b>	<b>495.24</b>	<b>534.86</b>	<b>577.65</b>	<b>623.85</b>	<b>2690.14</b>

## **Strategy for Bridging Normative Vertical Gap**

**7.15** Over the last twenty years i.e. even after the enactment of the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts, and the Sikkim Panchayat Act, in 1992/1993, with enabling provisions to raise revenues through levy of taxes, duties, fees, and tolls, the effort of the PRIs to generate tax and non-tax revenues is not praiseworthy, except for a few GPs. State Finance Commissions in the past, have recommended and exhorted the Local Bodies to mobilize local revenues for absorbing part of their local area administrative and development expenses. However, for reasons such as lack of adequate mechanisms for collection of revenue, lack of trained manpower to deal with accounting transactions, inadequate support from Line Departments on devolution of 3Fs (funds, functions, and functionaries) and related collections through taxes and fees, and on motivating the PRIs for enhanced collections of revenue, many of the PRIs did not have the drive and bearing to go for the optimized revenue generation.

**7.16** On the ULBs front, these LSGs are still evolving, and thus far with limited devolution of functions to them, most are in the right direction. Almost all the ULBs were able to drum up ‘moderate to good’ amounts through different heads of revenue, though majority of them are from non-taxable sources. Despite this encouraging trend, there are ample opportunities for the ULBs to enhance their own revenues, especially through the levy of Property Tax.

**7.17** The Commission recommends that the existing activity mapping be revisited by the State Government, and all the functions be devolved fully to the PRIs and ULBs along with necessary functionaries and funds, so that all Local Bodies will be in a position to maximize their own revenues.

**7.18** The Commission recommends that in revenue heads/functions where cost of collection is more than the actual collection of revenue/income,

the concerned Line Departments may involve the Local Bodies for collection of such revenues duly paying them necessary service charges, and wherever it is practicable to assign the entire function to the Local Bodies, the concerned Line Departments may transfer such functions, as well.

**7.19** The Commission, for the purpose of incentivizing/motivating the LBs to generate increased tax and non-tax revenue, has incorporated 'Revenue Effort' of each LSG as one of the determining factors for allocation of its share of taxes from the State Government. A weightage of 15 percentage points has been assigned to revenue effort of each LSG, while ascertaining the horizontal share of grants.

**7.20** The Commission believes that the above mentioned measures, though limited, can play a vital role in reducing the normative vertical gap over the years.

**7.21** The Commission, due to lack of relevant information on other approaches of revenue generation such as PPP, market borrowings, etc is constrained in making its views on the same. It is observed that Local Bodies, so far, have not attempted to delve upon such options.

## **Scheme of Devolution**

**7.22** Assigned taxes of PRIs and ULBs are incorporated in the own revenue estimates of the Local Bodies for the award period 2015-20, except for ZPs where there is no assigned tax. In the case of GPs, the assigned taxes include Property Tax, Village Road & Environment Tax, and Irrigation Tax, whereas for ULBs, assigned taxes comprise of Bazaar Toll Tax, and Advertisement & Hoarding Tax. Assigned taxes for the GPs and ULBs are Rs. 297.62 lakhs and Rs. 352.30 lakhs respectively for the same period. However, the ULBs estimate is exclusive of untapped tax potential of Rs. 1330.70 lakhs for the period 2015-20, which could be accrued through the levy of Property Tax, as detailed in Chapter 6.

**7.23** With regards to share of Local Bodies in State taxes, the Commission, initially, thought of global sharing mechanism, but considering the State's fiscal health, the Commission decided to leave out various tax and non-tax revenue receipts under different major heads, **0075** being one such major head, which includes income from Lotteries amounting to Rs. 982.78 crore as per the revised estimate of 2011-12 receipts.

**7.24** The estimates of net revenue proceeds of the State Government after adjusting for cost of collection are as indicated in the Table 7.14. For the purpose of revenue projections on selected major heads under divisible pool of taxes, revised estimate of revenue receipts for the financial year 2011-12 has been considered, and the growth rates have been applied on tax and non-tax revenues at the rate of 14.5% and 10% respectively.

**7.25** Though the previous SFCs have recommended fund transfers from 1% to 2.58% of the divisible pool of taxes/revenues for sharing with Local Bodies, the actual transfer of funds to Local Bodies against the share of taxes from State Government was **NIL** during the 2<sup>nd</sup> SFC award period, and lower than the recommended funds during the first 3 years of the 3<sup>rd</sup> SFC award period. Chapter 3 of this report provides relevant details on the transfers to Local Bodies against the recommendations of previous SFCs.

**7.26** Considering the historical inflows to the Local Bodies against the share of taxes from the State Government, the Commission has, with constraint, decided to recommend only 2.5% of the divisible pool of taxes for vertical sharing to the Local Bodies (PRIs & ULBs), with a premise that State Finances will be elastic enough to transfer the recommended minimal percentage of funds out of the divisible pool of taxes, duties, tolls, and fees, and thus the need for the State Government to further reduce the fund transfers against the recommendations of the Commission may not crop up.

**Table 7.14: Divisible pool of revenues to Local Bodies**

Major Heads	Particulars of Receipts	Collection Cost (%)	2015-16	2016-17	2017-18	2018-19	2019-20
			(Rs. in Lakhs)				
0029	Land Revenue	25.00	492.43	563.84	645.59	739.20	846.39
0030	Stamps & Registration	25.00	420.24	481.18	550.95	630.84	722.31
0039	State Excise	6.32	15103.29	17293.27	19800.80	22671.91	25959.34
0040	Taxes on Sale, Trade etc	3.10	16488.49	18879.32	21616.82	24751.26	28340.20
0041	Taxes on Vehicles	17.01	2139.63	2449.88	2805.11	3211.85	3677.57
0045	Other Taxes and Duties	25.00	4152.16	4754.22	5443.58	6232.90	7136.67
<b>Tax Revenue (A)</b>			<b>38796.25</b>	<b>44421.71</b>	<b>50862.85</b>	<b>58237.97</b>	<b>66682.47</b>
0059	Public Works	25.00	488.64	537.51	591.26	650.38	715.42
0210	Medical and Public Health	25.00	126.28	138.91	152.80	168.08	184.88
0215	Water Supply & Sanitation	25.00	341.50	375.65	413.22	454.54	499.99
0217	Urban Development	25.00	175.69	193.26	212.59	233.85	257.23
0235	Social Security and Welfare	25.00	2.20	2.42	2.66	2.92	3.22
0250	Other Social Services	25.00	12.08	13.29	14.62	16.08	17.68
0401	Crop Husbandry	25.00	46.12	50.73	55.80	61.38	67.52
0403	Animal Husbandry	25.00	41.73	45.90	50.49	55.54	61.09
0405	Fisheries	25.00	2.20	2.42	2.66	2.92	3.22
0406	Forestry & Wildlife	25.00	1207.88	1328.67	1461.54	1607.69	1768.46
0407	Plantation	25.00	230.60	253.66	279.02	306.92	337.62
0515	Other Rural Dev. Program	25.00	208.63	229.50	252.45	277.69	305.46
0702	Minor Irrigation	25.00	34.04	37.44	41.19	45.31	49.84
0851	Village and Small Industries	25.00	27.45	30.20	33.22	36.54	40.19
0852	Industries	25.00	43.92	48.32	53.15	58.46	64.31
1452	Tourism	25.00	234.99	258.49	284.34	312.77	344.05
<b>Non-Tax Revenue (B)</b>			<b>3223.95</b>	<b>3546.34</b>	<b>3900.98</b>	<b>4291.08</b>	<b>4720.18</b>
<b>Grand Total (C) = (A)+(B)</b>			<b>42020.20</b>	<b>47968.05</b>	<b>54763.83</b>	<b>62529.04</b>	<b>71402.66</b>
<b>Total Share to LBs @ 2.5 % of (C)</b>			<b>1050.50</b>	<b>1199.20</b>	<b>1369.10</b>	<b>1563.23</b>	<b>1785.07</b>

(Cost of collection based on actuals for MH 0039, 0040 &amp; 0041 and assumed rate of 25% for others)

**7.27** The share of taxes to Local Bodies at 2.5% of the divisible pool of revenues is Rs.6967.10 lakhs for the award period 2015-20 as given in Table 7.14. The allocation of share of taxes to PRIs and ULBs is made on the basis of provisional rural and urban population figures of Census 2011, which is in the ratio of 75:25.

**7.28** Within PRIs, the allocation of funds is in the ratio of 70:30 between the GPs and ZPs. The Commission, with a view to incentivize the revenue generating GPs and support the vulnerable GPs, has decided to assign weightage to criterion factors 'Revenue Effort' and 'Vulnerability Index', along with the Population of GPs, for distribution of funds between the GPs. Similarly, for fund distribution amongst ZPs, the criteria include Population and Revenue Effort. In the case of ULBs, the factors considered for allocation of funds are Population, Area, and Revenue Effort. The summary of criteria and weights allotted to them is as shown in Table 7.15.

**Table 7.15: Criteria and weightage for distribution of funds to Local Bodies**

Criterion	Weights allotted to Local Bodies (%)		
	GPs	ZPs	ULBs
Population	60	80	70
Area	-	-	15
Revenue Effort	15	20	15
Vulnerability Index	25	-	-
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

**7.29** The share of Local Bodies from the divisible pool of revenues/taxes is as indicated in Table 7.16. The year-wise allocations from share of State taxes for the GPs, ZPs, and ULBs are shown in Annexures 7.1-7.3, respectively.

**Table 7.16: Share of Local Bodies from the divisible pool of taxes**

(Rs. in Lakhs)					
Local Bodies	2015-16	2016-17	2017-18	2018-19	2019-20
GPs	551.52	629.58	718.78	820.69	937.16
ZPs	236.36	269.82	308.05	351.73	401.64
ULBs	262.63	299.80	342.27	390.81	446.27
<b>Total</b>	<b>1050.50</b>	<b>1199.20</b>	<b>1369.10</b>	<b>1563.23</b>	<b>1785.07</b>



**7.30** The Grants-in-Aid of a particular local body is determined as the fund requirement after deducting own revenue and share of taxes from its total expenditure. The Grants-in-Aid of all the Local Bodies are as given in Table 7.17.

**Table 7.17: Grants-in-Aid for Local Bodies**

(Rs. in Lakhs)					
Local Bodies	2015-16	2016-17	2017-18	2018-19	2019-20
GPs	680.81	701.34	718.61	731.69	739.41
ZPs	317.19	328.02	337.62	345.59	351.47
ULBs	195.92	195.43	192.58	186.84	177.59
<b>Total</b>	<b>1193.93</b>	<b>1224.79</b>	<b>1248.82</b>	<b>1264.12</b>	<b>1268.47</b>

**7.31** The Commission has observed that in the past, there was no appreciable accountability of the Local Bodies (LBs) on the utilization of SFC grants, lack of planning for prioritizing the grants usage, and no budgeting for schemes/plans through SFC grants in their respective budgets. The Commission has deliberated on this unacceptable situation with respect to accountability of Local Bodies on grants/funds utilization, and with a view to improve the quality of expenditure and financial accountability of Local Bodies, has decided to make part of Grants-in-Aids as conditional grants. The Commission recommends that Grants-in-Aid as shown in Table 7.17 would be split into two grants namely – ‘Primary Grant’ and ‘Improvement Grant’ – in the ratio of 70:30. Both Grants would be disbursed to all the Local Bodies on the basis of their respective population figures for all the years during the award period 2015-20. The year-wise Primary Grant and Improvement Grant allocations for the GPs, ZPs, and ULBs are shown in Annexures 7.4-7.6 and Annexures 7.7-7.9, respectively. Improvement Grant will be applicable from the financial year 2016-17 onwards, and for the year 2015-16, 100% of the Grants-in-Aid is Primary Grant, which will be transferred to the Local Bodies.

**7.32** The Commission, after due consultations with Local Bodies, Line Departments, and other stakeholders, has finalized three simple conditions

that are to be met by the Local Bodies to qualify for the Improvement Grant. The conditions, which will improve the quality of expenditure and financial accountability of the Local Bodies, are as follows:

- i. Utilization Certificate for SFC grants should invariably be submitted in time and jointly signed by the Elected Representative heading the concerned local body and Secretary/Executive Officer of that particular body.
- ii. The schemes/plans – of the Local Bodies – intending to utilize the SFC grants must be approved by the Gram Sabhas for PRIs, and the Area Sabhas for ULBs, and such schemes/plans should be included in the District Annual Plan for the year 2016-17 (the district plan shall be prepared in the preceding year i.e. 2015-16), which shall have the approval of the District Planning Committee (DPC), in accordance with the guidelines on preparation of District Plans issued by the Planning Commission, Government of India. Same mechanism should be followed for the subsequent years.
- iii. Each Local Body should prepare the GP/ZP/Municipal budget, as relevant, for the year 2016-17 and seek approval of the State Government for sanction of funds by March 2016, as per the provisions of Sikkim Panchayat Act and Sikkim Municipalities Act. Similarly, the Local Bodies should prepare their respective budgets for the next year and seek approval of the State Government by March 2017, for claiming its Improvement Grant for the year 2017-18, and so on.

**7.33** The year-wise Improvement Grant allocations for the GPs, ZPs, and ULBs are shown in Annexures 7.7-7.9, respectively. The Commission recommends that the concerned Line Departments i.e. UDHD for ULBs and RMDD for PRIs shall ensure that Local Bodies satisfy these conditions for the release of Improvement Grant. In the event wherein a Local Body is unable to meet these conditions by 31<sup>st</sup> March of a particular financial year, it will only

be entitled to the Primary Grant for the succeeding financial year. All Local Bodies which do not qualify the conditions will forfeit their share of Improvement Grant, and such forfeited grants for non-performance by Local Bodies will be retained by the State Government, and will not be adjusted or re-allocated to any other Local Body, for that particular year.

**7.34** As per the notification no. 627/RM&DD dated 12.1.2007 issued by GoS, ***“the BDOs will be responsible for the overall smooth functioning of the Gram Panchayats within their respective jurisdiction”***. The Commission recommends that BDOs should be given responsibility for GPs under their jurisdiction to satisfy the conditionalities for availing the Improvement Grant.

**7.35** The Commission is also expected to provide suggestions on augmenting the Consolidated Fund of the State to supplement the resources of the Panchayats and Municipalities in the State through Grants-in-Aid from the 14<sup>th</sup> Central Finance Commission (14<sup>th</sup> CFC). In this regard, the Commission had requested the functionaries and ERs of all 176 GPs, 4 ZPs, and 7 ULBs to submit proposals/schemes/plans as per the local development needs and requisite service delivery against the functions devolved. However, excepting for GMC (which submitted a single proposal for organic waste treatment plant of 2 MT costing Rs.70.00 lakhs), not even a single local body responded positively to the Commission’s call. Here, ***the Commission would like to draw the attention of the 14<sup>th</sup> CFC***, that most Local Bodies are not aware of their entitlements as per the Constitutional mandate, and moreover they are tuned to utilize the CFC/SFC grants without having any understanding on ‘why & what is the purpose for which the CFC/SFC grants are being channeled to these Local Bodies’. Given the limited understanding of Local Bodies on the need for these grants, the Local Bodies couldn’t realize the importance of the CFC grants to augment their resources, and failed to submit any concrete proposal/fund requirement for justified needs in their respective local areas.

**7.36** However, the Commission, after having due consultations with relevant stakeholders in the local area development domain, has observed that:

- i. Most GPs in South, East, and West districts are in rain shadow areas and face water shortage for drinking and irrigation purposes, atleast 4 months in a year.
- ii. Still evolving ULBs (two year old municipalities in Sikkim) are required to take the load of increased tourist footfalls (which most times is double their enumerated population figures) in the peak season, and are expected to absorb the expenses on their own, while being tasked to deliver the civic services expected of a seasoned municipality.
- iii. Sikkim being a densely forested State with great importance attached to environment sustainability and ecological balance, Solid Waste Management is one such issue, where even rural local bodies are required to maintain their areas free from such waste.
- iv. Most Local Bodies lack computerization and internet facilities to integrate themselves with e-government modules of various programs, which deter them from raising their bar towards established service level bench marks.
- v. Rangpo Nagar Panchayat (RNP), being a border ULB, acts as one of the major gateways to the pristine, green, and mountainous State of Sikkim. RNP also has large migrant population (non-enumerated) working in various industries. RNP needs additional fund for not only providing the basic services but also for beautification of the town.
- vi. Sikkim being a NIRMAL RAJYA will be requiring additional funds for its Local Bodies to not only maintain the status quo, but also towards modernization of sanitation facilities for its residents and tourists, and
- vii. The decreasing trend witnessed in SFC grant transfers from the State Government to the Local Bodies has restricted the PRIs and ULBs to bloom to their fullest extent.

**7.37** While not limiting to the above observations, the Commission suggests that on the basis of per capita expenditure, the award of grant under Article 280 (3) (BB) from 14<sup>th</sup> CFC towards augmenting the Consolidated State Fund for supplementing the resources of Panchayats and Urban Local Bodies, to be atleast Rs. 900.00 per capita annually for the award period 2015-20.

**7.38** The Commission suggests the 14<sup>th</sup> CFC to consider Census 2011 population figures while ascertaining the allocations to Local Bodies, wherever population is the criterion considering the demographic changes that have occurred after Census 1971, primarily for the reason that the State of Sikkim became part of the Indian Union only in 1975, and the population explosion in the State occurred mainly during the last four decades. Hence, the Commission believes that the population figure as of 1971 becomes inapplicable for determination of devolution of taxes/duties/grants-in-aid for the State of Sikkim.

## **8. Review of Debt Position and Management**

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**8.1** Though the Sikkim Municipalities Act, 2007 has some provisions to raise loans by the ULBs, the Commission observed that there is no record of such loans being raised by them in the financial period 2009-10 to 2011-12. As regards the PRIs, there is no such enabling provision in the Sikkim Panchayat Act, 1993, which empower the rural local bodies to raise loans.

**8.2** As there are no loans or borrowings raised by the Local Bodies, the review of debt position and management amongst/by them could not be taken up.





## 9. Measures for Strengthening LBs - Other than Devolution of Funds

**9.1** While deliberating on the issues/topics related to the decentralized governance, devolution, and connected enabling legislative and administrative empowerment issues, the Commission has recommended certain non-fiscal measures for the strengthening of the Local Bodies (PRIs and ULBs) – other than Devolution of Funds, in Chapters 4, 5 and 6 of this report. Such measures are reflected in Chapter 12 (Summary of Recommendations), as well.

**9.2** Presently, most functions/services are performed /delivered at the level of Block Administrative Centers (BACs) and not actually at the GP level. Decentralization in PRIs is focused and limited to BAC level, as even services such as issue of birth /death certificate, trade license, and maintenance works amongst many others are taken up through departmental functionaries at BAC level.

**9.3** As Block Administration Centers (BACs) are support offices to a cluster of Gram Panchayats, the officer-in-charge of such a BAC should appropriately be designated as Block Administrative Officer (BAO), instead of the present nomenclature Block Development Officer (BDO). The designation 'BDO' is normally applicable in traditionally elected Block Panchayats/Intermediate Panchayats in a three-tier Panchayati Raj framework (as in other States of India), as against the two-tier system being followed in Sikkim. The Commission recommends that nomenclature **“Block Development Officer”** be replaced with **“Block Administrative Officer”**, lest the BACs may shape into

full-fledged pseudo-Block Panchayats (i.e. Block Panchayat minus the elected representatives) and diminish the role of the GPs in the actual delivery of the services as mandated by the Constitution of India.

## **10. Issues to be considered by the Central Government**

**10.1** The Commission deliberated on the multifarious issues that can be included in this report for consideration by the Central Government and other National Bodies/Institutions. The Commission noticed that most issues for consideration of Central Government institutions, in Chapter 10 of the model template for the report of SFCs, as suggested by the Ministry of Panchayat Raj, Government of India, can best be addressed in the Memorandum to the 14<sup>th</sup> CFC by the State Government of Sikkim. However, the Commission decided to confine the deliberations to its ToR and host of related issues, which can be included in this Chapter, for the kind attention of various Central Government institutions.

**10.2** With respect to District Plans, as per the guidelines issued by the Planning Commission, Government of India, the requirement of resource envelopes from the concerned State Line Departments to the District Planning Committees (DPCs) is imperative to enable convergence of schemes and resources for preparation of participatory plans by the Local Bodies. The Commission observed that the District Plans are a mere compilation of wishlists (except for BRGF standalone schemes where the fund allocations are fixed, predictable, and guaranteed) due to the unavailability of annual sectoral resource envelopes to the Local Bodies and the DPCs. The Commission urges the Central Finance Commission/ Planning Commission/ concerned Central Line Ministries to devise a 'budgetary and fund transfer' mechanism that will allow the State Line Departments to invariably communicate the resources envelopes, well in advance, to the Local Bodies and the DPCs. The

Commission, further suggests that BRGF allocations to the Districts/States may be made partly conditional, and substantially incentivize (both in District and State components) those States, which have standardized processes in place to provide timely resource envelopes to the Local Bodies / DPCs.

**10.3** The web-enabled district planning application software Plan Plus facilitates decentralized district planning process, and allows public viewing of district plans/schemes with respective fund allocations by the Citizens. The Commission suggests that in line with the Plan Plus software, the Central Plan Scheme Monitoring System (CPSMS) should also have an option for the Citizens to publicly view the funds received by the implementing agencies and beneficiaries through treasury and society modes on various plan and non-plan schemes. The Commission feels that the age of 'Open Governance' with advent of e-modules for many a scheme has set in, and this is an appropriate time to facilitate such facilities to the Citizens (even without Aadhar number). This may even be considered as a step in the right direction towards maximum public disclosure.

**10.4** The Commission, very sincerely, suggests to the CFC that there is a massive need to educate the Elected Representatives and Functionaries of the Local Bodies on the roles and responsibilities expected of them, and the various enabling legislative provisions and programmes of the respective Central Government and State Government for the efficient delivery of public services to the Citizens. On this front, the Commission feels that the issues/recommendations pertaining to the Local Bodies in the SFC/CFC reports should be widely disseminated and percolated down to them through focused knowledge transfer and capacity enhancement initiatives. The 14<sup>th</sup> CFC may allocate special grants to the districts for undertaking such capacity enhancement and knowledge dissemination initiatives across all the PRIs and ULBs.

**10.5** The Commission would also like to draw the attention of the Central Government Institutions/Bodies that there is no enabling clause or provision in its ToR to suggest corrective measures in cases where in a particular Action Taken Report (ATR) the recommendations of the previous SFC are recorded as accepted, but not being operationalized /implemented. The Commission recommends that suitable legislative provision be introduced to empower the SFCs to address those accepted recommendations (pertaining to the award period of immediate/previous SFC) but not being implemented with corrective measures, as the subsequent SFC is being constituted for its report submission, well in advance of the termination/lapse of the previous SFC award period.

**10.6** Few other issues needing the attention of the 14<sup>th</sup> CFC have been included in Paras 7.35 to 7.38. The per capita annual financial assistance of Rs. 900.00 for the Local Bodies has also been worked out at Para 7.37 for consideration of the 14<sup>th</sup> CFC /Central Government.



## **11. General Observations and Concluding Remarks**

**11.1** The Commission observed that Social Audit as a Monitoring & Evaluation (M&E) tool for public works related to RM&DD (except MGNREGA works) is not widely employed by the Gram Panchayats, though the necessary notification for formation of Gram Panchayat Social Audit-cum-Vigilance Committee was issued by the line department in February, 2008. The Commission realized that Social Audit should not be limited to only the schemes/works of RMDD but shall encompass all works/schemes pertaining to activities mapped for both the GPs and ZPs. The SFC and CFC grants, generally being untied, can be allocated for all types of sectoral schemes/works as per the local development need/requirement of the villages, provided such works/schemes are approved by the Gram Sabha. The Commission recommends that Social Audit-cum-Vigilance Committee should also perform Social Audit for the works/schemes of all the Line Departments as per the activity mapping, irrespective of whether the works/schemes are implemented by the Local Bodies or directly by the Line Departments. ULBs should also adhere to similar social audit mechanism.

**11.2** The Commission recommends that the SFC funds/grants may be transferred in four tranches in a particular financial year, preferably, in the months of April, July, October, and January, to lend a degree of certainty on timely fund transfers to the Local Bodies.

**11.3** The Commission recommends that impact assessment study covering various parameters through utilization of SFC/CFC grants by the Local



Bodies be carried out by the State Finance Commission Division, as a mid-term evaluation measure, the results /findings of which can be further used to streamline various systemic processes and identify areas for improvement within the decentralized governance and devolution framework.

**11.4** Despite recommendations of the 11<sup>th</sup> FC and 12<sup>th</sup> FC on the improvement in accounts maintenance and creation of databases for the Local Bodies, and 13<sup>th</sup> FC's scheme "Preparation of Local Bodies Accounts by collecting data on receipts and payments of these bodies", the Commission observed that the data on finances being made available by most Local Bodies is of poor quality, and often lacked consistency and authenticity. The Commission recommends that Panchayat Account Assistants (PAAs) for GPs, and similar accounting personnel for ZPs and ULBs should be intensively trained in the preparation of budgets, maintenance of accounts, and database management.

**Table 11.1: Share of Taxes and Grants-in-Aid to Local Bodies**

<i>(Rs. in Lakhs)</i>						
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2015-20
<b>Net Revenue Proceeds (A)</b>	<b>42020.20</b>	<b>47968.05</b>	<b>54763.83</b>	<b>62529.04</b>	<b>71402.66</b>	<b>278683.78</b>
Share of Taxes (as % of A)	2.50	2.50	2.50	2.50	2.50	2.50
Grants-in-Aid (as % of A)	2.84	2.55	2.28	2.02	1.78	2.22
<b>Total Allocation to LBs (as % of A)</b>	<b>5.34</b>	<b>5.05</b>	<b>4.78</b>	<b>4.52</b>	<b>4.28</b>	<b>4.72</b>

**11.5** As per this Commission's recommendations pertaining to the share of taxes and grants-in-aid from the State Government to the Local Bodies for the award period 2015-20, the total financial implication, considering the estimated net proceeds from selected set of divisible pool of taxes/revenues during the same period, on the State Finances would be only 4.72 % i.e. about Rs.13167.23 lakhs out of a grand total of such net proceeds of Rs. 278683.78 lakhs. Though the grants-in-aid to the Local Bodies will be made from the Consolidated State Fund, for the purpose of deriving a percentage based on

the net proceeds, the grants-in-aid is clubbed up with share of taxes. The year-wise percentage split for share of taxes and grants-in-aid against the absolute net revenue proceeds is given in Table 11.1.

**11.6** The Commission would like to record the following small yet critical points for the consideration of the State Government.

- i. The 12<sup>th</sup> FC has recommended a lifespan of 18 months for the SFCs. This Commission realized that the SFC tenure - in Sikkim - should be atleast for duration of 12 months, if not 18 months, as against the current practice of 6 months, for the fact that a detailed report addressing all the topics as per the model templates, needs to be prepared. The Commission recommends that the Fifth State Finance Commission (5<sup>th</sup> SFC) may be constituted, by all means, in April 2017.
- ii. The Commission recommends that a suitable budgetary allocation be made in the State budget for 2017-18 so that requisite funds can be allocated in advance to the 5<sup>th</sup> SFC for its effective functioning.
- iii. The Commission recommends that the State Finance Commission Cell/Division be suitably strengthened for maintaining and updating the financial data of local bodies, atleast, on a monthly basis. SFC Division should also be given the overall responsibility for processing of SFC /CFC grants, and related utilization and impact reports for the PRIs and ULBs in coordination with the concerned Line Departments. The SFC Division should devise mechanisms for monitoring the growth related to revenue receipts and expenditure of the State, PRIs, and ULBs.
- iv. The Commission recommends that the hard and soft copies of its report and ATR be circulated to all the GPs, ZPs, and ULBs by the SFC Division.
- v. The Commission recommends that its report and ATR be uploaded on the State and National web portals.
- vi. The Commission recommends that requisite dissemination of its recommendations and ATR should be taken up through focused knowledge

and capacity enhancement initiatives by the institutions such as SFC Division, DLFA, and SIRD.

## **12. Summary of Recommendations**

**12.1** The Commission recommends that a web portal and online MIS is essential for not only having a ready-to-use database but also for tracking and updating the fund transfers and utilization certificates received on a monthly basis. The Commission also noticed that information on implementation status /impact of previous SFCs/CFCs recommendations is not readily available. The Commission recommends that Action Taken Reports (ATRs) /status on recommendations must be updated annually, and include mandatory write up on the changes/improvements being achieved in local finances and governance due to SFC/CFC recommendations. The ATRs along with the implementation status of the recommendations should be uploaded, annually, on the web portal.

*(Para 1.10)*

**12.2** The Commission recommends that Constitutionally mandated DPCs should be given their rightful ownership in deciding the decentralized district development planning priorities through their involvement as parties to the agreement as per the relevant guidelines.

*(Para 2.15)*

**12.3** The Commission recommends that the District Plans should invariably be integrated into State Plan as per the guidelines in force.

*(Para 2.16)*

**12.4** The Commission recommends that a suitable mechanism be devised by the concerned departments to include Sabhapatis of Gram Panchayats as grassroots level representatives of the citizens in the DPCs.

*(Para 2.18)*

**12.5** The Commission recommends that fund transfers meant for GPs should be made directly to them, with intimation of such fund transfers communicated to Additional District Collector (Development) and other relevant functionaries.

***(Para 3.23)***

**12.6** The Commission recommends that the plan proposals for the activities transferred to the Rural Local Bodies (i.e. GPs and ZPs) should be prepared by themselves. However, to facilitate the preparation of plan proposals by Rural Local Bodies (RLBs) the concerned Line Department must provide GP and ZP wise fund allocations (usually termed as resource envelope), as an annual practice, and the timely release of these funds directly to the RLBs need to be ensured by DPER&NECAD and FRED.

***(Para 4.3)***

**12.7** The Commission recommends that the officials and field functionaries should be deputed to the GPs to the extent possible, and they shall have lien to their concerned parent departments, but shall be directly under the administrative control of the GPs for the period of their posting.

***(Para 4.4)***

**12.8** The Commission, after consultations with various Line Departments, GPs, and ZPs on the existing devolution and review of the activity mapping vis-à-vis the list of matters in the Eleventh Schedule, and duly examining the limited but valuable information/views shared by them, has decided to recommend the following:

- i. Payment of salaries of employees of PHSC through GP by fund transfer from the concerned Line Department.
- ii. Payment of honorarium to ASHA workers through GPs.
- iii. Issue of certificate of birth and death by GPs.
- iv. Maintenance & minor repairs of PHSC and PHC through GPs.

- v. Community fodder bank/pasture development through GPs.
- vi. Silage preparation at farmer's level in the GPs.
- vii. Implementation of drought relief through GPs.
- viii. Functionaries from veterinary dispensaries and stockman centers under direct administrative control of GPs.
- ix. Renting of houses for veterinary centers in villages through ZPs
- x. Bull maintenance through ZPs
- xi. Although payment and disbursement of salaries of teachers under Primary and Junior High Schools are made by PRIs, the Assistant Directors, HRDD, posted to BACs are entrusted with the administrative matters of the teachers under PRIs. The Commission recommends that GPs should also have the responsibility over administrative/disciplinary matter of Primary School teachers.
- xii. The Commission recommends release of grants-in-aid to Village level Health & Sanitation Committees (VHSCs) through respective GPs, and utilization of untied fund of NRHM by PHSCs and PHCs through GPs.
- xiii. Collection of irrigation tax shall be assigned to the GPs.
- xiv. Transfer repair works of Minor Irrigation Channels to the GPs.
- xv. 10% funds of National Rural Drinking Water Supply Program (NRDWP) should be transferred to PRIs as O&M fund, as per the program guidelines.
- xvi. Review of the Activity Mapping of all Central Sponsored Schemes (CSSs) wherein the GPs are a centrality to the implementation of such schemes, and assign functions and functionaries to PRIs as per the CSSs guidelines.

***(Para 4.6)***

**12.9** Regarding the power and functions of Panchayats, the Commission recommends that the GPs should have the responsibility over the disciplinary matter of the following officials:

#### ***Fourth State Finance Commission***

- |                                 |                                       |
|---------------------------------|---------------------------------------|
| i. Anganwadi Worker             | v. Gram Rozgar Sahayak                |
| ii. Primary Health Worker       | vi. Accredited Social Health Activist |
| iii. Village Level Worker       | vii. Primary Teacher                  |
| iv. Rural Development Assistant |                                       |

***(Para 4.7)***

**12.10** The Commission recommends that all the GPs and ZPs prepare the budgets for each year as stipulated in Sikkim Panchayat Act, which will enable them to spend on revenue and capital accounts as per the sanctioned funds by the State Government against the approved budgets of PRIs. This arrangement will push the PRIs towards financial planning and accountability on their expenditures, and establish financial discipline in accounting practices as well.

***(Para 4.14)***

**12.11** The Commission recommends that an administrative functionary be appointed as the Secretary (Sachiva) of the Gram Panchayat, as is the practice in other States, to streamline the grassroots activities of the Gram Panchayats, and to have a functionary who can be held accountable as well. The ZP in Sikkim already have an administrative functionary as its Sachiva, the same arrangement be extended to GPs. The concerned line department shall also make necessary amendment to the Panchayat Act to facilitate such appointment.

***(Para 4.25)***

**12.12** The Commission recommends that the DPO shall be the district level nodal official for all the Local Bodies (PRIs and ULBs) and for all planning activities arising from the Local Bodies. The DPO should be an official of DPER&NECAD posted in district, which would enable the DPO to optimally perform the role of Member Secretary-DPC, and thus allow him/her to coordinate with the Local Bodies and State Planning Department - DPER&NECAD, in a streamlined manner.

***(Para 4.28)***



**12.13** The Commission, after consultation with various Line Departments and ULBs on the existing devolution of functions and functionaries, and review of the activity mapping vis-à-vis the list of matters in the Twelfth Schedule, and after deliberating on the information/views shared by them, the Commission has decided to recommend the following:

- i. To strengthen the administrative capacities of Nagar Panchayats, an Under Secretary or a suitable official be deputed to each of the Nagar Panchayats for functioning as full-fledged Municipal Executive Officer and efficient discharge of the duties and functions.
- ii. Matters/activities related to other line departments as listed in the Twelfth Schedule should be fully devolved to ULBs, particularly so, that the ULBs will be in their fifth year of existence, and have gained requisite operational experience and administrative strength.
- iii. DPO shall be the district level nodal official for all the ULBs and for all decentralized planning activities/functions arising from the ULBs. The DPO should be an official of DPER&NECAD posted in district, which would enable the DPO to optimally perform the role of Member Secretary-DPC and thus allow him/her to coordinate with the Local Bodies (both ULBs and PRIs) and State Planning Department - DPER&NECAD, in a streamlined manner.
- iv. Ward Committees should be constituted in all ULBs for effective implementation of development schemes as per the subjects listed in the Twelfth Schedule.

***(Para 4.34)***

**12.14** In the interest of the Nagar Panchayats, the Commission recommends that a suitable accounts official be transferred to them, which will not only enhance their capacities to deal with various transactions, but state of financial accountability will also be enhanced.

***(Para 4.41)***

**12.15** The Commission recommends that, in the spirit of true decentralized governance framework, the GPs should be the final issuing authority for trade license at grassroots level. This will not only give higher accountability to GPs but also provide a platform to them to perform, conclusively, on the function devolved.

***(Para 5.4)***

**12.16** The Commission recommends that accounting personnel at ZPs be trained on financial accounting and management, so that reliable and meaningful information on finances of ZPs is available at all times.

***(Para 5.25)***

**12.17** The Commission recommends that the in-house capacities of the accounting personnel of the ULBs need to be enhanced on accrual accounting and other financial accountability processes.

***(Para 6.16)***

**12.18** The Commission recommends that the levy of taxes and charges should be made after passing resolution in the Gram Sabhas.

***(Para 7.8)***

**12.19** The Commission recommends that both the concerned Line Department and GPs to work in tandem for finalizing a mechanism to enable collection of Irrigation Tax by the GPs.

***(Para 7.9)***

**12.20** After, due consultations with GMC, and studying reports related to collection of Tourist Tax from tourists in other places in India, this Commission recommends that a minimum of Rs. 5.00 per tourist can be collected by the ULBs, and GMC shall develop a mechanism for collection of tourist tax from the tourists.

***(Para 7.12)***

**12.21** The Commission recommends that the existing activity mapping be revisited by the State Government, and all the functions be devolved fully to PRIs and ULBs along with necessary functionaries and funds, so that all Local Bodies will be in a position to maximize their own revenues.

***(Para 7.17)***

**12.22** The Commission recommends that in revenue heads/functions where cost of collection is more than the actual collection of revenue/income, the concerned Line Departments may involve the Local Bodies for collection of such revenues duly paying them necessary service charges, and wherever it is practicable to assign the entire function to the Local Bodies, the concerned Line Departments may transfer such functions, as well.

***(Para 7.18)***

**12.23** Considering the historical inflows to the Local Bodies against the share of taxes from the State Government, the Commission, with constraint, decided to recommend only 2.5% of the divisible pool of taxes for vertical sharing to the Local Bodies (PRIs & ULBs), with a premise that State Finances will be elastic enough to transfer the recommended minimal percentage of funds out of the divisible pool of taxes, duties, tolls, and fees, and thus the need for the State Government to further reduce the fund transfers against the recommendations of the Commission may not crop up.

***(Para 7.26)***

**12.24** The share of taxes to Local Bodies at 2.5% of the divisible pool of revenues is Rs.6967.09 lakhs for the award period 2015-20 as given in Table 7.14. The allocation of share of taxes to PRIs and ULBs is made on the basis of provisional rural and urban population figures of Census 2011, which is in the ratio of 75:25.

***(Para 7.27)***

**12.25** The Commission recommends that Grants-in-Aid as shown in Table 7.17 would be split into two grants namely – ‘Primary Grant’ and ‘Improvement Grant’ – in the ratio of 70:30. Both Grants would be disbursed to all the Local Bodies on the basis of their respective population figures for all the years during the award period 2015-20. The year-wise Primary Grant and Improvement Grant allocations for the GPs, ZPs, and ULBs are shown in Annexures 7.4-7.6 and Annexures 7.7-7.9, respectively. Improvement Grant will be applicable from the financial year 2016-17 onwards, and for the year 2015-16, 100% of the Grants-in-Aid is Primary Grant, which will be transferred to the Local Bodies as in Table 7.17.

***(Para 7.31)***

**12.26** The Commission, after due consultations with Local Bodies, Line Departments, and other stakeholders, has finalized three simple conditions that are to be met by the Local Bodies to qualify for the Improvement Grant. The conditions, which will improve the quality of expenditure and financial accountability of the Local Bodies, are as follows:

- i. Utilization Certificate for SFC grants should invariably be submitted in time and jointly signed by the Elected Representative heading the concerned local body and Secretary/Executive Officer of that particular body.
- ii. The schemes/plans – of the Local Bodies – intending to utilize the SFC grants must be approved by the Gram Sabhas for PRIs, and the Area Sabhas for ULBs, and such schemes/plans should be included in the District Annual Plan for the year 2016-17 (the district plan shall be prepared in the preceding year i.e. 2015-16), which shall have the approval of the District Planning Committee (DPC), in accordance with the guidelines on preparation of District Plans issued by the Planning Commission, Government of India. Same mechanism should be followed for the subsequent years.

#### ***Fourth State Finance Commission***

- iii. Each Local Body should prepare the GP/ZP/Municipal budget, as relevant, for the year 2016-17 and seek approval of the State Government for sanction of funds by March 2016, as per the provisions of Sikkim Panchayat Act and Sikkim Municipalities Act. Similarly, the Local Bodies should prepare their respective budgets for the next year and seek approval of the State Government by March 2017, for claiming its Improvement Grant for the year 2017-18, and so on.

***(Para 7.32)***

**12.27** The Commission recommends that the concerned Line Departments i.e. UDHD for ULBs and RMDD for PRIs shall ensure that Local Bodies satisfy these conditions for the release of Improvement Grant. In the event wherein a Local Body is unable to meet these conditions by 31<sup>st</sup> March of a particular financial year, it will only be entitled to the Primary Grant for the succeeding financial year. All Local Bodies which do not qualify the conditions will forfeit their share of Improvement Grant, and such forfeited grants for non-performance by Local Bodies will be retained by the State Government, and will not be adjusted or re-allocated to any other Local Body, for that particular year.

***(Para 7.33)***

**12.28** The Commission recommends that BDOs should be given responsibility for GPs under their jurisdiction to satisfy the conditionalities for availing the Improvement Grant.

***(Para 7.34)***

**12.29** While not limiting to the above observations, the Commission suggests that on the basis of per capita expenditure, the award of grant under Article 280 (3) (BB) from 14<sup>th</sup> CFC towards augmenting the Consolidated State Fund for supplementing the resources of Panchayats and Urban Local Bodies, to be atleast Rs. 900.00 per capita annually for the award period 2015-20.

***(Para 7.37)***

**12.30** The Commission suggests the 14<sup>th</sup> CFC to consider Census 2011 population figures while ascertaining the allocations to Local Bodies, wherever population is the criterion considering the demographic changes that have occurred after Census 1971, primarily for the reason that the State of Sikkim became part of the Indian Union only in 1975, and the population explosion in the State occurred mainly during the last four decades. Hence, the Commission believes that the population figure as of 1971 becomes inapplicable for determination of devolution of taxes/duties/grants-in-aid for the State of Sikkim.

***(Para 7.38)***

**12.31** The Commission recommends that nomenclature Block Development Officer be replaced with Block Administrative Officer.

***(Para 9.3)***

**12.32** The Commission urges the Central Finance Commission/ Planning Commission/ concerned Central Line Ministries to devise a 'budgetary and fund transfer' mechanism that will allow the State Line Departments to invariably communicate the resources envelopes, well in advance, to the Local Bodies and the DPCs. The Commission, further suggests that BRGF allocations to the Districts/States may be made partly conditional, and substantially incentivize (both in District and State components) those States, which have standardized processes in place to provide timely resource envelopes to the Local Bodies / DPCs.

***(Para 10.2)***

**12.33** The Commission suggests that in line with the Plan Plus software, the Central Plan Scheme Monitoring System (CPSMS) should also have an option for the Citizens to publicly view the funds received by the implementing agencies and beneficiaries through treasury and society modes on various plan and non-plan schemes. The Commission feels that the age of 'Open Governance' with advent of e-modules for many a scheme has set in, and this

is an appropriate time to facilitate such facilities to the Citizens (even without Aadhar number). This may even be considered as a step in the right direction towards maximum public disclosure.

***(Para 10.3)***

**12.34** The Commission feels that the issues/recommendations pertaining to the Local Bodies in the SFC/CFC reports should be widely disseminated and percolated down to them through focused knowledge transfer and capacity enhancement initiatives. The 14<sup>th</sup> CFC may allocate special grants to the districts for undertaking such capacity enhancement and knowledge dissemination initiatives across all the PRIs and ULBs.

***(Para 10.4)***

**12.35** The Commission recommends that suitable legislative provision be introduced to empower the SFCs to address those accepted recommendations (pertaining to the award period of immediate/previous SFC) but not being implemented with corrective measures, as the subsequent SFC is being constituted for its report submission, well in advance of the termination/lapse of the previous SFC award period.

***(Para 10.5)***

**12.36** The Commission recommends that Social Audit-cum-Vigilance Committee should also perform Social Audit for the works/schemes of all the Line Departments as per the activity mapping, irrespective of whether the works/schemes are implemented by the Local Bodies or directly by the Line Departments. ULBs should also adhere to similar social audit mechanism.

***(Para 11.1)***

**12.37** The Commission recommends that the SFC funds/grants may be transferred in four tranches in a particular financial year, preferably, in the months of April, July, October, and January, to lend a degree of certainty on timely fund transfers to the Local Bodies.

***(Para 11.2)***



**12.38** The Commission recommends that impact assessment study covering various parameters through utilization of SFC/CFC grants by the Local Bodies be carried out by the State Finance Commission Division, as a mid-term evaluation measure, the results /findings of which can be further used to streamline various systemic processes and identify areas for improvement within the decentralized governance and devolution framework.

***(Para 11.3)***

**12.39** The Commission recommends that Panchayat Account Assistants (PAAs) for GPs, and similar accounting personnel for ZPs and ULBs should be intensively trained in the preparation of budgets, maintenance of accounts, and database management.

***(Para 11.4)***

**12.40** The Commission would like to record the following small yet critical points for the consideration of the State Government.

- i. The 12<sup>th</sup> FC has recommended a lifespan of 18 months for the SFCs. This Commission realized that the SFC tenure - in Sikkim - should be atleast for duration of 12 months, if not 18 months, as against the current practice of 6 months, for the fact that a detailed report addressing all the topics as per the model templates, needs to be prepared. The Commission recommends that the Fifth State Finance Commission (5<sup>th</sup> SFC) may be constituted, by all means, in April 2017.
- ii. The Commission recommends that a suitable budgetary allocation be made in the State budget for 2017-18 so that requisite funds can be allocated in advance to the 5<sup>th</sup> SFC for its effective functioning.
- iii. The Commission recommends that the State Finance Commission Cell/Division be suitably strengthened for maintaining and updating the financial data of local bodies, atleast, on a monthly basis. SFC Division should also be given the overall responsibility for processing of SFC /CFC grants, and related utilization and impact reports for the PRIs and ULBs in



#### ***Fourth State Finance Commission***

coordination with the concerned Line Departments. The SFC Division should devise mechanisms for monitoring the growth related to revenue receipts and expenditure of the State, PRIs, and ULBs.

- iv. The Commission recommends that the hard and soft copies of its report and ATR be circulated to all the GPs, ZPs, and ULBs by the SFC Division.
- v. The Commission recommends that its report and ATR be uploaded on the State and National web portals.
- vi. The Commission recommends that requisite dissemination of its recommendations and ATR should be taken up through focused knowledge and capacity enhancement initiatives by the institutions such as SFC Division, DLFA, and SIRD.

***(Para 11.6)***

***Gangtok***  
***03.05.2013***



*(A.K. Chettri, IAS)*  
***Chairman***



*C.C. Wangdi*  
***Member***



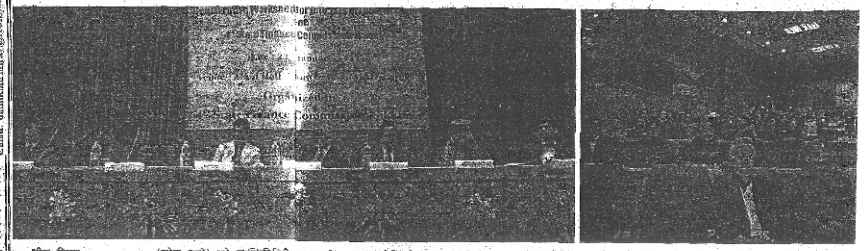
*L.B. Chettri*  
***Member***



*Binod Sharma*  
***Member Secretary***



# चौथो राज्य वित्त आयोगको क्रियाकलापबारे जानकारी गराउन स्थानीय निकायका पदाधिकारीहरूको लागि दुई दिवसीय परामर्शात्मक कार्यशाला शुरू



गंगटोक, २२ जनवरी। संसदको चौथो राज्य वित्त आयोगको क्रियाकलापबारे जानकारी गराउन स्थानीय निकायका पदाधिकारीहरूको लागि दुई दिवसीय परामर्शात्मक कार्यशाला शुरू भएको छ।

गंगटोकमा रहेको चौथो राज्य वित्त आयोगको क्रियाकलापबारे जानकारी गराउन स्थानीय निकायका पदाधिकारीहरूको लागि दुई दिवसीय परामर्शात्मक कार्यशाला शुरू भएको छ।

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## SIKKIM MAIL

Gangtok : Wednesday 23 January, 2013 RNI Regd. No: SIKENG/2008/25527 Vol. 05 Issue No. 22 www.sikkimmail.blogspot.com

### Local bodies directed to send necessary data to State Finance Commission at the earliest

SIKKIM MAIL REPORT  
Gangtok, January 22

Two days long Committee Workshop for Local Bodies, i.e. Panchayat Raj Institutions and Urban Local Institutions was inaugurated by the Finance Commission cum Secretary, M. G. Kiran here today at Chislen Bhawan.

Speaking during the inaugural session the chief guest Kiran expressed his satisfaction from local bodies for their large participation. Informing about the 4<sup>th</sup> Finance Commission, he said that it would give recommendations for 5 years period from 2015 April to 2020. He urged different Line Departments to avoid delaying the work of the Commission by expediting and forwarding the information asked from them, at the earliest. Chairman of 4<sup>th</sup> State Finance Commission

also the Secretary for Cooperation Department, A.K. Chetri, in his opening remarks said that the Commission was expected to submit its recommendations to the Governor by 31 December, 2012, but due to Panchayat Elections in State, it could not be done. Now, the recommendations would be submitted by 28 February, 2013. The Commission is expected to recommend points regarding sharing of taxes between local bodies and State Government. The recommendations on finalization of these issues would also be done. Altogether 40 intellectuals have been asked for suggestions. These would be compiled and decisions will arrive and consultation with State Government would also be done. All this aimed at good governance and quality expenditure, better ways to collect revenue, he added.

Bhand Sharma, Member Secretary, 4<sup>th</sup> State Finance Commission, while making a presentation on the Commission format, data requirements and issues, explained about it in detail to the local bodies present. He informed the gathering that Singish Urban Local Body, East, all the Gram Panchayat Units from Duetan, Kaluk and Sorang Block Administrative Centres and Zilla Panchayats in West, all the GPUs from BAC's Nagar Panchayats from South and all the BAC's with Zilla Panchayats in North have not sent the necessary data to the Commission as yet. He asked them to do it at the earliest or at least before the Commission holds Zilla Panchayat and District Officers' meet. The meetings will be held on 28 January, 2013 for West District, on 29 January, 2013, for South

Contd. on page 5

### Local bodies directed...

District on 31 January, 2013 for East District and on 1 February, 2013 for North District. Without the comments and suggestions of the local bodies, the Commission will not be able to submit the report, he underlined. Exemplifying the Gerungang Panchayat who have submitted their detail expenditure, revenue, sources from which collected and new suggestions, in the format, Sharma asked others to follow the example.

Rest of the issues regarding the training of members of local bodies, whether their budgets have been made or not, service delivery, reporting of Utilization Certificates and how to make BACs more citizen friendly would be discussed on 23 January, 2013.

Sharma also informed the participants that though they are expected to take the year 2011 as the base year for all information and data, but in order to be more accurate they have asked the Central Commission to let them use 2013 data as their base for recommendations pertaining to 2015-2020.

Earlier, C.C. Wangdi, member of the 4<sup>th</sup> State Finance Commission, welcomed the guests. She informed them about importance of the formats they have already been asked to fill as depending on their information the further compilation of recommendations would be done.

The vote of thanks was delivered by J.B. Chetri, member of the Commission. An open discussion was held at the end of the session.

It is to be mentioned here that the recommendations made by 4<sup>th</sup> State Finance Commission, constituted in July 2010, would be submitted to the Governor of Sikkim, on 28 February, 2013. He will cause these to be laid before the State Legislative Assembly.

## Panel seek public suggestions on local bodies' financial resources

Panel seek public...

**GANGTOK, September 9:** The Fourth State Finance Commission, mandated to submit recommendations on financial aspects related to local civic and urban development within the year and with cooperation secretary AK Chetri, as the chairman and Power chief accounts officer Binod Sharma as member secretary. The cabinet members are senior government officials LB Chetri and CC Bhutia.

The commission has been asked to submit recommendations on distribution of net proceeds of taxes, duties, tolls and fees between the State and local bodies of Zilla panchayats, gram panchayats, municipalities, municipal corporations, municipal councils and nagar palikas. It would also determine areas and districts which may be assigned to the local urban and civic bodies besides recommending the principles governing the grant-in-aids to them from the central government.

The Fourth State Finance Commission consisting of four members solidated fund of the State government. Contd. on page 6

Member Secretary,  
4th State Finance Commission, Sikkim

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## State Level Consultative Workshops



Commissioner-cum-Secretary, FR&ED, addressing the participants at Chintan Bhawan



Chairman, 4th State Finance Commission, addressing the participants at Chintan Bhawan





Member, 4th State Finance Commission, explaining ToR to the gathering of Line Department Officials at Conference Hall of the Office of the CEO, Sikkim (below)



## District Level Consultative Workshops



Member Secretary, 4th State Finance Commission, replying to the queries of the North District stakeholders



One of the Panchayat members from North District sharing his experience





Members of the Commission deliberating on the issues raised by Elected Representatives and Functionaries of South District (below)





## **Consultative Session with the Chairman and Members of 3rd SFC**



## Field Visits



Namli Gram Prashasan Kendra, Namli, East Sikkim



Ringhim Nampatam Gram Panchayat, Mangan, North Sikkim

## **Annexures**

### **Annexure 1.1**

#### **List of information sources referred during the preparation of this report**

13<sup>th</sup> FC Report

12<sup>th</sup> FC Report

Report of the C&AG of India on State Finances for the Financial Year (FY) 2010-11

State Finances – A Study of Budgets of 2011-12, RBI, Government of India

Finance Accounts for the FYs 2009-10, 2010-11, & 2011-12 for the State of Sikkim

Devolution to Panchayats in India, Ministry of Panchayat Raj, Government of India

15<sup>th</sup> Report, 2<sup>nd</sup> Administrative Reforms Commission, Government of India

Memorandum to 13<sup>th</sup> FC, Government of Sikkim

Memorandum to 13<sup>th</sup> FC, Government of Tamilnadu

3<sup>rd</sup> SFC Report, Sikkim

3<sup>rd</sup> SFC Report, Himachal Pradesh

3<sup>rd</sup> SFC Report, Haryana

4<sup>th</sup> SFC Report, Bihar

4<sup>th</sup> SFC Report, Kerala

Annual Technical Inspection Reports on PRIs for the Years 2009-10 and 2010-11

Estimate of Financial Resources for 12<sup>th</sup> Five Year Plan, Government of Sikkim

Estimates of Receipts, 2012-13, Government of Sikkim

Medium Term Fiscal Plan (2012-13 to 2014-15), Government of Sikkim

Demands for Grants, 2012-13, Government of Sikkim

Sikkim Panchayat Act, 1993

Sikkim Municipalities Act, 2007

Panchayat Strengthening Index Survey for Sikkim for the Year 2012-13



**Annexure 1.2****Consultative Session at Meeting Room, Election Department, Balwakhani, Gangtok, on 16.10.2012**

S. No.	Name & Designation	Department/ Organisation	Phone No.	Email ID
1	S.K.Sharma		9434023402	knepalgtk@yahoo.com
2	T.P.Koirala		9434127115	koirala_lp@yahoo.co.uk
3	A.K.Chettri, Chairman	FSFC	9434031505	
4	Binod Sharma, Member Secretary	FSFC	9434127250	binod.sharma@nic.in
5	Pavan Kumar		9434076102	yangadaspk@yahoo.com

**Meeting with FRED Officials at Meeting Room, Election Department, Balwakhani, Gangtok, on 18.10.2012**

S. No.	Name & Designation	Department/ Organisation	Phone No.
1	A.K.Chettri, Chairman	4 <sup>th</sup> SFC	9434031505
2	D.N. Sharma, Principal Director	(PGIPF), FRED	9475011694
3	G.Kaushik, Director A/c	FRED	9434710413
4	S.D.Pradhan, Pr. Director(Budget)	FRED	9434043584
5	B.K. Pradhan, Pr. Director/FC	FRED	9434103487
6	D.Darnal, OSD	FRED	9434110084
7	L.B. Rai, Director	FRED	9609776516
8	Basanti Rai, Addl.Comm.Com.Taxes Dir	FRED	9434023284
9	Bidan Datta, Ex. Director	FRED	9434024866
10	C.C.Wangdi, Member	FSFC	9434066098
11	L.B.Chettri, Member	FSFC	9434127250
12	Binod Sharma, Member Secretary	FSFC	9434127250
13	Pavan Kumar	Consultant, SKCS	9434076102

**Meeting with AG Officials at Meeting Room, Election Department, Balwakhani, Gangtok, on 30.10.2012**

S. No.	Name & Designation	Department/ Organisation
1	A.K.Chettri, Chairman	4 <sup>th</sup> SFC
2	B.K.Jha, Sr. Audit Officer	AG Office
3	Chakrapal Pal., Pr. AG (Audit) Office, Gangtok	AG Office
4	Binod Sharma, Member Secretary	FSFC

**Meeting with Officials of Urban Development & Housing Department at Meeting Room, Election Department, Balwakhani, Gangtok, on 01.11.2012**

S. No.	Name & Designation	Department/ Organisation	Email ID
1	A.K.Chettri, Chairman	FSFC	
2	Binod Sharma, Member Secretary	FSFC	binod.sharma@nic.in
3	C.C.Wangdi, Member	FSFC	cc_tall@yahoo.com
4	Raj N. Pradhan, CAO	UDHD	rajpn123@gmail.com
5	J.D.Bhutia, Additional Secretary	UDHD	jdbhutia@yahoo.com
6	D.J.Mukhya, Additional Secretary	UDHD	djyotim@rediffmail.com
7	B.S.Gautam, Addl.Chief Engineer	UDHD	bsguatam12@yahoo.com
8	Pavan Kumar, Consultant	FSFC	yangadaspk@yahoo.com

**Consultative Workshop for Local Bodies on 4<sup>th</sup> State Finance Commission Issues at Main Hall, Chintan Bhawan, Gangtok, on 22.01.2013**

S. No.	Name & Designation	Department/Organization
1	M.G. Kiran, Commission-cum-Secretary	FRED
2	A.K.Chettri, Chairman	FSFC
3	Binod Sharma, Member Secretary	FSFC
4	C.C.Wangdi, Member	FSFC
5	L .B. Chhetri, Member	FSFC
6	Pavan Kumar, Consultant	FSFC

**Participants from North District:**

1	M.B. Chettri, Panchayat Supervisor	RM&DD, North
2	Wangyal Tsh. Bhutia,RDA	Namok Swayem, RM&DD
3	Tshering Yangdan,DPO	NDZP
4	Prem Kamal Rai,BDO	Kabi BAC
5	Chiran Rizal BDO	Mangan BAC
6	Rinzing Namgyal Bhutia,RDA	Kabi, RM&DD
7	Tshering Dadul Lepcha, RDA	Lachen
8	Lobsang Dawa Lepcha, PAA	Swglik
9	D.P.Sharma,Zilla	RM&DD
10	Chultrim Dorjee Bhutia, PAA	Phensang GPU
11	Swapna Lama,PI	Kabi BAC
12	Jigme Wangchuk Bhutia,BDO	Chungthang BAC
13	Shyam Bdr. Manger, RDA	S. Sentam, RM & DD
14	Naku Tsh. Lepcha,RDA	RM & DD
15	Namgyal Bhutia	RM & DD
16	Tenzing	RM & DD
17	Kaushila Luitel,RDA	RM & DD
18	Ongdi Bhutia,RDA	RM & DD
19	Karma Loday Lepcha,RDA	RM & DD
20	Subash Rai,RDA	RM & DD
21	N.G.Shenga, P.I	RM & DD
22	S.W. Lachungpa,RDA	RM & DD

**Fourth State Finance Commission**

<b>S. No</b>	<b>Name &amp; Designation</b>	<b>Department/Organization</b>
23	Naku Bhutia,PAA	RM & DD
24	Deepak Tamang,RDA	RM & DD
25	Namgay Lepcha,RDA	RM & DD
26	Allen .L. Lepcha,PAA	RM & DD
27	Karma Tsh. Bhutia,RDA	RM & DD
28	Pramesh Kumar Pradhan,PAA	RM & DD
29	Karma Chopel Lepcha,PAA	RM & DD
30	Sonam P. Lepcha,RDA	Ringhem Nampatam GPU
31	Lachumit Lepcha,RDA	Passingding Saffo GPU
32	Yangkay Lhamu Lepcha,PAA	Tingrong GPU
33	Ninzay Lhamu Lepcha,PAA	Passingding Saffo GPU
34	Chungmit Lepcha,PAA	Hee-Gyathang GPU
35	Yangden Lepcha,PAA	Toong Naga GPU
36	Jagdish Bista,RDA	Toong Naga
37	Sonam Tsh. Lepcha,RDA	Hee-Gyathang
38	Tancho Lepcha ,RDA	Shipger
39	Pema Lepcha,RDA	Lum Gor
40	Dr. Sonam R. Lepcha,BDO	BAC Passingdong
41	Nima Dolma Sherpa,P.I	BAC Passingdong
42	Raj Kumar Rai,RDA	RM&DD
43	Dawa Lhendup Lepcha,PAA	RM&DD

**Participants from East District:**

1	Nar Hari Sharma,RDA	RM&DD
2	Suresh Rai,RDA	RM&DD
3	P. Ladingpa	EDZP
4	Bhagya Kr. Rai,RDA	RM&DD
5	Tshering Bhutia,BDO	BAC Parakha
6	Madan Tamang,RDA	RM&DD
7	Tenzing Ongmu Lepcha,F.F	BAC Parakha
8	Anita Sharma,PAA	RM&DD
9	Thendup Namgyal Lepcha,PAA	BAC Ranka
10	Subodh Kr. Pokhrel, BDO	BAC Duga
11	C.K. Pradhan,D.E	EDZP
12	N.B. Biswakarma,P.I.	BAC Duga
13	Kamal Dahal, Sr. Accountant	RM&DD
14	K.R. Bhattari,BDO	BAC Martam
15	Tenzing D. Denzongpa, BDO	BAC Rakdang Tintek
16	Dhiraj Subedi, BDO	BAC Pakyong
17	Nirmala Chettri,PAA	Martam BAC
18	Lhazee Cheden Bhutia,PAA	Martam BAC
19	Jigme Wangdi,P.I.	Martam BAC
20	Neelam Gurung, PAA	BAC Parakha
21	Pondimit Lepcha, PAA	BAC Khamdong
22	Man Maya Tamang, PAA	BAC Khamdong
23	Tshering Lhaden lachungpa,BDO	BAC Ranka

**Fourth State Finance Commission**

<b>S. No</b>	<b>Name &amp; Designation</b>	<b>Department/Organization</b>
24	Santaman Gurung, RDA	RM&DD
25	Bhuwan S. Karki, PAA	Lingdok Nampong GPU/E
26	Dal Bahaduar Chettri,PAA	BAC Ranka
27	Nikhil Thapa,P.I.	Rhenock
28	Mahendra Chettri,P.I	RM&DD
29	Nima Gyalpo Bhutia,RDA	Rewtey Rumtek
30	Ashit Gurung,RDA	26 NImtar
31	Deepen Sharma, PAA	35 Rawtey Rumtek
32	Phur Tsh. Lepcha, PAA	27 Assam Lingzey
33	K. Lepcha, Deputy Secretary	O/o ADC(Dev.) East
34	Pratap Singh Rai, A.O.	EDZP
35	Palden Ongchen, RDA	Central Pandem
36	D.K. Rai	RM&DD
37	Jamuna Sharma, RDA	24 Pachey Samsing GPU
38	Parvati Chettri, PAA	46-Rakdong Tintek GPU
39	Binita Chettri, PAA	43-Simik Lingzey GPU
40	Ongdup Lepcha,RDA	32-Luing Perbing GPU
41	Koshi Kapil,BDO	BAC Gangtok
42	Susil Subba,RDA	RM&DD
43	R.B. Rai,RDA	RM&DD
44	Dhiraj Pradhan,BDO	BAC Regu
45	Kessang Choden,PAA	BAC Regu
46	Rex Rai	BAC Khamdong
47	Karma Loday Lepcha,BDO	RM&DD
48	Karma Tsh. Lama,P.I.	RM&DD
49	Sagar Rai,PAA	RM&DD
50	Deo Kr. Thatal, RDA	RM&DD
51	Jigmee Choppel, RDA	RM&DD
52	Mani Raj Rai,RDA	RM&DD
53	Rupesh Dahal, PAA	RM&DD
54	P. Tsh. Bhutia,RDA	RM&DD
55	Menuka Rampal,RDA	RM&DD
56	Tej Pd. Adhikari,RDA	19-Latuk Chupani
57	Madhu Sudhan Sharma,RDA	10-Aritar GPU
58	Lalit Rai,RDA	13 Regu
59	Bhim Lall Adhikari,BDO	BAC Rhenock
60	Manju Chettri,PAA	13 Regu
61	Bhaichung Bhutia,RDA	RM&DD
62	Sonam Thinlay Bhutia, Jr. Minshi	RM&DD
63	Purna Pd. Rai,RDA	Sudunglakha, BAC Rhenock
64	Jamuna Sharma,RDA	Bering Tareythang
65	Leela Kr. Sanyasi,PAA	Sudung Lakha
66	Bikash, PAA	BAC Rhenock



**Fourth State Finance Commission**

<b>S. No</b>	<b>Name &amp; Designation</b>	<b>Department/Organization</b>
67	Bikash Gurung, PAA	Premlakha Subaneydara GPU
68	Sukra Chettri, RDA	26 Aho Yangtan
69	Anil Giri,RDA	RM&DD
70	Jit Bdr. Manger, RDA	RM&DD
71	Ongden Tsh. Lepcha	RM&DD
72	Neeti Rai, PAA	RM&DD
73	Devlata Gurung, PAA	RM&DD
74	Bhim Kri. Pradhan, PAA	RM&DD
75	Jamuna Pradhna,PAA	RM&DD
76	Prakash Basnett	RM&DD
77	D.P. Sharma,RDA	06 Chalamthang
78	Budha Singh Tamang,RDA	23 Amba GPU
79	Kharananda Dulal,PAA	Taza
80	Indra Bdr. Chettri,RDA	Sumin Lingzey
81	Pema Kunzang Sherpa,PAA	RM&DD
82	Madan Rai, PAA	RM&DD
83	Mingur Bhutia,RDA	RM&DD
84	Sikandaar Marwah	Sikkim Express(News Paper)
85	Deepak Rai	RM&DD
86	Bijoy Gurung,	RM&DD
87	Nita N	News Paper Reporter
88	Sandeepa Kr. Rai	News Paper Reporter
89	Chandra Pd. Sharma	News Paper Reporter
90	H.K. Chettri,Deputy Commissioner	GMC
91	Shyam Pradhan, Jr. Accountant	GMC
92	Dweep Mustang	News Paper Reporter
93	Kumar Chetri,PAA	RM&DD
94	Sanju Pradhan,RDA	RM&DD
95	Dr. P.K. Chettri,Ex. Jt. Secretary	
96	Sanjok Lama	
97	Sonu Saha	
98	Kamala Tamang	
99	Tara Chand Rai	
100	Manisha Basnet, Sr. Accountant	Energy & Power
101	Pempa Sherpa	
102	Kamal Rai	
103	Megel Subba	
104	Tarabir Tamang	
105	Kamala Adhikari	
106	B.K. Chettri	
107	Gayatri Sunar	
108	Binu Kumari	
109	T.T. Lepcha	

<b>S. No</b>	<b>Name &amp; Designation</b>	<b>Department/Organization</b>
110	Gompu Sherpa	
111	Dev. Bdr. Chhettri	
112	Mon Bdr. Limboo	

**Participants from South District:**

1	Rabin Rai/ RDA	RM&DD
2	Santosh Sharma / APO	RM&DD
3	Harka Giri/ BDO, Timi	RM&DD
4	Milan Rai BDO, Wok	RM&DD
5	Yangchen Tamang BDO	RM&DD
6	Dushyant Pariyar MEO	NMC
7	Karna Bdr. Gurung/ Acctt.	NMC
8	Khagen Chhettri /PAA	RM&DD
9	Prasant Gurung/PAA	RM&DD
10	T. D. Lepcha/PI	RM&DD
11	Anjana Rai/ PI	RM&DD
12	Rim Tara Chhettri/ PAA	RM&DD
13	D. K. Pradhan/ ADC,Dev.	RM&DD
14	Robin P. Sewa,/BDO	RM&DD
15	Bikram K. Gautam/Acctt.	SDZP (South)
16	Ashish Gurung/ PI	BAC Sumbuk
17	Sonam Wangchuk Bhutia RDA	RM&DD
18	Damber Kr. Tiwari/ RDA	RM&DD
19	Arati Pradhan/ PAA	RM&DD
20	Pawan Adhikari /PAA	RM&DD
21	Pemba E Sherpa/RDA	RM&DD
22	Mohan P. Rai/ RDA	RM&DD
23	Ramola Rai/ PAA	RM&DD
24	D. K. Rai/ RDA	RM&DD
25	Prakash Subba/ RDA	RM&DD
26	Kamala Rai/ PI	RM&DD
27	Jayanti Dahal / SI	JNP
28	Sangita Tamang/GRS	RM&DD
29	Pema Tamang/ Councillor	JNP
30	Kishor Rai/ RDA	Ben Namphrik GPU
31	Santa Kr. Rai/ RDA	R.Nizrang GPU
32	Binay Adhikari /PAA	01 Lingee GPU
33	Prakash Sanjel /RDA	03 Kolthang Takdang GPU
34	Pahal Man Limbu/PAA	03 Kolthang Takdang GPU
35	Tul Bdr. Chhettri/ RDA	02 Lingmo Payong GPU
36	Lakpa Tsh. Sherpa/RDA	26 Sumbuk kamling GPU
37	Hari Pd. Adhikari/ PAA	LIngmoo Payong GPU
38	Priya Rai/PAA	26- Sumbuk Kartikey GPU
39	Sonam Y. Bhutia/PAA	26- Maniram Phalidara GPU

**Fourth State Finance Commission**

<b>S. No</b>	<b>Name &amp; Designation</b>	<b>Department/Organization</b>
40	Kewal Koirala/ RDA	Thingrithang GPU
41	Sonam P. Bhutia /RDA	43 Legship GPU
42	Ram Prakash Rai/ RDA	39 Poklok Denchung GPU
43	Santa Bdr. Chhettri/	39 Wok Omchu GPU
44	Pema Wangchuk Sherpa	40 Lamaten Z GPU
45	Dawa Tsh. Tamang	RM&DD
46	Krishna Kumar Gurung/PAA	RM&DD
47	T. B. Gurung/RDA	RM&DD
48	Kavita Majhi/ PAA	Niya Manzing GPU
49	Manisha Limboo /PAA	RM&DD
50	Ash Bdr. Rai /RDA	RM&DD
51	Dinesh Pradhan /BDO	RM&DD
52	Zigmee Namgyal Bhutia/BDO	RM&DD
53	Kumar Thapa/ RDA	RM&DD
54	Sumitra Subba/ RDA	RM&DD
55	Man Kri. Tamang /RDA	RM&DD
56	Jeewan Kr. Gurung/RDA	RM&DD
57	Mani Kr. Rai/RDA	RM&DD
58	Shyam Kr. Rai/ RDA	RM&DD
59	Gopal Rai/ RDA	RM&DD
60	Raju Rai /RDA	RM&DD
61	Ashit Rai/ RDA	RM&DD
62	D. B. Chhettri/PI	RM&DD
63	Yug Bhushan Limboo/ PAA	RM&DD
64	Sanjay Rai / RDA	RM&DD
65	Amber Rai /RDA	RM&DD
66	Bhawan Subba/PAA	RM&DD
67	Mani Kr. Rai	RM&DD
68	Priya Subba/PAA	RM&DD
69	Dilli Ram Sharma/PAA	RM&DD
70	Nawang Norbula /PAA	RM&DD
71	Nirmal Kr. Rai	RM&DD
72	Om Prakash Rai	RM&DD
73	Lall Bdr. Tamang	RM&DD
74	Dhan Bdr. Tamang	RM&DD
75	Sita Chhettri	RM&DD
76	Pema Sandup Sherpa/PAA	RM&DD
77	Nim Dem Bhutia /PAA	RM&DD
78	Dhan Maya Rai/PAA	RM&DD
79	Langey Ongmu Bhutia/PAA	RM&DD
80	Passang Tenjee Sherpa /RDA	RM&DD
81	Josheela Rai/PAA	RM&DD

**Participants from West District:**

1	Jitendra Singh Raje, IAS, ADC(Dev.)	RM&DD, West
2	Asha Tamang, PAA	RM&DD

**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name &amp; Designation</b>	<b>Department/Organization</b>
3	Bishwa Raj Gurung, BDO	Hee Martam
4	Suraj Gurung	RM&DD
5	Prem K. Subba,BDO	Soreng BAC
6	Dinesh Ch.Dahal, RDA	Tharpu,West
7	Ghana Shyam Sharma	RM&DD
8	Basant Kr.Rai	RM&DD
9	R.C.Rai	RM&DD
10	Manorath Rai	RM&DD
11	Sonam O.Bhutia	RM&DD
12	B.B.Chettri,RDA	RM&DD
13	B.K. Subba,RDA	RM&DD
14	Santosh Limboo,PAA	RM&DD
15	Nar Singh Rai,RDA	34 K.Sontoley GPU
16	Arjun Rai,RDA	39 Chumbong Soreng BAC
17	Rinzing Choden ,BDO	BAC Yuksom
18	Raju Yonzon, RDA	Tarethang GPU,Kaluk BAC
19	B Sharma, RDA	Samdung,Soreng
20	O. Rai, PAA	12 Yangtey GPU
21	Narika Bhattarai,PAA	
22	Namgyal Tamang,RDA	
23	Namgyal M.Gurung,PAA	
24	Anjan Lepcha,PAA	
25	H. B. Subba, RDA	Lungchok Salagdung
26	Sushila Bhujel PAA	Lungchok Salgdung
27	D.P. Khanal RDA	50-Upper Thanley GPU
28	Ram Shor Rai,RDA	
29	T.B. Thatal,D.E	
30	Prem Prasad Sharma,PAA	
31	Milan Pradhan,RDA	
32	Yakub Rai,RDA	
33	Samir Kr.Tamang,PAA	
34	Dhurba Gurung,PAA	
35	Bhaslhar Gurung,PAA	
36	D.P.Dahal, P.I	
37	Dil Kr. Rai, RDA	
38	Udai Kr.Rai, PAA	39 Chumbong
39	Bikash Khati, PAA	Mendo Goan
40	Suren Rai, RDA	Zoom
41	Gautam Gurung, RDA	
42	D.B. Gurung,RDA	29 Samdong GPU
43	R.B. Gurung,RDA	
44	Robin Kr. Gurung,P.I.	Gyalshing BAC
45	Buddha Rai,RDA	Arithang

**Fourth State Finance Commission**

<b>S. No</b>	<b>Name &amp; Designation</b>	<b>Department/Organization</b>
46	Binod Pradhan,PAA	44 Timurbung
47	Suresh Basnet ,PAA	32 SuldungThamling,Soreng
48	Tshering Kipu Lepcha,PAA	Yuksom-Tashiding 04-Tashiding
49	Sabitri Mangar,PAA	Dhupi Narkhola GPU
50	Manoj Thapa,PAA	Kargee Mangnam GPU
51	Lela Nath Gurung,RDA	
52	T. Nedup Bhutia,RDA	11-Singyong Chumbung GPU
53	L.M. Gurung,RDA	16 Sardong Lungzick GPU
54	D.N. Bhutia,RDA	
55	Som Nath Sharma,PAA	
56	P.B. Gurung,RDA	21 Sakhu Radhu Khandu GPU
57	Bikash Limboo ,RDA	14-Yangthang GPU
58	P.K. Gurung	15-Lingchok Tikjuk
59	Y.P. Bhandari	15- Lingchom Tikjek
60	Gokul Gurung,PAA	29 Samdong GPU
61	Phul Moti Subba,RDA	22 Hee GPU
62	Sanjana Limboo,PAA	02-Hee GPU
63	Lopsang Sherpa,PAA	Upper Thambong GPU-50
64	Bhim Kr. Bhujel,RDA	
65	Chandra Kamal Rai,RDA	
66	Nim Dorjee Sherpa,PAA	
67	Phurba Rinzing Sherpa,PAA	
68	Karma Rinzee Sherpa	
69	Sukdev Subba, PAA	
70	Indra Pradhan, PAA	
71	Yogendra Pradhan	BAC Daramding
72	Sarita Subba,PAA	BAC Soreng
73	Meena Hangma Subba,PAA	BAC Soreng
74	Jai Kri Subba, PAA	BAC Soreng
75	Lalita Subba, PAA	BAC Dentam
76	Reshma Gurung, PAA	36 Samsing Gelling GPU
77	Reshma Tamang, PAA	42 Singling Soreng BAC
78	Surekha Gurung,PAA	48 Bariakhop
79	Dilu Ram Chettri,RDA	42 Soreng
80	J.B.Tamang,RDA	43Singling GPU
81	Purna Singh Subba,PAA	42 Soreng GPU
82	Roel Rai	40 Zoom GPU
83	Pramod Lama	48 Buraldy GPU
84	Himmat Rai,BDO	BAC Dentam
85	Renuka Rai,P.I	BAC Daramdin
86	Devika Thapa,P.I.	BAC Dentam
87	Bijaya Gurung,PAA	20 Dentm

**Fourth State Finance Commission**

<b>S. No</b>	<b>Name &amp; Designation</b>	<b>Department/Organization</b>
88	Hem Bdr. Gurung	Soreng BAC
89	Mani Kr. Gurung	Soreng BAC
90	J.C. Namgyal, Deputy Secretary	UD&HD, Gyalshing West
91	Roshan Chettri, PAA	45 Dodal GPU
92	Bikash Tamang	Chatasamdong GPU 35
93	Padam Bdr. Rai, S.I	Galshing Nagar Panchayat
94	Roshan Gurung, Vice President	
95	M.B. Pradhan	13 Gyalshing Omchu GPU

**Consultative Workshop for Officials of Line Departments on SFC Issues at Conference Hall, Election Department, Balwakhani, Gangtok, on 23.01.2013**

<b>S. No.</b>	<b>Name &amp; Designation</b>	<b>Department/ Organisation</b>
1	M.G. Kiran, Commission-cum-Secretary	FRED
2	A.K.Chettri, Chairman	FSFC
3	Binod Sharma, Member Secretary	FSFC
4	C.C.Wangdi, Member	FSFC
5	L .B. Chhetri, Member	FSFC
6	Pavan Kumar, Consultant	FSFC
7	Dr. P.K.Chettri, Ex-Joint Secretary	
8	Pema Lhaden Lama, Deputy Secretary	LRDMD
9	J.P. Rai, Deputy Secretary	Police Department
10	P.P. Sharma, Sr. A.O	LRDMD
11	B.B. Subba, CAO	Energy & Power
12	T.N. Sapkota, AO	Roads & Bridges
13	Mohan Lepcha, CM-LD/DDO	Law & PA
14	E.Dhungel, AO-cum-DDO	DESME
15	Raj Narayan Pradhan, CAO	UD&HD
16	Bikram Tamang, JD(A/c)	Food Security
17	S. Basnett, JD (A/c)	HRDD
18	Patrick Rai, CAO	Building & Housing
19	P.P. Dhondup, Sr. AO	
20	Sujana Sharma, Sr. AO	Cultural Affairs & HD
21	Suren Rai, AO	HRDD(HQ)
22	Rajendra Sharma, CAO	Forenst Env. & Wildlife Management Deptt
23	Kalyan Dewan, CAO	Police Deptt
24	Kumar Bardewa, CAO	RMDD
25	Rinchen Doma Bhutia, Deputy Secretary	Cultural A & HD
26	D.T. Bhutia, AO-DDO	HCHS & FW Deptt
27	C. Khewa, Deputy Director	Food Security & ADD
28	N.Tshering Bhutia, ADA	Information Technology
29	Prem Vijay Basnet, Deputy Director	Home Department
30	Bhola Sharma, Sr. AO	Home Deptt.
31	Beedur Gurung, Sr. Accountant	Water S& PHE Deptt
32	D.C. Khatiwara, Divisional Engineer(Plg)	Water S& PHE Deptt

***Fourth State Finance Commission***

**Consultative Workshop for ERs and Officials of West District at  
Community Hall, Gyalshing, West Sikkim, on 28.01.2013**

<b>S. No.</b>	<b>Name &amp; Designation</b>	<b>Department/ Organisation</b>
1	A.K.Chettri	Chairman, FSFC
2	Binod Sharma	Member Secretary, FSFC
3	Pavan Kumar	Consultant, FSFC
4	Bidhan Dutta	Resource Person, FSFC
5	L.P. Chettri	District Collector
6	D.B. Rawath	DPO/WDZP
7	Jitendra Singh Raje	ADC(Dev.)West
8	T.B. Subba	Sr. Accounts Officer, WDZP
9	I.K. Neopaney	President, GNP
10	Anand Thapa	DD/WDZP
11	Biswa Raj Gurung	BDO,Hee Martam
12	Prem Kr. Subba	BDO,Soreng
13	Rinzing Choden	BDO,Yuksom
14	Roshan Subba	P.I. BAC Yuksom
15	R. Dadul	Accountant
16	K.P. Pradhan	Accountant BAC Yuksom
17	N.L. Chettri	Jr. Accountant Yuksom BAC
18	Kala Subedi	Panchayat President,14 Yangthang GPU
19	Birkha Bdr. Darjee	
20	Rabin Lal Gurung	Panchayat President 48 Bharikhop
21	Hasta Bdr. Gurung	Panchayat President 38 M Borbotey
22	Bhagat Prasad Rana	Panchayat Secrtary, 32,Suldung-Kamling
23	Tara Devi Shilal	Panchayat President 32 Suldung Kamling
24	Pancha Maya Subba	Panchayat Secretary, 34 Khaniserbong Suntoley
25	Ash Maya Rai	Panchayat President, 34 Khaniserbong Suntoley
26	Lendup Tamang	Panchayat Secretary,43 Singling GPU
27	H. Limboo	Panchayat President 43 Singling GPU
28	Pun Maya Subba	Panchayt 35 C/Samdong
29	Dhan Maya Gurung	Panchayat President, Rincheybong
30	Shyam Bdr. Thapa	Panchayat President, 41 Malbasey
31	Deo Prakash Mukhia	Panchayat President 37 Chakung
32	Rup Lall Subba	Panchayat President 44 31Timerburbong
33	Bhakta Pd. Sharma	Panchayat Secretary 42 Soreng
34	Chandra Bdr. Pradhan	Panchayat President 42 Soreng
35	Purna Singh Subba	PAA,42 Soreng



**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name &amp; Designation</b>	<b>Department/ Organisation</b>
36	Nirmala Kr. Baniya	Panchayat Member,45 Tharpu
37	Ratan Sharma	Panchayat Meber, 45 Tharpu
38	Hemanta Gurung	Zilla Member,25 Buriakhop
39	Budha Hangma Subba	Panchayat President 47 Dodak GPU
40	Uma Devi Sapkota	Panchayat President, 46 Karthok Bojek
41	Renu Cintury	Panchayat President 52 Lungchok Salamdang
42	Ganga Maya Subba	Panchayat Vice President 52 Lungchok Salamdang
43	D.P. Khanal	RDA,Upper Thanbong GPU
44	Buddha Rai	RDA,Arithang- Chongrong
45	Gautam Gurung	RDA,Karjee Mangnam
46	Krishna Kumar Chettri	Panchayat,Maneybong Sopakha GPU
47	Bhim Maya Limboo	
48	Pramila Biswakarma	
49	Anita Rani Limboo	
50	Naven	Accountant, BAC
51	Subash Ghatani	Accountant, BAC Kaluk
52	Nisedh Subba	Accountant, BAC Soreng
53	Tempo Bhutia	Accountant, BAC Yuksom
54	Passang	PAA/Martam GPU
55	Deepu Subba	PAA/ 14 Yangthang GPU
56	Birkhaman Rai	PAA/10 Nambu
57	Tashi Namgyal Bhutia	PAA/11-Singling Chumbong
58	Anjan lepcha	PAA/Dentam BAC,18 Gyaten-Karmatar
59	Purna Kumar Chettri	PAA 06-Gerethang GPU
60	Yuva Raj Bhandari	PAA/05-Lingchom Tikjek GPU
61	Kumar Rai	RDA,23-Martam GPU
62	Padam Kr. Subba	RDA-06 Gerethang GPU
63	Sonam O.Bhutia	RDA –Yuksom
64	Ram Chandra Rai	RDA-Melli Aching 09
65	Basant Kumar Rai	RDA-Thingling-Khechupani-08
66	Ashok Kr. Limboo	Panchayat
67	Khalindra Gurung	RDA
68	Ghana Shyam Sharma	RDA
69	Suresh Basnet	PAA, 32 Suldung-Kamling
70	Mangal Gurung	PAA, 08-Thingling K. GPU
71	Santosh Limboo	PAA, Melli Aching GPU-09
72	Prem Prasad Sharma	PAA 30 Deythang GPU
73	Raj Bdr. Chettri	Panchayat President-Chingthang
74	Suresh Kr. Subba	PAA, Ribdi-Bhareng GPU
75	Phurba Rinzee Sherpa	PAA, Siktam-Tikpur GPU
76	Nim Dorjee Sherpa	PAA, Oklllllney GPU- 54
77	Zeena Gurung	Panchayat Secretary,Chingthang,GPU

***Fourth State Finance Commission***

<b>S. No.</b>	<b>Name &amp; Designation</b>	<b>Department/ Organisation</b>
78	Ram Kumari Limboo	Panchauat President,Martam Srijanga,GPU
79	Chandra Moti Limboo	Panchayat President,Hee GPU
80	Basanta Chettri	Panchayat Member,24 Peachreak Hee GP
81	Denzan Bhutia	Panchayat President,24 Peachreak Hee Patel
82	Diken Chettri	Panchayat Secretary,Martam GPU
83	Hari Lall Sharma	Panchayat Secretary, Bermiok Barthang
84	Pranay Limboo	Panchayat President,-10 Darap
85	Om Bdr. Gurung	Panchayat President Yangtey GPU
86	Padam Lall Sharma	Panchayat Vice President,Lingchm-Tinjya
87	Mamta Gurung	
88	Chiza Jaisu	
89	Pema Tamang	
90	Nim Bhutia	
91	Neema Bhutia	

**Visit of 4<sup>th</sup> SFC to 13-Gyalshing Omcung GP, West Sikkim, on 28.01.2013**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Phone No.</b>
1	A.K.Chettri	Chairman, FSFC	9434031505
2	Binod Sharma	Member Secretary, FSFC	9434127250
3	Pavan Kumar	Consultant, FSFC	
4	Bidhan Datta	Ex- Director (Accounts), DPERNECAD, Resourse Person, FSFC	
5	Devendra Thapa	Panchayat President	
6	Sangita Rai	Panchayat Vice President	
7	Nutan Katwal	Panchayat Member	
8	Alka Devi Darjee	Panchayat Member	
9	T.R. Kafley	Rtd. Revenue Officer(W)	
10	Krishna Prasad Sharma	Farmer	
11	Sita Ram Katwal	Barefoot Engineer	
12	Nirmal Chettri	GRS,13 Gyalshing Omchu GPU	
13	Bishnu Thapa	JFMC President Gyalshing Omchung	

***Fourth State Finance Commission***

**Consultative Workshop for ERs and Officials of South District at  
Community Hall, Namchi, South Sikkim, on 29.01.2013**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
1	A.K.Chettri	Chairman, FSFC
2	C.C. Wangdi	Member, FSFC
3	Pavan Kumar	Consultant
4	Binod Sharma	Member Secretary, FSFC
5	D.K.Pradhan	ADC(Dev.)
6	D.K.Rai	U.S, LR&DM
7	Karma R. Bonpo	LR&DMD, SDM(HQ)
8	Farwanti Tamang	
9	Devi Maya Baraily, Namchi Municipal Council.	
10	Tarkeswar Prasad	
11	P.D.Agrawal, Jorethang	
12	Buddha Tshering Tamang, Namchi Municipal Council	
13	A.B. Gurung	B.O. (UD&HD)South
14	Gokul Rai	Zilla Panchayat
15	Tshering Diki Bhutia	
16	Nar Maya Chettri	
17	Nim Kipa Bhutia	
18	Bhakti Maya Rai	
19	Tulsha Gurung	
20	Dilip Bardewa	
21	Birjan Tamang	
22	Chandra Kala Chetri	
23	Nar Maya Gurung	
24	Rita Sharma	
25	Mani Kumar Gurung	
26	Bina Limboo	
27	Da Pema Sherpa	
28	Laxmi Gurung	
29	Meena Maya Limboo	
30	Damayanti Dhungel	
31	Savitri Chettri	
32	Devi lal Chettri	
33	Manoj Rai	
34	Sonika lepcha	
35	Leela Kumari Rai	
36	Anil Kr. Nepal	
37	Bhuwan Gurung	
38	Yangchen Tamang	
39	Bandana Chettri	

**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
40	Bikash Sharma	
41	Manita Subba	
42	Karma Yangden Bhutia	
43	Y.B. Limboo	
44	Santa Bdr. Chettri	
45	Udeep Rai	
46	Dadup Lepcha	
47	Gagan Rai	
48	Anjana Rai	
49	Ramala Rai	
50	Mohan Prakash Rai	
51	Kumar Thapa	
52	Bhim Bdr. Rai	
53	Bikram K. Gautam	
54	C.B. Thapa	
55	Tek Bdr. Gurung,Temi GPU	
56	B.B.Subba	
57	Sonam Wangyal Bhutia	Panchayat President
58	A.B. Chettri	BAC Yangyang
59	Rudra Pd. Dhungel	Namthang maneydara GPU
60	Suman Dahal	Panchayat President, 17 Nagi Karek GPU
61	Shanti Maya Gurung	Tanzi Bikmat GPU
62	Pema Tamang	Councilor, JNP Panchayat
63	Jaganti Dahal	S.I, Jorethang Nagar Panchayat
64	K.B. Gurung	Accountant, NMC Council
65	Prameet Pradhan	U.S.(UD&HD) Namchi
66	Kewal Koirala	
67	Rongmit Lepcha	
68	Durga Devi	
69	Rinchen Ongmu Bhutia	
70	Kalpa Zangmu Bhutia	
71	Sarita Thatal	
72	Rosmey Chettri	
73	Basan Devi Tamang	
74	Nirmala Pradhan	
75	Tara Kumari Rai	
76	Kumar Gurung	
77	Chandra Maya Rai	
78	Dhan Kumari Manger	
79	Bandana Rai	
80	Lakila Lepcha	
81	Ma Tshering Lepcha	

**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
82	Raju Gurung	
83	Nirmal Kr. Rai	
84	Dinesh Pradhan	
85	Topda Bhutia	
86	Suren Kr. Rai	
87	Man Kumari Tamang	
88	Rabin Rai	
89	Santa Kr. Rai	
90	Mingma Sangay Sherpa	
91	Rajen Rai	
92	Bikash Sharma	
93	Geetanjali Rai	
94	Kant Man Rai	
95	Bhakta Bdr. Gurung	
96	Nima Choden Sherpa	
97	Gopal Sharma	
98	Bhanu Gurung	Panchayat
99	Krishna Kr. Gurung	
100	Dolma Tamang	
101	Karma Doma Lepcha	
102	Bhagat Kri Gurung	
103	Madhu Darjee	
104	Amrit Mya Tamang	
105	Nar Maya Sharma	
106	Chandra Kala Biswa	
107	Nirmala Sherpa	

**Visit of 4<sup>th</sup> SFC to Damthang GP, South Sikkim, on 29.01.2013**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
1	A.K.Chettri	Chairman, FSFC
2	C.C. Wangdi	Member, FSFC
3	Binod Sharma	Member Secretary, FSFC
4	D.K.Pradhan	ADC(Dev.)
5	Sunita Sharma	
6	Bandana Chettri	Deputy Secretary, RM&DD, Namchi
7	Pavan Kumar	Consultant, FSFC
8	Kamal Gurung	
9	Dandy Sherpa	
10	Sona Gurung	
11	Lakpa Chokay Sherpa	
12	Ratna Bdr. Gurung	
13	B.B. Gurung	

**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
14	Purna Das Rai	
15	Dil Kumar Rai	
16	Dhan Maya Rai	
17	Sandeep Rai	
18	Munna Gurung	
19	T.T.P(Bhutia)	
20	Mani Kumar Gurung	
21	Da Pemu Sherpa	
22	Laxmi Gurung	
23	Phepu Dorjee Sherpa	
24	Nim Dawa Sherpa	
25	Sancha BDr. Gurng	
26	Archana Pradhan	
27	Padma Subba	
28	Devi Kala Pariyar	
29	Dorjee Bhutia	
30	Januka Pandey	
31	Prakash Chettri	RDA

**Consultative Workshop for ERs and Officials of North Sikkim at  
Community Hall, Mangan, North Sikkim, on 01.02.2013**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
1	A.K.Chettri	Chairman, FSFC
2	C.C. Wangdi	Member, FSFC
3	Binod Sharma	Member Secretary, FSFC
4	Pavan Kumar	Consultant
5	Deepak Tamang	RDA
6	Sonam Tsh. Lepcha	RDA
7	Subash Rai	RDA
8	Wangyal Tsh Bhutia	
9	Jagdish Bhutia	RDA
10	Norgey Lepcha	RDA
11	Sonam Phuti Lepcha	RDA
12	N. T. Lepcha	RDA
13	Bhuwan S. Karki	RDA
14	Temko Lepcha	RDA
15	Tempo Tashi Bhutia	H. A. (MNP)
16	Lakumit Lepcha	RDA Passangdong
17	Rinzing N. Bhutia	RDA Kabi
18	Naku Bhutia	PAA Kabi
19	Phu Tsh. Lepcha	Panchayat
20	Khem lall Sharma	Panchayat Lindok

**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
21	B.B. Sharma	Panchayat Lingdok
22	Uma Chhettri	Panchayat Lindok
23	Dorjee Uden Bhutia	Panchayat
24	Wangyal Tsh. Bhutia	Panchayat
25	Lapkee Bhutia	Panchayat
26	Chumgit Lepcha	PAA
27	Pingya Lepcha	PAA
28	Kado Lepcha	Zilla Panchayat
29	Karma Gyaltsen Lepcha	Panchayat President
30	Dnuha Lepcha	Zilla Panchayat
31	Karma Chopel Lepcha	PAA
32	Dawa Lendup Lepcha	PAA
33	Sonam Wangchuk	RDA
34	Premkit Lepcha	Panchayat
35	Zangmu Lepcha	Panchayat
36	Nim Pintso Bhutia	Public
37	Tempo Lepcha	Public
38	Passangmit Lepcha	Panchayat President
39	Doma Bhutia	Panchayat
40	Somroo U. Palzor Lepcha	Panchayat President
41	Dawa Pondup Bhutia	Panchayat
42	Ongdup Bhutia	Panchayat Secretary
43	Tashi Wangyal Lepcha	C.A. to Z. Adakshya
44	Dilli Ram Limboo	Panchayat President
45	Nima Doma Lepcha	Councillor
46	Nimkit Rongmit	Panchayat President
47	Ancho Lepcha	Zilla Panchayat
48	Ugen Lepcha	Panchayat
49	N. G. Shenga	P.I.
50	Choden Lepcha	Zilla Panchayat
51	Yeshay Lepcha	Panchayat
52	Tshering Gyatso Lepcha	Panchayat V. President
53	Buddha Hang Subba	Sr. IA / North
54	Dawa Dolma Bhutia	Panchayat President
55	Khimoo Lepcha	Zilla Panchayat
56	Lhakmit Lepcha	Zilla Panchayat
57	Dathik Doma Bhutia	Panchayat
58	Pintso Tashi Bhutia	Panchayat President
59	Ugen Lhendup Bhutia	Panchayat
60	Chewang Dorjee Lepcha	Panchayat V. President
61	Sangosh Tamang	Panchayat
62	Tshering Yangden	DPO/ North
63	Tshering Doma Bhutia	Zilla Panchayat



**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
64	P. K. Malu	Councillor M.N.P
65	D. P. Sharma	Jr. Accntant
66	Avihash Rai	D.S /RM & DD, North
67	Pema Sherap Lepcha	Zilla Panchayat
68	Songmit Lepcha	Zilla Panchayat
69	Chungden Lepcha	Zilla Panchayat
70	Phurjay Lepcha	Zilla Panchayat
71	Chung Chung Lepcha	Panchayat President
72	Lhamzey Lepcha	Panchayat
73	Passang doma Lepcha	Panchayat
74	Lakden Lepcha	Panchayat President
75	Dawa Doma Lepcha	Panchayat V. President
76	Tsering Doma Lepcha	Panchayat Secretary
77	Nalimit Lepcha	Zilla Panchayat
78	Chungmit Lepcha	Panchayat V. President
79	Pema Shenga Lepcha	Panchayat
80	Passang Doma Lepcha	Panchayat
81	Passangkit Lepcha	Panchayat
82	Sonam Ongmu Lepcha	Panchayat President
83	Gakee Bhutia	Panchayat
84	Marmit Lepcha	Panchayat
85	Denthi Lepcha	Panchayat
86	Pema Choki Bhutia	Panchayat Secretary
87	Yangden Lepcha	PAA
88	Chungmit Lepcha	PAA
89	Pingya Lepcha	PAA
90	Pema Doma Lepcha	Panchayat
91	Shyam Manger	RDA
92	Palden Lepcha	Panchayat President
93	Lobsang Dawa Lepcha	PAA
94	Yangkey Lhamu Lepcha	PAA
95	Raj Kr. Rai	PAA
96	Norgay Lepcha	RDA
97	Pranesh Pradhan	RDA
98	Gaden Lepcha	PAA
99	K. T. Bhutia	Panchayat
100	Tshering Rapjor Lepcha	RDA
101	Pempa Tshering Lepcha	Panchayat President
102	Nima Tsh. Lepcha	Panchayat
103	Ongdi Bhutia	RDA
104	Pema Lepcha	RDA
105	Karma Lodey	RDA
106	Tenzing Bhutia	RDA
107	Namgay Bhutia	RDA

**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
108	Tshering Topgay lepcha	PAA
109	Kingar Limboo	Panchayat Secretary
110	Dawa Doma Lepcha	Panchayat President
111	Kaushila Luitel	RDA

**Visit of 4<sup>th</sup> SFC to Ringhim Nampatam GP, North Sikkim, on 01.02.2013**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
1	Shri A. K. Chhetri	Chairman, 4 <sup>th</sup> SFC
2	Mrs. C. C. Wangdi	Special Secretary –cum- Member, 4 <sup>th</sup> SFC
3	Shri Binod Sharma	Member Secretary, 4 <sup>th</sup> SFC
4	Shri Pavan Kumar	Consultant, 4 <sup>th</sup> SFC
5	Phinu Tsh. Lepcha	Panchayat Member
6	Ekey Lepcha	Panchayat, U/Singhik
7	Gyalmoo Lepcha	Panchayat , Narpatam
8	Rinzing angen Bhutia	Panchayat, Maling ward.
9	Sonam Phuti Lepcha	RDA/ Narpatam
10	Shyam Manger	RDA/ Hee-Gyathang
11	Sonam Tsh. Lepcha	RDA/ Tingar
12	Norgay Lepcha	RDA/ Sakyong Pentok
13	Raj Kr. Rai	RDA/ Lingthen
14	Deepak Tamang	RDA
15	T. Gyacho	ADC/Dev./ North Dist.

**Consultative Workshop for ERs and Officials of East District at Janta Bhavan Gangtok, East Sikkim, on 05.02.2013**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
1	Shri A. K. Chhetri	Chairman, 4 <sup>th</sup> SFC
2	Mrs. C. C. Wangdi	Special Secretary –cum- Member, 4 <sup>th</sup> SFC
3	Shri Binod Sharma	Member Secretary, 4 <sup>th</sup> SFC
4	L.B. Chhetri	Special Secretary –cum- Member, 4 <sup>th</sup> SFC
5	Shri Pavan Kumar	Consultant, 4 <sup>th</sup> SFC
6	Phurba Doma Lepcha	Panchayat Member
7	Dorjee Uden	
8	Nima Lhamu Sherpa	Panchayat Member
9	L. Palzor Bhutia	Vice President
10	Bishnu Maya Kafley	Panchayat President
11	Phurkey lepcha	Panchayat Member

**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
12	Indra Kr. Rasaily	Panchayat President
13	Som Bdr. Tamang	Member
14	Milan Sherpa	Panchayt Secretary
15	Devi Maya Pradhan	Panchayat President
16	Rinzing Dawa	Panchayat Member
17	Munna Chettri	Panchayat Member
18	Shanti Gurung	Panchayat Member
19	Tej Maya Limbo	Panchayat Secretary
20	Tshering Sherpa	Panchayat member
21	Lachi Maya Chettri	Panchayat member
22	Chittim Bhutia	Vice President
23	Kalo Bhutia	Panchayat Secretary
24	Dil Kri Baraily	Panchayat President
25	Chung Chung Bhutia	Panchayat Secretary
26	Jigmee Wangchuk	P.I. BAC Martam
27	Pintso Tashi Bhutia	Panchayat President
28	Mahip Chettri	Panchayat Secretary
29	Lhakit lepcha	Panchayat President
30	Sandhya lepcha	Panchayat President
31	Chandramaya Pradhan	Panchayat Secretary
32	Prakash Chhettri	Panchayat Secretary
33	Padam Maya Pathak	Panchayat Secretary
34	Ugen Thendup Bhutia	Panchayat Secretary
35	Prem Kr. Chhettri	Panchayat Secretary
36	Krishna Regmi	Panchayat Secretary
37	Tenzing D. Denzongpa	BDO
38	Tika Maya Pandey	Panchayat Secretary
39	K. B. Chhettri	Panchayat President
40	Som Bdr. Subba	Panchayat Member
41	Pratap Singh Rai	AO
42	Zamyang Bhutia	Panchayat Secretary
43	Sangay Bhutia	Panchayat Secretary
44	Kamala Gurung	Panchayat President
45	Bimal Kri. Gurung	Panchayat Secretary
46	Phu Phuti Sherpa	President
47	Manoj Rai	Panchayat Secretary
48	Dilip Chhettri	Panchayat President
49	Suzen Hang Subba	Panchayat Secretary
50	Kharka Bdr. Darjee	Vice President
51	Juna Rai	FF
52	Rashika Rai	FF
53	Suraj Pradhan	Panchayat Secretary
54	Chandrakala Gautam	Panchayat Secretary
55	Phurba Lepcha	Panchayat President

**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
56	Milan Adhikari	Panchayat Secretary
57	Yog Pd. Sapkota	Panchayat President
58	Januka Dhakal	Panchayat President
59	Sunita Sharma	Panchayat President
60	Nima Sherpa	Panchayat President
61	Krishna Bdr. Chhettri	Panchayat President
62	Deo Kr. Thatal	RDA
63	Sonam Tsh. Lepcha	Panchayat Secretary
64	Passang Sherpa	
65	Robin Lohar	Panchayat President
66	Oma Pokhrel	Vice President
67	Naresh Chhettri	President
68	D. B. Darnal	Panchayat Secretary
69	Chhukee Doma	President
70	M. S. Rai	Panchayat Sabhapati
71	Karma Tsh. Bhutia	Sachiva
72	Jeewan Lamichaney	Sachiva
73	S. P.Chhettri	President
74	Bhola Rizal	Pa nchayat Secretary
75	Rudra Pd. Sshwani	President
76	Treshi Thapa	President
77	Manju Chhettri	Panchayat
78	Bikash Bhomik	Panchayat Secretary
79	Doma Tsh. Bhutia	President
80	Sonam Thendup Sherpa	Panchayat Secretary
81	Chandramaya Rai	President
82	Sarita Gurung (Chhettri)	President
83	Kumar Rai	Panchayat Secretary
84	Meera Rai	President
85	Dheren Gurung	President
86	Gempho Tsh. Bhutia	Sachiva
87	Dishab Pradhan	Panchayat Member
88	Bimal lamichaney	President
89	Rinzing Sherpa	Pachayat Member
90	Menuka Pradhan	President
91	D. D Bhutia	President
92	Rinzing Lepcha	Member
93	Rajen Rai	Vice President
94	Ganesh Chhettri	Zilla Member
95	Naw Raj Chhettri	Pa nchayt Secretary
96	Khush Narayan	Panchayat Secretary
97	Devika Gurung	President
98	Bikash Kr. Prasad	Councillor
99	Asarmit Lepcha (Chettri)	Vice President

**Fourth State Finance Commission**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
100	Dayange Sherpa	Zilla Panchayat
101	Tsheten Yarden Bhutia	Panchayat Memembr
102	Tika Pradhan	President
103	Umakant Sharma	Panchayat Member
104	Chandra maya Chhettri	Panchayat Member
105	Shera Rai	Member
106	Khem lall Sharma	Vice President
107	Bimala Basnett	Member
108	Lakee Bhutia	Panchayat Member
109	Phu Tsh. Lepcha	Panchayat Member
110	Bishnu Bhakta Sharma	Panchayat Member
111	Devi Khatiwara	Zilla
112	Uma Chhettri	Panchayat President
113	Ganga Sharma	Faculty
114	Bikash Subba	Faculty

**Visit to Singtam Nagar Panchayat, East Sikkim, on 02.03.2013**

<b>S. No.</b>	<b>Name &amp; Designation</b>	<b>Department/Organization</b>
1	A.K.Chettri, Chairman, FSFC	
2	L.B. Chettri, Member, FSFC	
3	Binod Sharma, Member Secretary, FSFC	
4	Sawan Pradhan, Nagar Panchayat	Singtam Nagar Panchayat
5	Bishnu Maya Sherpa, Counciloor	Singtam Nagar Panchayat
6	Meenu Kri. Chettri, Vice President	Singtam Nagar Panchayat
7	Anita tamang, Councilor	Singtam Nagar Panchayat
8	T Rajendra Rai, HA	Singtam Nagar Panchayat
9	Birendra Mani Rai, S.I	Singtam Nagar Panchayat
10	Pavan Kumar, Consultant	

**Visit to Rangpo Nagar Panchayat, East Sikkim, on 02.03.2013**

<b>S. No.</b>	<b>Name &amp; Designation</b>	<b>Department/Organization</b>
1	A.K.Chettri, Chairman	FSFC
2	L.B. Chettri, Member	FSFC
3	Binod Sharma, Member Secretary	FSFC
4	Nirmal Kr. Khati, President	Rangpo Nagar Panchayat
5	Pushpa Mishra, Vice President	Rangpo Nagar Panchayat
6	Aita Maya Gurung, Councilor	Rangpo Nagar Panchayat
7	Purna Bdr. Chettri, Councilor	Rangpo Nagar Panchayat
8	Bikash Kr Prasad, Councilor	Rangpo Nagar Panchayat
9	Janak Kr. Gurung (S.I)	Rangpo Nagar Panchayat
10	Pavan Kumar, Consultant	FSFC
11	Rohini Gurung, HA	Rangpo Nagar Panchayat

*Fourth State Finance Commission*

**Visit to Gangtok Municipal Corporation, East Sikkim, on 03.03.2013**

S. No.	Name /Designation	Department/ Organisation	Phone No.
1	Shakti Singh Choudhary, Deputy Mayor	GMC	
2	A.K.Chettri, Chairman	FSFC	9434031505
3	L.B.Chettri, Member	FSFC	
4	C.C. Wangdi, Member	FSFC	
5	Binod Sharma, Member Secretary	FSFC	9434127250
6	Pavan Kumar, Consultant	FSFC	9434076102
7	A.R Rai, Commissioner	GMC	
8	Ashis Kr.Rai, Councillor	GMC	
9	Sandhya R.P, Councillor	GMC	
10	S. Pradhan, Fin. Officer	GMC	
11	T.P. Chankapa, Deputy Secretary	GMC	
12	H.K.Chettri, Deputy Commissioner	GMC	
13	Sangay Gyatso Bhutia, Assistant Municipal Commissioner	GMC	
14	L. Doma Bhutia, Councillor	Syari-Tathangchen	
15	Prabhat Gurung, Councillor	Tadong	

**Meeting with Officials of Rural Management & Development Department at Meeting Room, Election Department, Balwakhani, Gangtok, on 04.03.2013**

S. No.	Name & Designation	Department/ Organisation	Email ID
1	A.K.Chettri, Chairman	FSFC	
2	Binod Sharma, Member Secretary	FSFC	binod.sharma@nic.in
3	C.C.Wangdi, Member	FSFC	cc_tall @ yahoo.com
4	L.M.Pradhan, Director (Panchayat)	RM&DD	
5	Norzang Tshering, Joint Secretary	RM&DD	
6	K.Bardewa, CAO	RM&DD	
7	C.Gyamtso, Joint Director	RM&DD	
8	Pavan Kumar, Consultant	FSFC	

**Visit to Namli GP, East Sikkim, on 06.03.2013**

S. No.	Name /Designation	Department/ Organisation	Phone No.
1	A.K.Chettri, Chairman	FSFC	9434031505
2	C.C. Wangdi, Member	FSFC	
3	Binod Sharma, Member Secretary	FSFC	9434127250
4	Pavan Kumar, Consultant	FSFC	9434076102
5	Dilip Chettri, Panchayat President	37 Namli GPU	
6	Dhan Kumar Rai, RDA	37 Namli GPU	
7	Prabin Subba, Panchayat	37 Namli GPU	
8	Nimala Chettri, PAA	37 Namli GPU	
9	Sushma Rai, Vice President	37 Namli GPU	
10	Tika Ram Chettri, Barefoot Engineer	37 Namli GPU	

**Consultative Meeting with Previous SFC Members at Meeting Room,  
Election Department, Balwakhani, Gangtok, on 07.03.2013**

<b>S. No.</b>	<b>Name /Designation</b>	<b>Department/ Organisation</b>	<b>Phone No.</b>
1	R.Telang, Comm-cum-Secretary	Raj Bhawan	9434050730
2	D.P.Sharma, Secretary	A.H.V.S	9434031525
3	A.K.Chettri, Chairman	FSFC	9434031505
4	C.C. Wangdi, Member	FSFC	9434066098
5	L.B.Chettri, Member	FSFC	9434032982
6	Binod Sharma, Member Secretary	FSFC	9434127250
7	Pavan Kumar, Consultant	FSFC	9434076102



## Annexure 7.1

## Sharing of Taxes for Gram Panchayats for the Period 2015-20

(Rs. in lakhs)

Gram Panchayats	2015-16	2016-17	2017-18	2018-19	2019-20
Sumin Lingzey	3.09	3.53	4.03	4.60	5.26
West Pandam	4.69	5.36	6.12	6.99	7.98
Central Pandam	5.96	6.80	7.77	8.87	10.13
East Pandam	3.40	3.88	4.43	5.05	5.77
Budang Kamerey	3.03	3.46	3.95	4.51	5.15
Chalamthang PacheyKhani	4.09	4.67	5.33	6.09	6.95
Taza	2.26	2.58	2.95	3.36	3.84
Tarpin	4.68	5.34	6.10	6.97	7.96
Rhenock	5.03	5.74	6.55	7.48	8.54
Aritar	3.38	3.86	4.40	5.03	5.74
Sudunglakha	1.82	2.08	2.37	2.71	3.09
Dalapchen	2.55	2.91	3.32	3.79	4.33
Regoh	2.39	2.73	3.12	3.56	4.07
Premlakha Subaneydara	1.54	1.76	2.01	2.29	2.62
Gnathang	2.24	2.55	2.91	3.33	3.80
Lingtam Phadamchen	1.68	1.92	2.19	2.50	2.86
Rolep Lamaten	2.06	2.36	2.69	3.07	3.51
Chujachen	2.58	2.94	3.36	3.83	4.38
Latuk	2.22	2.54	2.90	3.31	3.78
Thekabong Parkha	3.28	3.74	4.27	4.87	5.57
Riwa Machong	2.14	2.45	2.79	3.19	3.64
Bering Tareythang	1.82	2.07	2.37	2.70	3.08
Amba	2.22	2.53	2.89	3.30	3.77
Pachey Samsing	3.10	3.54	4.05	4.62	5.27
Namcheybong	4.53	5.17	5.91	6.74	7.70
Aho Yangtam	3.53	4.03	4.61	5.26	6.00
Assam Lingzey	3.10	3.54	4.04	4.62	5.27
Bhusuk Naitam	3.37	3.85	4.40	5.02	5.73
Nandok Saramsa	3.00	3.42	3.91	4.46	5.10
Rongay Tathangchen	2.65	3.03	3.45	3.94	4.50
Kopibari Syari	3.69	4.21	4.81	5.49	6.27
Luing Parbing	3.06	3.49	3.99	4.55	5.20
Ranka	2.07	2.37	2.70	3.08	3.52
Rey Mendu	3.99	4.55	5.20	5.93	6.77
Rawtey Rumtek	2.93	3.35	3.82	4.36	4.98

**Fourth State Finance Commission**

<b>Gram Panchayats</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>Samlik Marchak</i>	1.69	1.93	2.21	2.52	2.88
<i>Namli</i>	6.92	7.90	9.02	10.30	11.76
<i>Martam Nazitam</i>	4.48	5.12	5.84	6.67	7.61
<i>Beng-Phegyong</i>	3.60	4.11	4.69	5.35	6.11
<i>Sirwani Tshalumthang</i>	3.91	4.47	5.10	5.82	6.65
<i>Khamdong</i>	3.46	3.95	4.50	5.14	5.87
<i>Dung Dung Thasa</i>	3.11	3.55	4.05	4.63	5.28
<i>Simik Lingzey</i>	2.50	2.85	3.25	3.71	4.24
<i>Tumin</i>	2.68	3.06	3.50	3.99	4.56
<i>Samdong Kambel</i>	3.63	4.15	4.73	5.41	6.17
<i>Rakdong Tintek</i>	3.68	4.20	4.79	5.47	6.24
<i>Patuk Singbel</i>	3.68	4.20	4.79	5.47	6.25
<i>Pakyong</i>	2.95	3.37	3.84	4.39	5.01
<i>Rongli Chegeylakha</i>	2.48	2.83	3.23	3.68	4.21
<i>Navay Shotak</i>	3.11	3.56	4.06	4.63	5.29
<i>Lingdok Nampong</i>	2.29	2.61	2.98	3.40	3.89
<i>Kyongnosla</i>	2.57	2.94	3.36	3.83	4.37
<i>Kabi-Tingda</i>	2.29	2.62	2.99	3.41	3.90
<i>Phensong</i>	1.19	1.35	1.54	1.76	2.01
<i>Men-Rongong</i>	1.39	1.58	1.81	2.07	2.36
<i>Rongong-Tumlong</i>	1.69	1.93	2.21	2.52	2.88
<i>Ramthang-Tanek</i>	1.47	1.68	1.92	2.19	2.50
<i>Namok-Swyem</i>	1.51	1.72	1.97	2.25	2.57
<i>Mangshilla-Tibuk</i>	2.97	3.39	3.87	4.42	5.05
<i>Tingchiii Chady</i>	2.28	2.60	2.97	3.39	3.87
<i>Ringhim-Namapatam</i>	2.82	3.22	3.68	4.20	4.80
<i>Sentam</i>	3.10	3.54	4.04	4.62	5.27
<i>Toong-Naga</i>	2.20	2.51	2.87	3.28	3.74
<i>Chungthang</i>	2.54	2.90	3.31	3.78	4.32
<i>Ship-Gyer</i>	1.67	1.90	2.17	2.48	2.83
<i>Lingthem-Lingdem</i>	1.81	2.07	2.36	2.70	3.08
<i>Passingdang-Saffo</i>	1.73	1.98	2.26	2.58	2.95
<i>Tingvong</i>	1.69	1.93	2.20	2.52	2.87
<i>Sakyong-Pentong</i>	1.84	2.11	2.40	2.74	3.13
<i>Lingdong-Berfok</i>	1.59	1.81	2.07	2.36	2.70
<i>Hee-Gyathang</i>	1.95	2.23	2.54	2.90	3.31
<i>Lum-Gor Sangtok</i>	2.12	2.41	2.76	3.15	3.59
<i>Lachen Dzumsa</i>	2.45	2.80	3.20	3.65	4.17
<i>Lachung Dzumsa</i>	2.59	2.96	3.38	3.86	4.40
<i>Lingi</i>	2.91	3.32	3.79	4.33	4.95

**Fourth State Finance Commission**

<b>Gram Panchayats</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Lingmo Paiyong	2.60	2.97	3.39	3.87	4.42
Kolthang Tokdey	2.20	2.51	2.86	3.27	3.73
Niya Mangzing	3.43	3.91	4.46	5.10	5.82
Sripatam Gagyong	5.48	6.25	7.14	8.15	9.31
Yangang Rangang	5.83	6.66	7.60	8.68	9.91
Ravong Sangmo	2.96	3.37	3.85	4.40	5.02
Ben Namphrik	4.03	4.60	5.25	6.00	6.85
Temi	4.02	4.58	5.23	5.97	6.82
Tarku	2.75	3.14	3.58	4.09	4.67
Namphing	6.33	7.23	8.25	9.42	10.76
Barnyak Tokal	2.99	3.41	3.90	4.45	5.08
Rameng Nizrameng	2.93	3.35	3.82	4.36	4.98
Perbing Dovan	2.48	2.83	3.23	3.68	4.21
Chuba Phong	2.26	2.58	2.94	3.36	3.83
Namthang Maneydara	3.05	3.48	3.97	4.54	5.18
Nagi Karek	5.30	6.05	6.90	7.88	9.00
Kateng Pamphok	2.72	3.11	3.55	4.05	4.62
Turung Mamring	3.52	4.02	4.59	5.24	5.98
Tanji Biktam	2.56	2.92	3.33	3.80	4.34
Rateypani	3.94	4.50	5.13	5.86	6.69
Sadam Suntoley	5.77	6.59	7.52	8.59	9.81
Mellidara Paiyong	20.37	23.25	26.54	30.31	34.61
Turuk Ramabung	4.31	4.92	5.62	6.41	7.32
Lungchok Kamarey	3.45	3.93	4.49	5.13	5.86
Sumbuk Kartikey	3.16	3.61	4.12	4.70	5.37
Rong Bul	2.48	2.83	3.23	3.68	4.21
Maniram Phalidara	2.45	2.79	3.19	3.64	4.16
Kitam	2.36	2.70	3.08	3.52	4.01
Mikhola Boomtar	3.45	3.93	4.49	5.13	5.86
Sorok Shyampani	2.92	3.34	3.81	4.35	4.97
Salghari	3.40	3.89	4.44	5.07	5.78
Assangthang	3.14	3.58	4.09	4.67	5.33
Poklok Denchung	3.99	4.56	5.20	5.94	6.78
Tinik Chisopani	4.81	5.49	6.26	7.15	8.17
Namley Kamrang	3.33	3.80	4.34	4.96	5.66
Tingrithang	2.54	2.90	3.32	3.79	4.32
Damthang	2.92	3.33	3.80	4.34	4.96
Wak Omchu	2.86	3.27	3.73	4.26	4.87
Sanganath	2.31	2.64	3.01	3.44	3.93
Tiniktam Rayong	2.21	2.52	2.87	3.28	3.75

**Fourth State Finance Commission**

<b>Gram Panchayats</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>Lamting Tingmo</i>	3.39	3.87	4.42	5.05	5.76
<i>Lekship</i>	2.61	2.98	3.40	3.88	4.43
<i>Kewzing Barkhim</i>	2.95	3.37	3.85	4.40	5.02
<i>Barfung Zarung</i>	3.80	4.34	4.95	5.65	6.46
<i>Ralong Namlung</i>	2.63	3.01	3.43	3.92	4.48
<i>Borong Phamthang</i>	3.03	3.46	3.95	4.51	5.15
<i>Karzi Mangam</i>	2.03	2.31	2.64	3.02	3.44
<i>Dhupidara Narkhola</i>	2.30	2.62	3.00	3.42	3.91
<i>Kongri Labdang</i>	1.81	2.07	2.36	2.70	3.08
<i>Tashiding</i>	3.49	3.98	4.55	5.19	5.93
<i>Arithang Chongrang</i>	2.69	3.07	3.51	4.00	4.57
<i>Gerethang</i>	6.83	7.79	8.90	10.16	11.60
<i>Yuksom</i>	2.67	3.05	3.48	3.97	4.53
<i>Thingling Khecheoperi</i>	2.46	2.81	3.21	3.66	4.18
<i>Meli</i>	2.67	3.05	3.48	3.97	4.53
<i>Darap</i>	4.44	5.07	5.79	6.61	7.55
<i>Singyang Chumbung</i>	3.85	4.40	5.02	5.74	6.55
<i>Yangtey</i>	3.41	3.90	4.45	5.08	5.80
<i>Gyalshing Omchung</i>	2.99	3.42	3.90	4.46	5.09
<i>Yangthang</i>	2.88	3.28	3.75	4.28	4.89
<i>Lingchom Tikjya</i>	2.99	3.41	3.89	4.45	5.08
<i>Sardung Lungzik</i>	2.18	2.49	2.84	3.24	3.70
<i>Bongten Sapong</i>	2.79	3.19	3.64	4.15	4.74
<i>Karmatar Gitang</i>	2.73	3.11	3.56	4.06	4.64
<i>Maneybung Sopakha</i>	4.93	5.63	6.43	7.34	8.38
<i>Dentam</i>	4.53	5.17	5.90	6.74	7.70
<i>Sangkhu Radukhandu</i>	3.99	4.56	5.20	5.94	6.78
<i>Hee</i>	3.82	4.37	4.98	5.69	6.50
<i>Martam</i>	3.32	3.79	4.32	4.94	5.64
<i>Pecherek Hee Patel</i>	2.78	3.17	3.62	4.14	4.72
<i>Bernyak Barthang</i>	3.83	4.37	4.99	5.70	6.51
<i>Chingthang</i>	3.52	4.02	4.59	5.24	5.99
<i>Sangadorji</i>	6.26	7.14	8.16	9.31	10.64
<i>Tadong Rinchenpong</i>	4.06	4.64	5.29	6.04	6.90
<i>Samdong</i>	4.53	5.17	5.90	6.74	7.69
<i>Deythang</i>	3.75	4.28	4.89	5.58	6.38
<i>Takothang</i>	3.35	3.82	4.36	4.98	5.69
<i>Suldung Kamling</i>	3.72	4.25	4.85	5.53	6.32
<i>Mabong Segeng</i>	3.63	4.15	4.73	5.40	6.17
<i>Khaniserbong Suntoley</i>	2.49	2.85	3.25	3.71	4.24

**Fourth State Finance Commission**

<b>Gram Panchayats</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>Chota Samdong Arubotey</i>	2.32	2.64	3.02	3.45	3.94
<i>Samsing Gelling</i>	3.91	4.46	5.09	5.82	6.64
<i>Chakung</i>	2.38	2.71	3.10	3.54	4.04
<i>Mendogaon Berbotey</i>	1.82	2.07	2.37	2.70	3.09
<i>Chumbung</i>	2.33	2.66	3.04	3.47	3.96
<i>Zoom</i>	2.93	3.35	3.82	4.36	4.98
<i>Malbasey</i>	2.74	3.13	3.57	4.08	4.66
<i>Soreng</i>	3.07	3.51	4.01	4.57	5.22
<i>Singling</i>	1.83	2.09	2.39	2.73	3.11
<i>Timburbong</i>	2.20	2.52	2.87	3.28	3.75
<i>Tharpu</i>	1.98	2.26	2.59	2.95	3.37
<i>Karthok Bojek</i>	2.47	2.82	3.22	3.68	4.20
<i>Dodak</i>	1.98	2.26	2.58	2.95	3.37
<i>Burikhop</i>	1.84	2.10	2.40	2.74	3.13
<i>Rumbuk</i>	2.07	2.36	2.70	3.08	3.51
<i>Upper Fambong</i>	3.07	3.50	4.00	4.57	5.21
<i>Lower Fambong</i>	2.74	3.12	3.57	4.07	4.65
<i>Lungchok Salyangdang</i>	2.68	3.06	3.49	3.99	4.56
<i>Siktam Tikpur</i>	2.59	2.96	3.38	3.86	4.41
<i>Okhrey</i>	1.62	1.85	2.11	2.41	2.75
<i>Ribdi Bhareng</i>	1.47	1.68	1.92	2.19	2.50
<b>Total</b>	<b>551.52</b>	<b>629.58</b>	<b>718.78</b>	<b>820.69</b>	<b>937.16</b>

## Annexure 7.2

### Sharing of Taxes for Zilla Panchayats for the Period 2015-20

(Rs. in lakhs)

ZPs	2015-16	2016-17	2017-18	2018-19	2019-20
EDZP	86.08	98.27	112.19	128.10	146.28
NDZP	16.06	18.33	20.93	23.90	27.29
WDZP	66.35	75.75	86.48	98.74	112.75
SDZP	67.86	77.47	88.45	100.99	115.32
<b>Total</b>	<b>236.36</b>	<b>269.82</b>	<b>308.05</b>	<b>351.73</b>	<b>401.64</b>

## Annexure 7.3

## Sharing of Taxes for Urban Local Bodies for the Period 2015-20

(Rs. in lakhs)

ULBs	GNP	NMC	JNP	MNP	GMC	SNP	RNP
2015-16	8.64	23.45	16.03	8.86	170.87	11.68	23.10
2016-17	9.86	26.77	18.30	10.11	195.05	13.34	26.37
2017-18	11.26	30.56	20.89	11.54	222.68	15.23	30.11
2018-19	12.85	34.90	23.86	13.18	254.27	17.39	34.38
2019-20	14.68	39.85	27.24	15.05	290.35	19.85	39.25
<b>Total</b>	<b>57.28</b>	<b>155.53</b>	<b>106.32</b>	<b>58.73</b>	<b>1133.22</b>	<b>77.48</b>	<b>153.21</b>



## Annexure 7.4

## Primary Grant for Gram Panchayats for the Period 2015-20

(Rs. in lakhs)

Gram Panchayats	2015-16	2016-17	2017-18	2018-19	2019-20
Sumin Lingzey	4.59	3.31	3.39	3.45	3.49
West Pandam	7.77	5.61	5.74	5.85	5.91
Central Pandam	8.39	6.05	6.20	6.31	6.38
East Pandam	4.10	2.95	3.03	3.08	3.11
Budang Kamerey	3.26	2.35	2.41	2.45	2.48
Chalamthang PacheyKhani	7.19	5.18	5.31	5.41	5.46
Taza	3.20	2.31	2.37	2.41	2.44
Tarpin	6.66	4.80	4.92	5.01	5.06
Rhenock	9.15	6.60	6.76	6.88	6.96
Aritar	5.67	4.09	4.19	4.27	4.31
Sudunglakha	2.66	1.92	1.97	2.00	2.03
Dalapchen	4.29	3.09	3.17	3.22	3.26
Regoh	3.26	2.35	2.41	2.45	2.48
Premlakha Subaneydara	2.67	1.93	1.98	2.01	2.03
Gnathang	3.53	2.55	2.61	2.66	2.68
Lingtam Phadamchen	3.04	2.19	2.25	2.29	2.31
Rolep Lamaten	2.73	1.97	2.02	2.05	2.08
Chujachen	4.68	3.38	3.46	3.52	3.56
Latuk	3.12	2.25	2.30	2.35	2.37
Thekabong Parkha	4.21	3.04	3.11	3.17	3.20
Riwa Machong	3.41	2.46	2.52	2.56	2.59
Bering Tareythang	2.58	1.86	1.91	1.94	1.96
Amba	3.24	2.33	2.39	2.44	2.46
Pachey Samsing	3.41	2.46	2.52	2.57	2.59
Namcheybong	5.34	3.85	3.95	4.02	4.06
Aho Yangtam	6.60	4.76	4.87	4.96	5.01
Assam Lingzey	5.03	3.63	3.72	3.79	3.83
Bhusuk Naitam	3.96	2.86	2.93	2.98	3.01
Nandok Saramsa	5.54	3.99	4.09	4.17	4.21
Rongay Tathangchen	4.18	3.02	3.09	3.15	3.18
Kopibari Syari	4.62	3.33	3.41	3.47	3.51
Luing Parbing	3.81	2.75	2.81	2.87	2.90
Ranka	2.04	1.47	1.51	1.54	1.55
Rey Mendu	6.41	4.62	4.74	4.82	4.87
Rawtey Rumtek	5.62	4.05	4.15	4.23	4.28

**Fourth State Finance Commission**

<b>Gram Panchayats</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>Samlik Marchak</i>	3.18	2.29	2.35	2.39	2.41
<i>Namli</i>	4.10	2.95	3.03	3.08	3.11
<i>Martam Nazitam</i>	7.18	5.18	5.31	5.41	5.46
<i>Beng-Phegyong</i>	5.94	4.28	4.39	4.47	4.52
<i>Sirwani Tshalumthang</i>	6.72	4.84	4.96	5.05	5.11
<i>Khamdong</i>	4.63	3.34	3.42	3.48	3.52
<i>Dung Dung Thasa</i>	3.42	2.47	2.53	2.57	2.60
<i>Simik Lingzey</i>	3.16	2.28	2.33	2.38	2.40
<i>Tumin</i>	4.71	3.39	3.48	3.54	3.58
<i>Samdong Kambel</i>	6.22	4.49	4.60	4.68	4.73
<i>Rakdong Tintek</i>	6.83	4.92	5.04	5.14	5.19
<i>Patuk Singbel</i>	5.24	3.78	3.87	3.95	3.99
<i>Pakyong</i>	4.44	3.20	3.28	3.34	3.38
<i>Rongli Chegeylakha</i>	3.47	2.50	2.56	2.61	2.64
<i>Navay Shotak</i>	4.11	2.96	3.03	3.09	3.12
<i>Lingdok Nampong</i>	4.09	2.95	3.02	3.08	3.11
<i>Kyongnosla</i>	2.32	1.67	1.71	1.75	1.76
<i>Kabi-Tingda</i>	3.48	2.51	2.57	2.62	2.64
<i>Phensong</i>	1.88	1.36	1.39	1.42	1.43
<i>Men-Rongong</i>	1.97	1.42	1.46	1.48	1.50
<i>Rongong-Tumlong</i>	2.74	1.98	2.03	2.06	2.08
<i>Ramthang-Tanek</i>	2.05	1.48	1.51	1.54	1.56
<i>Namok-Swyem</i>	2.12	1.53	1.57	1.60	1.62
<i>Mangshilla-Tibuk</i>	3.73	2.69	2.76	2.81	2.84
<i>Tingchiii Chady</i>	2.37	1.71	1.75	1.78	1.80
<i>Ringhim-Namapatam</i>	4.21	3.04	3.11	3.17	3.20
<i>Sentam</i>	4.21	3.04	3.11	3.17	3.20
<i>Toong-Naga</i>	3.45	2.49	2.55	2.60	2.62
<i>Chungthang</i>	4.03	2.91	2.98	3.03	3.07
<i>Ship-Gyer</i>	1.29	0.93	0.95	0.97	0.98
<i>Lingthem-Lingdem</i>	1.70	1.23	1.26	1.28	1.29
<i>Passingdang-Saffo</i>	1.64	1.18	1.21	1.23	1.24
<i>Tingvong</i>	1.46	1.05	1.08	1.10	1.11
<i>Sakyong-Pentong</i>	1.14	0.82	0.84	0.86	0.87
<i>Lingdong-Berfok</i>	2.04	1.47	1.51	1.53	1.55
<i>Hee-Gyathang</i>	2.65	1.91	1.95	1.99	2.01
<i>Lum-Gor Sangtok</i>	2.65	1.91	1.96	1.99	2.01
<i>Lachen Dzumsa</i>	3.16	2.28	2.34	2.38	2.41
<i>Lachung Dzumsa</i>	3.81	2.75	2.82	2.87	2.90
<i>Lingi</i>	3.51	2.53	2.59	2.64	2.67

**Fourth State Finance Commission**

<b>Gram Panchayats</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>Lingmo Paiyong</i>	3.84	2.77	2.84	2.89	2.92
<i>Kolthang Tokdey</i>	3.84	2.77	2.84	2.89	2.92
<i>Niya Mangzing</i>	4.02	2.90	2.97	3.03	3.06
<i>Sripatam Gagyong</i>	6.54	4.71	4.83	4.92	4.97
<i>Yangang Rangang</i>	6.13	4.42	4.53	4.61	4.66
<i>Ravong Sangmo</i>	4.67	3.37	3.45	3.52	3.55
<i>Ben Namphrik</i>	6.17	4.45	4.56	4.64	4.69
<i>Temi</i>	5.79	4.17	4.28	4.36	4.40
<i>Tarku</i>	3.73	2.69	2.76	2.81	2.84
<i>Namphing</i>	9.66	6.97	7.14	7.27	7.34
<i>Barnyak Tokal</i>	4.15	2.99	3.07	3.12	3.16
<i>Rameng Nizrameng</i>	2.37	1.71	1.75	1.78	1.80
<i>Perbing Dovan</i>	2.73	1.97	2.02	2.06	2.08
<i>Chuba Phong</i>	2.39	1.72	1.77	1.80	1.82
<i>Namthang Maneydara</i>	3.99	2.88	2.95	3.00	3.04
<i>Nagi Karek</i>	4.80	3.46	3.55	3.61	3.65
<i>Kateng Pamphok</i>	2.62	1.89	1.94	1.97	1.99
<i>Turung Mamring</i>	4.53	3.27	3.35	3.41	3.45
<i>Tanji Biktam</i>	2.84	2.05	2.10	2.14	2.16
<i>Rateypani</i>	2.70	1.95	2.00	2.03	2.06
<i>Sadam Suntoley</i>	6.96	5.02	5.15	5.24	5.29
<i>Mellidara Paiyong</i>	9.86	7.11	7.28	7.42	7.49
<i>Turuk Ramabung</i>	4.66	3.36	3.44	3.51	3.54
<i>Lungchok Kamarey</i>	2.70	1.95	2.00	2.03	2.06
<i>Sumbuk Kartikey</i>	3.42	2.47	2.53	2.57	2.60
<i>Rong Bul</i>	2.07	1.49	1.53	1.56	1.57
<i>Maniram Phalidara</i>	2.89	2.09	2.14	2.18	2.20
<i>Kitam</i>	1.88	1.36	1.39	1.42	1.43
<i>Mikhola Boomtar</i>	4.26	3.07	3.14	3.20	3.24
<i>Sorok Shyampani</i>	3.14	2.26	2.32	2.36	2.38
<i>Salghari</i>	2.62	1.89	1.94	1.97	1.99
<i>Assangthang</i>	2.57	1.86	1.90	1.94	1.96
<i>Poklok Denchung</i>	4.55	3.28	3.36	3.43	3.46
<i>Tinik Chisopani</i>	3.88	2.80	2.87	2.92	2.95
<i>Namley Kamrang</i>	4.05	2.92	2.99	3.05	3.08
<i>Tingrithang</i>	2.14	1.54	1.58	1.61	1.63
<i>Damthang</i>	2.89	2.08	2.13	2.17	2.20
<i>Wak Omchu</i>	2.97	2.14	2.20	2.24	2.26
<i>Sanganath</i>	1.51	1.09	1.12	1.14	1.15
<i>Tiniktam Rayong</i>	2.47	1.78	1.82	1.86	1.88

**Fourth State Finance Commission**

<b>Gram Panchayats</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Lamting Tingmo	3.61	2.61	2.67	2.72	2.75
Lekship	3.33	2.40	2.46	2.51	2.53
Kewzing Barkhim	4.56	3.29	3.37	3.43	3.47
Barfung Zarung	5.60	4.04	4.14	4.21	4.26
Ralong Namlung	3.35	2.42	2.48	2.52	2.55
Borong Phamthang	4.60	3.32	3.40	3.46	3.50
Karzi Mangam	0.82	0.59	0.61	0.62	0.63
Dhupidara Narkhola	1.64	1.18	1.21	1.23	1.25
Kongri Labdang	1.70	1.22	1.25	1.28	1.29
Tashiding	5.59	4.03	4.13	4.20	4.25
Arithang Chongrang	3.68	2.65	2.72	2.77	2.79
Gerethang	3.48	2.51	2.57	2.62	2.65
Yuksom	4.26	3.08	3.15	3.21	3.24
Thingling Khecheoperi	3.71	2.67	2.74	2.79	2.82
Meli	3.47	2.50	2.57	2.61	2.64
Darap	4.46	3.21	3.29	3.35	3.39
Singyang Chumbung	4.20	3.03	3.10	3.16	3.19
Yangtey	4.78	3.44	3.53	3.59	3.63
Gyalshing Omchung	4.56	3.29	3.37	3.43	3.47
Yangthang	4.29	3.09	3.17	3.23	3.26
Lingchom Tikjya	4.48	3.23	3.31	3.37	3.41
Sardung Lungzik	2.84	2.05	2.10	2.14	2.16
Bongten Sapong	3.20	2.31	2.37	2.41	2.43
Karmatar Gitang	2.90	2.09	2.14	2.18	2.20
Maneybung Sopakha	6.19	4.46	4.57	4.66	4.71
Dentam	4.91	3.54	3.63	3.69	3.73
Sangkhu Radukhandu	5.93	4.28	4.38	4.46	4.51
Hee	4.09	2.95	3.02	3.08	3.11
Martam	3.08	2.22	2.28	2.32	2.35
Pecherek Hee Patel	2.74	1.98	2.03	2.06	2.09
Bernyak Barthang	5.00	3.60	3.69	3.76	3.80
Chingthang	5.33	3.84	3.94	4.01	4.05
Sangadorji	4.28	3.09	3.16	3.22	3.25
Tadong Rinchenpong	4.05	2.92	2.99	3.05	3.08
Samdong	5.41	3.90	4.00	4.07	4.11
Deythang	4.06	2.93	3.00	3.06	3.09
Takothang	2.90	2.09	2.14	2.18	2.20
Suldung Kamling	4.79	3.45	3.54	3.60	3.64
Mabong Segeng	3.49	2.52	2.58	2.62	2.65
Khaniserbong Suntoley	2.31	1.67	1.71	1.74	1.76

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<b>Gram Panchayats</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>Chota Samdong Arubotey</i>	2.29	1.65	1.70	1.73	1.74
<i>Samsing Gelling</i>	3.84	2.77	2.84	2.89	2.92
<i>Chakung</i>	2.91	2.10	2.15	2.19	2.22
<i>Mendogaon Berbotey</i>	1.58	1.14	1.17	1.19	1.20
<i>Chumbung</i>	2.80	2.02	2.07	2.11	2.13
<i>Zoom</i>	3.82	2.76	2.82	2.88	2.91
<i>Malbasey</i>	3.84	2.77	2.83	2.89	2.92
<i>Soreng</i>	4.73	3.41	3.50	3.56	3.60
<i>Singling</i>	2.54	1.83	1.88	1.91	1.93
<i>Timburbong</i>	3.27	2.36	2.42	2.46	2.49
<i>Tharpu</i>	1.58	1.14	1.17	1.19	1.20
<i>Karthok Bojek</i>	2.11	1.52	1.56	1.59	1.60
<i>Dodak</i>	2.48	1.79	1.84	1.87	1.89
<i>Burikhop</i>	1.97	1.42	1.46	1.48	1.50
<i>Rumbuk</i>	2.95	2.13	2.18	2.22	2.24
<i>Upper Fambong</i>	4.91	3.54	3.63	3.69	3.73
<i>Lower Fambong</i>	3.81	2.75	2.81	2.87	2.90
<i>Lungchok Salyangdang</i>	2.95	2.13	2.18	2.22	2.24
<i>Siktam Tikpur</i>	3.97	2.87	2.94	2.99	3.02
<i>Okhrey</i>	2.52	1.81	1.86	1.89	1.91
<i>Ribdi Bhareng</i>	2.17	1.56	1.60	1.63	1.65
<b>Total</b>	<b>680.81</b>	<b>490.93</b>	<b>503.03</b>	<b>512.18</b>	<b>517.59</b>

## Annexure 7.5

## Primary Grant for Zilla Panchayats for the Period 2015-20

(Rs. in lakhs)

ZPs	2015-16	2016-17	2017-18	2018-19	2019-20
EDZP	111.68	80.85	83.21	85.18	86.63
NDZP	26.93	19.49	20.06	20.54	20.89
WDZP	91.17	66.00	67.93	69.54	70.72
SDZP	87.41	63.28	65.13	66.67	67.80
<b>Total</b>	<b>317.19</b>	<b>229.61</b>	<b>236.33</b>	<b>241.92</b>	<b>246.03</b>

## Annexure 7.6

## Primary Grant for Urban Local Bodies for the Period 2015-20

(Rs. in lakhs)

ULBs	GNP	NMC	JNP	MNP	GMC	SNP	RNP
2015-16	6.76	15.23	12.00	6.00	129.77	9.03	17.12
2016-17	4.72	10.64	8.38	4.19	90.61	6.30	11.96
2017-18	4.65	10.48	8.26	4.13	89.29	6.21	11.78
2018-19	4.52	10.17	8.01	4.01	86.63	6.03	11.43
2019-20	4.29	9.67	7.61	3.81	82.34	5.73	10.87
<b>Total</b>	<b>24.94</b>	<b>56.19</b>	<b>44.26</b>	<b>22.14</b>	<b>478.64</b>	<b>33.3</b>	<b>63.16</b>



## Annexure 7.7

## Improvement Grant for Gram Panchayats for the Period 2016-20

(Rs. in lakhs)

Gram Panchayats	2016-17	2017-18	2018-19	2019-20
Sumin Lingzey	1.42	1.45	1.48	1.49
West Pandam	2.40	2.46	2.51	2.53
Central Pandam	2.59	2.66	2.70	2.73
East Pandam	1.27	1.30	1.32	1.33
Budang Kamerey	1.01	1.03	1.05	1.06
Chalamthang PacheyKhani	2.22	2.28	2.32	2.34
Taza	0.99	1.01	1.03	1.04
Tarpin	2.06	2.11	2.15	2.17
Rhenock	2.83	2.90	2.95	2.98
Aritar	1.75	1.80	1.83	1.85
Sudunglakha	0.82	0.84	0.86	0.87
Dalapchen	1.32	1.36	1.38	1.40
Regoh	1.01	1.03	1.05	1.06
Premlakha Subaneydara	0.83	0.85	0.86	0.87
Gnathang	1.09	1.12	1.14	1.15
Lingtam Phadamchen	0.94	0.96	0.98	0.99
Rolep Lamaten	0.84	0.86	0.88	0.89
Chujachen	1.45	1.48	1.51	1.53
Latuk	0.96	0.99	1.01	1.02
Thekabong Parkha	1.30	1.33	1.36	1.37
Riwa Machong	1.05	1.08	1.10	1.11
Bering Tareythang	0.80	0.82	0.83	0.84
Amba	1.00	1.03	1.04	1.05
Pachey Samsing	1.05	1.08	1.10	1.11
Namcheybong	1.65	1.69	1.72	1.74
Aho Yangtam	2.04	2.09	2.13	2.15
Assam Lingzey	1.56	1.59	1.62	1.64
Bhusuk Naitam	1.23	1.26	1.28	1.29
Nandok Saramsa	1.71	1.75	1.79	1.80
Rongay Tathangchen	1.29	1.32	1.35	1.36
Kopibari Syari	1.43	1.46	1.49	1.50
Luing Parbing	1.18	1.21	1.23	1.24
Ranka	0.63	0.65	0.66	0.67
Rey Mendu	1.98	2.03	2.07	2.09
Rawtey Rumtek	1.74	1.78	1.81	1.83

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<b>Gram Panchayats</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>Samlik Marchak</i>	0.98	1.01	1.02	1.03
<i>Namli</i>	1.27	1.30	1.32	1.33
<i>Martam Nazitam</i>	2.22	2.28	2.32	2.34
<i>Beng-Phegyong</i>	1.84	1.88	1.92	1.94
<i>Sirwani Tshalumthang</i>	2.08	2.13	2.17	2.19
<i>Khamdong</i>	1.43	1.47	1.49	1.51
<i>Dung Dung Thasa</i>	1.06	1.08	1.10	1.11
<i>Simik Lingzey</i>	0.98	1.00	1.02	1.03
<i>Tumin</i>	1.45	1.49	1.52	1.53
<i>Samdong Kambel</i>	1.92	1.97	2.01	2.03
<i>Rakdong Tintek</i>	2.11	2.16	2.20	2.22
<i>Patuk Singbel</i>	1.62	1.66	1.69	1.71
<i>Pakyong</i>	1.37	1.41	1.43	1.45
<i>Rongli Chegeylakha</i>	1.07	1.10	1.12	1.13
<i>Navay Shotak</i>	1.27	1.30	1.32	1.34
<i>Lingdok Nampong</i>	1.26	1.30	1.32	1.33
<i>Kyongnosla</i>	0.72	0.73	0.75	0.76
<i>Kabi-Tingda</i>	1.07	1.10	1.12	1.13
<i>Phensong</i>	0.58	0.60	0.61	0.61
<i>Men-Rongong</i>	0.61	0.62	0.63	0.64
<i>Rongong-Tumlong</i>	0.85	0.87	0.88	0.89
<i>Ramthang-Tanek</i>	0.63	0.65	0.66	0.67
<i>Namok-Swyem</i>	0.66	0.67	0.69	0.69
<i>Mangshilla-Tibuk</i>	1.15	1.18	1.20	1.22
<i>Tingchiii Chady</i>	0.73	0.75	0.76	0.77
<i>Ringhim-Namapatam</i>	1.30	1.33	1.36	1.37
<i>Sentam</i>	1.30	1.33	1.36	1.37
<i>Toong-Naga</i>	1.07	1.09	1.11	1.12
<i>Chungthang</i>	1.25	1.28	1.30	1.31
<i>Ship-Gyer</i>	0.40	0.41	0.42	0.42
<i>Lingthem-Lingdem</i>	0.53	0.54	0.55	0.55
<i>Passingdang-Saffo</i>	0.51	0.52	0.53	0.53
<i>Tingvong</i>	0.45	0.46	0.47	0.48
<i>Sakyong-Pentong</i>	0.35	0.36	0.37	0.37
<i>Lingdong-Berfok</i>	0.63	0.65	0.66	0.66
<i>Hee-Gyathang</i>	0.82	0.84	0.85	0.86
<i>Lum-Gor Sangtok</i>	0.82	0.84	0.85	0.86
<i>Lachen Dzumsa</i>	0.98	1.00	1.02	1.03
<i>Lachung Dzumsa</i>	1.18	1.21	1.23	1.24
<i>Lingi</i>	1.08	1.11	1.13	1.14

**Fourth State Finance Commission**

<b>Gram Panchayats</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>Lingmo Paiyong</i>	1.19	1.22	1.24	1.25
<i>Kolthang Tokdey</i>	1.19	1.22	1.24	1.25
<i>Niya Mangzing</i>	1.24	1.27	1.30	1.31
<i>Sripatam Gagyong</i>	2.02	2.07	2.11	2.13
<i>Yangang Rangang</i>	1.89	1.94	1.98	2.00
<i>Ravong Sangmo</i>	1.44	1.48	1.51	1.52
<i>Ben Namphrik</i>	1.91	1.95	1.99	2.01
<i>Temi</i>	1.79	1.83	1.87	1.89
<i>Tarku</i>	1.15	1.18	1.20	1.22
<i>Namphing</i>	2.99	3.06	3.11	3.15
<i>Barnyak Tokal</i>	1.28	1.31	1.34	1.35
<i>Rameng Nizrameng</i>	0.73	0.75	0.76	0.77
<i>Perbing Dovan</i>	0.84	0.87	0.88	0.89
<i>Chuba Phong</i>	0.74	0.76	0.77	0.78
<i>Namthang Maneydara</i>	1.23	1.26	1.29	1.30
<i>Nagi Karek</i>	1.48	1.52	1.55	1.56
<i>Kateng Pamphok</i>	0.81	0.83	0.85	0.85
<i>Turung Mamring</i>	1.40	1.43	1.46	1.48
<i>Tanji Biktam</i>	0.88	0.90	0.92	0.93
<i>Rateypani</i>	0.84	0.86	0.87	0.88
<i>Sadam Suntoley</i>	2.15	2.21	2.25	2.27
<i>Mellidara Paiyong</i>	3.05	3.12	3.18	3.21
<i>Turuk Ramabung</i>	1.44	1.48	1.50	1.52
<i>Lungchok Kamarey</i>	0.84	0.86	0.87	0.88
<i>Sumbuk Kartikey</i>	1.06	1.08	1.10	1.11
<i>Rong Bul</i>	0.64	0.66	0.67	0.67
<i>Maniram Phalidara</i>	0.89	0.92	0.93	0.94
<i>Kitam</i>	0.58	0.60	0.61	0.61
<i>Mikhola Boomtar</i>	1.32	1.35	1.37	1.39
<i>Sorok Shyampani</i>	0.97	0.99	1.01	1.02
<i>Salghari</i>	0.81	0.83	0.84	0.85
<i>Assangthang</i>	0.80	0.82	0.83	0.84
<i>Poklok Denchung</i>	1.41	1.44	1.47	1.48
<i>Tinik Chisopani</i>	1.20	1.23	1.25	1.26
<i>Namley Kamrang</i>	1.25	1.28	1.31	1.32
<i>Tingrithang</i>	0.66	0.68	0.69	0.70
<i>Damthang</i>	0.89	0.91	0.93	0.94
<i>Wak Omchu</i>	0.92	0.94	0.96	0.97
<i>Sanganath</i>	0.47	0.48	0.49	0.49
<i>Tiniktam Rayong</i>	0.76	0.78	0.80	0.80

**Fourth State Finance Commission**

<b>Gram Panchayats</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>Lamting Tingmo</i>	1.12	1.14	1.17	1.18
<i>Lekship</i>	1.03	1.06	1.07	1.09
<i>Kewzing Barkhim</i>	1.41	1.44	1.47	1.49
<i>Barfung Zarung</i>	1.73	1.77	1.81	1.82
<i>Ralong Namlung</i>	1.04	1.06	1.08	1.09
<i>Borong Phamthang</i>	1.42	1.46	1.48	1.50
<i>Karzi Mangam</i>	0.25	0.26	0.27	0.27
<i>Dhupidara Narkhola</i>	0.51	0.52	0.53	0.53
<i>Kongri Labdang</i>	0.52	0.54	0.55	0.55
<i>Tashiding</i>	1.73	1.77	1.80	1.82
<i>Arithang Chongrang</i>	1.14	1.16	1.19	1.20
<i>Gerethang</i>	1.08	1.10	1.12	1.13
<i>Yuksom</i>	1.32	1.35	1.37	1.39
<i>Thingling Khecheoperi</i>	1.15	1.17	1.20	1.21
<i>Meli</i>	1.07	1.10	1.12	1.13
<i>Darap</i>	1.38	1.41	1.44	1.45
<i>Singyang Chumbung</i>	1.30	1.33	1.35	1.37
<i>Yangtey</i>	1.48	1.51	1.54	1.56
<i>Gyalshing Omchung</i>	1.41	1.44	1.47	1.49
<i>Yangthang</i>	1.33	1.36	1.38	1.40
<i>Lingchom Tikjya</i>	1.39	1.42	1.45	1.46
<i>Sardung Lungzik</i>	0.88	0.90	0.92	0.93
<i>Bongten Sapong</i>	0.99	1.01	1.03	1.04
<i>Karmatar Gitang</i>	0.90	0.92	0.93	0.94
<i>Maneybung Sopakha</i>	1.91	1.96	2.00	2.02
<i>Dentam</i>	1.52	1.55	1.58	1.60
<i>Sangkhu Radukhandu</i>	1.83	1.88	1.91	1.93
<i>Hee</i>	1.26	1.29	1.32	1.33
<i>Martam</i>	0.95	0.98	0.99	1.01
<i>Pecherek Hee Patel</i>	0.85	0.87	0.88	0.89
<i>Bernyak Barthang</i>	1.54	1.58	1.61	1.63
<i>Chingthang</i>	1.65	1.69	1.72	1.74
<i>Sangadorji</i>	1.32	1.36	1.38	1.39
<i>Tadong Rinchenpong</i>	1.25	1.28	1.31	1.32
<i>Samdong</i>	1.67	1.71	1.74	1.76
<i>Deythang</i>	1.26	1.29	1.31	1.32
<i>Takothang</i>	0.90	0.92	0.93	0.94
<i>Suldung Kamling</i>	1.48	1.52	1.54	1.56
<i>Mabong Segeng</i>	1.08	1.10	1.12	1.14
<i>Khaniserbong Suntoley</i>	0.72	0.73	0.75	0.75

**Fourth State Finance Commission**

<b>Gram Panchayats</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>Chota Samdong Arubotey</i>	0.71	0.73	0.74	0.75
<i>Samsing Gelling</i>	1.19	1.22	1.24	1.25
<i>Chakung</i>	0.90	0.92	0.94	0.95
<i>Mendogaon Berbotey</i>	0.49	0.50	0.51	0.51
<i>Chumbung</i>	0.87	0.89	0.90	0.91
<i>Zoom</i>	1.18	1.21	1.23	1.25
<i>Malbasey</i>	1.19	1.21	1.24	1.25
<i>Soreng</i>	1.46	1.50	1.53	1.54
<i>Singling</i>	0.79	0.81	0.82	0.83
<i>Timburbong</i>	1.01	1.04	1.06	1.07
<i>Tharpu</i>	0.49	0.50	0.51	0.52
<i>Karthok Bojek</i>	0.65	0.67	0.68	0.69
<i>Dodak</i>	0.77	0.79	0.80	0.81
<i>Burikhop</i>	0.61	0.63	0.64	0.64
<i>Rumbuk</i>	0.91	0.93	0.95	0.96
<i>Upper Fambong</i>	1.52	1.56	1.58	1.60
<i>Lower Fambong</i>	1.18	1.21	1.23	1.24
<i>Lungchok Salyangdang</i>	0.91	0.93	0.95	0.96
<i>Siktam Tikpur</i>	1.23	1.26	1.28	1.29
<i>Okhrey</i>	0.78	0.80	0.81	0.82
<i>Ribdi Bhareng</i>	0.67	0.69	0.70	0.71
<b>Total</b>	<b>210.40</b>	<b>215.58</b>	<b>219.51</b>	<b>221.82</b>

## **Annexure 7.8**

### **Improvement Grant for Zilla Panchayats for the Period 2016-20**

*(Rs. in lakhs)*

<b>ZPs</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
<i>EDZP</i>	34.65	35.66	36.51	37.13
<i>NDZP</i>	8.35	8.60	8.80	8.95
<i>WDZP</i>	28.29	29.11	29.80	30.31
<i>SDZP</i>	27.12	27.91	28.57	29.06
<b>Total</b>	<b>98.41</b>	<b>101.29</b>	<b>103.68</b>	<b>105.44</b>

**Annexure 7.9****Improvement Grant for Urban Local Bodies for the Period 2016-20***(Rs. in lakhs)*

<b>ULBs</b>	<b>GNP</b>	<b>NMC</b>	<b>JNP</b>	<b>MNP</b>	<b>GMC</b>	<b>SNP</b>	<b>RNP</b>
2016-17	2.02	4.56	3.59	1.8	38.83	2.70	5.12
2017-18	2.00	4.49	3.54	1.77	38.27	2.66	5.05
2018-19	1.94	4.36	3.43	1.72	37.13	2.58	4.90
2019-20	1.84	4.14	3.26	1.63	35.29	2.45	4.66
<b>Total</b>	<b>7.8</b>	<b>17.55</b>	<b>13.82</b>	<b>6.92</b>	<b>149.52</b>	<b>10.39</b>	<b>19.73</b>



