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OCTOBER**



**REPORT OF THE
SIXTH STATE
FINANCE COMMISSION
OF SIKKIM**

**REPORT FOR THE AWARD
PERIOD 2025-26 TO 2029-30**



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CONTENTS

Sl. No.	Chapters	Page No.
1.	Introduction	1 - 4
2.	Sikkim- An Overview	5 - 9
3.	The 6 th State Finance Commission of Sikkim	10 - 38
4.	Approaches and Methodology	39 - 49
5.	Review of State Finance	50 - 58
6.	Finances of the PRIs and ULBs in Sikkim	59 - 73
7.	Recommendations of the Commission	74 - 95
8.	Summary of Recommendations	96 - 104
9.	Annexures	105 - 266
10.	Press Releases	267 - 270
11.	Photo Gallery	271 - 276

SIXTH STATE FINANCE COMMISSION OF SIKKIM



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HOME DEPARTMENT
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LIST OF TABLES:

Table No.	Table	Page No.
5.1 a	Growth Performance of State Economy at Constant Prices	51
5.1 b	Growth Performance of State Economy at Current Prices	52
5.2	Gross State Domestic Product and Per Capita Income	52
5.3	Fiscal Profile of Sikkim (Percent to GSDP)	53
5.4	Own Revenue of Sikkim (₹ in Lakh)	54
5.5	Components of the Own Tax Revenue (OTR)	55
5.6	Components of Own Non-Tax Revenue (ONTR)	55
5.7	Central Tax Transfers from Government of India (₹ in Lakh)	56
5.8	Grants-in-Aid from Government of India (₹ in Lakh)	57
5.9	Expenditure profile of Sikkim (Percent of GSDP)	58
6.1	Central Finance Commission Funds to the PRIs and the ULBs	62
6.2	State Finance Commission Funds to PRIs and ULBs (₹ in Lakh)	63
6.3	Fund transfers from State Government to Gram Panchayat Units (GPUs) (₹ in Lakh)	64
6.4	Committed Financial Liability of GPUs	65
6.5	List of 5 Sample GPUs of 6 Districts	66
6.6	Financial Details of RLBs by sampling 5 GPUs of 6 Districts	67
6.7	Fund Transfer from State Government to ZPs.	69
6.8	Committed Financial Liability of ZPs	70
6.9	Financial Details of ULBs in Sikkim	71
6.10	Fund transfer from State Government to the ULBs	72
7.1	Devolution Recommendations of the Past SFCs of Sikkim	74
7.2	Own Tax Revenue Receipts projections of Sikkim for 2025-2030 (₹ in Lakh)	80
7.3	Year-wise Devolution of Funds (in ₹ Lakhs) to Local Bodies in Sikkim	80
7.4	The year-wise Grants to the PRIs and the ULBs in ₹ Lakhs	81
7.5	The Enabling Grants to the PRIs and the ULBs (in ₹ Lakhs)	84
7.6	Proposed Honorarium for Elected Representatives of GPUs, ZPs and ULBs	88
7.7	Projected Professional Tax Revenue Receipts (₹ in Lakh)	90

LIST OF ANNEXURES

Annexure No.	Particulars	Page No.
3.1	Notification regarding constitution of 6 th SFC	105
3.2	Notification regarding change of Member and 1 st extension of term of 6 th SFC	108
3.3	Notification regarding 2 nd extension of term of 6 th SFC	109
3.4	Compliance of recommendation of the 5 th SFC	216
4.1	Issue of Public Notice by 6 th SFC	110
4.2	Schedule of Meetings and Stakeholder Consultations	113
4.3	Minutes of the First Meeting of the 6 th SFC	120
4.4	Minutes of the Second Meeting of the 6 th SFC	122
4.5	Minutes of the Third Meeting of the 6 th SFC with PRIA	124
4.6	Minutes of the Fifth Meeting of the 6 th SFC	125
4.7	Minutes of the Sixth Meeting of the 6 th SFC	126
4.8	Minutes of the meeting with Past SFCs of Sikkim	127
4.9	Minutes of the meeting with the Officials of all ULBs in Sikkim	129
4.10	Minutes of the meeting with the staff of all GPUs in Sikkim	132
4.11	Minutes of the meeting with the line Departments	155
4.12	Minutes of the Seventh Meeting of the 6 th SFC	158
4.13	Minutes of the meeting with Elected members of GPUs in Sikkim	159
4.14	Minutes of the meeting with Elected members of Zilla Panchayats in Sikkim	168
4.15	Minutes of the meeting with Elected members of ULBs in Sikkim	172
4.16	Minutes of the meeting with SIRD & PR, Skill Dev. Department & other Capacity Building Organisations.	176
4.17	Minutes of the meeting with representatives of Corporates implementing CSR Activities.	179
4.18	Minutes of the meeting with representatives of SHGs	184
4.19	Minutes of the Eight Meeting of the 6 th SFC	188
4.20	Minutes of the Ninth Meeting of the 6 th SFC	189
4.21	Minutes of the Tenth Meeting of the 6 th SFC	191
4.22	Minutes of the Eleventh Meeting of the 6 th SFC	192
4.23	Minutes of the Twelfth Meeting of the 6 th SFC	194

4.24	Minutes of the Thirteenth Meeting of the 6 th SFC	196
4.25	Minutes of the Fourteenth Meeting of the 6 th SFC	198
4.26	Minutes of the Fifteenth Meeting of the 6 th SFC	200
4.27	Minutes of the Sixteenth Meeting of the 6 th SFC	202
4.28	Minutes of the Seventeenth Meeting of the 6 th SFC	203
4.29	Minutes of the Eighteenth Meeting of the 6 th SFC	205
6.1	Schedule XI of the Constitution	207
7.1	Notification to streamline and regulate the Industrial Dev. Fund, CSR etc.	209
7.2	Notification regarding establishment of Corporate Social Responsibility Authority (CSRA)	213
7.3	Flow Chart showing Yearly Devolution under 6 th SFC Grants	215
7.4	Devolution percentage for ZPs under 6 th SFC Grants	239
7.5	Devolution percentage for GPUs under 6 th SFC Grants	240
7.6	Devolution percentage for ULBs under 6 th SFC Grants	249
7.7	Consolidated Devolution to ZPs, GPs and ULBs (5 Years)	250
7.8	Yearly Devolution of Funds directly to Local Bodies	251
7.9	Devolution of Grants to Zilla Panchayats	2522
7.10	Devolution of Grants to Gram Panchayats	253
7.11	Devolution of Grants to Urban Local Bodies	266

LIST OF ABBREVIATIONS:

ATI	Administrative Training Institute
BAC	Block Administrative Centre
BE	Budget Estimate
CFC	Central Finance Commission
CSR	Corporate Social Responsibility
DESM&E	Department of Economics, Statistics, Monitoring and Evaluation
DPC	District Planning Committee
ER	Elected Representative
FD	Finance Department
FRBM	Fiscal Responsibility and Budget Management
FRED	Finance, Revenue and Expenditure Department
GoS	Government of Sikkim
GPDP	Gram Panchayat Development Plan
GPs	Gram Panchayats
GPU	Gram Panchayat Unit
GSDP	Gross State Domestic Product
GSVA	Gross State Value Added
GST	Goods and Services Tax
HDR	Human Development Report
IT	Information Technology
LB	Local Bodies
LGIs	Institutions of Local Self-Government
MTFP	Medium Term Fiscal Plan
MR	Muster Roll
NEC	North Eastern Council
NGO	Non-Governmental Organization
NOTR	Net Own Tax Revenue
O&M	Operation & Management
OSR	Own Source Revenue
PRIA	Society for Participatory Research in Asia
PRI	Panchayati Raj Institution
RBM	Result Based Monitoring
RDD	Rural Development Department
RE	Revised Estimate
RM&DD	Rural Management & Development Department
SFC	State Finance Commission
SICB	State Institute of Capacity Building
SIRD	State Institute of Rural Development
SOM	Sikkim Organic Mission
SOTR	State's Own Tax Revenue
3 Fs	Function, Fund and Functionaries
ToR	Terms of Reference
UDD	Urban Development Department
UD&HD	Urban Development and Housing Department
ULBs	Urban Local Bodies
VAT	Value Added Tax
ZPs	Zilla Panchayats

CHAPTER - 1

INTRODUCTION

- 1.1. The Constitution (73rd and 74th) Amendment Acts, 1992 established Local Self-Governments in rural and urban India respectively. The Acts provided constitutional status to the Panchayati Raj Institutions and the Urban Local Bodies in India. Earlier India had bicameral system with the Union and the State Governments as the federating units. Now Local Self Governments are the third tier of Government in India.
- 1.2. The salient features of the Amendments were establishment of a three-tier structure of Panchayats and Municipalities, regular elections every fifth year, reservation of seats for Schedules Castes, Scheduled Tribes and Women and Constitution of the State Election Commission and the State Finance Commission in every State and the District Planning Committee in every District. Sikkim, a state with less than 2 million population, has two tier structure of Panchayats, namely, the Gram Panchayat and the Zilla Panchayat.
- 1.3. The two Amendments were added to the Constitution Part IX, titled, “the Panchayats” and Part IXA titled “the Municipalities” respectively. A new Article 243 was inserted in the Constitution.
- 1.4. Articles 243I and 243Y of the Constitution require that a State Finance Commission shall be appointed at the expiration of every fifth year to recommend measures needed to improve the finances of Panchayats and Municipalities respectively.
- 1.5. The Seventh, Eleventh and Twelfth Schedules of the Constitution delineate the subjects allotted to each tier of Government in India. Within their jurisdiction, each tier is supposed to deliver services and levy and appropriate taxes as per the Schedules.
- 1.6. Simultaneously, two new clauses were added to the existing Article 280, viz Art 280(bb) and Art. 280(c). The new clauses require the Central Finance Commission to recommend measures to augment the Consolidated Fund of the State to supplement the resources of Panchayats and Municipalities in the State based on the recommendations of the State Finance Commission.
- 1.7. It is worth mentioning that Sikkim has been regularly constituting the State Finance Commissions. The First State Finance Commission was constituted in the year 1998 and subsequently four SFCs were constituted thereafter. The 6th State Finance Commission is currently functional. The details of past SFCs are given in Table 1.1. below

Table 1.1: An Overview of the State Finance Commissions

Particulars	1 st SFC	2 nd SFC	3 rd SFC	4 th SFC	5 th SFC
Date of Constitution	22/07/1998	05/07/2003	04/03/2009	15/06/2012	17/08/2016
Date of Submission of Report	16/08/1999	30/09/2004	27/02/2010	15/05/2013	31/07/2017
Date of Submission of ATR	June 2000	25/02/2006	23/03/2010	Nov. 2014	10.03.2018
Period Covered	2000-01 to 2004-05	2005-06 to 2009-10	2010-11 to 2014-15	2015-16 to 2019-20	2020-21 to 2024-25

Note: As ULBs in Sikkim were constituted in 2010, the first 3 SFCs covered Panchayats only

- 1.8. The 6th State Finance Commission was constituted vide Notification No.GOS/FCD/FIN/2021-22/01/273 dated 20th June, 2022. The Commission assumed charge on 2nd August, 2022. The Terms of Reference of the 6th SFC is primarily based on the provisions of Article 243I and Article 243Y of the Constitution of India, the Sikkim Panchayat Act 1993 and the Sikkim Municipalities Act 2007. The tenure of the Commission was extended twice, firstly from 1st Feb to 31st July, 23 and secondly from 1st August, 23 to 31st October, 2023.
- 1.9. The 6th SFC is mandated to recommend appropriate measures for strengthening of the PRIs and the ULBs in Sikkim. The 6th SFC recommendations will be for a five-year period beginning from the financial year 2025-26 to the financial year 2029-30.
- 1.10. The 6th SFC has important local, national, and global contexts for preparation of its report. The Country and the State have come out of unprecedented socio-economic disruptions due to COVID-19. India is now World's fastest growing major economy and country's GDP is 5th largest in the world. Sikkim is one the fastest growing economy among the Indian states. The per capita Gross State Domestic Product (GSDP) of Sikkim is much higher than the national average.
- 1.11. The Commission's tenure coincides with a period when India is leading the G20 (Group of 20) countries. India holds the Presidency of the G20 from 1st December 2022 to 30th November 2023. The G20 is an inter-governmental forum of the world's largest economies. The G20 members represent around 85% of global GDP, over 75% of the global trade and about two-thirds of the world population. The G20 plays an important role in shaping and strengthening global architecture and governance on all major international economic issues.
- 1.12. Sikkim hosted two G20 meetings namely B20 (Business 20) and S20 (Start-up 20). Delegates from 26 countries participated in these events. These global events provided valuable international knowledge, practices, and linkages for the socio-economic development of the state.
- 1.13. The period of recommendations of the 6th SFC will be the culmination period of endeavors of India and Sikkim to achieve the Sustainable Development Goals. It

may be noted that in 2015, the United Nations created 17 Sustainable Goals and aimed to achieve them by 2030. All 193 United Nations Member States, including India, agreed on efforts to achieve these 17 Goals.

- 1.14. The short titles of the 17 SDGs are: No Poverty (SDG 1), Zero Hunger (SDG 2), Good health and well-being (SDG 3), Quality Education (SDG 4), Gender Equality (SDG 5), Clean water and sanitation (SDG 6), Affordable and Clean Energy (SDG 7), Decent work and economic growth (SDG 8), Industry, Innovation and Infrastructure (SDG 9), Reduced inequalities, Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), Climate action (SDG 13), Life below water (SDG 14), Life on land (SDG 15), Peace, justice and strong institutions (SDG 16) and Partnership for goals (SDG 17).
- 1.15. National and international experiences suggest that local governments must play proactive roles in achieving these goals. The 6th SFC is aware of the importance of the Panchayats and Municipalities for timely achievement of the Sustainable Development Goals.
- 1.16. Sikkim is in forefront of the national initiative 'One District One Product' (ODOP). The State has listed over 15 products so far from six districts. The list of products includes the GI tagged products such as cherry peppers (Dalle chillies) and large cardamom along with other agricultural products, fisheries products, floriculture products, tourism as well as pharma-related products from Sikkim. The PRIs and ULBs can effectively facilitate production and marketing of these products.
- 1.17. The PRIs in Sikkim should be prepared to obtain benefit from the World Bank supported upcoming project in Sikkim, 'the Integrated Service Provision, and Innovation for Rural Economies Program'. The project aims to promote economic inclusion opportunities for women and youth in non-farm sector. With a total cost of \$269.74 million, the World Bank will lend \$100 million towards this endeavor.
- 1.18. Sikkim has achieved remarkable economic growth while prioritizing sustainable development outcomes. The 6th State Finance Commission has taken into consideration the current contexts and future possibilities in Sikkim. It helps the Commission to appropriately review opportunities and challenges for the PRIs and the ULBs in the State. This chapter of this report provides an outline of the current contexts and future opportunities in Sikkim.
- 1.19. Chapter 2 of this report provides an overview of the State of Sikkim. It highlights the basic information about Sikkim's history and geography. The chapter also includes a description of the socio-cultural and economic aspects of the people's lives in Sikkim.
- 1.20. The detailed description about the Constitution, Composition and Term of Reference of the 6th State Finance Commission is described in Chapter 3.

- 1.21. Chapter 4 of this report provides details of the approaches and the methodology used for preparation of this report. The chapter describes a summary of issues that emerged from consultations with different stakeholders.
- 1.22. Chapter 5 strives to understand the resource situation of the State. It analyses growth performance of the Sikkim's Economy in terms of the Gross State Value Added (GSVA) and the Gross State Domestic Product (GSDP). The chapter also analyses the trends in Own Tax Revenue, Own Non-Tax revenue, and Grants from Government of India.
- 1.23. Analysis of income and expenditures of the PRIs and the ULBs are presented in Chapter 6. This chapter provides an overview of grants to local bodies from Government of India, the Central Finance Commissions, the State Government and the State Finance Commissions. Chapter 6 also presents information about the efforts of Local Bodies in mobilizing the Own Source Revenue (OSR)
- 1.24. Chapter 7 describes the recommendations of the 6th State Finance Commission. It provides details of proposed devolution of resources to the PRIs and the ULBs and provisions for establishment of State Level funds for Capacity Building and Infrastructure Development. This chapter also describes various other recommendations of the 6th SFC for strengthening the functioning and resources of the institutions of Local Self Government in Sikkim.
- 1.25. The eighth and final chapter of this report summarizes various recommendations of the 6th State Finance Commission.

CHAPTER - 2

AN OVERVIEW OF SIKKIM



STATE MAP OF SIKKIM

- 2.1. Sikkim is an Indian state located in northeastern region. It is surrounded by vast stretches of Tibetan Plateaus in the north, the Chumbi Valley of Tibet and the Kingdom of Bhutan in the east, the Federal Democratic Republic of Nepal in the west and the Darjeeling district of West Bengal in the south. It has a total area of 7,096 square km, which constitutes 0.22 percent of the total geographical area of India. Its forest cover area is around 47.08 percent of the total geographical area. It hosts Kanchenjunga, the highest peak in India and third highest on Earth. Almost 35% of the state is covered by Kanchendzonga National Park.



- 2.2. Tracing a long history of religious and political struggle, the territory passed from the hands of Lepchas and Limboos to other tribal communities. The Kingdom of Sikkim was founded by the Namgyal dynasty in the 17th Century. It was ruled by Buddhist

priest kings known as Chogyal. It became a princely state of India in 1890. Following Indian independence, Sikkim continued its protectorate status with the Union of India. It became an Indian State on 16th May, 1975. Notwithstanding its small size, Sikkim is of great political and strategic importance for India because of its location along several international boundaries.

- 2.3. Sikkim is a multiethnic and multilingual state. The People of Sikkim consists of three ethnic groups, namely, Lepcha, Bhutia and Nepali. Nepali is the lingua franca of Sikkim, while Sikkimese (Bhutia) and Lepcha are spoken in certain areas. In addition to these, other languages such as Gurung, Limbu, Magar, Mukhia, Newari, Rai, Sherpa and Tamang are spoken by different sections of the Sikkimese society. The predominant religion of the State are Hinduism and Buddhism. Hindu temples coexist with Buddhist monasteries, Churches and Gurudwaras.



Char Dham at Namchi



Buddha Park at Rabongla

- 2.4. Sikkim is the least populous and second smallest among the Indian States. As per 2011 Census, Sikkim's population was 610577. It is one of the least densely populated Indian States with only 86 persons per square kilometer. The sex ratio in 2011 was 889 females per 1000 males, with a total of 323070 males and 287507 females recorded in 2011. Sikkim's rural population constitute about 76.01% and urban population is 23.99%. The literacy rate of Sikkim was 82.6% in 2013. For the same year, the infant mortality rate was 26. Sikkim is a well-developed state, as reflected in its Human Development Index, which was very high at 0.764 in the year 2019.
- 2.5. According to the 2011 Census, 57.8% of Sikkimese follow Hinduism, making it the state's major religion. Buddhism is followed by 27.4% of the population, while Christianity is followed by 9.9%. The public and visual aesthetics of Sikkim are executed in shades of Vajrayana Buddhism and Buddhism plays a significant role in public life, even among Sikkim's majority Hindu population. Other religious minorities include Muslims of Bihari ethnicity and Jains, who each account for roughly 1% of the population. The traditional religions of the native Sikkimese account for much of the remainder of the population.

- 2.6. Sikkim has a suitable climate for agricultural and horticultural products. It supports multiple crops; viz., rice, wheat, maize, millet, barley, urad, peas, soya bean, mustard and large cardamom. Sikkim is the top producer of large cardamom, contributing over 80% to India's total production. In August 2019, Sikkim was declared as the world's first 100% organic state by UN Food and Agriculture (FAO).
- 2.7. Sikkim is home to around 5000 species of flowering plants, 515 rare orchids, 60 primula species, 36 rhododendron species, 11 oak varieties, 23 bamboo varieties, 16 conifer species, 362 types of fern and fern allies, 8 tree ferns and over 900 medicinal plants. Orchids, figs, laurel, bananas, sal trees and bamboo grow in the Himalayan subtropical broadleaf forests of the lower altitudes of Sikkim. In temperate elevations above 1500 meters, there are Eastern Himalayan broadleaf forests where oaks, chestnuts, maples, birches, alders, and magnolias grow in large numbers. Alpine type vegetation is typically found between altitudes of 3500 to 5000 meters.



Orchids



Red Panda

- 2.8. Because of its hilly terrain and under developed transport infrastructure, Sikkim lacks large scale industrial base. Brewing, distilling, tannings are the main industries and are mainly located in southern regions of the State. Several pharmaceutical companies are also operational in the state.
- 2.9. Despite the state's minimal industrial infrastructure, Sikkim's economy has been one of the fastest growing in India since 2000.
- 2.10. The Government of Sikkim has extensively promoted tourism. As a result, the State revenue has increased many folds since mid-1990s.
- 2.11. Tourism in Sikkim has emerged as the new profession of the Sikkimese people with its vast natural potential. Promotion of village tourism, homestay, cultural tourism, trekking tourism, ecotourism, wellness tourism, flora-tourism and adventure tourism has given a fillip to the tourism trade in the state.
- 2.12. In 2018, Pakyong Airport, constructed by the Airports Authority of India and the State's first airport located at Pakyong Town at a distance of 30 km from Gangtok, became operational. The Airport can operate ATR aircraft. This airport is expected

- to significantly boost the state's connectivity. In 2022-23 (until August 2022), passenger and aircraft movements reached 10,543 and 222 respectively.
- 2.13. The National Highway 10 links Siliguri to Gangtok. Sikkim Nationalized Transport runs bus and truck services. Privately run bus, tourist taxis and jeep services operate throughout Sikkim. There are other national and state highways which connect different parts of Sikkim. A branch of the highway from Melli connects Western Sikkim. Good roads connect the towns in eastern, western and southern Sikkim to the hill stations of Kalimpong and Darjeeling. The state is furthermore connected to Tibet by the mountain pass of Nathula.
 - 2.14. The State did not have a railway network. However, the New Sikkim Railway Project has been launched to connect the town of Rangpo in Sikkim with Sevoke in West Bengal. This railway line is intended to support both economic development and Indian Army operations. It is expected that the line will be extended to Gangtok in later phases.
 - 2.15. Media in Sikkim is very vibrant with daily newspapers in Nepali, Hindi, and English. Internet cafes are well established in the district capitals but broadband connectivity is not widely available. Satellite television channels through dish antennae are available in most homes in the State. Channels served are largely the same as those available in rest of India, although Nepali language channels are more popular among the people of Sikkim.
 - 2.16. Sikkim's economy is based predominantly on agriculture, with the sector engaging more than half of the working population. It is estimated that over three-fourths of the rural population depends on agriculture and allied sectors for economic, food and nutritional security. The agriculture systems practiced in Sikkim are integrated in nature that have evolved through the years of experimentation by the farmers. An improvement in the lifestyle of farmers has been observed with the adoption of modern technologies.
 - 2.17. Besides agriculture, other large industries in Sikkim include pharmaceuticals, ecotourism, and carpet weaving. The State has received increased attraction amongst tourists over the recent years. With booming entrepreneurial environment amongst the youth of Sikkim, this is surely a big opportunity for creating livelihoods and building a sustainable economy.
 - 2.18. As per the Budget for the state for the financial year 2023-24, presented in the State Legislature on 17th May 2023, the Gross State Domestic Product (GSDP) of Sikkim for 2023-24 (at current prices) is projected to be ₹ 47,331 crore, amounting to growth of 17.1% over 2022-23. The expenditure (excluding the debt payment) in 2023-24 is estimated to be ₹ 11,510 crore, an increase of 5% over the revised estimate of 2022-23. In addition, debt of ₹ 296 crore will be repaid by the State.
 - 2.19. Receipts (excluding the borrowings) for 2023-24 are estimated to be ₹ 9363 crore, an increase of 3% as compared to the revised estimate of 2022-23. Revenue

surplus in 2023-24 is estimated to be 0.1% of the GSDP (₹ 42 crore), lower than the revised estimate for 2022-23 (2.1% of GSDP). The fiscal deficit is targeted at 4.5% of GSDP (₹ 2147 crore).

- 2.20. Disasters disrupt progress and destroy the hard-earned fruits of painstaking development efforts. Sikkim is vulnerable to various kinds of disasters like landslides, hailstorms, cloud bursts, earthquakes, flash floods etc. The Glacier Lake Outburst Floods from South Lhonak Lake, on 4th October 2023, is recent example of Sikkim's vulnerabilities to natural disasters. Climate change has a significant impact on biodiversity, natural resources, and society in Sikkim.
- 2.21. In May 2023, the State decided to appoint a high-level Climate Change Impact and Mitigation Commission to study the impact of climate change and recommend short-term and long-term mitigation strategies.

CHAPTER - 3

THE SIXTH STATE FINANCE COMMISSION

- 3.1 Articles 243 I and 243Y of the Constitution of India mandate for the Constitution of the State Finance Commission in a State to review the financial position of the Panchayati Raj Institutions (PRIs) and the Urban Local Bodies (ULBs) and to make appropriate recommendations for strengthening the financial capacities of the PRIs and the ULBs. The Commission should consider the State's revenue and expenditure while recommending resource provision for Panchayati Raj Institutions and Urban Local Bodies. To improve the local development outcomes, the SFC should suggest appropriate measures for strengthening the capacities and the accountabilities of the PRIs, the ULBs and other associated institutions of the State, which are supposed to strengthen local development and local self-governments.
- 3.2 Exercising 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 Sixth State Finance Commission vide Notification No.GoS/Fin/FCD/2021-22/01/273 dated 20th June 2022. A copy of the notification is given in the **Annexure 3.1**

Composition of the 6th SFC:

- 3.3 As per the above notification issued by the Government of Sikkim, the 6th SFC comprises of the following officers of the Government of Sikkim:
- | | |
|---|--------------------|
| 1. Smt. Tashi Cho Cho, Secretary, Home Department | - Chairperson |
| 2. Smt. Roshni Rai, Special Secretary, UDD | - Member |
| 3. Shri Basant Lama, Director Panchayat, RDD | - Member |
| 4. Shri Raj Narayan Pradhan, Director Accounts, RDD | - Member Secretary |
- 3.4 After the promotion and transfer of Shri Basant Lama, the Government of Sikkim issued another notification No. GOS/Fin/FCD/2021-22/292 dated 22nd February 2023 to replace Shri.Basant Lama by Shri.Tenzing Dorjee Denzongpa, the new Director of Panchayat in Rural Development Department as member of the 6th SFC. A copy of the said notification is given in the **Annexure 3.2**. The new composition of the Sixth State Finance Commission is as follows:
- | | |
|--|--------------------|
| 1. Smt. Tashi Cho Cho, Secretary, Home Department | - Chairperson |
| 2. Smt. Roshni Rai, Special Secretary, UDD | - Member |
| 3. Shri.Tenzing D Denzongpa, Director Panchayat, RDD | - Member |
| 4. Shri. Raj Narayan Pradhan, Director Accounts, RDD | - Member Secretary |

Term of Reference:

3.5. As per the above notifications, the 6th State Finance Commission was mandated to make recommendations regarding the following:

(a) The principles which should govern: -

- (i) The distribution of fund between the State and local bodies, namely, Zilla Panchayat, 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, Gram Panchayats and Urban Local Bodies at all levels of their respective shares of such proceeds.
- (ii) The determination of taxes, duties, tolls, and fees which may be assigned to or appropriated by the Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Councils and Nagar Panchayats from the Consolidated fund of the State.
- (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.

3.6 The Commission shall also: -

- (i) Examine and make suggestions the extent to which and the manner in which the resource available to local bodies could best be utilized for meeting the expenditure of the local 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 recommendations for repayment of Government dues and make possibility of adjusting these dues against future devolution of revenues from Government to these bodies.
- (iii) Examine the resources of the local bodies for the five years commencing on 1st April 2025, on the basis of the existing and proposed level of taxation and non-tax revenues reached/likely to be reached by the end of the fiscal year 2029-30. Any new taxes and duties leviable during the award period may be taken into consideration.

3.7 In making its recommendations, the Commission shall have regard to, among other things,

- (i) The resources of the State Government and the demands thereon on account of expenditure on civil administration, debt servicing, development and other committed expenditure of the Local Bodies.

- (ii) Suggest improving the quality of public expenditure to obtain better outputs and outcomes.
- (iii) Examine the component of maintenance and upkeep of capital assets created by the local bodies or transferred by the Government to the local bodies.
- 3.8 In making its recommendations on various matters, the commission shall take the base of population figure as of 2011, in all such cases where population is a factor for determination of devolution of taxes, duties and grants-in-aids.
- 3.9 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.
- 3.10 The above notification fixed the tenure of the Commission. Accordingly, the Chairperson and the other Members of the Commission shall hold the office from the date on which they respectively assume office and not later than 1st August 2022 for a period of six months unless the Governor extends the term for the purpose.
- 3.11 Later as per notification of the Governor (Notification No. GOS/Fin/FCD/2021-22/01/292 dated 22nd February 2023 and Notification No GoS/FED/FIN/2021-22/01/318 dated 25 July 2023), the term of 6th SFC was extended first by 6 months and then again by 3 months. The 6thSFC was required to submit its final report on or before 31st October 2023. The copies of orders extending the terms of 6th SFC are given in the **Annexure 3.3**

Appointment of the Consultant:

- 3.12 The 6th State Finance Commission commissioned technical support from the PET (PRIA Education Trust) to analyze the micro and macro data to suggest the ways forward. PRIA is a pioneer institution whose contributions for strengthening of the PRIs and ULBs have been well recognized by the Government of India and various State Governments. It has been working in Sikkim for over two decades. PRIA also supported in the preparation of the Report of the 5th State Finance Commission of Sikkim.

Summary of recommendations of the earlier SFCs:

- 3.13 For the purpose of record, the Commission would like to lay down the summary of recommendations of all the earlier State Finance Commissions in this report for better understanding of the working of SFCs in Sikkim
- 3.14 The First State Finance Commission was constituted on 22nd July, 1998 as follows: -
- | | |
|---|------------|
| 1. Shri. S. Lama (Retired Secretary) | - Chairman |
| 2. Shri. Rudra Pradhan, Addl. Director, Budget, Finance Dept. | - Member |
| 3. Shri. Tobjor Dorjee, Special Secretary, RDD | - Member |

3.15 The Commission submitted its report on 16th August, 1999. The Commission reviewed the Finances of the Panchayats for the period 1995-96 to 1999-2000 and made recommendations for the period 2000-01 to 2004-05.

3.16 **The Summary of Recommendations of the First State Finance Commission are as follows: -**

- a) The Institutions of Local Self Government 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 providing and enhancing funds provided to the local bodies.
- b) Over the past decade, the proportion of plan expenditure for district has increased and with the 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 to the local bodies.
- c) A large number of Centrally Sponsored Programmes/Schemes such as JRY, IRDP, ARWSP etc. are in operation in which central releases have to be matched by proportionate State release. Such State and Central releases would continue to be grants to the local bodies.
- d) Non-plan expenditure will also be in the form of grants to the local bodies.
- e) Tax Sharing:

In view of financial position of the State Government the Commission recommends that one percent of the net proceed of all tax collected by the State in the year should be transferred to the local bodies (Panchayati Raj Institutions). Such funds may be released to the district on quarterly basis.

- f) Devolution of Tax:-

So far 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.

- g) Urban Land Tax:

Urban land tax in the form of ground rent @ ₹ 0.25 per sqft. is being collected by the State Government. This tax should be enhanced to ₹ 1.00 per sqft. per annum within Gangtok town area and ₹ 0.50 per sqft in the other urban area of Sikkim and should be handed over to the Urban local bodies.

- h) Entertainment Tax:

Entertainment tax should be enhanced by 10%. In order to avoid leakage of tax revenue, the collection system should be modified 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) Toll Tax:

State Finance Commission recommends adopting the system of having Toll Check Post in every entry point of the Municipal Corporation. Every vehicle other than local taxis of the Corporation should pay ₹ 5/- in the Entry point and truck and buses should pay ₹ 100/-.

j) Trade License:

The Commission recommends to make the rate double of the existing trade license/hawkers license.

k) Professional Tax:

The Municipal Corporation should levy the professional tax depending upon the nature and profitability of the profession.

l) Sanitation Tax:

The Municipal Corporation and the State Govt. Department i.e. Urban Development & Housing Department should introduce the system of charging Rupee 1 for the usage of the public latrine constructed by the Corporation/Department.

m) Advertisement Tax:

The advertisement tax should be increased by 100% within the area municipal Corporation/ Bazar.

n) Rent of Hatshed and Super Market:

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. ₹ 3/- per square feet.

o) Panchayat:

The Commission recommends that the Panchayat Units should realize the Dhuri Khajana at the following rate instead of ₹ 1 per house as collected by the land Revenue:

- RCC building ₹ 50 per annum
- Other house(Ekra/wall) ₹ 20per annum
- Huts (temporary) ₹ 5 per annum.

p) Water Tax:

The Panchayat Units should realize ₹1/-per tap from the user of the water.

- q) Irrigation facility provided by the State Govt :
- The Panchayat unit should realize the following water cess from the user of irrigation at the following rate.
- | | |
|--|---------------|
| a. The user having the holding upto 5 acre | ₹ 25 per year |
| b. Above 5 acre and up to 8 acre | ₹ 50 per year |
| c. Above 8 acre | ₹100 per year |
- r) Fee for construction of new house:
- | | |
|-------------------------|---------|
| a. Pacca house/RCC | ₹ 50/- |
| b. Temporary house/huts | ₹ 100/- |
- s) The Commission recommends to realize the fee from occupation of hat area under Rural Marketing Centre - ₹ 2/- per occupation during the hat from the public/grocery seller.
- t) The infrastructure/Establishment expenditure in Panchayat presently borne by the State Government should continue.

3.17 The 2nd State Finance Commission was constituted on 5th July, 2003 and submitted its report on 30th September, 2004. The Commission was constituted as under:

- | | |
|---|------------|
| 1. Shri. Tobjor Dorjee, Secretary, Co-operation Department | - Chairman |
| 2. Shri. K. N. Sharma, Special Secretary, Home Deptt. | - Member |
| 3. Shri. T. P. Koirala, Director, Treasury and Pay & Accounts | - Member |

3.18 The Commission reviewed the finances of the Panchayati Raj Institutions for the period 2000- 01 to 2004-05 and made recommendation for the period 2005-06 to 2009-10.

3.19 **The summary of the recommendations made by the 2nd State Finance Commission are as follows:-**

- a) Introduction and assignment of the following taxes, fees, charges etc. to the Local Bodies.
- i) Introduction of taxes on property in municipal area.
 - ii) Introduction of user charge for drinking water in Panchayat areas @ ₹ 10/- per house per year.
 - iii) Introduction of user charge for use of irrigation water
 - iv) Introduction of fees for construction of house in Panchayat area.
 - v) Introduction of fees for occupation of hatshed.
 - vi) Assignment of taxes on fairs, Melas, Markets and Entertainment in Panchayat area to PRIs.
 - vii) Introduction of service charge for registration of birth and deaths.

- b) Allocation of grants to meet establishment cost amounting to ₹ 5.25 lakhs per annum.
- c) Allocation of grants for development programmes
- d) Setting up of local area development fund
- e) Utilization of grants recommended by the 11th Finance Commission
- f) Enhancement of rates of honorarium of the elected members of the Panchayats.
- g) Preparation of panchayat budgets
- h) Framing of Sikkim Gram Panchayat Financial Rules
- i) Amendment of the Sikkim Zilla Panchayat Financial Rules, 2001
- j) Posting of District Planning Officer as Member Secretary of District Planning Committee
- k) Constitution of Committee for monitoring and evaluation
- l) Winding of advisory body to the District Planning Committee
- m) Preparation of planning Calendar
- n) Reconciliation of accounts of PRIs with the Rural Management & Development Department
- o) Allowing the PRIs some scope for self-determination in selection of developmental programmes.
- p) Construction of East Zilla Panchayat Bhawan and 64 Panchayat Ghars, Repair of existing buildings.
- q) Devolution of powers to the District Sub-Divisional level officials.
- r) Pension plans and medical assistance to elected members of PRIs.
- s) Circulation of notification of TA/DA of elected members of Panchayat to all Departments and payment as per this notification.
- t) Creation of Panchayati Raj Cadre.
- u) Exposure tour for the elected members of PRIs.
- v) Creation of four DRDAs.

3.20 The Third State Finance Commission was constituted on 4th March, 2009 as follows:-

- | | |
|---|--------------------|
| 1. Shri. R. Telang, IAS, Secretary, HRDD | - Chairman |
| 2. Shri. D. P. Sharma, SCS, Special Secretary, Home Department | - Member |
| 3. Shri. B. Datta, SFAS, Additional Director, FR & E Department | - Member |
| 4. Shri. K. K. Shrestha, SGS, Deputy Director, RMDD | - Member Secretary |

3.21 The Commission submitted its report on 27th February, 2010. The Commission reviewed the financial position of the Panchayats and the Municipalities and made recommendations to the Governor.

3.22 The summary of the recommendations made by the 3rd State Finance Commission are as follows: -

- a) The recommendations pertaining to amendment of the Sikkim Panchayat Act 1993 and related Rules.
 - i. As per the Sikkim Panchayat Act, 1993 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 in delay in implementation of this provision. As such, it is recommended that the power to approve the rates for levying of taxes and fees may be delegated to the District Planning Committee. The Commission is recommending minimum rates for various fees and taxes in the report. However, representatives of Gram Panchayat may revise these rates upwards with the prior approval of the Gram Sabha and submit to the District Planning Committee for approval if these recommendations are accepted.
 - ii. As per the present provision of Panchayat Act, every Gram Panchayat is to have only one account where all the grants or revenue is deposited. It is recommended that the Gram Panchayat may be allowed to operate two accounts, one for receipts of grants from the State Government and another for depositing the fees, taxes or user charges collected by the Gram Panchayat, A suitable amendment in the Sikkim Panchayat Act may be made so that Gram Panchayat can operate these two accounts.
 - iii. It is recommended that the Sikkim Panchayat Act may be suitably amended to 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.
- b) Recommendations pertaining to collection of Taxes/fees/tolls/user charges.
 - i. Household Tax @ ₹ 5/-, ₹ 10/- and ₹ 15/- per month from each household-small, medium, and bigger respectively. For Resorts, hotel, restaurant, guest houses @ ₹ 5000/- per annum.
 - ii. Water and Sanitation Tax @ ₹ 1/- per month from each household.
 - iii. Village Road and Environment Tax @ ₹ 2/- per month from each household.
 - iv. Panchayat Recommendation/Clearance/Certificate Fees @ ₹ 20/- per case.

- v. Sale of Tender Forms as per Government norms.
 - vi. Building Construction fee @ ₹ 2/- per Sq. ft. for RCC building and @ ₹ 1/- per sq. ft. for Ekra/Kacha structure.
 - vii. Other Miscellaneous Receipts (Bank interest, donation, disposable of unserviceable items, charges for use of Panchayat Ghars/Conference Halls/other properties etc.) (As per Panchayat resolution duly approved by DPC).
 - viii. Trade License fees and hawker license fees as per UD&HD rates. (The licenses will be issued by GPs on fulfillment of required conditions as per Trade License rules).
 - ix. Fees on Mela/Picnic etc. in rural area. (As per Panchayat resolution duly approved by DPC).
 - x. Fees for construction of temporary sheds for any kind of social gathering in public property. (As per the Panchayat resolution duly approved by DPC).
 - xi. Fees for minor dispute redressal. (Such redressal forum should be created in GPs.) (@ ₹ 20/- per application /case)
- c) Recommendations pertaining to allocation of resource to the Panchayati Raj Institutions from the State Government.
- i. Based on the details provided by the various Departments and various Gram Panchayats and Zilla Panchayats, the annual administrative expenditure of 163 Gram Panchayats and 4 Zilla Panchayats has been estimated at ₹ 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 ₹ 3667.00 lakhs.
 - ii. As per the recommendations of this Commission the collection of annual revenue for 163 Gram Panchayat Units has been estimated at ₹ 182.00 lakhs for the year 2010-11. If this revenue increases at the rate of 8% per annum the total anticipated own revenue for the period of 5 years i.e., 2010-15 comes to ₹ 1066.00 lakhs.
 - iii. Thus, the gap between the administrative expenditure and own revenue of the Panchayati Raj Institutions works out to 418.00 lakhs for the year 2010-11 and ₹ 2600.00 lakhs for a period of 5 years i.e., 2010-15.
 - iv. It is recommended that this gap in the administrative expenditure and revenue as estimated above can be met by sharing of net proceeds of following revenue of the State Government and duly supplemented by grants-in-aid by the State Government.

- (a) Land Revenue
- (b) Stamps and registration
- (c) Tax on Sale, Trade etc.
- (d) Animal Husbandry
- (e) Forestry and Wildlife
- (f) Minor Irrigation
- (g) Village and small industries
- (h) Tourism.

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 ₹ **362.58 lakhs** may be transferred to the Panchayati Raj Institutions. Similarly figures for next five years from 2010-15 are depicted in Table 5 of this report.

- v. The 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 the GPs will be on share percentage based on population figures of 2001. Even after sharing of revenue from State Government the Gap between Administrative Expenditure and Own Revenue is not filled, as such, CFC/Government of India may be requested to provide special fund equivalent to above gap as committed liability for effective devolution of powers as per 73rd Constitutional amendment.
- vi. The State Government has been providing grants-in-aid to the Panchayati Raj Institutions out of the State Plan. 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 at a percentage rate ranging from 2% to 35% (approx) as per the details given in Table 9. The list of sectors from which allocations are to be met is as follows:-
 - (a) Agriculture
 - (b) Horticulture
 - (c) Animal Husbandry
 - (d) HRDD
 - (e) Health
 - (f) Forest
 - (g) Commerce and Industries
 - (h) Disaster Management (Land Revenue)

- (i) Irrigation
- (j) Culture
- (k) Rural Management and Development Department
- (l) Co-operative
- (m) Social Welfare
- (n) Tourism
- (o) Power

In addition to the above recommendations, salary provisions upto Junior High School level shall continue to be released to Gram Panchayat by Human Resource Development Department.

The total annual allocation under this head comes to ₹ 7679.30 lakhs and for 5 years it works out to ₹ 46882.88 lakhs (2010-2015) excluding Teacher's salaries. The distribution of above fund in-between the Zilla Panchayats and the Gram Panchayats will be in the ratio of 30:70. The horizontal distribution among the 4 Zilla Panchayats will be on the basis of population figure and the Panchayat Area. The internal distribution in-between the Gram Panchayats will be on the basis of population figure of 2001.

- vii. In addition to the Specific Purpose Grant given by various departments to Panchayati Raj Institutions, it further proposes that a General Purpose Grant at an approx. 20% of State Plan budget under Rural Management and Development Department sector should be made available to the Panchayati Raj Institutions as Untied Fund. It is estimated that annual allocation of this General Purpose Grant would come to ₹ 2439.00 lakhs and for 5 years this grant would come to ₹ 14891.00 lakhs. It is further recommended that the internal distribution of this grant between Zilla Panchayat and Gram Panchayats may be in the ratio of 10:90. It is further recommended that horizontal distribution among the various Gram Panchayats and Zilla Panchayats may be based on population.
- viii. The proposed 7 Nos. Municipalities will impose and collect the following revenues. (as per details vide Table 16).
 - (a) Property tax
 - (b) Toll tax
 - (c) Other taxes
 - (d) Sanitation charges
 - (e) Parking
 - (f) Rent from premises

- (g) Other charges
 - (h) Blueprint fee
 - (i) License fee
 - (j) Other fees
 - (k) Fines
- ix) Anticipated collection for 2010-11 is ₹ 316.00 lakhs and accordingly ₹ 1919.00 lakhs will be collected for 5 years (2010-15).
- x) Administrative expenses for ULBs are estimated at ₹ 767.00 lakhs for 2010-11 and ₹ 4678.00 lakhs for 2010-15. The gap between the administrative expenses and the own revenue of the ULBs comes to ₹ 451.00 lakhs for 2010-11 and ₹ 2759.00 lakhs for 5 years (2010-15). Out of net proceeds of the state's revenue under Entertainment Tax and Trade Tax/VAT, it is recommended to share ₹ 125.00 lakhs for 2010-11 and ₹ 685.00 lakhs for 5 years (2010-15). There would still be a gap of ₹ 326.00 lakhs in 2010-11 and ₹ 2074.00 lakhs (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 ₹ 1850.00 Lakhs for meeting the committed liability of UKBs for effective devolution of powers as per 74th Amendment.
- Beside this, for carrying out the different functional activities of the Municipalities, Grant @ ₹ 2000.00 lakhs annually with 10% increase i.e., ₹ 12210.00 lakhs for 5 year (2010-15) should be provided.
- xi) As per provision under Art 280 (3) (bb) of the Constitution, the 12th CFC has allocated ₹ 1400.00 lakhs to Sikkim PRIs and ULBs. It is recommended that CFC/Government of India may allocate such grant @ ₹ 150 per capita per annum. The annual allocation would thus be ₹ 871.00 lakhs and for 5 years it comes to 4355.00 lakhs (2010-15).
- xii) The average grant to a Gram Panchayat and Zilla Panchayat from all above sources i.e., administrative grant, specific purpose grants, General purpose grant and CFC grant comes to ₹ 52.00 lakhs and ₹ 755.00 lakhs respectively.
- xiii) Monitoring and evaluation of performance of the Panchayat Raj Institutions shall be undertaken by Directorate of Panchayats. Special incentive grant of ₹ 20.00 lakhs to each of top 3 Gram Panchayats and ₹ 30.00 lakhs to the Top Zilla Panchayat annually may be provided.
- d) Recommendations pertaining to the Administrative Reforms for effective decentralization.

- (i) District Planning Committees to be more effective.
 - (ii) District Planning Committee (DPC) should be under direct administrative control of the DP&NER & NECA Department. The District Planning Officers shall also be under the control of DP&NER & NECA Department. The Planning Department should create a separate cell in the Planning Department to monitor the functions of the DPCs.
 - (iii) All the Plan funds of the various Departments reflected in the respective budget of various Line Departments should be placed at the disposal of the Development Commissioner who will reallocate the fund to the District Planning Officers.
 - (iv) Every Gram Panchayat should prepare Annual budget which will take into consideration the sectoral allocation for GPUs. The budget of Gram Panchayat 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 Gram Panchayat by the DPC with Gram Panchayat should rectify the budget and obtain the approval of the Gram Sabha and re-submit to the DPC.
 - (v) All the fund whether pertaining to certain revenue, taxes etc. must be accounted for in the budget and no drawl from any of the Gram Panchayat account should be made which is not in consonance with the approved budget. The DPC may constitute Sub committees to examine the budget of two- or three-Gram Panchayats and Sub Committees may be selected in the DPC meeting for the period as determined by DPC. The DPC may invite Government officials of various Departments with having knowledge of finance to be member of Sub Committee.
- e) Procedure for collection of levies taxes/fees by the Panchayati Raj Institutions.

Every Gram Panchayat and Zilla Panchayat 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 Gram Panchayats. 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 Kendra. This account may be operated by Panchayat President and Secretary. All drawl from this account for any specific purpose can be made based on format prescribed by directorate of Local Fund Audit. Such expenditure should conform to the budget of the Gram Panchayat 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 /directorate of Local Audit 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.

- f) It is recommended that regular training programme to be organized for Gram Panchayat and Zilla Panchayat Members to impart them necessary skills for effective administrative.
- g) It is recommended that PRIs should follow the GP Financial Rules and ZP Financial Rules strictly and prepare Annual Statement of Accounts, Monthly Statement of Accounts, Annual Budgets etc. Directorate of Panchayat should conduct effective monitoring and supervision of the respective Panchayats.
- h) It is recommended that a permanent State Finance Commission Cell may be set up within Finance, Revenue & Expenditure Department (FRED). Notification regarding constitution of State Finance Commission should be issued by Finance, Revenue & Expenditure Department.
- i) It is recommended that one accountant and one chowkidar to each Gram Panchayat may be provided. The GPs may be empowered to select and appoint suitable candidates on suitable pay. The GPs will meet up the expenditure from their own revenue. The offices of Gram Panchayats should remain open for public service from 10 am to 4 pm or as per the time prescribed by State Government.
- j) It is recommended that the salary of Rural Development Assistants, Gram Rojgar Sahayaks posted under Gram Panchayats should be paid through respective Gram Panchayats. Similarly, the honorarium of Gram Panchayats member should be paid through concerned Gram Panchayats.
- k) It is recommended that the quantum of Grants that will be available to each Gram Panchayat and Zilla Panchayat should be predictable and specific. No reappropriation from Sectorial funds earmarked for PRIs should be allowed.
- l) It is recommended that grants to PRIs should be released in two instalments. Various Line Departments should place the entire earmarked PRIs funds at the disposal of Development Commissioner through letter if allotment at the beginning of the year. The Development Commissioner may reallocate the fund to 4 District Planning Officer who will transfer the fund to the PRIs.
- m) It is recommended that the PRIs should submit the Utilization Certificates on annual basis to District Planning Officer, who will forward copies to all concerned Line Departments and Directorate of Local Fund Audit (DLFA).
- n) It is recommended that the State Finance Commission should be constituted in advance in such a manner that the report of the State Finance Commission is available for consideration of the Central Finance Commission. Accordingly, the 4th State Finance Commission may be constituted in November 2013.

3.23 The Fourth State Finance Commission was constituted on May 2013 as follows: -

1. Shri. A. K. Chettri, IAS, Secretary, Cooperation Department - Chairman
2. Smt. C. C. Wangdi, SCS, Special Secretary, RM&DD - Member
3. Shri. L. B. Chettri, SCS, Special Secretary, UD&HD - Member
4. Shri. Binod Sharma, SFAS, Chief Accounts Officer, E&PD - Member Secretary

The Commission submitted its report on May 2013.

3.24 The summary of the recommendations made by the 4th State Finance Commission are as follows: -

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 receipt on a monthly basis. The commission also noted that information on implementation status/impact of previous SFC's/CFC's 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.
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.
3. The Commission recommends that the District Plans should invariably be integrated into State Plans as per the guidelines in force.
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.
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.
6. The Commission recommends that the plan proposal 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.

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.
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, 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 Programme (NRDWP) should be transferred to PRIs and O&M fund, as per the programme guidelines.

- xvi. Review of the Activity Mapping of all Central Sponsored Schemes (CSSs) wherein the GPs are the centrality to the implementation of such schemes, and assign functions and functionaries to PRIs as per the CSSs guidelines.
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:
- i. Anganwadi Worker
 - ii. Primary Health Worker
 - iii. Village Level Worker
 - iv. Rural Development Assistant
 - v. Gram Rozgar Sahayak
 - vi. Accredited Social Health Activist
 - vii. Primary Teacher
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.
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.
12. The Commission recommends that DPO shall be 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 to 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 the streamlined manner.
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 officer to 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.
14. In the interest of the Nagar panchayats, the Commission recommends that a suitable account official be transferred to them which will not only enhance their capacities to deal with various transactions but state financial accountability will also be enhanced.
 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.
 16. The Commission recommends that accounting personnel at ZPs be trained on financial accounting and management, so that reliable and meaningful information in finances of ZPs is available at all times.
 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.
 18. The Commission recommends that the levy of taxes and charges should be made after passing resolution in the Gram Sabhas.
 19. The Commission recommends that both the concerned Line Department and GPs work in tandem for finalizing a mechanism to enable collection of Irrigation Tax by the GPs.

20. After, due consultations with GMC, and studying reports related to collection of Tourist, Tax from tourist in other places in India, this Commission recommends that a minimum of ₹ 5.00 per tourist by the ULBs, and GMC shall develop a mechanism for collection of tourist tax from the tourist.
21. The Commission recommends that the existing activity mapping be revisited by the State Government, and all the functionaries be developed 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.
22. The Commission recommends that in revenue heads/functions where cost of collection is more than the actual collection of revenue/income, the concern Line Department 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 concern Line Department may transfer such functions, as well.
23. Considering the historical inflows to the Local bodies against the share of taxes from the State Government, the Commission, with constrain, 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 pools of taxes, duties, tolls, and fees, and thus the need for the State Government to further reduce the fund transfer against the recommendations of the commissions may not crop up.
24. The share of taxes to Local Bodies at 2.5% of the divisible pool of revenues is ₹ 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.
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 Grants' – in the ratio of 70:30 both Grants would be dispersed to all the Local Bodies on the basis of their respective population figures for 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% Grants-in-Aid in Primary Grants, which will be transferred to the Local Bodies as in Table 7.17.
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 Grants. 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 the 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 preparations of District Plans issued by the Planning Commission, Government of India. Same mechanism shall 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.
27. The Commission recommends that the concerned Line Department 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 31st 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.
 28. The Commission recommends that BDOs should be given responsibility for GPs under their jurisdiction to satisfy the conditionalities for availing the Improvement Grant.
 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 14th CFC towards augmenting the consolidated State Local Bodies, to be at least ₹ 900.00 per capita annually for the award period 2015-20.
 30. The Commission suggests the 14th 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.

31. The Commission recommends that nomenclature of Block Development Officer be replaced with Block Administrative Officer.
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.
33. The Commission recommends that in line with the Plan Plus software, the Central Plan 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.
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 the capacity enhancement initiatives. The 14th CFC may allocate special grants to the districts for undertaking such capacity enhancement and knowledge dissemination initiatives across all the PRIs and ULBs.
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.
36. The Commission recommends that Social Audit-cum-Vigilance committee should also perform Social Audit for the works/schemes of all the Line Department 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.

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.
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 systematic processes and identify areas for improvement within the decentralized governance and devolution framework.
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.
40. The Commission would like to record the following small yet critical points for the consideration of the State Government.
 - i. The 12th 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 (5th 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 5th SFC for effective functioning.
 - iii. The Commission recommends that the State Finance Commission Cell/Division be suitable to be strengthened for maintaining and updating the financial data of local bodies, atleast, on the 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.

3.25 The Fifth State Finance Commission was constituted on 17 July 2016 as follows:-

1. Shri. Tsegyal Tashi, IAS, Secretary, LRDMD - Chairman
2. Shri. Tashi W. Khangsarpa, Special Secretary, UDHD - Member
3. Shri. Mukti Nath Dhakal, Director (Panchayat), RMDD - Member
4. Shri. Bikram Tamang, Addl. Director (Accounts), LRDMD - Member Secretary

3.26 The Commission submitted its report on July 2017. The Commission reviewed the financial position of the Panchayats and the Municipalities and to make recommendations to the Governor.

3.27 The summary of the recommendations made by the 5th State Finance Commission are as follows: - (The detailed status of the recommendations is given at Annexure 3.4)

1. In this report, the Commission has striven to make recommendations for appropriately increasing the devolution of resources to the institutions of local self-government. However, the Commission has emphasized on enhancing local resource mobilization through various initiatives such as optimization of collection of local taxes, fees and charges, and also undertaking local entrepreneurship initiatives such as local tourism, commercial cropping, and local markets and soon.
2. The financial strengthening of Panchayati Raj Institutions and Urban Local Bodies is unsustainable if appropriate financial and functional accountability mechanisms are not in place. Therefore, the Commission has also looked into incentivisation and accountability aspects to make appropriate recommendations in this regard.
3. The institutions of local self-government need to be more efficient and also scale up their efforts so as to meet the enhanced expectations of their people. Therefore, it is imperative that the LGIs should be provided appropriate powers and financial resources to fulfill people's expectations and the Constitutional mandate. The Commission has taken note of the financial deficiency of the LGIs and therefore recommends that this issue needs to be adequately addressed.
4. The Commission recommends that the preparation of an output-oriented Responsibility Matrix. This matrix will map the responsibility of the PRIs and the ULBs as well as responsibility of the State Government in relation to responsibilities of the PRIs/ULBs.

5. The Commission recommends that an amount of atleast 4.5% of the net proceeds of State's taxes, fees and levies should be devolved to PRIs and ULBs for the period of 2020-2025. This resource should be made available to PRIs and ULBs in the beginning of each financial year.
6. The Commission recommends that an amount of 0.5% of the net proceeds of the State's Own Resources should be allocated for the State level Capacity Building Fund. This Fund should be utilized by RM&DD and UD&HD for accessing specific capacity inputs from the market.
7. The Commission recommends that an additional 0.5% of the net proceeds should be allocated as Special Incentive Grant for special support to a certain number of PRIs and ULBs which are constrained by topography as well as inaccessibility and other peculiarities.
8. The Commission recommends for the formation of a SFC Cell within FRED for the monitoring of resource transfer and resource utilization as per recommendations of this Commission.
9. The Commission recommends for enhanced collection of taxes, fees and levies by PRIs and ULBs which may vary in different PRIs and ULBs in different regions.
 - (i) The nodal departments should fix a minimum and maximum amount for different rates at State or regional levels.
 - (ii) While LGIs must be encouraged to deliberate upon innovative sources for generating their own resources, these charges must not be imposed irrationally.
 - (iii) The nodal departments should continuously monitor tax/charge collections and review and revise their rates at least once in two years.
10. The Commission recommends that the institutionalization of local social entrepreneurship by the PRIs and the ULBs must be encouraged by the State Government.
 - (i) The State Government should provide infrastructure and facilities available with them on concessional or subsidised rates to the PRIs and the ULBs for carrying out any activities related to their own resource mobilization.
 - (ii) The Commission recommends that those PRIs and the ULBs that are not in a position to access appropriate sources for generating their own revenue due to their remoteness or certain peculiar circumstances should be considered for remedial or compensatory measures by the State Government. (Remote areas like Karji-Mangman Panchayat in West Sikkim, Sakyong-Pentong Panchayat in North Sikkim and Gyalshing Municipal Council in West Sikkim are some of the classic examples of such a situation).

- (iii) The Commission recommends that the RM&DD in rural areas and UD&HD in urban areas in consultation with respective departments must identify/map constructions like Rural Marketing Centres and Tourism Wayside Amenities that are either underutilized or abandoned. Such infrastructure must be handed over to the respective LGIs for optimal utilization.
 - (iv) The Commission recommends that the terms and conditions associated with any such transfer and services associated with it should not be financially detrimental to financial or non-financial functions of PRIs.
 - (v) The terms and conditions of aforementioned transfers should be mutually agreed between the agency of state government and the PRIs.
11. The Commission recommends that PRIs/ULBs and local corporates should develop project partnerships as part of the Clause 1 of Section 135 of the Indian Companies Act 2013.
- (i) An institutional arrangement must be made to optimize and pool the available CSR resources and distributed in every district.
 - (ii) The pooled resources should be appropriately managed for development expenditure through the District Planning Committee in the district.
 - (iii) The detailed guidelines for such pooling and distribution of resources should be discussed and agreed between Representatives of Corporates and the nodal departments (RM&DD and UD&HD).
 - (iv) The operation and management and the guidelines in this regard should be notified and published before the commencement of the financial year 2020.
12. The Commission recommends a collective of GPs to federate to develop joint business opportunities with a clear-cut division of labour and sharing of resources.
- (i) The Commission recommends the State to provide appropriate technical guidance and support in this regard such as organic farming for floriculture and horticulture. The role of the GPs and the ZPs would be in marketing the farm produce collectively.
 - (ii) The Commission recommends promoting village tourism through the concept of homestays by forming clusters of interested GPs.. The PRIs will play a role as a marketing agent of these homestays and therefore, ensure the quality of services provided to the tourists.
 - (iii) The Commission recommends for the implementation of a participatory consolidation process under the GPDPs within the control of the DPC. Financial federation of GPs will usher healthier relations between GPs and ZPs.
 - (iv) The Commission recommends that intra-organisation coordination for this is important. This is visualized between PRIs and ULBs for proper

development of urban business models and ultimately coordination should be maintained to keep the supply chain intact between UD&HD, RM&DD, PRIs and ULBs and a holistic development model will be created.

13. For the purpose of incentivising the PRIs and the ULBs, the Commission recommends for an increase in the current honorarium rates keeping in mind the workload, social obligations, and inflation of the elected representatives and government officials. The Commission suggests that the honorarium amount should be arranged from the Consolidated Fund of the State.
14. The Commission recommends incentivizing coordination between GPs, ZPs and ULBs. This includes:
 - (i) Regular meetings of Gram Sabhas with due processes of participation and decision making, and documentation.
 - (ii) Similarly, the UD&HD must ensure regular meetings of the Area Sabhas on the lines of meetings of Gram Sabhas.
 - (iii) The nodal departments RM&DD and UD&HD must support every PRI and ULB respectively, to prepare an annual calendar of their activities.
 - (iv) The joint deliberation and planning meetings must take place among the GPs of a BAC along with ZP members from the BAC atleast once in every quarter.
 - (v) Similarly, the Secretary of District Planning Committee must ensure that representatives of ZPs and ULBs do meet atleast twice in a year to discuss the emerging development opportunities and challenges.
15. The Commission recommends the creation of Panchayats and Municipal Cadres, and Directorate of ULBs. Under this, the Commission recommends:
 - (i) The nodal departments (RM&DD and UD&HD) must review staffing at every Panchayat and Municipality and suggest the redressal measures in terms of redeployments and recruitments, if necessary.
 - (ii) The expeditious implementation of the recently created Panchayat Cadre under Sikkim Panchayat Subordinate Services Rules.
 - (iii) The creation of a Municipal Cadre.
 - (iv) The creation of a separate Directorate of ULBs.
16. The Commission recommends that the Capacity Building arrangements in the State should be reviewed to explore their convergence for undertaking integrated capacity building approaches. For this purpose, the Commission recommends that:
 - (i) There must be a separate training institution or a separate division in SIRD with exclusive mandates to periodically build capacities of the elected representatives and functionaries of the ULBs.

- (ii) The RM&DD and the UD&HD should separately review/create the Training Need Assessments for the elected representatives and functionaries of the PRIs, the ULBs and the DPCs, with reference to the projected development challenges during 2020-25.
 - (iii) On the basis of the Training Needs Assessment above, RM&DD should prepare a 5year training plan for the PRIs, UD&HD for the ULBs. . In the case of the DPCs, the RM&DD and UD&HD should jointly prepare capacity building plans.
 - (iv) The RM&DD and the UD&HD should jointly review all capacity building structures and arrangements to suggest an integrated framework in capacity building for elected representatives, functionaries of the PRIs and ULBs and people residing in the PRIs and the ULBs..This framework must be ready and implemented before commencement of the financial year 2020.
 - (v) The State Capacity Building Framework must be ready for implementation by 2020. It should include:
 - Calendar of all routine trainings with deadlines of their completion,
 - Specific learning exposure visits with clear-cut expected results and
 - Capacity inputs outsourced to other specialised departments of the State Government and other capacity building agencies including the market.
 - (vi) The State Capacity Building Framework must be implemented in letter and spirit with the use/pooling of already available resources from Central and State Governments under different schemes and Capacity Building Fund.
 - (vii) Flowing from the above point, the accountability of implementation of this State Capacity Building framework must be fixed with the Directorate of Panchayats in RM&DD and the Directorate of Municipalities in UD&HD as proposed by this Commission.
17. The Commission recommends that the strategies for capacity and training and capacity building efforts must aim at making delivery of services quick, cost effective and responsive to people's requirements.
18. The Commission recommends more such state level training centres for capacity building and developing soft skills of the citizens for increasing employment opportunities for them. For these purpose linkages with national level institutions can also be considered for improved quality.
19. The Commission recommends for an unambiguous and efficient accountability mechanism for all financial expenditures done at the level of the PRIs and the ULBs as well as expenses incurred by nodal departments for the PRIs and the

ULBs. All such expense related data should be made available in one place for scrutiny of State audit authorities.

20. The Commission expresses its concerns on state of accountability system in institutions of local self-government and recommends the following:

- (i) Mandatory annual audit of GPs, ZPs, ULBs and the DPCs must be undertaken as per standard operating procedures for the financial audit as suggested by the Comptroller and Auditor General of India.
- (ii) The Audited Statement of a Unit (GP/ZP/ULB/DPC) must be publicly displayed in its office for public scrutiny and comments.
- (iii) The audit observations should result in necessary corrective actions.

21. The Commission has already made recommendations for preparation of a contemporary Responsibility Matrix. In order to ensure the functioning of all LGIs, result based monitoring is necessary. For this purpose, the Commission recommends that:

- (i) The RM&DD must prepare and implement a Result Based Monitoring System on the basis of Responsibility Matrix for PRIs and the DPCs.
- (ii) The UD&HD must do similar exercise for the ULBs.
- (iii) Both nodal departments must assign the responsibility of implementation of the Result Based Monitoring at different levels to exclusively designated officers.
- (iv) The existing infrastructures/systems for e-governance should be used for the RBM so that quarterly data is available to nodal departments.
- (v) The nodal departments must annually publish a summary report on experiences of RBM for public consumption and use.

22. The Commission recommends the Central Government to address the following issues that are too large for the State to handle:

(i) Issues of Connectivity

- (a) All weather road connectivity - Hampered Road connectivity leading to a lack of coordination and communication between institutions of local self-government call for a need for all weather road connectivity.
- (b) Internet connection-The Commission recommends the Central Government to pitch in for funding to improve the internet connectivity.

(ii) Strategic linkages by government for professional capacity building

The Commission suggests that specialized institutions should be established by Central Government. These should focus on building professional capacity building skills

(iii) Disaster mitigation /management

The Commission recommends the Central Government to install Doppler weather radar for improving weather reports and updates. This would benefit not just Sikkim but also neighboring States

(iv) Special UD&HD training institutes

The Commission recommends that the Centre must support the State's initiative by providing funds to create institutions for training

(v) Infrastructural Support

The Commission recommends for separate offices as well as a town hall should be constructed for each of the ULBs of the State

23. The Commission therefore, requests the 15th Finance Commission to look into recommendations elaborated in section 8.1 above and suggest the appropriate measures for institutionalization of such special supports from Central Government for the PRIs and the ULBs in Sikkim.
24. In addition to the above, the Central Finance Commission should also consider the following needs of local self-governments in Sikkim.

(i) Grants for Zilla Panchayats:

The ZPs in Sikkim play important roles in Sikkim. Being the only second tier of two tier system of Panchayati Raj Institutions in Sikkim, the ZPs are the only elected bodies to take care of any development needs above the Gram Panchayat. . Moreover, ZPs in Sikkim have historically been quite active in rural development planning in the district. . Somehow these bodies did not receive any grant from the Fourteenth Finance Commission. . Due to absence of Central financial supports, the ZPs in Sikkim are in dire need of resources to play their constitutionally mandated roles. It has also affected the efficiency in functioning of the PRI system as a whole. This Commission would therefore, urge the 15th Finance Commission to consider the financial needs of ZPs and make appropriate recommendations for them.

(ii) Infrastructural Support

After discussions with ULBs and UD&HD of Sikkim, it was found that no ULBs have buildings/separate offices for their proper functioning. Currently, they are renting out buildings belonging to private owners and other Government offices. Hence, there is a need to build their offices in order to improve their efficiency and effectiveness. However, the cost for these buildings is not in the capacity of the State to spend. . The Central Government can support them in providing funding for the same. Thus, it is proposed that the 15th Finance Commission should suggest appropriate institutional mechanism for financial support to construct the separate offices for each of the ULBs in the State.

CHAPTER - 4

APPROACH AND METHODOLOGY

- 4.1 The 6th State Finance Commission emphasizes upon the importance of strengthening capable and responsive local self-governments in Sikkim. Accordingly, the Commission decided to undertake systematic study of the functional, financial, and enabling aspects of the institutions of local self-governments in the State. The Commission decided that appropriate data and experiences should be generated to understand the macro- and micro-issues related to the optimal functioning of the Panchayati Raj Institutions and the Urban Local Bodies in Sikkim.
- 4.2 The Commission decided to use the statistical as well as participatory methods to generate the relevant data. The analysis of data along with solicited inputs from experienced stakeholders helped the Commission in evolving its recommendations for the vibrant and future ready Local Self Governments in Sikkim. The Commission also issued Public Notice (**Annexure 4.1**) for the general public informing about the formation of the 6th State Finance Commission and invited their views and suggestions.
- 4.3 The SFC developed questionnaires and data-formats to generate appropriate financial and functional data from Gram Panchayats, Zilla Panchayats, Urban Local Bodies, and the associated departments of the State Government. These formats were shared with the Rural Development Department, Urban Development Department and Finance Department. The appropriate officials from these departments administered the formats to generate relevant data from the intended respondents. The detailed analyses of these data have been discussed in the subsequent chapters of this report.
- 4.4 Based on preliminary analysis of the above data, various financial and functional issues were identified for further discussions with the key stakeholders. To broaden understandings about current field and financial situations, the SFC decided to convene consultations with key stakeholders (**Annexure 4.2**). During April to June 2023, the SFC organized consultations with more than 9 categories of the stakeholders. Minutes of these meetings with the key stakeholders are given in the Annexure. In addition to the consultations, meetings were also organized with individual domain experts and field practitioners to understand their views on different aspects of the Local Self-Governments in Sikkim. These meetings and consultations were very helpful in developing ideas about opportunities and challenges in ongoing democratic decentralization processes in Sikkim. Some of the important findings from these consultations are described in the following sections.

4.5 Consultations with Key Stakeholders:

I. Interaction with Members of the 5thSFC (17th April, 2023): (Annexure 4.8)

To institutionalize the functioning of SFCs and to learn from the experiences of past SFCs, the 6th SFC invited all available members of the past SFCs of Sikkim. The Chairperson and 3 other members of the 5th SFC participated in the discussions. The 5th SFC appreciated the invitation from the 6thSFC and hailed it as a good step in establishing linkages with experiences of the past SFCs. Among many valuable suggestions, the 5th SFC advised ensuring that information about the recommendations of the SFC should be disseminated among members of the PRIs and ULBs. The Local Bodies will thus become timely aware of the recommendations of the SFC, and the Action Taken Report (ATR) approved by the State Government. Prior knowledge about the SFC recommendations would help the Local Bodies to prepare themselves appropriately for future works with the SFC grants and other recommendations. The 5thSFC also suggested that the SFC-Cell in Finance Department should be strengthened to act as permanent structure responsible for monitoring the timely implementations of accepted recommendations of the SFCs. This cell should act as an institutional link between successive SFCs of Sikkim. The SFC-cell should provide appropriate data and other technical support to the future State Finance Commissions of Sikkim.



- II. Meeting with the ULB Officials (18th April,2023) (Annexure 4.9):** Selected officers from all seven ULBs of Sikkim participated in the discussion. As the detailed data for each ULB was already available from the administered formats, the discussions were very focused around the current and future financial situations of the specific ULBs. This was also an opportunity to understand the current capacities and future capacity needs of the ULB officials. Most of the participating ULB officials were not aware of the recommendations of the 5th SFC. They asked for regular training on different aspects of the functioning of the ULBs. Such training would help them to support their ULBs more effectively. The 5th SFC had recommended the establishment of the Directorate of Municipalities and creation of Municipal Cadre. The Government of Sikkim accepted these recommendations of the 5th SFC. These decisions are under implementation process. The ULB officials felt that the Municipal Directorate and the Municipal Cadre would help them to provide better support to the ULBs. The participants also highlighted their concern about almost stagnant rates of the Taxes and Fees allocated to the ULBs. These rates should be revised appropriately. Many states in India have already revised their local tax and fee structures. Those experiences could be useful guides for revisions of local government taxes and fees in Sikkim. The participants pointed out that lack of appropriate Urban infrastructures act as hindrance to enhance the Own Source revenue (OSR) of the ULBs. These officers urged the SFC to provide appropriate support for the capacity building and infrastructure development at the ULB and the PRI levels.



- III. Interactions with the Officers of the Zilla and Gram Panchayats (19th April,2023) (Annexure 4.10):** On invitation of the 6th SFC, about 350 staffs (ADCs, BDOs, Functionaries et al) associated with all 199 Gram Panchayats in Sikkim participated in the meeting. One of the repeated was expressed in the meeting was generally tied nature of most of grants released to Gram Panchayats. The majority of the participants described that the GPs have become mere implementing agencies of schemes of the Central and State Governments. Such practices go against the Constitutional spirit of self-

governance. The GP level officials suggested that all Panchayats, irrespective of the population or geographical location, should receive sufficient grants so that they could plan and deliver the public services as per the need of their people. The Government of Sikkim has created 14 new Gram Panchayat Units and 2 new Zilla Panchayats during 2022. These GPs and ZPs have been provided special support from the Government of Sikkim. If required, these new Local Bodies should be provided more support for their office development. It was found that complete devolution of 29 items (under Schedule XI of the Constitution of India) has not yet been completed. The Activity Mapping for re-allocation of functional responsibilities between the State and the LBs is still pending. The participants demanded that genuine devolution of Functions, Fund and Functionaries (3Fs) related to 29 items under the Eleventh Schedule of the Constitution of India must be completed soon. This devolution should be based on the complete Activity Mapping. Most of the GPUs do not collect taxes and fees for a variety of reasons. This affects Own Source Revenue (OSR) of the GPUs. So, the participants requested the 6th SFC that it should suggest alternative and more effective ways for collection of taxes and fees. The Commission should also recommend other measures for enhancing the OSR of GPUs.



- IV. Meeting with the Line Departments (19th April,2023) (Annexure 4,11):** The key officials from Rural Development Department, Urban Development Department and the Finance Department participated in this meeting. Almost all the participants were aware of the recommendations of the 5th SFC. They appreciated the 5thSFC recommendations as very progressive. However, due to COVID-19 and other administrative constraints, several of the 5thSFC recommendations have not yet been implemented. The officers therefore, requested the 6th SFC to suggest specific ways and methods to ensure timely implementation of the SFC recommendations. In this regard, the establishment of an independent SFC Cell under the Department of Finance, could be a significant step forward. The SFC-Cell should be given responsibility to monitor, support and report on implementation of the SFC-recommendations. The

participants highlighted the importance of enhancing Own Source Revenue of the State and the Local Bodies. It was advised that the Commercial Tax Department and PRIs/ULBs should partner to enhance trade registration and thus expand the GST-Net. The CAG conducts audit of the local bodies (e.g., NREGS etc.). The Local Fund Audit division of the Finance Department undertakes audit of Local Bodies for funds directly transferred to the PRIs and ULBs. However, these two audit reports are not integrated regularly. The integration of these two reports may provide a holistic picture of all types of expenditures at the levels of local bodies.



- V. Interactions with the Elected Representatives of Gram Panchayats (29th May, 2023) (Annexure 4.13):** The Commission invited the representatives of award-winning GPUs, geographically remote GPUs, and the newly constituted GPUs for interaction on issues related to GPUs in general. It was ensured that women and tribal representatives participated in significant numbers. More than 100 elected representatives participated in this consultation. Many GPU-representatives drew attention to the critical need for infrastructure development at the Gram Panchayat level. The Elected Representatives demanded complete devolution of Functions, Finance and Functionaries (3 Fs) related to all 29 items under the Eleventh Schedule of Constitution of India. They urged the Commission to consider both population and area of GPUs for evolving the devolution formulae. Some of the participants requested the SFC to ensure that at least 20% of total grant be un-tied. They also suggested that fund should be specifically allocated for the works related to achieving the Sustainable Development Goals (SDGs) at the Gram Panchayat level. When asked to elaborate on ways to enhance the OSR, the GPU members expressed concern on prevailing indifference to collection of taxes and fees. The GPU should be supported to enhance their OSR through house tax, hotel tax, water and sanitation charges, hawker licenses, charges on building construction, fees for dispute resolution, income certificates, and the promotion of village tourism. The GPU members demanded regular training and handholding support for enhancing their OSR. The Elected Members explained about the ever-

increasing demand of time and resources for visiting different places inside and outside the Gram Panchayats. They spend time and resources participating in various internal and external meetings and for entertaining different visitors to the Gram Panchayats. Therefore, the GPU-members reiterated their demand to increase their honorarium significantly. The participating members of the GPUs repeatedly requested the 6th SFC to consider the honorarium issue sympathetically.



VI. Meeting with the Elected Members of Zilla Panchayats (29th May,2023) (Annexure 4.14): The Adhyaksha, the Up-Adhyaksha and selected members of all 6 Zilla Panchayats in Sikkim participated in this meeting. The ZP representatives appreciated the support from the 5th SFC of Sikkim, which provided them more funds to compensate for zero grants to the ZPs from 14th Central Finance Commission. The ZP-members, however, demanded more allocations from the 6th SFC so that they could support local development processes in their districts more effectively. Sikkim is disaster prone state. It was suggested that all ZPs should have a special calamity fund. The Government of Sikkim has created two new ZPs. These new ZPs have been provided special grants from the Government of Sikkim. But these new ZPs may require additional support from the 6th SFC. The ZP members advised the SFC to consider a composite index, comprising the Population and the Area of ZPs, for allocating funds to different local bodies. The members also demanded an increase in their honorarium.



VII. Interaction with the elected members of ULBs (30th May, 2023) (Annexure 4.15) : The meeting was organized for the Elected Members of ULBs, including the Mayor and Deputy Mayor of Gangtok Municipal Corporation, as well as the Chairperson, Vice-Chairperson, Presidents and Vice Presidents of Municipal Councils/Nagar Panchayats from other ULBs in Sikkim, on May 30th, 2023. The executive heads of the ULBs were also in attendance during the meeting, which took place at Chintan Bhawan. The chairperson and all other members of the 6th SFC actively participated in the discussions. The Mayor of Gangtok MC highlighted that the monthly labor rates had been increased by the Government from ₹ 9000 to ₹ 45000, resulting in labor expenses for GMC amounting to ₹ 45 lakh per month. Monthly payment expenses had also risen due to the Municipal Cadre, but sufficient funds were not being received from the Government. Additionally, pay fixation was scheduled for 2026, which would further strain the financial health of ULBs. GMC and other ULBs put forth the lack of fund to create revenue earning activities. The Mayor cited examples such as the pending Property Tax which would immensely increase the revenue base of the ULBs. ULBs in general highlighted for expansion of base for improving the collection of taxes and fees and building capacities of elected representatives to better serve the citizens.



VIII. Interactions with the SIRD and the SICB (30th May, 2023) (Annexure 4.16): **Capacity** Building has been a very important issue for the PRIs and the ULBs in Sikkim. All State Finance Commissions of Sikkim have highlighted the importance of building capacities of the PRIs and the ULBs in the State. The 5th SFC recommended the creation of a State Capacity Building Fund to be managed by respective nodal departments, namely, the RDD and the UDD. This fund was meant to provide support to the PRIs and the ULBs, in addition to training and other capacity building opportunities currently available from the Government of Sikkim or the Government of India. The State Institute of Rural Development (SIRD) and the State Institute of Capacity Building (SICB) are two important capacity building institutions in Sikkim. In order to understand the activities and shortcomings of these two major capacity building institutes, the

officials from these institutes were invited to this meeting. The participants suggested that the Government of Sikkim should explore for establishing of a separate and exclusive training institution for capacity building of the ULBs. The Chief Administrator of the SICB provided details about skill development courses. The SICB has provided skill building training to a large number of Sikkimese youths, who got better opportunities for jobs. However, as the Chief Administrator of the SICB pointed out, the dropouts in various skill development problems have recently increased. It may be due to global trends in lack of appropriate job opportunities. It was obvious from the above discussions that further investments are needed to build capacities of the institutions and the individuals who are responsible for strengthening the local self-governance in Sikkim.



- IX. Discussion with the Corporate Representatives for CSR support (1st June, 2023) (Annexure 4.17):** In preceding consultations, many participants raised the issue about accessing the Corporate Social Responsibility fund. The 6th SFC therefore, invited all private and public sector companies to assess the extent of available CSR funds in Sikkim and to understand the current mechanism to spend the CSR-funds. One of the objectives of meeting with the CSR-representatives was to identify the most effective institutional mechanism that the SFC could recommend for optimizing the utilization of CSR funds for the benefits of the PRIs and the ULBs. During the discussions, it was found that there was no established mechanism for collecting or pooling the CSR funds in the State. The CSR representatives shared that companies with nationwide operations formulated their CSR plans at the country level. State level allocations are contingent upon the State plan shared by the state level representative of the company, subject to approval by the Board of Directors. The state level CSR representatives usually identify the activities based on requests from the government departments. It was revealed that most of the CSR expenditures in Sikkim have been related to healthcare, education, infrastructure development, sports promotion, livelihood development and supply of equipment such as solar lights, police barricades, etc. It was agreed in

the meeting that the Commerce and Industries department should act as nodal department to mobilize and pool the CSR funds in Sikkim. The Commerce and Industry department then should coordinate with the nodal departments (the RDD and the UDD) for appropriate distribution of funds among PRIs and ULBs. A state level Nodal Committee for CSR coordination should be established. Its members should be the representatives from the Commerce and Industries Department, RDD, UDD, Health and the Education Departments and the CSR Heads of companies working in Sikkim. Similarly, the District Coordination Committee could be headed by the District Magistrate and district level representatives of various departments such as RDD, UDD, Health Department, and the Education department. District level CSR-representative of the companies should also be part of this committee. The State Government should formulate a comprehensive CSR policy with short term and long-term objectives. The CSR-policy should be the basis for mobilization and utilization of the CSR-funds in the State.



- X. Interactions with the Self-Help Groups (1st June,2023) (Annexure 4.18):** Sikkim has a very vibrant network of Self-Help Groups (SHGs). It is estimated that SHGs are functional in almost every GPU and ULB. The Association of SHGs is a nodal body speaking and acting on behalf of the SHGs. The functional relationship between SHGs and the Local Bodies is still evolving in the State. Currently the relationship between the SHGs and the Local Bodies are institutionalized. The members of the SHGs expressed their willingness to develop mutually beneficial relationships with the PRIs and the ULBs. The participants suggested that the SHGs could mobilize participation of their members in the Gram Sabhas. The SHGs could also support the GPUs and ULBs in collection of taxes and fees. In return, the Local Bodies could support the socio-economic activities of the SHGs. The SHGs suggested that the State Government should develop the Standard Operating Procedures for the collection of those taxes and fees, which are already devolved to the Local Bodies. The SHGs could follow the SOP for collecting those taxes and fees. The SHGs could charge a mutually agreed (between the Local Body and the

SHG) fee for collection of taxes and fees from the people in respective GPs or ULBs. The SHGs were keen to develop institutional relationships with the Gram Panchayats, the Zilla Panchayats, and the Urban Local Bodies to explore the larger business opportunities beyond the tax and fee collection.



4.6 Issues Identified: The stakeholder consultations were enriching and engaging. The participants shared their experiences and provided very useful suggestions. The local governance processes in Sikkim seem to be full of opportunities and challenges. There were certain issues which were repeatedly highlighted by different categories of the stakeholders. The 6th SFC felt it appropriate to consider these issues while deriving its future recommendations for strengthening the PRIs and the ULBs in Sikkim. Some of these issues are described below:

- (i) **Financial Security for Local Governments:** The Gram Panchayats and the Urban Local Bodies have direct interface with people. As the institutions of local self-government, the GPs and the ULBs are expected to plan and implement activities for economic development and social justice in their communities. But the GPs and the ULBs depend on funds from the Central and the State Governments. The smaller GPs and smaller ULBs often face severe financial challenges due to pre-dominantly population-based devolutions from Central and State Governments. Such financial uncertainties very badly affect the functioning of the local bodies in Sikkim. It was paramount to ensure that every GP and every ULB in Sikkim are assured of receiving a minimum thresholds financial support every year to function as vibrant institution of local self-government. Such assured fund may provide a sense of financial security to the GPs and the ULBs.
- (ii) **Enhanced Own Source Revenue:** The PRIs and the ULBs in Sikkim and other states of India are being encouraged to enhance their own source of revenues. Like every other institution of governance, the Local Bodies should also try to be financially less dependent on other governments. The enhanced own source revenue provides financial freedom to Local Bodies for planning and implementing actions of their own choices. Local taxes and local fees are very

significant components of the Own Source Revenue. It is therefore, important that local bodies improve their tax collection effort. When people pay taxes or fees or any other contributions, they demand better services. That is, effort to enhance own source revenue may catalyze accountability and efficiency in functioning of the PRIs and the ULBs.

- (iii) Capacity Building:** The Capacity Building of elected representatives and officials of the GPs, the ZPs and the ULBs is an important issue for consideration by the 6th SFC. There is a State Institute of Rural Development (SIRD) in Sikkim. It is mandated and supported to build capacities of the elected representatives and officials of the GPs and the ZPs. But with the passage of time, all governments (including the PRIs and the ULBs) face newer challenges. The newer challenges require newer capacities. It is therefore, important that the SIRD should build its own capacities so that it can effectively capacitate the PRIs for current and future governance challenges. The PRIs should be provided with additional capacities from external sources. There is no any other 'SIRD-type' functional institution for the ULBs in Sikkim. The ULBs in Sikkim, therefore, lack institutional support for regular capacity building. The State should have a training institution for the ULBs. There should be appropriate provisions to access required capacities from the appropriate resources, inside or outside the state.
- (iv) Various national and state specific studies suggest that total yearly income of the Gram Panchayats, the Zilla Panchayats and the Urban Local Bodies have increased many folds over the last 3 decades. With the increase in income, the expectation of people and expenditures of the local bodies have also increased many times. It is important to ensure that expenses by the Local Government should be regularly audited by the statutory audit experts and also by ordinary people through social-audit process, etc.
- (v) The Past SFC recommendations have made significant contributions to the strengthening of the Local Self Governments in Sikkim. The SFCs make great efforts in deriving their recommendations based on appropriate data and methods. However, the SFCs are functional for a fixed and limited time period. The 6th SFC is of the view that a dedicated and permanent office should be set-up under the Government of Sikkim to regularly guide and support the timely implementation of SFC-recommendations. This set-up should also support future SFCs.

The 6th State Finance Commission would like the State Government to catalyze the systems and processes in the PRIs and ULBs and also support these Local Bodies in every possible way to make them a vibrant governing unit and serve their citizens with the best level of services.

CHAPTER - 5

REVIEW OF STATE FINANCES

- 5.1 Sikkim is a progressive state in terms of its social and economic indicators. At current prices, the state's Gross State Domestic Product (GSDP) is estimated at ₹ 0.47 trillion (US\$ 5.73 billion) in 2023-24. Sikkim's GSDP is estimated to increase at a CAGR of 10.75% between 2018-19 and 2023-24. In 2020-21, the secondary sector contributed 55.19% to the state's GSVA at current prices. It was followed by the tertiary sector at 34.16% and the primary sector at 10.64%. At a CAGR of 15.45%, the primary sector witnessed the fastest growth among the three sectors between 2011-12 and 2020-21.
- 5.2 The state attracted Foreign Direct Investment (FDI) equity inflow worth US\$ 6.35 billion between April 2000-September 2020 according to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT).
- 5.3 The economic activities were greatly affected by COVID-19, an unprecedented pandemic across the world. The nationwide lockdown during the months of April and May had significant adverse effects on the state economies. Like all other states, Sikkim also went through a very challenging situation. The contraction of the economy reduced availability of resources for the Governments at both levels to fight the Pandemic and implement ongoing policies. Reduction in flow of resources to the states was a major reason for their fiscal imbalance. A state like Sikkim, which depends heavily on central transfers, faced severe challenges for fiscal management.
- 5.4 After country-wide immunization of almost all citizens, threats of COVID-19 subsided and economic activities started catching up to the pre-pandemic levels. The national economy, after facing a contraction of 5.8 percent in the pandemic year of 2020-21, recovered significantly. It seems that India has staged a full recovery in 2022- 23. The recovery of GDP at 9.1 percent in 2021-22 after resumption of economic activities and a projected growth rate of around 7% shows that the country has reached the pre-pandemic growth path. The Economic Survey of Government of India for the year 2022- 23 opined that the optimistic growth scenario reflects the resilience of the Indian economy and improvement in private consumption and domestic production activity.
- 5.5 As Indian economy is flourishing, the public finance situations in the country and states are improving significantly. The current economic indicators suggest that the finance of Sikkim is set to improve considerably with effective resource mobilization and expenditure rationalization coupled with enhanced flow of resources from the Union government.
- 5.6 As given in tables 5.1a and 5.2b, the Gross State domestic product (GSDP) of Sikkim at constant prices during 2015-16 to 2021-22 remained healthy at 8.41

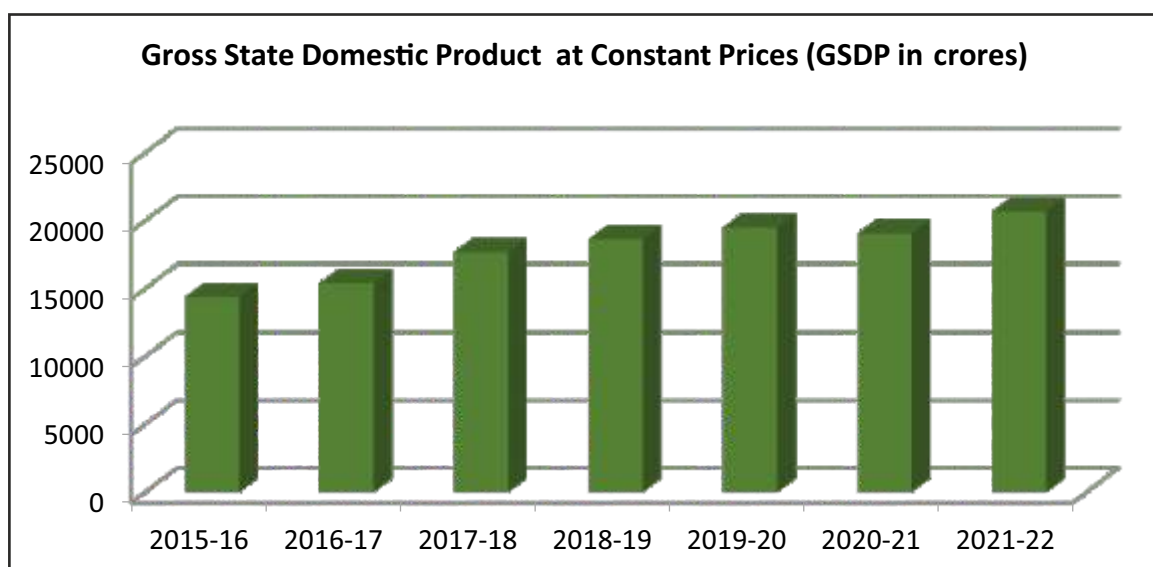
percent. It showed that the economy has moved on from Pandemic year 2020-21, when the GSDSP contracted by 2.32 percent.

Table 5.1 a: Growth Performance of State Economy

GSPA at Constant (2011-12) Prices (₹ in Lakh)

Item	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Gross State Value Added (GSVA) at basic prices	1373908	1458525	1632631	1767550	1857006	1819263	1975180
Taxes on Products	74326	90208	140920	101404	98652	94178	102249
Less Subsidies on Products	11284	9006	6215	6215	6457	9449	10259
Gross State Domestic Product (GSDP)	1436950	1539727	1767336	1862497	1949204	1903992	2067171
Growth Rate	9.93	7.15	14.78	5.38	4.66	- 2.32	8.57

Source: CSO, Government of India



- 5.7 In fact, as evident from Table 5.1b, the GSDP of Sikkim grew by 15.53 percent at current prices (based on latest data given by the Central Statistical Organization (CSO)). It seems that Indian economy and Sikkim's financial situations have been on the path of recovery. The improvement in GSDP growth is expected to facilitate higher internal revenue generation.

Table 5.1 b: Growth Performance of State Economy*GVA at Current Prices (₹ in Lakh)*

Item	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Gross State Value Added (GSVA) at basic prices	1724275	1959619	2399135	2695452	2995383	3038495	3518624
Taxes on Products	93280	121200	207080	154638	159127	157294	182149
Less Subsidies on Products	14161	12100	9133	9847	10410	15782	18276
Gross State Domestic Product (GSDP)	1803394	2068719	2597082	2840243	3144100	3180007	3682497
Growth Rate	17.05	14.71	25.54	9.36	10.70	1.14	15.80

Source: CSO, Government of India

- 5.8. The Per capita income (Per capita GSDP) of Sikkim, as shown in table 5.2 has improved from ₹ 2,81,780 in 2015-16 to ₹ 5,41,544 in 2021-22 at current prices. It grew at an annual average growth rate of 14.31 percent during this period (2015-16 to 2021-22, leaving 2020-21). The growth of per capita income in 2020-21 went down to 0.03 percent. The state seems to be on a better growth trajectory. This will facilitate the overall development process, which in turn will lead to much improved socio-economic indicators.

Table 5.2: Gross State Domestic Product and Per Capita Income*(In ₹ Lakh)*

Year	At current prices			At constant prices (2011_12)		
	GSDP	Projected Population by RGI, Gol	Per Capita (GSDP)	GSDP	Projected Population by RGI, Gol	Per Capita (GSDP)
2015-16	1803394	6.40	281780	1436950	6.40	224523
2016-17	2068719	6.47	319740	1539727	6.47	237979
2017-18	2597082	6.54	397107	1767336	6.54	270235
2018-19	2840243	6.60	430340	1862497	6.60	282197
2019-20	3144100	6.67	471379	1949204	6.67	292234
2020-21	3180007	6.73	472512	1903992	6.73	282911
2021-22	3682497	6.80	541544	2067171	6.80	303996

Source: CSO, Gol and Registrar General of India for Projected population

- 5.9 The latest MTFP Report of Sikkim suggests that the aggregate revenue receipts as percent to GSDP has been budgeted at 19.78% in 2023-24 percent as compared to 19.23 percent achieved in 2021-22 for which audited figures are available. The State received higher transfers from Central Government, which resulted into higher revenue ratio. Own tax revenue as well as non-tax revenue declined during 2019-21.

Table5.3- Fiscal Profile of Sikkim (Percent to GSDP)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (RE)
Revenues	24.46	23.42	22.10	14.91	17.14	19.23	22.49
Own Revenue	5.86	6.03	5.81	5.13	4.97	5.26	6.02
Own Tax Revenues	3.46	3.09	3.35	2.99	2.95	3.41	3.55
Own Non-Tax Revenues	2.40	2.94	2.46	2.14	2.02	1.85	2.47
Central Transfers	18.60	17.39	16.29	9.79	12.16	13.97	16.46
Tax Devolution	10.98	11.84	10.41	7.09	10.05	8.93	8.79
Grants	7.62	5.55	5.88	5.17	5.68	5.05	7.67
Revenue Expenditure	20.09	18.66	19.51	19.05	19.46	18.11	20.37
Interest Payment	1.72	1.63	1.62	1.57	1.68	1.72	1.81
Pension	2.37	2.27	2.75	2.81	2.78	2.67	2.77
Capital Expenditure	3.91	6.85	4.99	2.27	4.62	3.57	6.82
Revenue Deficit	(4.36)	(4.77)	(2.59)	4.14	2.32	-1.12	-2.12
Fiscal Deficit	(0.46)	2.08	2.40	6.41	6.95	2.46	4.70
Primary Deficit/Surplus	(2.18)	0.45	0.78	4.84	5.27	0.73	2.89
Outstanding Debt	24.78	24.50	23.65	22.80	27.68	29.50	31.57

Negative sign in revenue deficit indicates surplus

Source: Budget Division, Finance Department, GoS

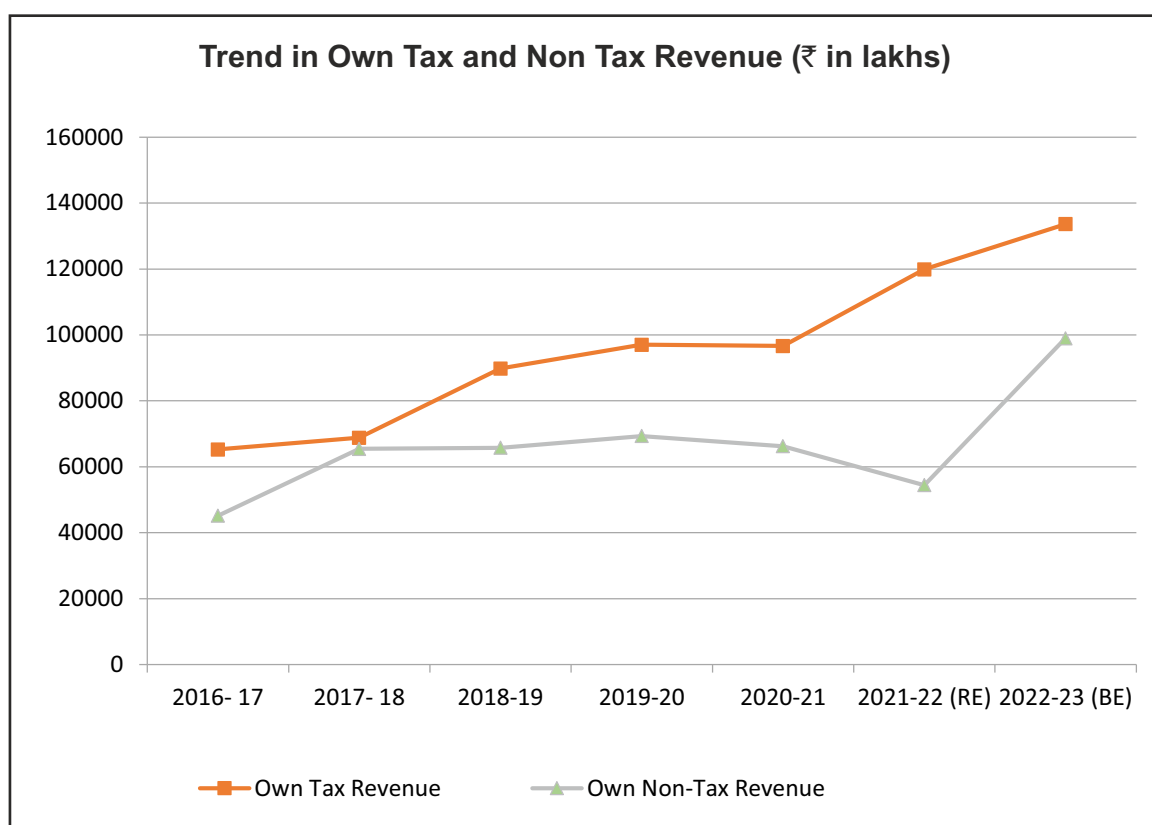
- 5.10 As discernible from Table 5.3, it seems all components of Sikkim's finances are doing better. While Revenue receipts are increasing every year (except COVID period), the revenue deficit has constantly declined. Revised estimate of own tax revenue relative to GSDP increased to 3.41 percent in 2021-22. The recent MTFP report of May 2023 mentions that the estimated increase in 2023-24 is 3.65. This increase implies better tax efforts on the part of government.
- 5.11 The own revenue of Sikkim, as shown in table 5.4, has an increasing trend over the period 2016-17 to 2019-20. There was a visible decline in both Own tax revenue

and Own Non-tax revenue during 2020-21. The Own tax revenue increased in the year 2021-22 but the non-tax revenue declined in 2021-22. These years coincided with spread of COVID-19 and country-wide lockdown, which badly affected State's economy and individuals' spending.

Table 5.4- Own Revenue of Sikkim (₹ in crores)

Particulars	2016- 17	2017- 18	2018-19	2019-20	2020-21	2021-22 (RE)	2022-23 (BE)
Own Tax Revenue	652.56	688.33	897.98	970.40	966.70	1198.84	1336.42
Own Non-Tax Revenue	451.63	654.37	657.78	693.40	662.29	544.21	990.08
Total	1104.20	1342.70	1555.76	1663.80	1628.99	1743.06	2326.50

Source: Budget Division, Finance Department, GoS



- 5.12 Table 5.5 provides details of the taxes, fees and duties which constitute the Own Tax revenue net of the State. As evident from Table 5.5, the State GST has been increasing continuously. State Excise duties and Motor vehicle taxes also show buoyancy. Overall, the state's own tax revenue has increased almost twice in 2022-23 than what it used to be during 2016-17.

Table 5.5- Components of the Own Tax Revenue (OTR)*(Figures in ₹ Lakhs)*

Particulars	2016- 17	2017- 18	2018-19	2019-20	2020-21	2021-22	2022-23 (RE)
State GST	-	17139.14	40571.62	45488.75	46304.07	57900.05	68682.24
Taxes on sales, trade, etc.	36481.81	24965.66	18819.75	19763.18	19524.67	22000.01	23300.01
State Excise Duties	15623.67	15047.47	18308.65	20715.37	21027.10	27500.01	29700.00
Stamp Duty & Registration Fees	1256.59	1357.37	1494.78	1329.87	1312.94	1178.10	1432.70
Motor Vehicle Tax	2490.24	2936.64	3310.61	4107.68	2896.34	4350.00	4600.00
Land Revenue	639.55	744.35	908.57	439.67	1332.79	860.00	860.00
Other Taxes	8764.52	6642.67	6384.49	5195.95	4272.45	6096.64	5067.05
Total	65256.38	68833.30	89798.47	97040.47	96670.36	119884.81	133642.00

Source: Budget Division, Finance Department, GoS

- 5.13 One of the important components of State's Revenue is Own Non-Tax Revenue, which is given in Table 5. 6. Sikkim's Own Non-Tax Revenue also has increasing trend except in 2021-22 when it declined primarily due to major falls in Interest Receipts and Other Non-Tax receipts. The other non-tax receipts include revenue from Forestry, Public Works, Energy, Road Transport and other miscellaneous.

Table 5.6- Components of Own Non-Tax Revenue (ONTR)*(Figures in ₹ Lakhs)*

Particulars	2016- 17	2017- 18	2018-19	2019-20	2020-21	2021-22 (RE)	2022-23 (RE)
Interest Receipts	7837.56	11476.25	12533.24	14381.85	12694.81	3651.00	5830.00
Dividends & Profits	201.02	292.00	437.54	321.09	278.20	100.00	140.00
Other non-tax receipts*	37125.07	53669.36	52807.28	54637.29	53256.02	50671.00	93039.00
Total	45163.65	65437.61	65778.06	69340.23	66229.03	54422.00	99009.00

Source: Budget Division, Finance Department, GoS

- 5.14 Besides its own revenue, all states in India receive support from Central Government as part of fiscal federalism. In proportion to its own revenue, the fund transfers from Centre to Sikkim are very significant. These transfers are under various categories. For example, Table 5.7 describes transfer of state's share in Central Taxes. This share has been constantly increasing. But it was estimated that total transfer of such share from Centre to Sikkim may marginally decline during 2022-23. This may be probably due to the reduction in the share of net proceeds on union excise duties.

Table 5.7- Central Tax Transfers from Government of India (₹ in Lakh)

Particulars	2016- 17	2017- 18	2018-19	2019-20	2020-21	2021-22	2022-23 (RE)
Share of net proceeds on Corporation Tax	63861.00	83564.00	97197.00	78890.00	69410.00	98833.00	98936.00
Share of net proceeds on Income other than Corporation Tax	46769.00	67005.00	71580.00	60368.00	71849.00	98289.00	95551.00
Share of net proceeds on other Income and Expenditure	-	-	506.00	-	-	1.00	-
Share of net proceeds on Wealth Tax	62.00	101.00	35.00	3.00	1.00	14.00	-4.00
Share of net proceeds on Customs	28779.00	27025.00	19812.00	15011.00	11773.00	21661.00	13738.00
Share of net proceeds on Union Excise Duties	35179.00	26134.00	13166.00	10608.00	7344.00	10314.00	4279.00
Share of net proceeds on Service Tax	32269.00	31152.00	2539.00	-	967.00	2903.00	318.00
Share of net proceeds on Commodities and Services	-	1.00	144.00	114.00	201.00	336.00	-
Share of net proceeds of Goods and Services Tax (GST)	-	3528.00	68978.00	64562.00	68682.00	96404.00	104041.00
Total	206919.00	238510.00	273957.00	229556.00	230227.00	328755.00	316859.00

Source: Finance Department, Government of Sikkim

- 5.15 The Ministry of Finance has been releasing state share of central resource regularly as per formula prescribed by the Central Finance Commissions. In addition to the Finance Commission grant, the Centre provides fund for certain infrastructure development as earmarked projects of national interest to the state. Broad components for such projects are mentioned in Table 5.8. The table provides a good idea of the nature of Grants-in-Aid to Sikkim.

Table 5.8- Grants-in-Aid from Government of India (₹ in Lakh)

Particulars	2016- 17	2017- 18	2018-19	2019-20	2020-21	2021-22	2022-23 (RE)
Non-Plan Grants	224.20	-	-	-	-	-	-
Grants for State Plan Schemes	68463.73	626.43	-	-	-	-	-
Grants for Centrally Sponsored Plan Schemes	63143.99	3949.57	419.10	-48.35	30.01	-14.04	-
Grants for Special Plan Schemes (NEC)	2208.57	52.00	-	-	-	-	-
Grants for Centrally Sponsored Schemes	2762.34	91916.51	114780.76	60952.22	87822.49	74907.60	175617.99
Finance Commission Grants	6248.00	7052.49	12586.00	7650.00	63583.63	78747.80	56298.00
Other Transfer/ Grants	640.00	19945.16	29712.81	19636.48	16219.64	32171.61	60633.90
Total	143690.83	123542.16	157498.67	88190.35	167655.77	185812.97	292549.89

Source: Finance Department, GoS

- 5.16 From various tables above, it is obvious that Sikkim is performing well in growth of its economy. As per the MTFP Report of 2023, the State witnessed high economic growth in recent years as the annual average growth rate during 2015-16 to 2021-22 was at 8.14 percent at constant prices. The contraction faced during 2020-21 was due to the impact of slowdown of the economic activities. The state economy rebounded in 2021-22 with a growth rate of 8.57 percent. In view of this, the state is in a position to undertake various socio-economic initiatives for the welfare of its people.
- 5.17 One of the good financial strategies for any state is to control revenue expenditure. Sikkim has managed to restrain the growth of revenue expenditure.

Table 5.9- Expenditure profile of Sikkim (Percent of GSDP)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (RE)
Revenue Expenditure	18.31	15.99	18.40	19.67	20.03	20.26	20.67
General Services	6.87	5.88	6.90	7.70	7.60	7.53	7.53
Interest Payment	1.57	1.39	1.52	1.62	1.72	1.87	1.81
Pension	2.16	1.95	2.60	2.90	2.86	2.62	2.77
Social Services	3.19	5.90	7.29	7.17	7.64	7.50	7.94
Education	3.62	3.16	3.39	4.10	3.80	3.48	3.39
Medical and Public Health	0.38	0.85	1.05	1.15	1.37	1.46	1.39
Other Social Services	0.19	0.15	0.10	0.07	0.03	0.11	0.09
Economic Services	2.67	3.96	3.97	4.54	4.49	4.92	4.89
Assignment to Local Bodies	0.2	0.24	0.23	0.27	0.29	0.32	0.32
Capital Outlay	4.75	7.19	6.03	3.66	5.01	4.33	3.94

Source: Budget Division, Finance Department, GoS

As table 5.9 depicts, the revenue expenditure of Sikkim remains around 20% as percentage of GSDP. The State has significantly increased its expenditure on Social Services from 3.19% in 2016-17 to 7.94% of GSDP in 2022-23. The assignment to Local Governments has also increased from 0.2% in 2016-17 to 0.32% of GSDP in 2022-23. However, this is not in sync with many states who assign more funds to their local governments.

CHAPTER - 6

FINANCES OF PANCHAYATI RAJ INSTITUTIONS (PRIs) AND URBAN LOCAL BODIES (ULBs) IN SIKKIM

- 6.1 Sikkim has a history of self-government even before the 73rd Constitutional Amendment Act, 1992 came into being. To organize the panchayats, the Sikkim Government constituted an Elakha Panchayat Tribunal in 1948. The Sikkim Panchayat Act, 1965 was enacted to consolidate and amend the laws relating to the Panchayats in Sikkim to facilitate citizen participation for local development. In 1966, the first Panchayat election took place. The second Panchayat elections were held in 1969. It may be noted that Sikkim became one of Indian States in 1975. It introduced a new Act to constitute Zilla Panchayat in the state. At the time of the enactment of the Constitution (73rd) Amendment Act, a new set of Panchayats were in existence and was, therefore, allowed to complete its 5 years term under the provision of Article 243N of the Constitution of India.
- 6.2 In conformity with 73rd Constitutional Amendment Act, 1992, Government of Sikkim enacted the Sikkim Panchayat Act, 1993. It was notified on 18th October 1993. The first Panchayat elections, under the new Act, were held in 1997. Sikkim follows a two-tier system of Panchayati Raj with the Zilla Panchayat at the district level and Gram Panchayat at the village level. Currently there are 199 Gram Panchayats and 6 Zilla Panchayats in the state.
- 6.3 Sikkim started late in the arena of urban local governance. All other states conformed to the 74th Constitutional Amendment Act, as their Municipal Acts were enacted in 1993. But The Sikkim Municipalities Act was enacted by the State's Legislative Assembly in March 2007. Though the Act came into being in 2007, the Urban Local Bodies were elected and constituted in 2010-11. Sikkim follows a three-tier structure for the urban local bodies, namely, Municipal Corporation, Municipal Council and Nagar Panchayat. Currently there are 7 ULBs in Sikkim: 1 Municipal Corporations, 1 Municipal Council and 5 Nagar Panchayats.
- 6.4 Sikkim has proactively undertaken supportive initiatives to strengthen Panchayati Raj Institutions in the State. It has devolved some functions and functionaries to the Panchayats. Financial support to Panchayats has been continuously increasing. Though still incomplete but Sikkim was one of the first States to undertake Activity Mapping for allocation of functional responsibilities between PRIs and the State Government in relation to the items under Eleventh Schedule of the Constitution of India. The elected representatives and other well-wishers of the Panchayats keep demanding the genuine devolution based on revised and complete activity mapping of 29 items under Eleventh Schedule (**Annexure 6.1**) of the Constitution of India.

The 5th SFC recommended revision and completion of the Activity Mapping for devolution of Functions, Funds and Functionaries. The Government of Sikkim accepted it but so far, no progress has been reported on the issue.

- 6.5 The Activity Mapping for the ULBs has not yet been undertaken in Sikkim. As a result, Activity Mapping based devolution of functional responsibilities to the ULBs have not been completed for the items under Twelfth Schedule of the Constitution of India. Through a Notification issued by the Urban Development Department, Government of Sikkim, in the year 2010, the State Government transferred trade licensing, Bazar Contract, Sanitation & Solid waste Management etc. to the ULBs which are good sources of own revenue. But the ULBs have not fully used these opportunities. This may be due to capacity gaps and other quasi-legal issues. It was reported that most of elected representatives of ULBs have shown political inhibition in collecting taxes and fees. However, many elected ULB representatives in 6th SFC organized consultations supported greater emphasis on collection of taxes, fees, and levies.
- 6.6 Panchayats in Sikkim have enabling institutions and systems such as the Directorate of Panchayat, the SIRD and the Block Administrative Centres to exclusively support them. The State Government has been investing in strengthening the capacities of Panchayats. As a result, panchayats of Sikkim have won several national awards from the Ministry of Panchayati Raj. Sikkim Panchayats have been rated quite high (suggested by the Ministry of Panchayati Raj, Government of India) to assess performances of Panchayats across India.
- 6.7 The 5th SFC recommended the establishment of the Directorate of Urban Development. The Government of Sikkim accepted the recommendation. The State Government has initiated the process to establish the Directorate. But due to absence of the Directorate of Municipalities, the ULBs miss out on several specific and speedy supports from the Government. There is no specialized training center in Sikkim to cater to the needs of urban governance and urban development. The State Institute of Rural Development, which primarily specializes in Rural Capacity Building, temporarily acts as training provider to elected urban representatives.
- 6.8 As observed from the data, funding to both PRIs and ULBs are increasing every year. The SFC fund in Sikkim has been mostly untied. The Central Finance Commission fund specifies the quantum of allocations for different sets of suggested activities. In practice, the PRIs and the ULBs have very limited opportunities to decide on the end use of the available funds from Central and State Governments. That brings question on spirit of self-governance for which the modern PRIs and ULBs were established by the Constitution of India.
- 6.9 Panchayats and Municipalities are currently not generating sufficient Own Source Revenues. Local Bodies have ample opportunities to generate their own resources

but somehow this aspect has remained neglected by the PRIs and the ULBs. The enhanced OSR provides financial independence to the local bodies. With sufficient OSR, the PRIs and the ULBs could plan and implement projects of their choice to fulfil people's demands for economic development and social justice. Complete dependence on external transfers (from the Centre and the State) has been regarded as an inconvenient and undesirable development for any government anywhere.

- 6.10 District planning provides great opportunities to evolve linkages between Gram Panchayats and Zilla Panchayats and between the PRIs and the ULBs. Under Government of India's initiative called Backward Region Grant Fund (BRGF), there used to be focus on District Planning Processes. But it seems that recently the focus has been limited to the Gram Panchayat Development Plan (GPDP). As a result, the GPs and ZPs are not working together for joint planning and its implementations. The existing coordination gaps between GPs and ZPs need to be addressed. The Article 243ZD of the Constitution of India mandates Rural – Urban linkages through District Planning. It is therefore, important that District Planning should be encouraged in Sikkim to promote holistic development through the integration of rural and urban local governance processes.

Finances of the Panchayati Raj Institutions (PRIs)

- 6.11 There are three levels of governance – Union Government, State Government and Local Government. Among the Local Governments, the Gram Panchayats and the ULBs are the most proximate institutions of the Government to respond to people's need by delivering appropriate public services. It is important to ensure that these bodies are sufficiently funded to act as vibrant institutions of local self-governance. The Government of Sikkim has considered this aspect carefully and raised its assignments to the local bodies from mere 0.2 % of the GSDP in 2016-17 to 0.32% of the GSDP in 2022-23 as observed in Table 5.9.
- 6.12 The revenue of the Panchayat can be from 4 different sources- (i) From Central Government, (ii) State Government (iii) by generating OSR and (iv) from external borrowings. Besides the different schemes of Central and State Governments, the Central Finance Commission and State Finance Commissions provide significant grants to the PRIs and the ULBs. For example, the 15th Finance Commission alone provided funds to the PRIs at the rate of ₹ 674/- per capita. This is almost the same as what 5th SFC of Sikkim devolved to Panchayats for the same period.

Table 6.1 provides an overview of the grants from the 14th and the 15th Central Finance Commissions. In the table, 14th Finance Commission grants are summed up for 5 years. An analysis of the yearly averages of grants from two commissions suggests that 15th Finance Commission provided more grant (per capita ₹ 674/- per annum) to Panchayats than 14th Finance Commission, which recommended ₹.488/-

per capita per annum. Regular grants from Central Finance Commissions have strengthened Panchayat finances significantly. The performance criteria as condition for release of a substantial part of these grants have encouraged PRIs to focus and enhance their efforts for measurable development indicators.

Table 6.1 - Central Finance Commission Funds to the PRIs and the ULBs

(In ₹ Lakh)

Type of Fund	Grants from 14 th FC				Grants from 15 th FC		
	Local Govt	Recommended for 5 years (2015-20)	Actual Release (2015-20)	Actual Expenditure Incurred (2015-20)	Recommended for (2020-21 to 2021-22)	Actual Release (2020-21 to 2021-22)	Actual Expenditure Incurred (2020-21 to 2021-22)
General Basic Grant (Untied Grant)	GPUs	13364	13365	13365	2839	2839	2839
	ZPs	-	-	-	501	501	501
	ULBs	3992	3992	3992	1600	1600	1600
General Performance Grants	GPUs	1485	621	621	-	-	-
	ZPs	-	-	-	-	-	-
	ULBs	998	196	417	-	-	-
Tied Grant (Water Supply & Sanitation)	GPUs	-	-	-	3366	3366	3366
	ZPs	-	-	-	594	594	594
	ULBs	-	-	-	1900	1900	1900
Total		19839	18174	18395	10800	10800	10800

Source: 15th FC Report, Gol and Budget Division, Finance Department, GoS

- 6.13 Over the years, contributions of State Finance Commissions of Sikkim have improved significantly in enhancing the resources, the effectiveness, and the accountabilities of the Panchayats. As discernible from table 6.2, the 5th SFC provided more funds to the Panchayats than the 4th SFC. The succeeding SFCs have tried to provide more funds to the Gram Panchayats and the ULBs so that these institutions have sufficient funds to function as effective institutions of local self-government. In addition to significant increase in devolution of fund, the 5th SFC created the State Capacity Building Fund at state level to enable the PRIs and the ULBs access the advance capacities from the best possible resources.

Table 6.2 - State Finance Commission Funds to PRIs and ULBs (₹ in Lakh)

Type of Fund	Local Govt	Grants from 4 th SFC			Grants from 5 th SFC		
		Recommended for 5 years (2015-20)	Actual Release (2015-20)	Actual Expenditure (2015-20)	Recommended for (2020-21)	Actual Release (2020-21)	Actual Expenditure (2020-21)
Share of Taxes	GPUs	3657.73	4408.70	4408.70	1785.00	1367.22	1367.22
	ZPs	1567.60	1889.44	1889.44	1005.21	736.19	736.19
	ULBs	1741.78	1571.96	1571.96	957.34	701.15	701.15
Primary Grant	GPUs	2500.30	2023.26	2023.26	-	-	-
	ZPs	1175.92	953.89	953.89	-	-	-
	ULBs	663.85	526.72	526.72	-	-	-
Improvement Grant	GPUs	1071.56	542.43	542.43	-	-	-
	ZPs	503.97	408.81	408.81	-	-	-
	ULBs	284.51	151.46	151.46	-	-	-
State Level Capacity Building Fund	PRIs	-	-	-	319.13	-	-
	ULBs	-	-	-	212.75	-	-
Special Incentive Grant	GPUs	-	-	-	478.69	-	-
	ZPs	-	-	-	-	-	-
	ULBs	-	-	-	53.18	47.86	47.86

Source: Budget Division, Finance Department, GoS

6.14 The State Government of Sikkim has been regularly transferring funds to the Gram Panchayats. These funds include grants from the State Finance Commissions, special assistance to Gram Panchayats and salaries of the employees. Table 6.3 provides an overall description of the total transfers to the GPUs. However, during the last quarter of the year 2019-20 and all quarters of the year 2020-21, the total transfers to the PRIs and the ULBs were exceptionally reduced. Otherwise, devolution of funds to GPU has been continuously increasing over the years.

Table 6.3- Fund transfers from the State Government to Gram Panchayat Units (GPUs)

(₹ in Lakh)

Particulars	2017- 18	2018-19	2019-20	2020-21	2021-22 (RE)	2022-23 (BE)
Share of State taxes	822.60	857.59	1392.8	1367.22	1741.17	2155.75
Special Incentive Grant (5th SFC)	-	-	-	-	388.19	495.96
State Capacity Fund (5th SFC)	-	-	-	-	-	-
Primary Grant (4th SFC)	503.03	511.7	517.59	-	-	-
Improvement Grant (4th SFC)	171.35	199.68	161.74	-	-	-
Other grant - Assistance to Gram Panchayats	-	-	-	-	-	-
(i) General Education-Grant in Aid Salaries	25846.9	28755.3	14634.12	-	-	-
(II) Grant-in-aid for Salaries to Panchayats	1390.29	2393.3	2470.07	2594.16	3187.39	3338.33
(iii) Discretionary Grant to Panchayats	63.32	64.91	64.95	-	64.95	64.95
Total	28979.49	32782.50	19241.27	3969.38	5381.70	6054.99

Source: Budget Division, Finance Department, GoS

- 6.15 Like any other institutions, Gram Panchayats have some committed liabilities, which are mostly for the salaries of functionaries working in the Gram Panchayats. In addition to the salary, monthly honorarium of elected representatives also contributes the committed liabilities. Table 6.4 states the details of the committed liabilities for 2025-30, for which the 6th SFC is required to make recommendations. As seen from the table, the liabilities under different heads keep increasing as the salaries increase over the years. Taking 199 Gram Panchayat together, the total liabilities for GPUs during 2025-30 comes out to be around ₹ 20 crores.

Table 6.4: Committed Financial Liability of GPUs

	Category/ Designation of Staff	No of Sanctio ned posts	Salary per Month (₹)	Current Liability (₹)	Projected Expenditure (₹ Lakh)				
					2025-26	2026- 27	2027-28	2028-29	2029-30
					1	2	3	4 (2x3)	5
1	Sr. Village Administrative Assistant	93	82100	7635300	91.62	100.78	110.86	121.95	134.14
2	Village Administrative Assistant	9	78000	702000	8.42	9.26	10.19	11.21	12.33
3	Jr. Village Administrative Assistant	55	64000	3520000	42.24	46.46	51.11	56.22	61.84
4	Jr. Village Administrative Assistant (ad- hoc)	33	12000	396000	3.96	3.96	3.96	3.96	3.96
5	Panchayat Development Assistant (consolidated)	185	12000	2220000	22.20	22.20	22.20	22.20	22.20
6	Panchayat Development Assistant (consolidated)	185	10000	1850000	18.50	18.50	18.50	18.50	18.50
7	Information Technology Assistant	33	12000	396000	3.96	3.96	3.96	3.96	3.96
8	Barefoot Engineer	123	26196	3222108	38.66	42.53	46.78	51.46	56.60
9	Barefoot Engineer (M/R)	23	9600	220800	2.20	2.20	2.20	2.20	2.20
10	Panchayat Sabhapati	199	10000	1990000	19.90	19.90	19.90	19.90	19.90
11	Panchayat Up- Sabhapati	197	9500	1871500	18.71	18.71	18.71	18.71	18.71
12	Panchayat Member	753	9000	6777000	67.77	67.77	67.77	67.77	67.77

Source: Directorate of Panchayati Raj, Rural Development Department, Sikkim

- 6.16 The Directorate of Panchayati Raj provided details of committed expenditures of individual Gram panchayats. These expenses, mostly salaries/honorarium, are in the range of 5 to 8 lakhs per annum per Gram Panchayat.

- 6.17 The population size of Gram Panchayats varies drastically in Sikkim. It may vary from mere 493 in Karzi Mangnam GPU (Gyalshing District) to 8860 in Gnathang GPU (Gangtok District). Since population is found to be the most important indicator for financial needs of an institution, population gets the highest weightage in devolution formulae adopted by different Central Finance Commissions. The same criteria have been followed by the SFCs in Sikkim also. With population as basis for devolution, the Gram Panchayats with smaller population size receive negligible funds. But every institution, small or big, requires minimum threshold support to fulfil its constitutional obligations. The 6th SFC would take this into account and explore providing a safety net to Gram Panchayats by ensuring a Minimum Assured Grant to every GP.
- 6.18 The 6th SFC would like to put on record that it was a herculean task to obtain financial details from the Local Bodies. In spite of simple formats devised (taking into account the limited capacity) the figures submitted by these local bodies were incoherent and inconsistent. Repeated attempts to obtain accurate and consistent data proved futile. The Commission infers that this situation may be due to the following reasons:
- Limited financial understanding of the finance staffs of the organization
 - Improper maintenance of financial records
 - Lack of timely trainings/ capacity building activities

Nonetheless, the ToR of the 6th State Finance Commission stipulates that the receipts and expenditure of these Local Bodies be examined and therefore, the Commission was compelled to devise alternative means to study the receipt and expenditure trend of GPUs. The Commission sampled 5 GPUs each from 6 districts and extracted financial details from their statutory audit reports to get a general view of finances of the GPUs in Sikkim. The GPUs sampled district wise is as follows:

Table 6.5 – 5 Sample GPUs of 6 Districts

Sl.No	District	5 Sample GPUs
1	Gangtok	Khamdong, Dumdung Thasa, Gnathang, Bhusuk Naitam and Samlik Marchak
2	Pakyong	Sudunglakha, Riwa Machong, Chalamthang, Dolapchand and Budang Kamarey
3	Gyalshing	Tashiding, Melli Aching, Yangthang, Martam and Maneybong
4	Soreng	Ribdi Bhareng, Tharpu, Khaniserbong, Chakung and Tadong Rinchenpong
5	Mangan	Tingvong, Hee Gyathang, Toong Naga, Mangshila Tibuk and Ramathang Tanek
6	Namchi	Namthang Maneydara, Asangthang, Melli Dara Paiyong, Salghari and Lungchok Kamarey

6.19 The financial details derived from sampling of GPUs has been shown in the Table 6.6 below. The analysis of the financial data has brought forth the following observations:

- High percentage of Unspent cash balances were seen which points to the fact that the spending capacity of the GPUs were not efficient.
- Administrative Expenses very high with average of 84% per year. GPUs need to curb administrative expenses and increase OSR.
- General trend of poor OSR collection– as stated earlier in the report, all GPUs need to pay extra attention to boost their OSR
- Bank Interest receipts from 35.63% of total OSR collection on an average - Signifies that Central/State transfers are retained in the bank accounts for a longer period of time without utilization and such interest receipts are utilized to fund their administrative expenses. Such trend is unsustainable and defeats the very purpose of fund transfers.

TABLE 6.6 -FINANCIAL DATAS OF RURAL LOCAL BODIES-GRAM PANCHAYAT UNITS BY SAMPLING OF 5 GPUS each of Six Districts

(₹ in lakhs)

Sl.No	Component	2015-16	2016-17	2017-18	2018-19	2019-20
	OPENING BALANCE	873.99	1148.92	1307.02	1364.75	1617.27
	REVENUE RECEIPTS					
1	Grant-in-aid 14th FC (I/C 13TH FC)	332.39	323.22	262.56	675.26	632.20
2	Grant-in-aid 4th SFC	66.91	248.25	290.41	311.84	438.48
3	Grant-in-aid Discretionary Grant	20.97	35.69	52.73	101.42	79.43
4	Grant-in-aid SAGY	2.50	1.00	0.00	0.91	3.12
5	Grant-in-aid VWSC	12.04	0.00	0.00	0.00	0.00
6	Grant-in-aid ICDS	18.08	0.00	0.00	0.00	0.00
7	Grant-in-aid RDD	20.38	0.00	63.24	190.89	151.38
8	Grant-in-aid Education Dept (HRDD)	3996.10	3849.52	3423.42	3121.32	1153.17
9	Grant-in-aid GPDP	188.82	255.23	4.46	0.00	0.84
10	Grant-in-aid from MGNREGA	621.42	880.43	138.02	49.02	76.46
11	Grant-in-aid - Others	48.96	57.21	36.67	96.11	105.00
12	Own Source of Revenue					
	a. Trade License	11.61	13.19	17.94	15.29	13.86
	b. NOC & recommendation Fee	3.70	4.84	42.91	13.01	10.79
	c. Tender Form Fee	4.26	0.19	6.87	23.75	6.55
	d. Water Charges	5.33	8.49	3.15	3.20	1.41
	e. Garbage Fees	3.17	4.45	2.00	5.58	10.31
	f. Bank Interest	33.75	41.06	30.76	51.01	52.62
	g. Other Receipts	37.79	18.85	7.41	28.00	54.72
	TOTAL RECEIPTS :	5428.18	5741.61	4382.55	4686.61	2790.34

EXPENDITURE						
12	Administrative Expenses					
	a. Honorarium & Disc Grant to Panchayats	52.36	76.01	104.41	190.17	183.47
	b. Salary- HRDD	3869.87	3943.31	3630.05	3308.28	1572.40
	c. Salary- Sr VAA & VAA	15.07	110.69	86.38	158.99	177.96
	d. Consolidated Pay(PAA/PDA/ITA)	7.36	22.30	66.83	85.68	90.87
	e. Wages(Barefoot Engineers)	26.98	28.93	28.70	31.74	51.23
	f. Travel/Daily Allowances	4.05	4.36	6.58	2.32	1.91
	g. Office Expenses	34.77	30.77	22.91	45.76	44.68
	h. Repair & Maintenance	75.95	37.49	30.44	70.45	46.97
	i. Gram Sabha Expenses	7.36	11.44	6.37	11.11	8.20
	j. Awareness Programme	0.01	0.01	0.14	21.54	45.09
	k. Professional Fees	0.00	0.00	0.53	0.50	1.27
	l. Donations	0.00	0.00	6.73	24.58	23.43
	m. Garbage Expenses	0.00	0.00	1.07	4.70	5.54
	n. Bank Charges					
	TOTAL ADMINISTRATIVE EXPENSES	4093.79	4265.30	3991.15	3955.82	2253.02
13	Work Expenses					
	a. Water Supply	43.69	25.24	100.14	95.72	66.38
	b. Sanitation including Septage Mangtmt.	85.76	37.49	25.80	18.17	11.21
	c. Solid Waste Management	10.30	1.30	7.71	3.04	3.05
	d. Storm Water Drainage/Jhora	3.15	1.80	2.81	13.81	9.97
	e. Const./Maint. of Community Assets	88.90	27.81	58.71	167.37	155.07
	f. Const/Maint of Roads	74.66	78.07	23.30	20.04	12.42
	g. Const./Maint. Of Footpaths	0.67	1.84	10.78	29.92	17.94
	h. Const./Maint of Streetlights	0.00	0.10	9.76	9.74	2.00
	i. Burial & Cremation Grounds	0.00	0.00	33.28	10.37	16.56
	j. MGNREGA	667.75	1104.09	4.06	5.24	4.30
	k. Other Expenses	60.84	24.25	31.39	72.53	59.03
	TOTAL WORK EXPENSES	1035.72	1302.00	307.74	445.95	357.94
14	Purchase of Fixed Assets					
	a. Computers & Accessories	8.13	9.70	9.59	8.77	16.18
	b. Furniture & Fixtures	12.37	0.73	8.60	14.28	22.75
	c. Others	1.50	4.33	7.25	7.99	14.81
	TOTAL PURCHASE OF FIXED ASSETS	22.00	14.75	25.44	31.04	53.75
	TOTAL EXPENDITURE	5151.51	5582.06	4324.33	4432.81	2664.71
	CLOSING BALANCE	1150.66	1308.47	1365.24	1618.55	1742.90

Source: Statutory Audit Report of GPUs- Directorate of Panchayat

Finances of Zilla Panchayats

- 6.20 The Zilla Panchayats are overreaching bodies of the two-tier structure of PRIs in Sikkim. They are supposed to act as bridge between Gram Panchayat at ground level and other institutions at district and higher levels. The ZPs are supposed to support the GPs by mobilizing appropriate capacities and resources from district level agencies.

Table 6.7- Fund Transfers from State Government to Zilla Panchayats

(₹ in Lakh)

Particulars	2017- 18	2018-19	2019-20	2020-21	2021-22 (RE)	2022-23 (BE)
Share of State taxes	352.54	367.54	596.91	736.19	1060.20	2155.75
Special Incentive Grant	0.00	0.00	0.00	0.00	0.00	0.00
Primary Grant	236.33	241.92	246.03	-	-	-
Improvement Grant	101.28	103.68	105.44	-	-	-
Other grant - Assistance to Zilla Panchayats						
(i) Grant-in-aid Salaries	642.66	1060.89	1309.03	1182.39	1395.46	1395.46
(ii) Discretionary Grant	14.60	15.40	14.90	-	14.90	14.90
(iii) Local Area Development Fund	12.00	12.00	12.00	-	12.00	12.00
Total	1359.41	1801.43	2284.31	1918.58	2482.56	3578.11

Source: Budget Division, Finance Department, Government of Sikkim

- 6.21 Zilla Panchayats mainly depend upon funds provided by the Central Finance Commission and State Finance Commission (Table 6.7). The 14th Finance Commission did not provide any grant to the Zilla Panchayats for the period 2015-20. As a result, there was a general disappointment among ZP members. The abrupt absence of Central Finance Commission Fund badly affected the functioning and relevance of the ZPs. This was later realized across the country that ZPs should be appropriately supported by the Central Finance Commissions.

Table 6.8- Committed Financial Liability of ZPs

Category/ Designation of Staff	No. of Sanctio ned Posts	Salary per month (₹)	Current Liability (₹ Lakh)	Projected Expenditure (₹ Lakh)				
				2025- 26	2026- 27	2027- 28	2028- 29	2029- 30
1	2	3	4 (2X3)	5	6	7	8	9
District Planning Officer	6	169850	10.19	12.23	13.45	14.80	16.28	17.90
Divisional Engineer	6	128454	7.71	9.25	10.17	11.19	12.31	13.54
Accounts Officer	6	124662	7.48	8.98	9.87	10.86	11.95	13.14
Assistant Engineer	6	101436	6.09	7.30	8.03	8.84	9.72	10.69
Under Secretary	6	124662	7.48	8.98	9.87	10.86	11.95	13.14
Jr. Engineer	6	35892	2.15	2.58	2.84	3.13	3.44	3.78
Accountant	6	53746	3.22	3.87	4.26	4.68	5.15	5.67
UDC	6	73180	4.39	5.27	5.80	6.38	7.01	7.71
Office Attendants	6	54220	3.25	3.90	4.29	4.72	5.20	5.72
Driver	30	31942	9.58	11.50	12.65	13.91	15.31	16.84
Adhakshaya	6	183500	11.01	13.21	14.53	15.99	17.59	19.34
Up- Adhakshaya	6	173500	10.41	12.49	13.74	15.12	16.63	18.29
ZP Members	112	10000	11.20	19.90	19.90	19.90	19.90	19.90

Source: Directorate of Panchayat, Government of Sikkim

- 6.22 Realizing the challenges faced by the ZPs due to absence of funding from the 14th CFC, the 5th SFC compensated the ZPs by providing a relatively higher share for the ZPs in the divisible pool for the PRIs. After receipt of memorandums from various State Governments and other organizations, the 15th Finance Commission restored the grant and ZPs are now regularly receiving grants from the Central as well as State Finance Commissions.
- 6.23 As can be inferred from Table 6.8 that the Zilla Panchayats are sufficiently supported by the State Government for payment of salaries and honorarium. The State Government has provided ministerial rank to the Chairperson of ZP. This itself reflects the respect the State Government provides for the ZP.
- 6.24 The Government of Sikkim provides development funds to Adhyaksha and Upadhyaksha under the Local Area Development Fund. The Voted Demands for Grant data show that this amount was ₹ 12 Lakh in the year 2022-23 and it has been increased to ₹18 Lakhs for the year 2023-24.

- 6.25 The Government of Sikkim has created two new districts which has resulted in creation of two new Zilla Panchayats. Each of these two new ZPs has been provided a sum of ₹ 30 lakh for infrastructure and logistic support. It is assumed that the Government will provide additional funds and technical assistance as per the future needs of these new ZPs.
- 6.26 The ZPs should become the voice of the GPs to liaison with the district administration and other authorities. Such critical support from the ZPs to GPs will catalyze more effective development outcomes at the village levels.

Finances of the ULBs:

- 6.27 The State Government has been transferring funds to the ULBs in the form of Share of State Taxes, Special Incentive Grant and Grant-in-aid for Salaries to select ULBs. The Central Government has been transferring funds in the form of General Untied Grant and Tied Grant.
- 6.28 The details of funds transferred to the ULBs under the Central Finance Commission are given in table 6.9. The table provides a trend in total income, expenditure, liabilities and assets of the ULBs in Sikkim during the financial years between 2015 and 2020. It shows that revenue receipts of the ULBs have been increasing uniformly over 2015-19. However, it declined significantly during 2019-20 due to the decline in grants from the 14th Central Finance Commission and 4th State Finance Commission. There are yearly fluctuations in expenditure and liabilities data. But overall liabilities and expenditure have increasing trends.

Table 6.9: Financial Details of Urban Local Bodies in Sikkim

Sl. No	Component	2015-16	2016-17	2017-18	2018-19	2019-20
	Opening Balance	340.69	584.21	1004.34	1584.57	1578.00
	REVENUE RECEIPT					
1	GRANTS					
	a. Grant - 4th SFC	733.16	465.64	571.32	670.72	340.68
	b. Grant - 14th FC Basic Grant	182.44	680.22	668.95	843.72	603.79
	c. Grant - BSUP	39.56	0.00	0.00	0.00	0.00
	d. Grant - 13th FC	63.64	0.00	0.00	0.00	0.00
	e. Grant - Challenge Fund MoUD	0.82	0.00	0.00	0.00	0.00
	f. Grant _ SBM	90.55	65.12	18.59	0.00	0.00
	g. Grant _ NRHM	0.00	2.28	0.00	0.00	0.00
	h. Grant - LRDM	0.00	0.47	0.60	0.00	0.00
	i. Special Fund Received - I.C.L.E.I	0.00	12.21	12.29	0.00	0.00
	j. Other Grant	0.63	0.00	50.81	79.29	0.00
2	Own Sources of Revenue	552.53	710.44	1171.53	1041.64	1206.44
	TOTAL RECEIPT	1663.33	1936.38	2494.09	2635.37	2150.91

EXPENDITURE						
3	Establishment Expenditure	287.46	221.38	351.80	445.87	514.92
4	Other Administrative Expenditure	103.73	112.41	140.96	153.88	91.75
5	Operation & Maintenance	156.90	224.40	346.42	403.21	371.74
TOTAL EXPENDITURE		548.09	558.19	839.18	1002.96	978.41
Current Liabilities						
	a. Deposit Receipt	74.55	132.11	203.12	2.85	289.13
	b. Non-Operating Receipt	76.81	338.05	881.50	338.90	346.99
TOTAL LIABILITIES		151.36	470.16	1084.62	341.75	636.12
Current Assets						
	a. Purchase of Fixed Assets	81.33	93.91	125.80	225.33	202.95
	b. Non-Operating Payment	941.75	1334.31	2033.50	1755.40	1713.80
TOTAL ASSETS		1023.08	1428.22	2159.30	1980.73	1916.75
Closing Balance		584.21	1004.34	1584.57	1578.00	1469.87

Source: Statutory Audit Report of the Urban Local Bodies

- 6.29 A preliminary analysis of expenditure pattern of the ULBs in Sikkim identifies Administrative and Capital expenditures as the two most significant components. In comparison, the development expenditure of the ULBs seems to be on the lower side. It may be due to the limited funds from external sources and almost negligible OSR.
- 6.30 Table 6.10 is derived from most recent Demands for Grant for the year 2023-24, voted in the State Legislature of Sikkim during May, 2023. The overall budget transfers from State Government to ULBs have increased from ₹ 2668.72 Lakhs in 2021-22 to ₹ 3507.28 Lakhs in 2023-24.
- 6.31 Unlike the Ministry of Panchayati Raj in the Union Government, the Ministry of Housing and Affairs of the Central Government does not regularly support capacity building of elected urban representatives and urban officials. The State Government does not have any exclusive training institute for urban affairs. Under these circumstances, the State Government's transfer of State Capacity Building Fund, about ₹ 2 crores per annum seems to be very helpful for the capacity building of ULBs.

Table 6.10: Fund Transfers from State Government to the ULBs

Head	In Lakh Rupees			
	2021-22 (Actuals)	2022-23 (BE)	2022-23 (RE)	2023-24 (BE)
State Capacity Building Fund	32.00	220.43	220.43	217.48
Special Incentive Grant under 5 th SFC	47.92	55.11	55.11	54.37
Share of Net Proceeds under 5 th SFC	994.85	1218.31	1218.31	1461.97
Grant by 15 th Finance Commission	1500.00	1600.00	1600.00	1700.00
Grant-in-aid (salary) to Municipalities	93.95	73.46	73.46	73.46
Total	2668.72	3167.31	3167.31	3507.28

Source: Budget Division, 2023-24, Government of Sikkim

6.32 From Table 6.10, it is obvious that the State Government provides Grant-in-Aid to select Municipalities so that they can pay salaries to their employees. This support is over and above the grants recommended by the SFC. Such support should continue in addition to implementation of other recommendations of the SFCs.

Own Source Revenue:

6.33 The GPs in Sikkim are empowered to collect several taxes and fees such as: Household tax, Water and Sanitation Tax, Village Road and Environment Tax, Sale of Tender Forms, Building Construction Fee. The Gram panchayats can collect other miscellaneous receipts such as Accrued Bank Interest, Donation, Disposal of Unserviceable items, Charges for use of Panchayat Ghars, Conference Halls and Other Properties etc. In addition, as per the Panchayat Resolution duly approved by Gram Sabha, certain other fees such as Trade License Fees, Fees on Mela /Picnic in rural areas, fee for construction of temporary sheds for any kind of social gathering in public property and fees for minor dispute redressal can also be levied. However, the GPs are not taking advantage of this provision of the Sikkim Panchayat Act, 1993.

6.34 As per the Sikkim Municipalities Act, 2007, the ULBs in Sikkim have been provided with powers for trade licensing, Bazar Contract, property tax, Sanitation & Solid waste Management, Car Parking, etc. In addition to the taxes and fees, the ULBs could use their infrastructures for generating Own Source Revenue (OSR). But except for Gangtok, all other ULBs in Sikkim do not have competitive infrastructure to attract investments and revenue mobilization. The Government of Sikkim may therefore, invest in building appropriate infrastructures in other ULBs also so that they can use these infrastructures (such as car-parking, entertainment avenues, shops etc.) to enhance their OSR.

6.35 The 6th SFC strived to generate quality data on OSR efforts of the Local Bodies (GPUs, ZPs and ULBs). For that, structured formats were administered to different local bodies. The filled-up formats, however, could not provide sufficient data to develop time-series trend in OSR mobilizations by the Local Bodies in Sikkim.

6.36 Some of the formats filled-in by the GPUs provided quite interesting data from few GPs. These GPs in Sikkim are innovatively using various methods (such as car-washing, homestay, etc.) to enhance their own source of revenue.

6.37 As discussed earlier, the OSR is critical for vibrancy and financial independence of the Local Bodies in Sikkim. The 6th SFC is of the view that the PRIs and the ULBs should be incentivized to collect optimum tax and fees. Some new initiatives need to be taken so that the Local Bodies develop healthy competitions to enhance their own source of revenue. Indian and global experiences suggest that the OSR efforts will also catalyze strengthening of the accountability. When people pay taxes and other contributions, they demand timely and quality services.

CHAPTER - 7

RECOMMENDATIONS OF THE COMMISSION

- 7.1 Sikkim has regularly constituted the State Finance Commissions at the interval of five years. The first SFC was constituted for the period 2000-05, the second SFC for 2005-10, the third SFC for 2010-15, the fourth SFC for 2015-20 and the fifth SFC for the period 2020-25. The 6th State Finance Commission has been constituted to make recommendations for a period of 5 years from 2025 to 2030.
- 7.2 Different SFCs contributed to the growth of local bodies in Sikkim by making well-informed and progressive recommendations. The summary of overall devolution proposed by the different SFCs of Sikkim over last 25 years is given in table 7.1 below:

Table 7.1: Devolution Recommendations of the Past SFCs of Sikkim

State Finance Commission	Period of Recommendation	Share of Net Proceeds
1 st SFC	2000-05	1% of Net Proceeds of All Taxes
2 nd SFC	2005-10	1% of State's Tax Receipts
3 rd SFC	2010-15	2% of Net Proceeds of State Revenue
4 th SFC	2015-20	2.5% of Net Proceeds of Taxes
5 th SFC	2020-25	5.5% of Net Own Tax revenue

Source: Reports of the State Finance Commissions of Sikkim

- 7.3 The 6th State Finance Commission is mandated to make recommendations regarding the distribution of the share of net proceeds of taxes, duties, tolls, and fees leviable by the State to the local bodies and allocate the share to the Gram Panchayats, the Zilla Panchayats, the Nagar Panchayats, the Municipal Councils, and the Municipal Corporation in Sikkim for the period 2025-26 to 2029-30. The Commission is required to suggest measures needed to strengthen the functional, administrative, and financial capacities of the PRIs and the ULBs. In doing so, the Commission is expected to have regard, among other considerations, for the current and projected financial situation of the State. Besides, the Commission is also required to analyze the potential of enhancing the OSR of Local Bodies and suggest ways for revenue raising by the local bodies against their expenditure responsibilities.
- 7.4 The 6th SFC follows its Term of References (ToR) in letter and spirit. The Commission has taken a comprehensive view of the state level financial situations and inter-governmental relations while exploring the possible ways to strengthen the

capacities and resources of Local Self Governments in Sikkim. The approach of the Commission is to address functional and financial issues of the Local Bodies in terms of their actual needs, their current and desired capacities, and the improvements in the qualities of service delivery.

- 7.5** The Commission understands that its recommendation period (2025-30) coincides with the 2030 Agenda for Sustainable Development Goals (SDGs). The United Nation's Sustainable Development Goals are 17 goals with 167 targets that all 191 UN members States have agreed to try to achieve by the year 2030. As a member state, India has committed to localize and achieve the SDGs by 2030. Local Bodies can play crucial roles for developing and implementing concrete strategies, methods, and tools for advancing the SDGs by considering contextual factors and mobilizing relevant and affected actors. The United Nations Development Programme (UNDP) in India and other development agencies have prepared write-ups providing details about the specific roles of the Gram Panchayats in achieving the SDGs. It is necessary that Local Governments must be strengthened functionally and financially to play proactive and constructive roles in achieving the SDGs.
- 7.6** The Commission appreciates the importance of Local Bodies, which are the most proximate institutions of local governance and local development for the people of Sikkim. The Local Bodies are the first port of call for delivery of the public services and promotion of social justice. The Gram Panchayats in Sikkim are already working towards achieving the Sustainable Development Goals through the national advisories of the Ministry of Panchayati Raj under 9 themes, namely, (i) Poverty Free and Enhanced Livelihood Village (ii) Healthy Village (iii) Child Friendly Village, (iv) Water Sufficient Village, (v) Clean and Green Village (vi) Self Sufficient Infrastructure in Village, (vii) Socially Secured Village (viii) Village with Good Governance (ix) Engendered Development in Village.
- 7.7** The 6th SFC has considered the role of the PRIs and the ULBs in the overall structure of governance in Sikkim. It has reviewed the functional and financial status of the Local Bodies, their governance and administrative capacities and ultimately the transparency and accountability in delivery of quality of services by the local bodies.
- 7.8** The Commission did not take any specific study to estimate the total resource availability. It, however, prepared formats to generate quantitative and qualitative data for the purpose. The Commission sought support from the Finance Department, Rural Development Department, and Urban Development Department in administering these formats to generate required data. The Commission used official documents such as budget papers, financial reports, annual reports, official notifications, etc. to elicit appropriate data for its consideration.
- 7.9** The 6th SFC organized several consultations with key stakeholders to understand the challenges and opportunities in functioning of the PRIs and the ULBs. These consultations helped the Commission to understand critical support needed from

the Line departments and other enabling institutions for strengthening of the Local Bodies in Sikkim. Through these consultations and from the analysis of data, the Commission identified some critical issues, which form the basis of its recommendations.

- 7.10** The State Finance Commissions across the States in India have followed mainly two approaches for sharing the revenues with the PRIs and the ULBs. One is that of sharing of revenue in specific taxes. The other is that of global sharing which implies a specific share in the total divisible pool instead of shares in specific taxes. That is, all own taxes of a State are pooled, and a percentage of that pool would be shared with the local bodies. The 5th SFC and other past SFCs of Sikkim also used the global sharing approach for their recommendations. This approach has the advantage of transparency and predictability and guarantees a regular and predictable flow of fund to the Local Bodies. It also enables the State and local bodies to plan their budgets according to the expected flow of funds with a considerable degree of certainty and predictability.
- 7.11** The Commission therefore, decides to follow the mechanism of global sharing to recommend appropriate financial devolution for the local bodies. Like previous SFCs, the 6th SFC considers the Net Own Tax Revenue as the divisible pool of resources at the State Level. The Own Tax Revenue comprises the State GST, Taxes on sales, trade etc., State Excise Duties, Stamp Duty and Registration Fees, Motor Vehicle Tax, Land Revenue and Other taxes. Profession Tax has not been considered for the purpose of sharing of taxes but will be shared with the Local Bodies in some other form.
- 7.12** As per data on financial positions of the country and the State, it seems that the economy of Sikkim has a high growth trajectory. The effects of COVID-19 are gone and the financial situation of the State looks very positive. The Tax collection, especially the excise duties and the State GST, has improved considerably. The absolute figures for Own Tax Revenue now are significantly higher than those during the period of the 5th and other past State Finance Commissions.
- 7.13** Sikkim depends significantly on grants from the Central Government. But Local Bodies in Sikkim depend more on resources from the State. The Commission therefore, concludes that devolution grants to Local Bodies should be increased without affecting the State Finances considerably. It may be noted that 5th SFC recommended devolution of 5.5% of the NOTR. Out this 5.5%, 4.5% was for Grants to Local Bodies, 0.5% for the State Capacity Building Fund and 0.5% for the Special Incentive Grants to the Backward Local Bodies. This 6th State Finance Commission intends to nominally increase the quantum of devolution.
- 7.14** The Central Finance Commissions and the State Finance Commissions of Sikkim have in the past considered population as predominant criteria for allocation of the resources. However, in Sikkim, the size of Gram Panchayats varies from mere 463 persons (Karzi Mangam Gram Panchayat, Gyalshing District) to 8860 persons

(Gnathang Gram Panchayat, Gangtok District), as per 2011 Census population. As a result, despite the best intentions of the past SFCs, the local bodies with small populations do not receive sufficient allocation. For example, allocation from the 5th SFC for Karzi Mangam remained restricted to mere ₹ 1.68 Lakhs during 2023-24. There are many Panchayats such as Shipgyer, Sakyong-Pentong etc. who received less than ₹ 3 lakhs per annum from the 5th SFC allocation. Many such GPs in Sikkim are remotely located. They are constrained by connectivity (so, they may need more money to negotiate additional challenges) and other disadvantages related to remoteness from the district headquarters. As these GPs have very small population sizes, the standard devolution formulae do not help them in receiving sufficient grants for functioning as vibrant institutions of Local Self Government.

- 7.15** The ULBs are also mandated to undertake the initiatives for economic development and social justice in their geographical jurisdictions. People expect them to deliver quality services in a timely manner. But due to significant migrant and floating populations, the ULBs are often resource constrained to serve appropriately. The majority of the ULBs in Sikkim are financially restrained to act as vibrant institutions of local self-government. For example, Gyalshing and Mangan, are respectively receiving mere 30.29 Lakhs and 35.05 Lakhs from the SFC grants during 2023-24. These amounts are not sufficient for the institutions, which are supposed to provide basic urban services to actual population of more than 5000 persons in each ULB.
- 7.16** The above examples from smaller GPs and smaller ULBs suggest that the 6th SFC should facilitate financial securities of such constrained local bodies. Special arrangements should be explored to ensure that smaller Local Bodies in Sikkim are financially secured through the minimum threshold support grant from the 6th SFC.
- 7.17** The other factor which raises importance of minimum threshold support is unexpected fluctuations in resources of the State. Most of the SFCs, for example, have considered Net Own Tax Revenue (NOTR) as the divisible pool for devolution to the local bodies. The NOTR has historically been increasing every year in Sikkim. But COVID-19 brought the possibility of reduction in the NOTR. Such possibilities make Local Bodies very vulnerable as they heavily depend on their share from the NOTR, as recommended by the SFCs. It is necessary that the Local Bodies should be protected from such situation. Their survival and interests should not be compromised due to external factors such as pandemic or other disasters. The Local Bodies must receive adequate grants, irrespective of fluctuations in the NOTR or other indicators.
- 7.18** The Commission is of the view that many Local Bodies in Sikkim are financially stressed and so they are unable to undertake appropriate development activities. The Commission would therefore, like to create an equitable financial environment for all the Local Bodies irrespective of their backwardness and remoteness. To ensure that circumstantially challenged local bodies should feel financially secure, the Commission proposes Minimum Assured Grant as safety net for all the Gram Panchayats and the Urban Local Bodies.

7.19 The Commission realizes that every Gram Panchayat and every ULB must receive a minimum threshold support to survive and to effectively serve the needs of their people. As Zilla Panchayats are not directly involved with providing basic services to the people, the SFC does not propose to provide the Minimum Assured Grant to the ZPs. It may be noted that ZPs are otherwise sufficiently supported by the Central and the State Finance Commission Grants and Local Area Development fund from the State Government.

The recommendations of the 6th State Finance Commission have been structured into following 6 sections:

- A. The Overall Devolution
- B. Grants to the PRIs and the ULBs
- C. Strengthening the Capacities and Functioning of the Local Bodies
- D. Incentivizing the Own Source Revenue Mobilization
- E. Devolution of Functions and Functionaries
- F. Transparency and Accountability in Functioning of the Local Bodies

A. The Overall Devolution:

7.20 **Total Devolution for the Local Bodies: *The 6th State Finance Commission recommends that 6% of the Net Own Tax Revenue should be devolved every year for the Local Bodies in Sikkim.***

B. Grants to the PRIs and the ULBs (Annexure 7.3)

7.21 **Grants to the Local Bodies are as follows:**

- (I) **Grants to the Local Bodies: *Out of the recommended devolution of 6% of the NOTR, 5% should be devolved directly to the PRIs and the ULBs as Grants.***
- (II) **Grants to Nodal Departments to enable the Local Bodies: *The remaining 1% of the NOTR should be allocated to different State Level Initiatives to strengthen the functioning of Local Bodies in Sikkim. Out of this 1% of NOTR,***
 - (a) *0.5% should be devolved to the State Capacity Building Fund for providing appropriate capacity building support to the PRIs and ULBs and*
 - (b) *0.5% should be devolved as the Enabling Grant. The Enabling grant has two components: (i) Office Infrastructure Grant to enable appropriate functioning of offices of the Local Bodies, and (ii) the Lumpsum yearly grant (₹ 60 Lakhs per annum) for establishment and functioning of a permanent SFC cell. The SFC cell will enable effective implementation of the SFC recommendations.*

7.22 Minimum Assured Grant to the GPs and the ULBs: *The 6th State Finance Commission recommends that every Gram Panchayat and every ULB in Sikkim should receive the Minimum Assured Grant (MAG) every year during 2025-30.*

- (i) *Each Gram Panchayat of Sikkim should receive ₹ 6 Lakhs per annum as Minimum Assured Grant and*
- (ii) *Each ULB should receive Minimum Assured Grants at the rate of ₹ 50 Lakhs per ULB per annum.*

7.23 Divisible Pool for Devolution to the PRIs and the ULBs: *The Minimum Assured Grant should be secured first. The divisible pool for devolution to PRIs and the ULBs will be derived after subtracting the Total of MAGs from the recommended Total Devolution to the PRIs and the ULBs.*

Total MAGs during a year = 6x199 (for GPs) + 50X7 (for ULBs) = ₹ 1544 Lakhs

Yearly Divisible Pool for LBs = (5% of the NOTR of the year - ₹ 1544 Lakhs)

7.24 Division between the Rural and Urban Local Bodies: *The Divisible Pool should be distributed between the PRIs and the ULBs in ratio of 75% to 25%. The proportion of suggested distribution approximately confirms to the proportion of rural and urban population in Sikkim.*

7.25 Sharing between Tiers of the PRIs: *Out of the total devolution to the PRIs, as obtained in the Table 7.4, 70% should be allocated to the Gram Panchayats and 30 % to the Zilla Panchayats.*

7.26 Weighted allocations to Individual Local Bodies: *To determine the quantum of devolution to individual local bodies, the Commission recommends considering 90% weightage for population (2011 Census) and 10% weightage to the geographical area of the Local Body (Gram Panchayat or Zilla Panchayat or Urban Local Body). The percentage of horizontal devolution between the ULBs is given in the Annexure 7.6. Similarly, the percentage of horizontal devolution between the GPs and also between various ZPs is also given in the Annexure 7.4 and 7.5.*

7.27 Basic and Performance Grants: *The entire amount after deducting MAG devolved to the individual GPs, the ZPs and the ULBs may be divided into 80% as Basic Grants and 20% as the Performance Grant.*

7.28 As per Finance Department, Government of Sikkim, the projected Net Own Tax Revenue for 2025-30 is given in Table 7.2 below:

Table 7.2- Own Tax Revenue Receipt Projection for 2025-2030 (₹ in Lakh)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
State GST	97788.42	100135.34	102638.73	105307.34	108150.63
State Excise Duties	27134.11	27785.33	28479.97	29220.45	30009.40
Stamp Duty & Registration	731.83	749.40	768.13	788.10	809.38
Motor Vehicle Tax	4140.69	4240.07	4346.07	4459.07	4579.46
Land Revenue	2847.84	2916.19	2989.09	3066.81	3149.61
Other Taxes	188.40	192.92	197.74	202.88	208.36
Total	132831.30	136019.25	139419.73	143044.64	146906.85
Deduct Collection Cost (10%)	13283.13	13601.93	13941.97	14304.46	14690.68
NOTR	119548.17	122417.33	125477.76	128740.18	132216.16

Source: Finance Department, Govt of Sikkim

Devolution Details:

- 7.29 Taking into consideration the projected estimate of Net Own Tax Revenue (Table 7.2) during the years 2025-30, the devolution recommended by the 6th SFC would be as shown in table 7.3:

Table 7.3: Year-wise Devolution of Funds (in ₹ Lakhs) to Local Bodies

Component	2025-26	2026-27	2027-28	2028-29	2029-30
Total Devolution for the Local Bodies in Sikkim (6% of the NOTR)	7172.89	7345.04	7528.67	7724.41	7932.97
Grants to the PRIs and the ULBs (5% of NOTR)	5977.41	6120.87	6273.89	6437.01	6610.81
State Capacity Building Fund (0.5% of the NOTR)	597.74	612.09	627.39	643.70	661.08
Enabling Grant (0.5% of the NOTR)	597.74	612.09	627.39	643.70	661.08

- 7.30 The year-wise grants to the Gram Panchayats, the Zilla Panchayats, and the Urban Local Bodies, as recommended by the 6th State Finance Commission is illustrated in Table 7.4:

Table 7.4: The year-wise Grants to the PRIs and the ULBs in ₹ Lakhs

Component	Local Body	2025-26	2026-27	2027-28	2028-29	2029-30
Total Grant 5% of the NOTR		5977.41	6120.87	6273.89	6437.01	6610.81
Minimum Assured Grant (MAG)	GP	1194.00	1194.00	1194.00	1194.00	1194.00
	ZP	0.00	0.00	0.00	0.00	0.00
	ULB	350.00	350.00	350.00	350.00	350.00
Balance Divisible Pool for PRIs and ULBs	Total Grant minus Total MAG	4433.41	4576.87	4729.89	4893.01	5066.81
Division between the PRIs and the ULBs	PRIs (75%)	3325.06	3432.65	3547.42	3669.76	3800.11
	ULBs (25%)	1108.35	1144.22	1182.47	1223.25	1266.70
Vertical Sharing between GPs & ZPs	GPs (70%)	2327.54	2402.86	2483.19	2568.83	2660.08
	ZPs (30%)	997.52	1029.79	1064.23	1100.93	1140.03
Basic Grant (80%)	GP	1862.03	1922.29	1986.55	2055.06	2128.06
	ZP	798.02	823.83	851.38	880.74	912.02
	ULB	886.68	915.38	945.98	978.60	1013.36
Performance Grant (20%)	GP	465.51	480.57	496.64	513.77	532.02
	ZP	199.50	205.96	212.85	220.19	228.01
	ULB	221.67	228.84	236.49	244.65	253.34

7.31 The year-wise recommended devolution for individual GPs, ZPs and ULBs for the years 2025-26, 2026-27, 2027-28, 2028-29 and 2029-30 are given in the Annexure.

7.32 **Release of the Basic Grants: The 6th State Finance Commission recommends that Basic Grant to the PRIs and the ULBs should be released in the following manner:**

(i) **Number of Installments:** *The Basic Grant should be released to all local bodies in a maximum of two installments: the first installment by 30th May and the second installment by 30th November of the financial year.*

(ii) **Criteria for the Release of Basic Grant:**

(a) *The Basic Grant for the year 2025-26 should be released to all GPs, ZPs and ULBs without any condition.*

(b) *From the year 2026-27 to 2029-30, the Basic Grants should be released to only those local bodies who have submitted the utilization certificate for the expenses related to the preceding financial year.*

- (c) *If a local body is not able to submit the said utilization certificate (for the preceding year) during the year, it will lose its basic grant for that year.*
- (d) *The State Government or the nodal departments should not stipulate any additional condition for the release of Basic Grant.*

7.33 Release of the Performance Grant: Release of the performance grant to the local bodies depend on their performances in terms of regular audit, improvement in Own Source Revenue (OSR) mobilization and prioritizing expenses for achieving the SDGs in their geographical jurisdictions.

- (i) **Number of installments:** *The performance grant should be released in 3 installments: (a) The first installment (30% of Performance Grant) by 30th May of the year after showcasing improvement in OSR mobilization, (b) The second installment (50% of the Performance Grant) by 30th September of the year after submitting the statutory audit report and (c) the third and final installment (20% of the Performance Grant) by 30th January after the nodal department certifies improvements in efforts to achieve the SDG.*
- (ii) **Criteria for the Release of the Performance Grant:** *There are 3 conditions for the release of the performance grant:*
 - (a) *Regular Statutory Audit of the Expenses: The Local Body should submit statutory audit report to receive 50% of its allocation for Performance Grant of the preceding year,*
 - (b) *The nodal department should assess and provide a certificate of improvement to show that the Local Body is making serious effort to improve its OSR mobilization. Once certified by the nodal department (or a local officer designated by the nodal officer for this purpose), the Local Body will receive 30% of Performance Grant. In order to examine OSR efforts of LBs, the receipt figures of the preceding year shall be compared with the receipt figures of year earlier to the preceding year. For example, in order to release PG for 2025-26, the revenue collection of 2024-25 and 2023-24 shall be compared and examined.*
 - (c) *A Local Body (GP /ZP /ULB) should plan and spend resources to achieve one or more of the targeted SDGs. The Nodal Department (or its designated local official) should assess and certify such efforts and expenses to facilitate release of 20% of the Performance Grant to the Local Body. The nodal departments in consultation with SFC Cell shall devise a format for ascertaining improvement in SDGs*
 - (d) *The State Government or the Nodal department should not add any other condition for release of the Performance Grant.*

C. Strengthening the Capacities and Functioning of the Local Bodies

- 7.34 The State Capacity Building Fund (SCBF):** The Local Bodies in Sikkim should be capacitated appropriately and timely to prepare them for futuristic governance and developmental challenges. The State Capacity Building Fund can provide great support in this regard. This Commission agrees with the 5th SFC in continuing the State Capacity Building Fund. Due to COVID-19, there were disruptions. So, this fund was made available to the respective nodal departments in 2021-22. The Commission therefore recommends continuance of this Fund with certain criteria for its use:
- 7.35** *The 6th SFC recommends that 0.5% of the NOTR should be allocated every year for the State Capacity Building Fund. 60% of this fund should be allocated for the Rural Local Bodies and 40% for the Urban Local Bodies. This Fund should be managed by the Rural Development Department for the PRIs and Urban Development Department for the ULBs.*
- 7.36** There are no specific training institutes in Sikkim for the ULBs. The nodal Central Ministry of Panchayati Raj has been providing regular training support for the PRIs. But ULBs have not received similar support from the Central Ministries. Considering the disadvantageous situation of the ULBs in terms of capacity building opportunities, the Commission has suggested that ratio of 60% and 40% of the State Capacity Building Fund should be allocated for Rural and Urban Local Bodies respectively.
- 7.37 Conditions for the use of the State Capacity Building Fund.**
- (i) *This Fund is meant for building capacities of the elected representatives and functionaries working with the GPUs, the ZPs and the ULBs.*
 - (ii) *This Fund should not be used for capacity building of officers posted in the Directorates and the Ministries. These officers have other opportunities for their capacity building.*
 - (iii) *This fund can be used to build capacities of the Rural and Urban Governance systems. Appropriate research studies or advisory services for strengthening the Panchayati Raj and the Urban Local Bodies can be undertaken under this fund.*
 - (iv) *However, no more than 40% of the funds under SCBF can be used in a year for the Research Studies and/or the Advisory Services.*
 - (v) *The SFC Cell shall review the expenditure under the SCBF head. The fund shall be lapsable yearly.*

7.38 **The Enabling Grant** has two components:

- (i) **Lumpsum Grant for establishment of the SFC Cell:** The SFC Cell shall be provided with lumpsum grant of ₹ 60 lakh per year throughout the period of the Commission from 2025-26 to 2029-30. This cost shall cover the cost of contractual manpower, if required, and other administrative expenses.
- (ii) **Office Infrastructure Grant** for the PRIs and the ULBs in ratio of 75% to 25% respectively.

Table 7.5: The Enabling Grants to the PRIs and the ULBs (in ₹ Lakhs)

Component	2025-26	2026-27	2027-28	2028-29	2029-30
Enabling Grant (0.5% of the NOTR)	597.74	612.09	627.39	643.70	661.08
Of which Grant for the SFC Cell	60.00	60.00	60.00	60.00	60.00
Total Office Infrastructure Grant	537.74	552.09	567.39	583.70	601.08
Of which Office Infrastructure Grant for the PRIs (75%)	403.31	414.07	425.54	437.78	450.81
Office Infrastructure Grant for the ULBs (25%)	134.43	138.02	141.85	145.92	150.27

Office Infrastructure Grant:

- 7.39 The PRIs and the ULBs are institutions of Local Self Governments. They should have appropriate office infrastructures to function as vibrant institutions. Many Local Bodies in Sikkim do not have the e-enabled offices to support the futuristic e-governance processes at local levels. In almost all consultations organized by the 6th SFC, this issue came up for discussion. The Commission feels that there should be a State Level Grant to help local bodies build a professional and modern office set-up.
- 7.40 ***The Commission appreciates the needs of local bodies to have a professional and modern office set-up. It therefore, recommends allocation (0.5% of the NOTR per year minus Operational cost of the SFC Cell per year) for creation and management of the Infrastructure Grant at the State Level.***
- 7.41 ***The Infrastructure Grant should be managed at the State level. It should be distributed between Rural and Urban Local Bodies in a ratio of 75% to 25%. The Rural component should be managed by the Rural Development Department (Directorate of Panchayat) and Urban component by the Urban Development Department (Directorate of Municipalities).***
- 7.42 ***The respective departments must ensure that 75% of the Infrastructure Grant should be allocated as the 'Digitization Grant' for IT infrastructure (hardware and software) and 25% for other office infrastructure, including the office furniture. Under Digitisation Grant, procurement of software and database creation shall be prioritized over hardware procurement.***

7.43 Conditions for the Use of the Infrastructure Grant:

- (i) *The nodal departments should make the PRIs and the ULBs aware of the Infrastructure Grant through their websites, departmental meetings/workshops, and training programmes.*
- (ii) *The nodal department should develop standard format for the application. It should seek applications in standard format from the GPUs, the ZPs and the ULBs for the fund requirements during a given time slot.*
- (iii) *The maximum limit of office infrastructure grants for different categories of the Local Bodies should be: ₹ 5 Lakhs for a Gram Panchayat, ₹ 7 Lakhs for a Zilla Panchayat and ₹ 25 Lakhs for ULB. Nodal Departments should ensure that the Local Bodies receive the grants as per the maximum limit specified above.*
- (iv) *Once the LB is identified for receiving the office infrastructure grant they shall be provided with the fund wholly in that financial year. The fund shall be utilized fully in that particular financial year.*
- (v) *The nodal department should develop simple criteria for selection. The Local Bodies should clearly state how they intend to utilize the grant.*
- (vi) *The deadline for applications to seek office infrastructure grant in a financial year will be 30th June.*
- (vii) *The total amount of office infrastructure grant to be distributed to the LBs should be limited to the yearly allocation.*
- (viii) *Preference should be given to remote GPUs and those local bodies who currently do not have proper IT infrastructure.*
- (ix) *Efforts should be made not to repeat this support to same local body in coming years unless there are very important reasons to do so. Those reasons should be explained in the approval letter.*
- (x) *The infrastructure grant should not be used for salary purposes or for recurring expenses such as payment of rent etc.*
- (xi) *The successful Local Bodies should submit the utilization certificate of the grant after utilizing the fund.*
- (xii) *The cumulative fund will continue till the end of the recommendation period of the 6th SFC.*

The State Finance Commission Cell:

7.44 The State Finance Commission requires a dedicated set-up in the government system to support its functioning and implementation of its recommendations.

7.45 The 5th SFC of Sikkim has also recommended for establishment of a permanent SFC cell in Finance Department of the Government of Sikkim.

7.46 *The Commission recommends the establishment of a permanent State Finance Commission Cell in the Finance Department of Sikkim to monitor and support the implementation of accepted recommendations of the SFCs. The SFC Cell should provide required support to the future SFCs. This Commission recommends allocation of a lump-sum amount of ₹ 60 Lakhs per year for salaries of contractual manpower (if required) and operational/administrative cost of the SFC Cell.*

7.47 **Structure of the SFC-Cell:**

(i) *The SFC Cell should have following staffs:*

(a) *Coordinator - 1*

(b) *Research Officers - 2*

(c) *Office Assistant - 1*

(ii) *The coordinator should be of the rank of Director/ Additional Director (in Government of Sikkim), reporting directly to the Finance Secretary. She/He should head the SFC Cell and should coordinate with relevant departments to ensure the timely and appropriate implementation of the SFC-recommendations.*

(iii) *The two research officers should be responsible for generating appropriate monitoring and other data for SFCs and their recommendations.*

(iv) *The Office Assistant should support the Cell in its appropriate functioning.*

(v) *Finance Department should develop the detailed Job Description of these employees, who could be recruited on deputation or appointed on contract basis.*

7.48 **Roles and Responsibilities of the SFC-Cell:**

(i) *The SFC Cell should comprehensively review the SFC Report and the Action Taken Report. Based on the SFC Report, the SFC- Cell should prepare detailed guidelines for implementation of the SFC-recommendations. These guidelines, in Nepali and English, should be shared online with all Nodal Departments and with the Local Bodies.*

(ii) *The SFC Cell should proactively develop contacts with all PRIs and ULBs through online communications and field visits for explaining conditions for utilization of SFC grants and other related information.*

(iii) *The SFC cell should manage the website of the State Finance Commission of Sikkim. The SFC Cell should upload all information related to the past SFCs and the 6th SFC.*

- (iv) *It should regularly update the website by posting about the current opportunities for Local Bodies under SFC recommendations, release of funds, and field stories related to effects on the SFC recommendations.*
- (v) *The SFC Cell should prepare a 6-monthly review report on implementation of the SFC recommendations. This report should be submitted to the Chief Secretary for his/her perusal. It should also be uploaded on the website of the State Finance Commission.*
- (vi) *The SFC Cell should prepare a comprehensive Annual Report on Status and Implications of the SFC recommendations. The annual report for the past year must be ready by 30th June of the next financial year. It should be submitted to the Chief Secretary. The annual report should be uploaded on the website of the State Finance Commission.*
- (vii) *The Commission suggests that the Director/Addl Director, State Finance Commission should be made a defacto member of future State Finance Commissions in order to improve the efficiency of the working of the Commission.*

7.49 Continuity of the Grants in Aid from the State Government: The Government of Sikkim provides grants in aid to the Local Bodies to support their recurring expenses such as salaries which should continue.

7.50 *The 6th SFC recommends continuity of the existing provision of Grants-in-Aid from the Government of Sikkim to the PRIs and the ULBs.*

Honorarium to the Elected Representatives:

7.51 In various consultations and one-to-one conversations, elected representatives from GPUs, ZPs and ULBs shared their challenges in managing their roles with meagre honorarium. Similar demands were raised with the 5th SFC, which recommended enhancement of the honorarium.

7.52 The Commission agrees with recommendations of the 5th SFC. Considering the workloads, social obligations, and rising inflations, the SFC feels that honorarium of the elected representative should be enhanced appropriately. So, it intends to repeat the earlier recommendation of the 5th SFC in this regard.

7.53 *The 6th SFC recommends that Honorarium of elected representatives should be raised appropriately to compensate them for their ever-increasing responsibilities. The proposed rates of honorarium are as follows.*

Table 7.6- Proposed Honorarium for Elected Representatives of GPUs, ZPs and ULBs

	Position of Elected Representatives	Existing Honorarium (INR)	Proposed Honorarium (INR)
1	ZP Member	10000	20000
2	GP Sabhapati	10000	20000
3	GP Up-Sabhapati	9500	18000
4	GP Member	9000	17000
5	Councilor Municipal Corporation	10000	20000
6	Councilor Municipal Council	9000	18000
7	President Nagar Panchayat	10000	20000
8	Vice President Nagar Panchayat	9500	18000
9	Councilor Nagar Panchayat	9000	17000

D. Incentivizing the Own Source Revenue Mobilization

- 7.54** Taxation powers assigned to the local bodies have a narrow base and low potential for revenue mobilization and are less buoyant. Local Bodies therefore, need financial securities by providing sufficient and assured financial support from the Central and the State Government. However, the Local Bodies should also make extra efforts to generate revenue from whatever taxes, fees, and duties they have been assigned.
- 7.55** Various studies and consultations have suggested several measures to augment the OSR of local bodies. Almost stagnant Own Source Revenue mobilization is an issue of great concern for functional and financial vibrancy of the local self-governments in Sikkim.
- 7.56** The Commission therefore, wishes to re-emphasize the importance of OSR generation. Accordingly, it makes recommendations for the OSR with a fixed time frame and designated official responsibility to ensure concrete progress.
- 7.57** The existing rates of local Taxes, fees and levies have not been revised for long in Sikkim. It was suggested by the GPs and the ULBs that they would like to have different rates in different regions, depending on the paying capacities of people therein.
- 7.58** *The Commission recommends revision of the rates of taxes, fees, and levies assigned to the GPs, the ZPs and the ULBs. These rates must be revised by the nodal departments before 30th June 2025. The Secretaries of Rural Development and Urban Development department should ensure compliance.*

- (i) ***The nodal departments must separately constitute committees of experts to review the rates of assigned taxes, fees, and levies. The Rural committee should review rates of charges at GP and ZP level. Urban Committee must review the rates of taxes, fees, and levies at the ULB levels.***
- (ii) ***The Committees shall examine the existing legal loopholes which hinder the collection of the charges at the local level. It should pay special attention to property tax and suggest measures needed to address the anomalies.***
- (iii) ***These Committees shall fix minimum and maximum rates of the taxes, fees, and levies. The local governments in their meetings must select a particular rate from the given range of rates for taxes, fees, and levies. The local body must notify its nodal department about accepted new rates. Same should be also uploaded on the website of local body.***
- (iv) ***The Heads of Nodal Departments should be responsible for ensuring that the new rates are applicable from the financial year 2025-26.***

7.59 The Associations of SHGs expressed their support to collect the taxes, fees, and levies on behalf of the local bodies. As there are SHGs in almost all villages and towns, the SHGs would be willing to collect taxes on behalf of the local bodies. The SHG should however, be compensated for collection of these charges, as per mutual agreement between the Local Body and the SHG.

7.60 ***The Commission recommends that the Rural Development and Urban Development Departments should facilitate contractual relations between the willing SHGs and the willing Local Bodies for collection of Taxes, Fees, and Levies. In lieu of tax collection, the SHGs should be paid appropriate collection charge as per mutual agreement between the SHGs and the Local Bodies. The nodal departments should prepare a Standard Operating Procedure (SOP) for tax collections and handover the SOP to the Local Bodies and the SHGs.***

7.61 In one of the consultations, the Commercial Tax department invited partnership with the local bodies to jointly develop data base for the hotels, home stays and commercial enterprises in the State. It advised the streamlining of the current system of trade licensing by the local bodies so that additional resources could be generated from these commercial enterprises. This partnership has great potential to enlarge the tax net, which will ultimately benefit the Local Bodies, as they will receive more funds from the enhanced NOTR.

7.62 ***The Commission recommends that the Commissioner, Commercial tax should coordinate with the Secretaries of Rural and Urban Development Departments to evolve an institutional relationship between Commercial Tax Department and the Local Bodies to develop updated data bank for***

commercial enterprises (in Panchayats and in ULBs). The Commercial Tax department should take the lead in developing an appropriate data format and orient the Local Bodies to collect and update the data on commercial enterprises in their areas.

- 7.63** In many Indian States, the Professional Tax has been devolved to the Local Bodies. In some cities, professional tax is the most important source of income after property tax. Professional tax could provide an alternative source of revenue to local bodies that lost their conventional source of revenue after abolition of octroi, entry tax. The recently held National Conclave of SFCs in NIRDPR, Hyderabad on 29-30th November 2022 also highlighted the importance of Profession Tax in augmenting resources of the Local Bodies.
- 7.64** This Commission agrees with 15th Finance Commission recommendation for increasing the profession tax limit from ₹ 2500, which has been in force for almost 35 years, to ₹ 18000 per annum.
- 7.65** *The Commission recommends that 15% of Net Profession Tax, currently collected by the State, should be shared with the Local Governments. To give a boost to infrastructure development activities in the Local Bodies that would augment their OSR, the Commission recommends the creation of a Capital Investment Fund (CIF) at the State Level. The CIF will be funded at the rate of 15% of Net Professional Tax collection per year. The CIF will be managed by the Finance Department.*
- 7.66** The Finance Department provided data for Projected Collection of Professional Tax during 2025-29. Presuming collection charges @ of 10%, appropriate figures are given in Table 7.6. This table also provides an estimate of possible availability of yearly money for the Capital Investment Fund.

Table 7.7- Projected Professional Tax Revenue Receipts (₹ in Lakh)

Component	Collection in ₹ Lakhs				
	2025-26	2026-27	2027-28	2028-29	2029-30
Total Collection	2420.00	2662.00	2928.00	3221.00	3543.110
Net Collection	2178.00	2395.80	2635.20	2898.90	3188.79
Capital Investment Fund (@15% of Net Professional Tax Per year)	326.70	359.37	395.28	434.84	478.32

Source: Finance Department, Government of Sikkim

7.67 Conditions for the use of Capital Investment Fund.

- (i) *The Capital Investment Fund is not a grant. It is a pool of resources available to invest in resources of the PRIs and the ULBs who are planning to build appropriate infrastructure for enhancing their Own Source Revenue.*

- (ii) *The CIF will be managed by the Finance Department. SFC Cell should support the process. There should not be any separate allocation for rural or urban local bodies. The fund would be available jointly to all Local Bodies.*
 - (iii) *In the context of Local Governments, this would be an alternative investment fund as minimum support to any local body should be ₹ 3 Lakhs and the maximum should be ₹ 50 Lakhs.*
 - (iv) *50% of the total support from the CIF will be in the form of Grant while the remaining 50% will be interest-free loans to be returned in the next 3 years. In case of default, the appropriate amount should be deducted from future SFC grant for the Local Body.*
 - (v) *The Finance Department should prepare detailed guidelines covering all aspects for administration of the scheme including criteria for eligibility, format for proposal etc. It should advertise all these details through its website and through the nodal departments.*
 - (vi) *The SFC Cell and Nodal Departments should support the LBs in preparation of their proposal.*
 - (vii) *The Finance Department should form a committee of experts to select an appropriate number of proposals every year.*
 - (viii) *The Finance Department should ensure that at least 90% of CIF is disbursed in a year.*
 - (ix) *The Capital Investment Fund should be operated through the Public Account Head.*
 - (x) *Loans and Liabilities under the CIF shall be addressed beyond the period of the Commission till its closure. However, no additional money shall be added to CIF after the period of the 6th SFC recommendations.*
 - (xi) *All the balances under the Public Account, after the settlement of loans and liabilities shall be transferred to the Consolidated Fund of the State or as per specific recommendation of the 7th SFC.*
- 7.68. The collection of construction fee is one of the OSR for the local bodies. Apart from Gangtok Municipal Corporation, no other local bodies have been assigned this function. The Commission feels that there should be progressive transfer of this function to LBs as per the attained capacity.
- 7.69 The construction activities in Urban Areas are being monitored by UDD along with GMC (for Gangtok). There is a regulation framework in place to monitor and control the construction activities in Urban areas. The process is guided by Sikkim Building Bye Laws.

- 7.70 However, the case is not the same in Rural Areas. There is no proper framework and guiding rules to regulate the construction activities in the rural areas. The Commission is of the view that this situation should be brought under control as soon as possible.
- 7.71 *The Commission recommends that RDD should prepare a set of Building Bye Laws to regulate the construction activities in rural areas in consultation with UDD. A defined processes and frame work should be put in place which will also augment the OSR of PRIs through collection of various fees related to the construction activities. For this purpose, the fund under SCBF could be utilized subject to a maximum of ₹ 7.50 lakhs per year.***

Corporate Social Responsibility Fund (CSR):

- 7.72 As discussed in earlier sections of this report, the Corporate Social Responsibility (CSR) Fund is a good potential resource for the Local Bodies. These resources could be in the form of financial support and/or technical support from the corporate professionals.
- 7.73 The 5th SFC also recommended (and accepted by the government) to streamline the relationship of Local Bodies with the CSR-Fund. But nothing moved forward in this direction. There is no CSR-policy with short term and long-term objectives. There are multiple departments directly dealing with the CSR professional in their own ways (**Annexure 7.1 and Annexure 7.2**). This needs to be systemized for the benefit of people and local governments.
- 7.74 *The Commission recommends that the Commerce and Industries Department should act as the Nodal Department for CSR activities. It should prepare CSR Policy and should formulate the guidelines for mobilizing the CSR Fund.***
- (i) *A State Level Nodal Committee for CSR Coordination should be formed under the leadership of the Secretary, Commerce, and Industries Department. Other members of this committee shall be Directors from RDD, UDD, Health and Education Departments, State Level NGOs and CSR Heads of corporates working in Sikkim. This Committee shall address the CSR related challenges and work towards common list of activities to be funded by the CSR. To facilitate the CSR support, this Committee should finalize the list of priority works in the State for the given year.***
- (ii) *Similarly, there should be a District Level Nodal Committee in every district to link available CSR fund with interested GPUs and ULBs. This Committee shall be headed by the District Magistrate and should comprise the district counterparts of the suggested members of the State Committee.***

(iii) It will be the responsibility of the Secretary, Commerce, and Industry department to ensure that the above recommendations are implemented properly.

E. Devolution of Functions and Functionaries:

Functional Devolution:

- 7.75 From various reports and interactions with the members of the PRIs and the ULBs, the Commission realizes that there has been restricted devolution of functions to the PRIs and to the ULBs. This badly affects the performance of local governments. Such incomplete and adhoc transfers of the functions also create confusion in the field.
- 7.76 Perhaps realizing the same problem, the 5th SFC recommended for review, revision, and completion of the Activity Mapping. Based on the completed Activity Mapping, departments were asked to devolve appropriate functions to the PRIs and the ULBs, as per the directives under Eleventh and Twelfth Schedule of the Constitution of India.
- 7.77 The above recommendation of the 5th SFC was accepted by the Government of Sikkim in its ATR. But till date neither the RDD nor the UDD have taken significant steps forward to complete the Activity based devolution. This Commission expresses its displeasure at no progress and repeats the same recommendation with some modifications.
- 7.78 *The 6th SFC recommends that the Secretaries of the Rural Development Department and the Urban Development Department should complete the Activity Mapping based devolution of functions to the PRIs and the ULBs. For this purpose, funds from the State Capacity Building Fund can be used. The Activity Mapping based devolution of functions must be completed before 31st March 2026.***

Devolution of Functionaries:

- 7.79 It seems that Local Bodies in Sikkim have sufficient staff capacities at their disposal. Many experts and even some PRI/ULBs members hinted at the 'problems of plenty', as many times different staff performs the same roles. This needs to be resolved by ensuring that every staff members has clear-cut and exclusive roles and responsibilities.
- 7.80 *The Commission recommends comprehensive mapping of staffing at every GP, ZP and ULB level. The nodal departments should prepare a standard format to delineate the personal profiles, exclusive roles and responsibilities and salaries of all employees working with the GPs, ZPs and ULBs. Once this data is generated, nodal departments should review the staffing arrangements and if need be, some of the staff should be re-located. The Local***

Body wise list about the above details of each employee should be uploaded on the website of the nodal department.

- 7.81 The SFC was informed that the majority of PRI and ULB members were not aware of the recommendations of the 5th State Finance Commission and other past SFCs. In absence of any knowledge about the ATR and SFC recommendations, the primary stakeholders could not demand the implementation of SFC recommendations.
- 7.82 The Commission feels that people should be informed about the ATRs and the SFC Reports. This will be very helpful in evolving the stakes of ordinary citizens in the functioning of the State Finance Commissions in Sikkim.
- 7.83 ***The 6th SFC urges the Rural Development Department and the Urban Development Department to provide a lump-sum one time IEC- grant for printing and dissemination of the copies of ATR among all GPUs, ZPs, ULBs, SIRD and NGOs. People should be made aware after these issues immediately after the presentation of the ATR in the State Legislature. That may be much before the 6th SFC recommendation period starts. So, the Commission recommends using the already existing fund under the State Capacity Building Fund under 5th SFC Grant for this purpose. The ATR booklets in Nepali and English should be disseminated within 3 months of acceptance of the ATR in the State Legislature. The Finance Department shall be responsible to pool the resources from RDD and UDD in the ratio of 75:25% for printing and dissemination of the booklets. Printing works shall be carried out through Sikkim Government Press.***

F. Transparency and Accountability in Functioning of the Local Bodies:

- 7.84 Proper Accounts Book keeping is very important in any organisation. As per the reports of the CAG and the Local Fund Audit, the maintenance of accounts and their related books in the local bodies is substandard and there is lot of room for improvement. The Commission urges the nodal departments (both RDD and UDD) to conduct adequate trainings to the concerned manpower on accounting procedures from SCBF to improve the general accounting standards in the LBs.

The Statutory Audit:

- 7.85 The Directorate of Local Fund Audit (DLFA) is empowered to conduct audit on the account of the Panchayati Raj Institutions and the Urban Local Bodies. The Comptroller and Auditor General (CAG) of India also conduct the audit of expenses incurred by the Panchayats and ULBs.
- 7.86 The Commission interacted with the team of auditors in the DLFA, who are responsible of audit of Local Bodies. The Commission has also gone through the reports of the DLFA. Every interaction with the DLFA team and Report was highly impressive.

7.87 The Commission recommends that the Directorate of Local Fund Audit should further strengthen the statutory audit process by ensuring the audit of all Local Bodies in Sikkim. The DLFA should take lead for each of the following recommendations.

- (i) The Local Governments should put their accounts online. If need be, they could seek support from the Digitization Grant, proposed by this Commission.
- (ii) The Audits conducted by CAG on departmental works in a Local Body area and audits conducted by the DLFA on accounts of the same Local Body should be integrated and made available in public domain.

Social Audit:

7.88 Social Audit is a very popular term in India due to the mandatory provisions of the Mahatma Gandhi National Rural Guarantee Act, 2005. Every Gram Panchayat uses it for the audit of expenditure under the MGNREGA. Most of the States have Directorate of Social Audit. The Social Audit has been voluntarily used by many municipalities in India. All this information implies that the appropriate methodologies and suitable expertise for facilitating the Social Audit already exists with Department of Rural Development, which has been nodal institution for MGNREGA.

7.89 *All local bodies should voluntarily undertake the social audit of expenses incurred by them during a financial year. The social audit strengthens the participation of people and catalyzes the enhanced support to efforts of local bodies in delivering the required services.*

CHAPTER - 8

SUMMARY OF RECOMMENDATIONS

Overall Devolution

1. *We recommend that 6% of the Net Own Tax Revenue should be devolved every year for the Local Bodies in Sikkim.*

(Para 7.20)

Grants to PRIs and ULBs

2. Grants to the Local Bodies are as follows:

(a) Grants to the Local Bodies: *Out of the recommended devolution of 6% of the NOTR, 5% should be devolved directly to the PRIs and the ULBs as Grants.*

(b) Grants to Nodal Departments to enable the Local Bodies: *The remaining 1% of the NOTR should be allocated to different State Level Initiatives to strengthen the functioning of Local Bodies in Sikkim. Out of this 1% of NOTR,*

(i) 0.5% should be devolved to the State Capacity Building Fund for providing appropriate capacity building support to the PRIs and ULBs and

(ii) 0.5% should be devolved as the Enabling Grant. The Enabling grant has two components: (i) Office Infrastructure Grant to enable appropriate functioning of the Local Bodies, and (ii) the Lumpsum yearly grant (₹ 60 Lakhs per annum) for establishment and functioning of a permanent SFC cell. The SFC cell will enable effective implementation of the SFC recommendations.

(Para 7.21)

3. We recommend that every Gram Panchayat and every ULB in Sikkim should receive the Minimum Assured Grant (MAG) every year during 2025-30.

(i) Each Gram Panchayat of Sikkim should receive ₹ 6 Lakhs per annum as Minimum Assured Grant and

(ii) Each ULB should receive Minimum Assured Grants at the rate of ₹ 50 Lakhs per ULB per annum.

(Para 7.22)

4. The Minimum Assured Grant should be secured first. The divisible pool for devolution to PRIs and the ULBs will be derived after subtracting the Total of MAGs from the recommended Total Devolution to the PRIs and the ULBs.

(Para 7.23)

5. We recommend that the Divisible Pool should be distributed between the PRIs and the ULBs in ratio of 75% to 25%. The proportion of suggested distribution approximately conforms to the proportion of rural and urban population in Sikkim.
(Para 7.24)
6. We recommend that out of the total devolution, as obtained in Table 7.4, 70% should be allocated to the Gram Panchayats and 30 % to the Zilla Panchayats.
(Para 7.25)
7. To determine the quantum of devolution to individual local bodies, we recommend 90% weightage for population (2011 Census) and 10% weightage to the geographical area of the Local Body (Gram Panchayat or Zilla Panchayat or Urban Local Body).
(Para 7.26)
8. We recommend that the amount devolved to the individual GPs, the ZPs and the ULBs after deduction of MAG shall be divided into 80% as Basic Grants and 20% as Performance Grant.
(Para 7.27)
9. We recommend that Basic Grant to the PRIs and the ULBs should be released in the following manner:
- i. **Number of Installments:** The Basic Grant should be released to all local bodies in a maximum of two installments: the first installment by 30th May and the second installment by 30th November of each financial year.
 - ii. **Criteria for the Release of Basic Grant:**
 - (a) The Basic Grant for the year 2025-26 should be released to all GPs, ZPs and ULBs without any condition.
 - (b) From the year 2026-27 to 2029-30, the Basic Grants should be released to only those local bodies who have submitted the utilization certificate for the expenses related to the preceding financial year.
 - (c) If a local body is not able to submit the said utilization certificate (for the preceding year) during the year, it will lose its basic grant for that year.
 - (d) The State Government or the nodal departments should not stipulate any additional condition for the release of Basic Grant.
- (Para 7.32)
10. Release of the performance grant to the local bodies will depend on their performances in terms of regular audit, improvement in Own Source Revenue (OSR) mobilization and prioritizing expenses for achieving the SDGs in their geographical jurisdictions.

- (i) **Number of installments:** The performance grant should be released in 3 installments: (a) The first installment (30% of Performance Grant) by 30th May of the year after showcasing improvement in OSR mobilization, (b) The second installment (50% of the Performance Grant) by 30th September of the year after submitting the statutory audit report and (c) the third and final installment (20% of the Performance Grant) by 30th January after the nodal department certifies improvements in efforts to achieve the SDG.
- (ii) **Criteria for the Release of the Performance Grant:** There are 3 conditions for the release of the performance grant:
- (a) Regular Statutory Audit of the Expenses: The Local Body should submit statutory audit report to receive 50% of its allocation for Performance Grant of the preceding year,
 - (b) The nodal department should assess and provide a certificate of improvement to show that the Local Body is making serious effort to improve its OSR mobilization. Once certified by the nodal department (or a local officer designated by the nodal officer for this purpose), the Local Body will receive 30% of Performance Grant. In order to examine OSR efforts of LBs, the receipt figures of the preceding year shall be compared with the receipt figures of year earlier to the preceding year. For example, in order to release PG for 2025-26, the revenue collection of 2024-25 and 2023-24 shall be compared and examined.
 - (c) A Local Body (GP /ZP /ULB) should plan and spend resources to achieve one or more of the targeted SDGs. The Nodal Department (or its designated local official) should assess and certify such efforts and expenses to facilitate release of 20% of the Performance Grant to the Local Body. The nodal departments in consultation with SFC Cell shall devise a format for ascertaining improvement in SDGs
 - (d) The State Government or the Nodal department should not add any other condition for release of the Performance Grant.

(Para 7.33)

Strengthening the Capacities and Functioning of the Local Bodies

11. We recommend that 0.5% of the NOTR should be allocated every year for the State Capacity Building Fund. 60% of this fund should be allocated for the Rural Local Bodies and 40% for the Urban Local Bodies. This Fund should be managed by the Rural Development Department for the PRIs and Urban Development Department for the ULBs.

(Para 7.35)

12. We recommend allocation (0.5% of NOTR per year minus Operational cost of the SFC Cell per year) for creation and management of the Infrastructure Grant at the State Level.
(Para 7.40)
13. The Infrastructure Grant should be managed at the State level. It should be distributed between Rural and Urban Local Bodies in a ratio of 75% to 25%. The Rural component should be managed by the Rural Development Department (Directorate of Panchayat) and Urban component by the Urban Development Department (Directorate of Municipalities).
(Para 7.41)
14. The respective departments must ensure that 75% of the Infrastructure Grant should be allocated as the 'Digitization Grant' for IT infrastructure (hardware and software) and 25% for other office infrastructure, including the office furniture.
(Para 7.42)
15. We recommend the establishment of a permanent State Finance Commission Cell in the Finance Department, Government of Sikkim to monitor and support the implementation of accepted recommendations of the SFCs. The SFC Cell should provide required support to the future SFCs. This Commission recommends allocation of a lump-sum amount of ₹ 60 Lakhs per year for salaries of contractual manpower (if required) and operational/administrative cost of the SFC Cell.
(Para 7.46)
16. We recommend continuity of the existing provision of Grants-in-Aid from the Government of Sikkim to the PRIs and the ULBs.
(Para 7.50)
17. We recommend that honorarium of elected representatives should be raised appropriately to compensate them for their ever-increasing responsibilities.
(Para 7.53)

Incentivizing the Own Source Revenue Mobilization

18. We recommend revision of the rates of taxes, fees, and levies assigned to the GPs, the ZPs and the ULBs. These rates must be revised by the nodal departments before 30th June 2025. The Secretaries of Rural Development and Urban Development department should ensure compliance.
(Para 7.58)
19. We recommend that the Rural Development and Urban Development Departments should facilitate contractual relations between the willing SHGs and the willing Local Bodies for collection of Taxes, Fees, and Levies. In lieu of tax collection, the SHGs

should be paid appropriate collection charge as per mutual agreement between the SHGs and the Local Bodies. The nodal departments should prepare a Standard Operating Procedure (SOP) for tax collections and handover the SOP to the Local Bodies and the SHGs.

(Para 7.60)

20. We recommend that the Commissioner, Commercial tax should coordinate with the Secretaries of Rural and Urban Development Departments to evolve an institutional relationship between Commercial Tax Department and the Local Bodies to develop updated data bank for commercial enterprises (in Panchayats and in ULBs). The Commercial Tax department should take the lead in developing an appropriate data format and orient the Local Bodies to collect and update the data on commercial enterprises in their areas.

(Para 7.62)

21. The Commission agrees with 15th Finance Commission recommendation for increasing the profession tax limit from ₹ 2500, which has been in force for almost 35 years, to ₹ 18000 per annum.

(Para 7.64)

22. We recommend that 15% of Net Profession Tax, currently collected by the State, should be shared with the Local Governments. To give a boost to infrastructure development activities in the Local Bodies that would augment their OSR, the Commission recommends the creation of a Capital Investment Fund (CIF) at the State Level. The CIF will be funded at the rate of 15% of Net Professional Tax collection per year. The CIF will be managed by the Finance Department.

(Para 7.65)

23. The Commission recommends that RDD should prepare a set of Building Bye Laws to regulate the construction activities in rural areas in consultation with UDD. A defined processes and frame work should be put in place which will also augment the OSR of PRIs through collection of various fees related to the construction activities. For this purpose, the fund under SCBF could be utilized subject to a maximum of ₹ 7.50 lakhs per year.

(Para 7.71)

Corporate Social Responsibility Fund (CSR):

24. The Commission recommends that the Commerce and Industries Department should act as the Nodal Department for CSR activities. It should prepare CSR Policy and should formulate the guidelines for mobilizing the CSR Fund.

(Para 7.74)

Devolution of Functions and Functionaries:

25. The 6th SFC recommends that the Secretaries of the Rural Development Department and the Urban Development Department should complete the Activity Mapping based devolution of functions to the PRIs and the ULBs. For this purpose, funds from the State Capacity Building Fund can be used. The Activity Mapping based devolution of functions must be completed before 31st March 2026.
(Para 7.78)
26. The Commission recommends comprehensive mapping of staffing at every GP, ZP and ULB level. The nodal departments should prepare a standard format to delineate the personal profiles, exclusive roles and responsibilities and salaries of all employees working with the GPs, ZPs and ULBs. Once this data is generated, nodal departments should review the staffing arrangements and if need be, some of the staff should be re-located. The Local Body wise list about the above details of each employee should be uploaded on the website of the nodal department.
(Para 7.80)
27. The 6th SFC urges the Rural Development Department and the Urban Development Department to provide a lump-sum one time IEC- grant for printing and dissemination of the copies of ATR among all GPUs, ZPs, ULBs, SIRD and NGOs. People should be made aware after these issues immediately after the presentation of the ATR in the State Legislature. That may be much before the 6th SFC recommendation period starts. The Commission recommends using the already existing fund under the State Capacity Building Fund under 5th SFC Grant for this purpose. The ATR booklets in Nepali and English should be disseminated within 3 months of acceptance of the ATR in the State Legislature. The Finance Department shall be responsible to pool the resources from RDD and UDD in the ratio of 75:25% for printing and dissemination of the booklets.
(Para 7.83)

Transparency and Accountability in Functioning of the Local Bodies:**The Statutory Audit:**

28. The Commission recommends that the Directorate of Local Fund Audit should further strengthen the statutory audit process by ensuring the audit of all Local Bodies in Sikkim. The DLFA should take lead for each of the following recommendations.
- (i) The Local Governments should put their accounts online. If need be, they could seek support from the Digitization Grant, proposed by this Commission.
 - (ii) The Audits conducted by CAG on departmental works in a Local Body area and audits conducted by the DLFA on accounts of the same Local Body should be integrated and made available in public domain.

(Para 7.87)

Social Audit:


29. All local bodies should voluntarily undertake the social audit of expenses incurred by them during a financial year. The social audit strengthens the participation of people and catalyzes the enhanced support to efforts of local bodies in delivering the required services.

(Para 7.89)

Gangtok
31st Oct, 2023



(Tashi Cho Cho) IAS
Chairperson



(Roshni Rai) SCS
Member



(Tenzing D Denzongpa) SCS
Member



(Raj Narayan Pradhan) SFAS
Member Secretary

73^d and 74th amendments in the Constitution of India in 1992 has recognised the Local Government as the third tier of governance through mechanisms and processes by delegating the three Fs namely Functions, Functionaries and Finances. The Central Finance Commission constituted under Article 280 of the Constitution makes recommendations for financial devolution to the Local bodies through the State. The distribution of the finances between the States and the Local bodies is mandated to the State Finance Commission constituted under Articles 243 I and Y of the Constitution.

The State Finance Commission is formed once in every five years as per the Constitutional provisions with set of terms of reference to identify gaps in service delivery and address the financial resources and other aspects to strengthen local governance as enshrined in the Constitution. The 6th State Finance Commission while making an assessment of the State finance to arrive at the divisible pool of resources undertook discussions with the elected representatives of PRIs and ULBs, nodal departments, rural organisations and stakeholders to formulate the recommendations taking into account the practical issues and challenges being faced by the Local bodies.

I am privileged and honoured to be associated with the 6th State Finance Commission constituted by the State Government of Sikkim. The Commission expresses their deepest gratitude to the Hon'ble Governor, Shri. Lakshman Prasad Acharya and the Hon'ble Chief Minister, Shri. P.S. Tamang (Golay) for constituting the Sixth State Finance Commission. I wish to place on record deep appreciation of the continued support, domain knowledge and unstinted dedication of all the Members of the Commission. This report is a joint endeavour of each Member who participated with intense deliberations and contributed immensely. Special mention of Shri Raj Narayan Pradhan, Member Secretary, 6th State Finance Commission for his immeasurable contributions. His experience and domain understanding of issues of PRIs and ULBs has value added the work of the Commission and his active coordinated activities has enabled the Commission to finalise the report timely.

The Members of the Commission join me to express our sincere thanks to the Commissioner-cum-Secretary, Rural Development Department, Secretary, Urban Development Department and their dedicated team of officers for valuable contributions. We are also thankful to the team of officers from Finance Department with special mention of Shri. Mahendra Pradhan, Director (FCD), for their valuable inputs on the State Finances to facilitate the Commission to work out devolution of financial resources to PRIs and ULBs.

The Commission would like to thank all the elected representatives of PRIs and ULBs for active participation during the deliberations and sharing their experiences and challenges. Our deep gratitude to the Chairman and Members of 5th State Finance Commission for sharing their experiences and meaningful suggestions to the Commission's work.

Our deep appreciation for the cooperation and assistance extended by the District Collectors, the concerned District officials and functionaries of PRIs and ULBs, State Institute of Rural Development, Commerce and Industries Department for coordinating discussion with the Pharmaceutical Companies, Hydrel Project Units to understand Corporate Social Responsibility Fund (CSR) to support the Local bodies to augment OSR.

We are thankful to the inputs and feedbacks given by the Self-Help Groups and Pharmaceutical and Hydel Project Companies.

Special thanks to the team members of PRIA, consultant Shri Anshuman Karol and Shri Manoj Rai for assisting and anchoring the work of the Commission at various stages and preparation of the report.

The Commission was assisted by a team of staffs from Finance department who came on deputation and Shri Pempa Tshering Bhutia, Senior Accountant, Rural Development Department have contributed significantly for smooth coordinated work. The Commission would also like to express gratitude to Shri.S.D. Pradhan (Retd. Principle Director, Finance) for his valuable inputs on the financial aspect of the report.

The Commission expresses heartfelt gratitude to the Chief Secretary, Government of Sikkim for his continued guidance and unstinted support.

We would like to acknowledge and thank all those directly and indirectly involved in giving the final shape to the report. We hope that this report will strengthen Local bodies to pave the way towards a meaningful decentralisation in the State of Sikkim.

Gangtok
31st Oct,2023



Tashi Cho Cho
Chairperson

ANNEXURES*Annexure 3.1
Para 3.2***SIKKIM****GOVERNMENT****GAZETTE****EXTRAORDINARY
PUBLISHED BY AUTHORITY**

Gangtok

Tuesday 21st June, 2022

No. 255

**FINANCE DEPARTMENT
GOVERNMENT OF SIKKIM
GANGTOK, SIKKIM**

No. GoS/Fin/FCD/2021-22/01/273

Dated: 20th June 2022**NOTIFICATION**

In exercise of the powers conferred by Article 243 I 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 is pleased to constitute the Sixth State Finance Commission consisting of Smt. Tashi Cho Cho, Secretary, Home and Administrative Reforms Commission as the Chairperson with the following officers as members: -

1. Smt. Roshni Rai,
Special Secretary,
Urban Development Department - Member
2. Shri Basant Lama,
Director Panchayat,
Rural Development Department – Member
3. Shri Raj Narayan Pradhan,
Director (Accounts),
Rural Development Department – Member Secretary

ANNEXURES

2. The Chairperson and the other Members of the Commission shall hold the office from the date on which they respectively assume office and not later than 1st August, 2022 for a period of six months unless the Governor extends the term for the purpose.
3. The Commission shall make recommendation as to the following matters, namely: -
 - (a) The principles which should govern: -
 - (i) The distribution of fund between the State and the local bodies namely 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 allocation between the Zilla Panchayats, Gram Panchayats and Urban Local Bodies at all levels of their respective shares of such proceeds;
 - (ii) The determination of taxes, duties, tolls and fees which may be assigned to or appropriated by the Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Councils and Nagar Panchayats;
 - (iii) The Grants-in-Aid to the Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Council 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 Council and Nagar Panchayats.
4. The Commission shall also: -
 - (i) Examine and suggest the extent to which and the manner in which the resource available to the local bodies could best be utilised 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 recommendations for repayment of Government dues and make possibility of adjusting these dues against future devolution of revenues from Government to these bodies;
 - (iii) Examine the resources of the Local Bodies for the five years commencing on 1st April 2025 on the basis of the existing and the proposed level of taxation and non-tax revenues likely to be reached by the end of fiscal year 2029-30. Any new taxes and duties leviable during the award period may be taken into consideration.

ANNEXURES

5. In making its recommendations, the Commission shall have regard to, among other things: -
 - (i) The resources of the State Government and the demands, thereon, on account of expenditure on civil administration, debt servicing, development and other committed expenditure of the Local bodies;
 - (ii) Suggest to improve the quality of public expenditure to obtain better outputs and outcomes;
 - (iii) Examine the component of maintenance and up keep of capital assets created by the Local Bodies or transferred by the Government to the Local Bodies.
6. In making its recommendations on various matters, the Commission shall take the base of population figure as of 2011, in all such cases where population is a factor for determination of devolution of taxes, duties, and grants-in-aids.
7. The Commission shall indicate the basis on which it has arrived at its findings and make available the estimate of receipts and expenditure of each tier of Local Bodies within the State.
8. The Commission shall submit its recommendations to the Governor within 31st December, 2022, covering the period of five years commencing of the 1st day of April, 2025.

Sd/-
(V.B. PATHAK, IAS)
Additional Chief Secretary
Finance Department

S.G.P.G. - 255/Com. 2/Gazette/100 Nos./ Dt:- 21.06.2022.

ANNEXURES

*Annexure 3.2
Para 3.4*



**FINANCE DEPARTMENT
GOVERNMENT OF SIKKIM
GANGTOK, SIKKIM**

No: GoS/Fin/FCD/2021-22/01/292

Dated: 22nd February 2022

NOTIFICATION

The Governor of Sikkim in exercise of the powers conferred by Article 243 I and 243 Y 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, was pleased to constitute the Sixth State Finance Commission as published in the Gazette of Sikkim vide Notification No. GoS/Fin/FCD/2021-22/01/273 Dated: 20th June 2022; and Shri Basant Lama was appointed as member of the said Commission.

Whereas Shri Basant Lama has since been promoted and posted as Secretary, Culture Department vide O.O. No. 6566/G/DOP dated: 16th December 2022; the Governor is hereby pleased to appoint Shri Tenzing Dorjee Denzongpa as member of Sixth State Finance Commission and for that purpose makes the following amendment in the aforesaid Order.

In the said order in paragraph 1, for serial number 2 and the entries related thereto, the following entries shall be substituted, namely:

1. Shri Tenzing Dorjee Denzongpa,
Director Panchayat,
Rural Development Department – Member
2. In the said order, the Governor is also pleased to extend the tenure of holding of office by Chairperson and the other Members of the Commission by another six months up to 31st July 2023. The Commission shall now submit its recommendations to the Governor within 30th June 2023.

Sd/-
(V.B. PATHAK, IAS)
Chief Secretary
Finance Department

ANNEXURES*Annexure 3.3
Para 3.11*

**GOVERNMENT OF SIKKIM
FINANCE DEPARTMENT
TASHILING SECRETARIAT
BLOCK-B
GANGTOK**

No: GoS/FCD/FIN/2021-22/01/318

Dated: 25/07/23

NOTIFICATION

The Governor of Sikkim in exercise of the powers conferred by Article 243 I and 243 Y 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 was pleased to constitute the Sixth State Finance Commission as published in the Gazette of Sikkim vide Notification No. GoS/Fin/FCD/2021-22/01/273 Dated: 20th June 2022.

As per Notification No. GOS/FCD/FIN/2021-22/01273 Dated: 20th June 2022, the time period of the Commission was upto 31st January 2023. Due to various factors the Commission requested for time extension upto 31st July 2023 which was granted and communicated vide Notification no. GOS/Fin/FCD/2021-22/01/292 Dated: 22 February 2023.

Now, the Commission is facing problem in collecting quality data from various offices and requested for extension of 03 (three) months period to submit the report.

In the said order, the Governor is also pleased to extend the tenure of holding of office by Chairperson and the other Members of the Commission by another three months up to 31st October 2023. The Commission shall now submit its recommendations to the Governor within 31st October 2023.

Sd/-
(V.B. PATHAK, IAS)
Chief Secretary
Finance Department

ANNEXURES

*Annexure 4.1
Para 4.2*

PUBLIC NOTICE

The Sixth State Finance Commission has been constituted by the Governor of Sikkim under the Chairpersonship of Smt. Tashi Cho Cho, vide Notification No. GOS/FCD/FIN/2021-22/01/273 dated 20th June, 2022, read with Notification No. GOS/FIN/FCD/2021-22/01/292 dated 22.02.23 with the following Terms of Reference:

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

- (1) (a) The principles which should govern: -
 - (i) The distribution of fund between the State and the Local Bodies namely 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 IXA of the Constitution of India and the allocation between the Zilla Panchayats, Gram Panchayats and Urban Local Bodies 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;
 - (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.
- (2) The Commission shall also: -
 - (i) Examine and suggest the extent to which and the manner in which the resource available to the local bodies could best be 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.

ANNEXURES

- (iii) Examine the resources of the Local Bodies for the five years commencing on 1st April 2025, on the basis of the existing and proposed level of taxation and non-tax revenues likely to be reached by the end of fiscal year 2029-30. Any new taxes and duties leviable during the award period may be taken into consideration.
- (3) In making its recommendations, the Commission shall have regard to, among other things,
 - (i) The resources of the State Government and the demands thereon on account of expenditure on civil administration, debt servicing, development and other committed expenditure.
 - (ii) Suggest to improve the quality of public expenditure to obtain better outputs and outcomes;
 - (iii) Examine the component of maintenance and upkeep of capital assets created by the Local Bodies or transferred by the Government to the Local Bodies.
- (4) In making its recommendations on various matters, the Commission shall take the base of population figure as of 2011, in all such cases where population is a factor for determination of devolution of taxes, duties and grants-in-aids.
- (5) 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.
- (6) The Commission shall submit its recommendations to the Governor within 31st day of June 2023, covering the period of five years commencing on the 1st day of April, 2025.
- (7) The Chairperson and Members of the Commission shall hold office from the date on which they respectively assume office and not later than 1st August, 2022 for a period of six months unless the Governor extends the term for the purpose. The term of the Commission has since been extended upto 31st July, 2023.

The Sixth State Finance Commission invites views and suggestions on issues related to terms of reference from the general public, panchayats, public representatives, institutions and organisations in writing by 15th April, 2023 to be submitted to Shri Raj Narayan Pradhan, Member Secretary, Sixth State Finance Commission, First Floor, Tower Building, Tashiling Secretariat, Gangtok. The views and suggestions can also be sent by email to 6thsfcsikkim@gmail.com.

ANNEXURES

Other Contact Numbers of the Commission are given as below:

1. Smt. Tashi Cho Cho - Chairperson
Secretary,
Home Department
Mobile No.9733348477
2. Smt. Roshni Rai - Member
Special Secretary
Urban Development Department
Mobile No.9933326444
3. Shri. Tenzing Denzongpa - Member
Director Panchayat
Rural Development Department
Mobile No.9733340157

(RAJ NARAYAN PRADHAN)
Member Secretary,
Sixth State Finance Commission
Mobile No.9733063820

ANNEXURES

Annexure 4.2
Para 4.4Schedule of meetings held by the 6th State Finance Commission

Sl. No.	Date	Venue	Present		Purpose
1	15.10.22	Office chamber of the Chairperson	1. Smt.Tashi Cho Cho	- Chairperson	To decide on the following issues:-
			2. Mr. Basant Kumar Lama	- Member	1. Public Notice
			3. Smt.Roshni Rai	- Member	2. Office Space for the Committee
			4. Mr. Raj N Pradhan	- Member Secretary	3. Budgetary Support
					4. Manpower Requirement
					5. Appointment of Consultants.
2	07.11.2022 (11.30 AM)	Office chamber of the Chairperson	1. Smt.Tashi Cho Cho	- Chairperson	To finalize on the following:
			2. Mr. Basant Kumar Lama	- Member	1. Budgetary Support of ₹ 46.43 lakh
			3. Smt.Roshni Rai	- Member	2. Office Space
			4. Mr. Raj N Pradhan	- Member Secretary	3. Appointment of PRIA as Consultants
3	09.12.22 (2.30 P.M.)	Office chamber of the Chairperson	1. Smt.Tashi Cho Cho	- Chairperson	1 st Meeting with the Consultants (PRIA)
			2. Mr. Basant Kumar Lama	- Member	Collection of Data through Finance Department
			3. Smt.Roshni Rai	- Member	ATR on Recommendations of 5 th SFC Report
			4. Mr. Raj N Pradhan	- Member Secretary	To decide the timeline for action plan of the Commission
			5. Shri. Anshuman Karol	- Lead Governance & Climate Action, PRIA	
			6. Shri.Manoj Rai		

ANNEXURES

4	24.02.23 (11.00 AM)	Office chamber of the Chairperson	1. Smt.Tashi Cho Cho	- Chairperson	Introduction of New member of the Commission
			2. Mr. Tenzing Denzongpa	- Member	Status of collection of data
			3. Shri.Raj Narayan Pradhan	- Member Secretary	Attachment of Additional Staff Revision of Action plan
5	05.04.23 (11.00 A,M)	Video Conference on Zoom to finalise the schedule of stakeholder meetings	1. Smt.Tashi Cho Cho	- Chairperson	Finalization of Phase I and Phase II of Schedule of stakeholders meeting
			2. Mr. Basant Kumar Lama	- Member	
			3. Smt.Roshni Rai	- Member	
			4. Mr. Raj N Pradhan	- Member Secretary	
			5. Shri.Anshuman Karol	- Lead Governance & Climate Action, PRIA	
			6. Shri.Manoj Rai		
6	17.04.2023	Hotel Denzong Regency, Gangtok	Smt. Tashi Cho Cho	Chairperson, 6 th SFC	To learn from the experiences of former members of the SFCc and seek their suggestions in improving the preparation of the 6 th SFC Report
			Smt. Roshni Rai	Member, 6 th SFC	
			Shri Raj Narayan Pradhan	Member Secretary, 6 th SFC	
			Shri Mahendra Pradhan -	Director (FCD) Finance Department-	
			Shri Tsegyal Tashi	Former Chairperson, 5 th SFC	
			Shri Tashi W. Khangsarpa	Former Member , 5 th SFC	
			Shri Mukti Nath Dhakal Shri	Former Member , 5 th SFC	
			Bikram Tamang	Former Member Secretary, 5 th SFC	
			Shri Manoj Rai	PRIA	
			Dr. Anshuman Karol	PRIA	

ANNEXURES

7	18.04.2023	GMC Conference Hall, Deorali			To solicit their experiential learning and suggestions on implications of past SFC recommendations and current challenges in ULBs.
8	19.04.2023	Chintan Bhawan, Gangtok			The 6 th SFC invited official representatives from 199 GPUs in Sikkim to learn from their experiences.
9	19.04.2023	Chintan Bhawan, Meeting Hall			The senior officers of Finance, Revenue, Rural Development and Urban Development were invited by the 6 th SFC to solicit their inputs and suggestions regarding strengthening of financial and human resource capacities of the PRIs and the ULBs.
10	23.05.2023	Office chamber of the Chairperson	Smt.Tashi Cho Cho	- Chairperson	To know the status of administration of Corporate Social Responsibility (CSR) in the State of Sikkim and also identify the participants from PSUs and Private Sectors for the meeting with 6 th SFC on 1 st June,2023.
			Smt. Roshni Rai	- Member	
			Mr. Tenzing Denzongpa	- Member	
			Shri.Raj Narayan Pradhan	- Member Secretary	
			Shri Karma R Bonpo, Secretary, Commerce & Industries Deptt.		

ANNEXURES

11	29.05.2023	Chintan Bhawan, Gangtok	Chairperson and Members of 6 th SFC and elected representatives of selected GPUs.	To solicit their experiential learning and suggestions on implications of past SFC recommendations and current challenges in GPUs, the 6 th SFC invited Elected members and officials of selected GPUs (award winning, remote and newly constituted) of Sikkim
12	29.05.2023	Chintan Bhawan, Meeting Hall, Gangtok	Chairperson and Members of 6 th SFC and elected representatives of Zilla Panchayats.	To solicit their experiential learning and suggestions on implications of past SFC recommendations and current challenges in ZPs, the 6 th SFC invited Adhyaksha and Upa Adhyaksha of ZPs and elected members from each ZP (including women members
13	30.05.2023	Chintan Bhawan, Meeting Hall, Gangtok	Chairperson and Members of 6 th SFC and elected representatives of ULBs.	The meeting was organised among Elected Members of ULBs (Mayor, Deputy Mayor of Gangtok Municipal Corporation, Chairman and Vice Chairman of Namchi Municipal Council and Presidents and Vice Presidents of Nagar Panchayats in Sikkim

ANNEXURES

14	30.05.2023	Chintan Bhawan, Meeting Hall, Gangtok	Chairperson and Members of 6 th SFC and Officers of SIRD&PR, SICB and Skill Dev. Department.		To understand the issues in Capacity building of PRIs and ULBs
15	01.06.2023	Chintan Bhawan, Meeting Hall, Gangtok	Chairperson and Members of 6 th SFC and Officers of Commerce & Industries Department and CSR representatives of Companies.		To understand the current context of CSR initiatives of the companies and their existing or possible links with the GPUs or ZPs or ULBs?
16	01.06.2023	Chintan Bhawan, Meeting Hall, Gangtok	Chairperson and Members of 6 th SFC and Officers of Rural Dev. Department and SHGs representatives.		To understand the framework of current relations of SHGs with PRIs and ULBs
17	11.07.2023	Office chamber of the Chairperson	Smt.Tashi Cho Cho	- Chairperson	1. Submission of revised data formats by ULBs and PRIs
			Smt. Roshni Rai	- Member	2. Submission of Questionnaire by ULBs and PRIs
			Mr. Tenzing Denzongpa	- Member	3. Submission of Committed Liability statement by ULBs and PRIs
			Shri.Raj Narayan Pradhan	- Member Secretary	4. Submission of Information on Professional Tax by Finance Department
18	19.07.2023	Through VC	1. Smt.Tashi Cho Cho	- Chairperson	To discuss on the draft report.
			2. Mr. Tenzing D. Denzongpa	- Member	
			3. Smt. Roshni Rai	- Member	
			4. Mr. Raj N Pradhan	- Member Secretary	
			5. Shri.Anshuman Karol	- Lead Governance& Climate Action, PRIA	
			6. Shri. Manoj Rai	PRIA	

ANNEXURES

19	31.07.2023	Conference Hall, RDD	Chairperson and Members of 6 th SFC and Officers of Finance Department and DoPR.		The meeting was primarily called to discuss the shortcomings on Status of Compliance of the recommendations of the 5 th State Finance Commission submitted by the various concerned departments viz. Finance, Urban Development and Rural Development Departments. Going through the status of compliance submitted earlier, the Commission felt that compliance report required updation.
20	16.08.2023	Office chamber of the Chairperson	Smt.Tashi Cho Cho	- Chairperson	The meeting was primarily called to discuss the possible devolution formula submitted by PRIA
			Smt. Roshni Rai	- Member	
			Mr. Tenzing Denzongpa	- Member	
			Shri.Raj Narayan Pradhan	- Member Secretary	
21	24.08.2023	Office chamber of the Chairperson	Smt.Tashi Cho Cho	- Chairperson	The meeting was primarily called to discuss the documents submitted by PRIA on comparative devolution between last year of 5 th SFC (2024-25) and 1 st year of 6 th SFC at same level of 4.5% and also to discuss fixing of minimum devolution to LBs.
			Smt. Roshni Rai	- Member	
			Mr. Tenzing Denzongpa	- Member	
			Shri. Raj Narayan Pradhan	- Member Secretary	
22	28.08.2023	Conference Hall, Tashiling Secretariat	1. Smt.Tashi Cho Cho	- Chairperson	The meeting was called to discuss the finer details to be included in the
			2. Mr. Tenzing D. Denzongpa	- Member	

ANNEXURES

			3. Smt.Roshni Rai	- Member	Draft 6 th SFC Report
			4. Mr. Raj N Pradhan	- Member Secretary	
			5. Shri. Manoj Rai	PRIA	
23	30.08.2023	Office chamber of the Chairperson	Smt. Tashi Cho Cho	- Chairperson	The meeting was specifically called to finalize the decision of the Commission on granting minimum assured devolution to the Local Bodies (LBs).
			Mr. Tenzing Denzongpa	- Member	
			Shri. Raj Narayan Pradhan	- Member Secretary	
24	20.09.2023	Office chamber of the Chairperson	Smt.Tashi Cho Cho	- Chairperson	The meeting was specifically called to discuss the draft report of the 6 th State Finance Commission submitted by PRIA.
			Smt. Roshni Rai	- Member	
			Mr. Tenzing Denzongpa	- Member	
			Shri. Raj Narayan Pradhan	- Member Secretary	
25	22.09.2023	Office chamber of the Chairperson	Smt. Tashi Cho Cho	- Chairperson	This was the continuity meeting to the meeting convened on 20 th Sept,2023 to discuss the Draft 6 th SFC Report.
			Smt. Roshni Rai	- Member	
			Mr. Tenzing Denzongpa	- Member	
			Shri.Raj Narayan Pradhan	- Member Secretary	
			Shri. S.D.Pradhan	- Retd. Pr. Director, Finance Deptt.	
26	25 & 26 Sept 2023	New Sikkim House, New Delhi & PRIA Office, New Delhi	1. Smt.Tashi Cho Cho	- Chairperson	The meeting was organized to discuss the draft report of the Sixth State Finance Commission
			2. Smt.Roshni Rai	- Member	
			3. Mr. Raj N Pradhan	- Member Secretary	
			4. Mr. Pempa T Bhutia	-Office Administrator	
			5. Shri.Anshuman Karol	- Lead Governance& Climate Action,PRIA	
			6. Shri.Manoj Rai		
27	22.11.2023	Chamber of the Chairperson	Smt.Tashi Cho Cho	- Chairperson	The meeting was convened to finalise the Report of the 6th SFC and give it for printing
			Smt. Roshni Rai	- Member	
			Mr. Tenzing Denzongpa	- Member	
			Shri. Raj Narayan Pradhan	- Member Secretary	

ANNEXURES

Annexure 4.3

MINUTES OF THE FIRST MEETING OF THE 6TH STATE FINANCE COMMISSION

The first meeting of the 6th State Finance Commission (6th SFC) was held today i.e., 15th October, 2022 in the chamber of Smt. Tashi Cho Cho, Secretary, Home Department who is also the Chairperson of the 6th SFC. The meeting chaired by the Chairperson was attended by other members; Shri. Basant Kumar Lama, Director (Panchayat), Smt. Roshni Rai, Special Secretary, UDD and Shri. Raj N. Pradhan, Director (Accts), RDD who is also the Member Secretary of the Committee.

At the onset, Chairperson welcomed all the members to this meeting and also expressed regret on the delay for holding the initiation meeting of the Committee. Thereafter various issues as stated below were discussed:

1. Public Notice
2. Office Space for the Committee
3. Budgetary Support
4. Manpower Requirement
5. Appointment of Consultants.
6. Formal Meeting with the Chief Secretary also in charge of Finance Department.

1. Public Notice:

As per the trend, public notice is to be issued through local dailies for dissemination of information regarding the formation of 6th State Finance Commission and the terms of reference of the Commission. It was decided that the public notice would be kept pending at the moment due to Model Code of Conduct (MCO) in force due to the Panchayat Elections. However, correspondence shall be made with Urban Development Department regarding the same. Public Notice, in general, shall be issued after the lifting of MCO.

2. Office Space for the Commission:

The Committee members undertook a recce of two spaces earmarked by the Home Department. One was at the ground floor of the building housing the DOP Office. This space was not considered as there was one single room which would not be adequate. The second space was at the first floor of the Tower Building. This part space was selected by the Commission as it was already equipped with one hall and one office for the Chairperson complete with washroom, electricity connection and more importantly the work station furniture.

ANNEXURES

3. **Budgetary Support:**

The Commission took up the issue of budgetary support required from the State Govt. for undertaking the works entrusted to the Commission. It was decided to frame an estimate of fund requirement and submit the same to the Finance Department.

4. **Manpower Requirement:**

In order to aid the day to day working of the Commission, it was unanimously decided to place requisition for the following to Finance Department for the period of the Commission:

- | | | |
|----------------------|---|-------|
| a. Computer Operator | - | 1 No. |
| b. LDC | - | 1 No. |
| c. Peon | - | 1 No. |

5. **Appointment of Consultants:**

5th State Finance Commission had procured the consultancy services of Society for Participatory Research in Asia (PRIA) in view of their vast institutional experiences on issues and finances of Panchayats and Municipalities in a number of States. They have also worked with a number of State Finance Commission in different States. In this background, the Commission preliminarily decided to appoint PRIA as consultants and request for further details from them.

6. **Formal Meeting with the Chief Secretary:**

The Commission decided to have a formal meeting with the Chief Secretary (in charge of Finance Department) shortly to kickstart the work.

The meeting ended with vote of thanks

ANNEXURES

Annexure 4.4

MINUTES OF THE SECOND MEETING OF THE 6TH STATE FINANCE COMMISSION

The second meeting of the 6th State Finance Commission(6th SFC) was held today i.e., 7th November,2022 in the chamber of Smt. Tashi Cho Cho, Secretary, Home Department who is also the Chairperson of the 6th SFC. The meeting chaired by the Chairperson was attended by other members; Shri.Basant Kumar Lama, Director(Panchayat), Smt.Roshni Rai, Special Secretary,UDD and Shri.Raj N. Pradhan, Director(Accts),RDD who is also the Member Secretary of the Committee.

At the onset, Chairperson welcomed all the members to this meeting and also expressed regret of her busy schedule due to the visit of the Hon'ble President. Thereafter various issues as stated below were discussed:

1. Public Notice
2. Office Space for the Committee
3. Budgetary Support
4. Manpower Requirement
5. Appointment of Consultants.
6. Formal Meeting with the Chief Secretary also incharge of Finance Department.

1. Public Notice:

It was decided to publish public notice after the elections to the Panchayats is over.

2. Office Space for the Commission:

It was informed that the file for the office space was already processed for approval.

3. Budgetary Support:

The Commission discussed the budget requirement and finalized the total requirement of ₹ 46,42,500/-. Subsequently the budget requirement was approved by the Commission. It was then decided to process the file for budgetary requirement and submit it to Finance Department.

4. Manpower Requirement:

The proposal for manpower requirement was proposed to be processed and submitted to Finance Department.

5. Appointment of Consultants:

Member Secretary informed the house that the Technical and Financial proposal for Consultancy Services has been received from PRIA Educational Trust, New Delhi and the same has been processed for approval of the Government.

ANNEXURES

6. **Formal Meeting with the Chief Secretary:**

Regarding the formal meeting with the Chief Secretary, Chairperson stated that she will discuss the matter with the Chief Secretary and finalize the date of the meeting.

The meeting ended with vote of thanks

ANNEXURES

Annexure 4.5

MINUTES OF THE THIRD MEETING OF THE 6TH STATE FINANCE COMMISSION WITH PRIA

The third meeting of the 6th State Finance Commission(6th SFC) with PRIA (Consultants) was held today i.e., 9th December,2022 in the chamber of Smt. Tashi Cho Cho, Secretary, Home Department who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Shri.Basant Kumar Lama, Director (Panchayat), Smt.Roshni Rai, Special Secretary, UDD and Shri.Raj N. Pradhan, Director(Accts),RDD, PRIA was represented by Dr.Anshuman Karol and Shri.Manoj Rai.

At the outset, Chairperson welcomed all the members and Consultants to this meeting. Thereafter various issues as stated below were discussed:

1. The vision of the Committee was shared with the Consultants which is preparing a realistic and comprehensive report which takes into account local requirements and sentiments in order to strengthen Local Bodies by providing reforms and financial resources.
2. Second issue discussed was concerning the formats for collection of data from various line departments.It was decided that PRIA would design the formats and send it across for approval of the Commission. On approval, the formats would be provided to Finance Department for obtaining the data from various line departments.It was also stressed that the data be asked to be kept at the minimum and simple. The Commission would expect quality data rather than quantity.
3. Thirdly, it was decided to request for implementation status of recommendations made by the 5th State Finance Commission. It was also decided to create a dedicated website for the State Finance Commission in order to make SFCs visible and sharing information in the public domain. Feedback of the general population would also be collected through this platform. It was also suggested to have a formal meeting with the Chairperson and members of earlier SFCs to seek their advice and expert opinion.

Finally, the timeline for Action Plan of the Commission was tentatively fixed as follows:

- | | |
|--|----------------------------------|
| 1. Design of Data Formats | - By 15 th Jan,2023 |
| 2. Finalisation of formats | - By 31 st Jan,2023 |
| 3. Data Collection from Depts | - By 15 th Feb,2023 |
| 4. Analysis, Consultation, Field Visits | - By 30 th April,2023 |
| 5. Submission of Draft recommendation | - By 15 th June,2023 |
| 6. Finalisation of Draft recommendations | - By 30 th June,2023 |
| 7. Submission of Draft Report | - By 15 th July,2023 |

The meeting ended with vote of thanks

ANNEXURES

Annexure 4.6

MINUTES OF THE FIFTH MEETING OF THE 6TH STATE FINANCE COMMISSION

The fifth meeting of the 6th State Finance Commission (6th SFC) was held today i.e., 24th February, 2023 in the chamber of Smt. Tashi Cho Cho, Secretary, Home Department who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Shri. Tenzing Denzongpa, Director (Panchayat), and Shri. Raj N. Pradhan, Director (Accts), RDD.

At the outset, Chairperson welcomed all the members to this meeting. Thereafter various issues as stated below were discussed:

1. Since the amendment of the notification regarding replacement of the third member namely Shri. Tenzing Denzongpa in place of Shri. Basant Lama who has been recently promoted as Secretary, was issued, it was decided that the Public Notice be published in Sikkim Express and one other widely read Nepali newspaper.
2. It was also informed to the house that the tenure of the Commission has been extended upto 30th June, 2023. An amount of ₹ 39,46,120/- was also received from Finance Department as 1st Instalment of fund. It was also informed that a savings account would be opened in Axis Bank for operation of fund.
3. Member Secretary updated the house on the status of collection of data as per the prescribed formats. He informed the house that the collection of data was 90% complete and the final data sets will be ready in another 10 days. It was also decided that the filled data formats forwarded by the FCD Division will be forwarded to PRIA for verification.
4. The house also deliberated on procurement of computers and stationaries for the new office. It was decided to purchase one desktop and one laptop. The stationaries would be procured as per the requirements which will include file board /cover and letter pad.
5. Three staffs have been deputed by Finance Department to support the day to day working of the Commission. The Commission decided to write to Commissioner-cum-Secretary, RDD and request his permission to attach Shri. Pempa T Bhutia, Senior Accountant, RDD to the Commission for the period of the Commission. As usual he will be given honorarium as being given to others with the approval of the Government.
6. Depending on the receipt of data formats, PRIA would be called to Gangtok for a way forward meeting and revision of Action Plan.

The meeting ended with vote of thanks.

ANNEXURES

Annexure 4.7

MINUTES OF THE SIXTH MEETING OF THE 6TH STATE FINANCE COMMISSION

The sixth meeting of the 6th State Finance Commission (6th SFC) was held today i.e., 5th April, 2023 in the chamber of Smt. Tashi Cho Cho, Secretary, Home Department who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Smt. Roshni Rai, Special Secretary, UDD, Shri. Tenzing Denzongpa, Director (Panchayat), and Shri. Raj N. Pradhan, Director (Accts), RDD.

At the outset, Chairperson welcomed all the members to this meeting. Thereafter various issues were discussed. The main objective for conducting the meeting was to finalize the Schedule for the various stakeholders meeting to be conducted during the month of April and May, 2023. Earlier a meeting was conducted at 11.00 A.M. today through video conferencing with PRIA to discuss issues relating to the finalization of the Schedule. The meeting took up the following issues:

1. Finalization of Phase I and Phase II of Schedule of stakeholders meeting:
The Commission after taking into account all parameters, finalized the Schedule and the same was directed to be forwarded to PRIA
2. CSR Issues:
The Commission decided that information will be gathered from Commerce & Industries Department and further course of action to be decided accordingly
3. Action Taken Report (ATR) on recommendations of 5th SFC:
PRIA has suggested that ATR on 5th SFC recommendations would help the Commission in preparation of the Report. On this, it was decided to immediately write to Finance Department requesting for the necessary documents.
4. Logistics for Stakeholders Meetings:
The Commission drew up the list of meetings and finalized on the venue and the participants to be called for the same. It was also decided to initiate the work for bookings of venues in different Districts.
5. Study Tour:
Finally, the Commission also discussed on having a study tour to see the best practices and noted that such tour would be required before the submission of draft report.

The meeting ended with vote of thanks.

ANNEXURES

*Annexure 4.8
Para 4.5 (I)*

MEETING WITH THE PAST SFCs OF SIKKIM:

17th April 2023, Hotel Denzong Residency, Gangtok

Minutes of the Meeting:

The 6th State Finance Commission of Sikkim hosted an interface meeting with the members of past SFCs of Sikkim. Purpose of this meeting was to learn from the experiences of former members of the SFCs and seek their suggestions in improving the preparation of the 6th SFC Report. All members of the 5th and 6th SFCs as well as one representative from FRED-Sikkim and members of PRIA participated in the discussions. Members of the 5th SFC appreciated this new beginning of linking with the knowledge and experiences of past SFCs. Some of the important suggestions and comments shared during this interaction are as follow:

1. The 6th SFC should include a separate section in its report, proposing the tenure, scope of work, roles, and responsibilities of the SFC, Composition and functioning of the SFC.
2. The 6th SFC should pilot certain innovative initiatives to enhance resource mobilizations and accountabilities. These pilots could later provide appropriate learning for building up some of SFC recommendations.
3. It is important that the functioning of the SFCs should be institutionalized so that the cumulative learning from past SFCs could be shared timely with the present SFC and others. Accordingly, arrangements should be made to accumulate commissions' learning, their reports, action taken reports and all other information related to implementation of the SFC recommendations. This accumulation should be in one place, preferably in a dedicated website of the SFC-Sikkim.
4. To continuously follow-up on implementation of the accepted (as per the ATR, presented in the state legislature) recommendations of the SFCs, a dedicated SFC cell should be created under FRED. The 6th SFC should enable Government of Sikkim in creating this cell by providing suggestions for specific structure for the SFC cell, its roles, and responsibilities and its compositions by identifying appropriate officers to operationalizing this SFC-cell. The specific nodal officers from the RMDD and from the UDHD should be identified to coordinate information exchanges with the SFC-cell.
5. The SFC cell must regularly monitor the status of implementations of the SFC-recommendations, and it should submit its periodic reports to the Secretary Finance, who in turn should discuss with different departments to ensure timely and efficient implementations of the SFC-recommendations. These periodic reports should be regularly uploaded on SFC-website.

ANNEXURES

6. The 6th SFC must commission a systematic study to understand field implications of the recommendations of the 5th SFC. The study should capture the impact of implemented SFC recommendations at PRI and ULB levels. It should also study the challenges behind non-implementation of the recommendations and possible solutions to address those challenges. This report should be used to derive the future recommendations of 6th SFC.
7. Based on above study and based on the inputs received from consultations with the different stakeholders, 6th SFC report should propose clear-cut responsibilities for different officers and departments in implementations of the recommendations of the 6th SFCs.
8. The RMDD and UDHD should be asked about the use of state Capacity Building funds, as recommended by the 5th SFC. For specific initiatives at different levels, there are needs to build capacities of capacity builders such as SIRD and other institutions. They should be advised to use those resources for appropriate institutional capacity building by appropriate experiences from the markets.
9. 6th SFC should engage with NGOs and Universities, who could act as pressure group to ensure speedy and timely implementations of the SFC recommendations.

PARTICIPANTS IN THE MEETING WITH PAST SFC MEMBERS

SL. NO.	NAME	DESIGNATION	NAME OF OFFICE/GPU	CONTACT NO.
1.	TSEGYAL TASHI	CHAIRMAN, 5 TH SFC		7063592044
2.	T.W. KHANPSARPA	MEMBER, 5 TH SFC		9434010509
3.	BIKRAM TAMANG	MEMBER SECRETARY, 5 TH SFC		9434022575
4.	M.N. DHAKAL	MEMBER, 5 TH SFC		9434241481
5.	TASHI CHO CHO	CHAIRPERSON, 6 TH SFC		9733348477
6.	RAJ NARAYAN PRADHAN	MEMBER SECRETARY, 6 TH SFC		9733063820
7.	ROSHNI RAI	MEMBER, 6 TH SFC		9933326444
8.	MANOJ RAI	PRIA		9271198821
9.	MAHENDRA PRADHAN	DIRECTOR(FCD)		8509755220
10.	DR. ANSHUMAN KAROL	PRIA		9910390187
11.	PEMPA T. BHUTIA	OFFICE ADMINISTRATOR, 6 TH SFC		9434691590

ANNEXURES

*Annexure 4.9
Para 4.5 (II)*

Interaction with the officials of all ULBs in Sikkim:

18th April 2023, GMC Conference Hall, Gangtok

Minutes of the Meeting:

To solicit their experiential learning and suggestions on implications of past SFC recommendations and current challenges in ULBs, the 6th SFC invited executive field officials from all 7 ULBs of Sikkim to participate in a meeting on 18th April 2023. This meeting was held in Gangtok Municipal Corporation (GMC) conference hall. The chairperson and all other members of 6th SFC participated in the discussion. Commissioner and Deputy Commissioners of the GMC, Field, and Executive officers from Mangan, Gyalshing, Jorethang, Namchi, Rangpo and Singtam ULBs also participated. PRIA representatives facilitated the lively and enriching discussions. Some of important issues discussed during this meeting included:

1. None of ULB representatives were aware of the recommendations of 5th SFC even though all of them told that SFC funds were their major incomes and backbone of their functioning. Unfortunately, none of the ULB representatives ever read SFC report or Action Taken Report on the SFC.
2. Almost all ULBs were clueless or constrained to take appropriate actions for increasing their own revenue resources.
3. All ULBs shared that taking 2011 as a population base is problematic and it further constrained their resources available through 6th SFC and CFC.
4. All ULBs were realizing the need for periodic capacity building but they were not able to prioritize their capacity building efforts due to the resource constraints. Most of ULB representatives sounded as if they urgently needed appropriate skills and knowledge to negotiate with emerging newer challenges of ever-increasing urbanization in the state.
5. Lack of appropriate capacities was reflected in inconsistent data sheets prepared by different ULBs. They were asked by the 6th Finance Commission to review the data provided in formats supplied by the SFC. All ULBs were asked to recompile correct data and explanations behind those data and share the filled-in formats within a week (latest by 25th April 2023).
6. It was felt that UDD and respective ULBs should discuss and decide for institutionalizing periodic capacity building of ULB officials and their elected representatives.

ANNEXURES

7. UDD itself or through some professional institutions should hold hands of ULBs in preparing them for delivering urban public services. The ULBs need professional handholding support for introducing innovative models for enhancing their own revenue resources and for addressing service issues such as sanitation, garbage collection etc.
8. Even though 5th SFC recommended mainstreaming of the CSR funds and even after government accepted the recommendation in 2018, no initiative was taken to implement those recommendations. Accordingly, CSR funds were mostly spent on pomp and show such as to organise events on Independence Day and to organise football matches etc.
9. There is an urgent need to implement and speed up Urban Cadre building processes as recommended in 5th SFC report and accepted by the State Government and also highlighted in the action taken report that formation of urban cadre is under process and administrative departments may initiate necessary action.
10. The current rates of fees and taxes need to be reviewed and revised sooner.
11. Chairperson, 6th SFC advised all ULBs to document best practices to enhance their own revenue resources and create a peer learning group.
12. The Member secretary of 6th SFC provided Commission's email id and WhatsApp number to participants and asked them to share their questions and constructive suggestions for considerations for the 6th SFC.

PARTICIPANTS IN THE MEETING WITH ULB OFFICIALS AT GANGTOK MUNICIPAL CONFERENCE HALL

VENUE: FOREST CONFERENCE HALL, DEORALI

DATE: 18TH APRIL, 2023 (11:00 AM)

SL. NO.	NAME	DESIGNATION	NAME OF OFFICE/GPU	CONTACT NO.
1.	TASHI CHO CHO	CHAIRPERSON, 6 TH SFC		9733348477
2.	RAJ NARAYAN PRADHAN	MEMBER SECRETARY, 6 TH SFC		9733063820
3.	ROSHNI RAI	MEMBER, 6 TH SFC		9933326444
4.	TENZING D. DENZONGPA	MEMBER, 6 TH SFC		9733340157
5.	K.W. CHANKAPA	DEPUTY COMMISSIONER, 5 TH SFC		9593367676

ANNEXURES

6.	MANI PRADHAN	DCS, UDD	7797943658
7.	BOM B. RAI	SCA, IPR	9775926923
8.	ABINASH RAI	ACCOUNTANT, NMC	7384050917
9.	PRAMOD GURUNG	ACCOUNTANT, NJNP	8016386127
10.	YANGCHEN D. BHUTIA	DEPUTY COMMISSIONER, GMC	7908873670
11.	BISHNU THAPA	BAZAR OFFICER, GMC	9883771389
12.	DR. ANSHUMAN KAROL	PRIA	9910390187
13.	MANOJ RAI	PRIA	9871198821
14.	PEMPA T. BHUTIA	OFFICE ADMINISTRATOR, 6 TH SFC	9434691590
15.	R.B. BHANDARI	GMC	9832014743
16.	M.M. LIMBOO	HAWPA	7602892552
17.	PUPBULAR PRASAD	ASST. ASSH, MWP	9002031006
18.	KARMA SAMTEN BHUTIA	JE COMM, GMC	9434184179
19.	R.P. SHARMA	MFO, GMC	9593785161
20.	DURGA BDR. CHETTRI	ACCOUNTANT, RANGPO NAGAR PANCHAYAT	7908337493
21.	SUMAN TAMANG	MEO RANGPO, RNP	9593274198
22.	UJJWAL PANDEY	MEO SINGTAM, SNP	9749330929
23.	ARUNA TAMANG	ACCOUNTANT, SNP	8167271332
24.	KESANGLA SHERPA	INSPECTOR, GNP	8372837449
25.	GOPAL SHARMA	MEO, GNP	9734188122
26.	TASHI BHUTIA	ACCTT, GNP	8016124055
27.	TAMDING BHUTIA	SI. GNP	7797884454
28.	CHETNATH BHATTRAI	PHOTOGRAPHER, IPR	9474057963

ANNEXURES

*Annexure 4.10
Para 4.5 (III)*

Interaction with the staff of all GPUs in Sikkim

19th April 2023, Chintan Bhavan, Gangtok

Minutes of the Meeting:

The 6th SFC invited official representatives from 199 GPUs in Sikkim to learn from their experiences. The ADCs and the BDOs along with other senior field officers from rural Sikkim also participated in the conversation. More than 350 staff of GPUs and Block level officers from all parts of the state participated in the meeting, which was held in Chintan Bhavan on 19th April 2023 from 11:00 am to 2:00 pm. This was a very energetic gathering where very large number of young officers joined the meeting. There were very useful interactions between members of the SFC and GPU and Block level officials. Some of important issues highlighted during intense discussions included:

1. GPUs are receiving mostly tied grants under 15th Finance commission and under other schemes. Though the 5th SFC provided untied grants, recent notifications from RDD have made SFC grants conditional. As a result, GPUs find it difficult to plan and implement the works of people's preferences. Rather GPUs mere act as the implementing agencies of central and state priorities.
2. The 5th SFC grant is based on population. However, the sparsely populated and adversely located GPUs are provided additional grants to compensate their demographic and/or geographical disadvantages. Since 2021 Census has been delayed, current population estimates for GPUs and ULBs are not available. SFC was therefore urged to look into a combination of population and contextual indices to base its future recommendations.
3. Due to reorganizations, several new GPUs and new ZPs have come into being. The SFC should provide special supports to these new entities – construction of their offices, additional capacity building inputs etc.
4. ADCs asked about their roles in relation to development processes led by the GPUs of their areas.
5. Some of more informed participants expressed their concern on no progress on very progressive recommendations of the 5th SFC.
6. GPU officials told that devolution of the Funds and the Functionaries have yet not been completed even though 29 functions (from 11th Schedule) have already been devolved to Panchayats. So, complete devolution of 3Fs and activity mapping must be completed soon.

ANNEXURES

7. Own source revenue must increase. However, there seems to be some political hesitation amongst the GPUs in levying taxes and fees.
8. The Member secretary of 6th SFC provided Commission's email id and WhatsApp number to participants and asked them to share their questions and constructive suggestions for considerations of the 6th SFC.

LIST OF PARTICIPANTS IN THE MEETING WITH RURAL FUNCTIONARIES AND OTHER FRONTLINE WORKERS OF THE RDD

VENUE: CHINTAN BHAWAN, GANGTOK

DATE: 19TH APRIL, 2023 (11:00 AM)

SL. NO.	NAME	DESIGNATION	NAME OF OFFICE/GPU	CONTACT NO.
1.	TASHI CHO CHO	CHAIRPERSON, 6 TH SFC		9733348477
2.	RAJ NARAYAN PRADHAN	MEMBER SECRETARY, 6 TH SFC		9733063820
3.	ROSHNI RAI	MEMBER, 6 TH SFC		9933326444
4.	TENZING D. DENZONGPA	MEMBER, 6 TH SFC		9733340157
5.	DR. ANSHUMAN KAROL	PRIA		9910390187
6.	MANOJ RAI	PRIA		9871198821
7.	PEMPA T. BHUTIA	OFFICE ADMINISTRATOR, 6 TH SFC		9434691590
8.	TSSHERING CHEYA CHOPEL	PAA	12/RINGHIM, NAMPATAN	9593975508
9.	SONAM CHODEN LACHUNGPA	JR. VAA	SINGHIK, SENTAM GPU	7076071954
10.	ANUP THAPA	PDA	02-DHUPPIDARA, NAMKHOLA	8372804621
11.	SONAM PUTHIT	JR. VAA	20 SAKYONG, PENTONG	8972816331
12.	CHIME DOMA BHUTIA	PAA	RONGONG-TUMLONG GPU	9775687479

ANNEXURES

13.	MANI RAJ RAI	PAA	34-BWONTOS SALBYBOY GPU	9734695241
14.	EINOSH RAI	PANCHAYAT V. PRESIDENT	34-BWONTOS SALBYBOY GPU	9083455384
15.	DP SHARMA	AD/PRI	PASSONGDONG, NORTH	9775977649
16.	BIKASH CHETTRI	PANCHAYAT INSPECTOR, GYALSHING		9593802291
17.	TASHI NAMGYAL BHUTIA	PAA	14/SINGYUY CHUMBNG	9734906585
18.	SUNITA RAI	PAA	23-SOPAKLA	7479053714
19.	SUMAN SUBBA	PAA	2-DODAK GPU	9775214662
20.	VIVEK CHETTRI	JR. VAA	47-MALBESEY	8391068699
21.	PRICILLA RAI	BDO, RANKA		9775453480
22.	NILKANTHA BHATTARAI	BDO, SUMBUK, BAC		9474524597
23.	PRAKASH CHETTRI	AD	BAC, RGK	9832368832
24.	GP DHAKAL	AD	SUMBUK BAC	9733470957
25.	LEELA SUBBA	PI	GYALSHING BAC	9734921018
26.	PADAM K. GURUNG	AD	PRI, GYALSHING	9593383220
27.	RAM CHANDRA RAI	AD	KBARKPUI	9933982795
28.	SUMITRA SUBBA	AD	PRI, ADC (DEV) OFFICE NAMCHI	8372804439
29.	KR LIMBOO	ADC (DEV)	MANGAN	7076926998
30.	MM GURUNG	PAA	08/09/GPU	9641511529
31.	BIRKHA BDR. RAI	PAA	10/RIMBI GPU	9832463289
32.	NAMGYAL TAMANG	JR. VAA	33/MIKHOLA	9784730592
33.	SANTOSH LIMBOO	PAA	MELLI ACHIP	9564878217
34.	INDRA BDR. RAI	PAA	TANGORI BIKNEL	9641406361
35.	ASIM RAI	VAA	22 TANGORI BIKNEL	9775972092
36.	JANAK SUBBA	AD (PRI)	BAC, SUMBUK	7384335706

ANNEXURES

37.	SANTA BDR. CHETTRI	AD (PRI)	YANGYANG BAC	7076881418
38.	HOMIT LEPCHA	PAA	DZONGU BAC	7431836881
39.	ZIGMEE CHOPEL LEPCHA	VAA	07-KHAMDONG GPU	8348760922
40.	KIRAN KUMAR TAMANG	VAA	07-BARA SAMDONG BOM RESHI	7318918808
41.	VICKY PRADHAN	ADD (PRI)	BAC KHAMDONG	9609050151
42.	JIT BDR. KDMDR	PAA	11-7DRKEN-7DRKDN GPUY	8509199478
43.	MENUKA CHETTRI	VAA	25 DENTAM GPU	9609872027
44.	SARAT RAI	VAA	10 MABONG SEGENG GPU	8927446137
45.	LALITA SUBBA	PAA	22 MANEYBONG GPU	7407227232
46.	SUKESH RAI	AD (P)	NAMTHINGBONG GPU	9734101221
47.	OM PRAKASH C.	AD (PRI)	31 RANG BUL GPU	9735096158
48.	DAWA TSH. TAMANG	PAA	EAST PANDAM	9800163326
49.	RINCHEN GYATSO BHUTIA	PAA	PAKYONG YANKITES	9733294218
50.	YUN THSERING LEPCHA	PAA	11-BERIN COVERYTHANG	8436154254
51.	MANOJ THAPA	PAA	01-KARJEE, MANGNAM	9609853171
52.	YANGKEY LAMU LEPCHA	PAA	19/TINGLONG	9647887746
53.	PHURMIT LEPCHA	PAA	04 MEN RONGONG	8001343975
54.	RINZING DORJEE	PAA	GNAYTHANG GPU	9734152092
55.	RAJU TAMANG	VAA	34-BOUMTAR SALKUBOM GPU	8348981812
56.	NORDHOJ SUBBA	PAA	16-CHOTA SAMDONG GPU	9647621708
57.	TEJ PD. ADHIKARI	AD	TIMBONG SAKYONG RAPPOK GPU	9932570750

ANNEXURES

58.	SAMIR GURUNG	ADC RDD		9434191586
59.	BIJAY PRASAD SUBBA	BDO RDD		8972333707
60.	CHAMPA TSHERING BHUTIA	VAA	RDD	9647888237
61.	INDRA BDR. GURUNG	VAA	15-YANGTHANG GPU	9593885438
62.	LALIT SUBBA	AD (PR)	17-NAMTHING 10 CHUBA	7063301231
63.	ANJANA TAMANG	PDA	LINGCHOK KAMERY	6297827321
64.	SRIJANA CHETRRI	PDA	SUMBUK KACHIKEY	8918888526
65.	WANGYEL TSHERING BHUTIA	AD/PRI	NANOCKY-SUOUYU GPU/MANGAN	9593982703
66.	KARMA LODAY LACHUNGPA	VAA	TUYONLAGN	9434204240
67.	SUKOCA CHETTRI	AD/PRI	PACHEYKHANI AHO	9474837511
68.	LALIT RAI	AD PRI	REGU	8170974200
69.	TSHERING DADUL LACHUNGPA	AD	CHUNGTHANG BAC	8370958411
70.	KUMAR SUBBA	AD	KALUK BAC	9734241111
71.	PURNA PRASAD RAI	AD/PR	DALAPCHEN	9775972216
72.	GANESH THAPA	PAA	23 PACHEY SAMSING	9002454991
73.	RB RAI	RDA	RAKDONG TINTEK GPU	9734142996
74.	ANJANA RAI	PI	BAC WOK SIKHIP	9932920212
75.	SONAM SHERPA	AD	MERK GPU	9933440800
76.	ROSHAN RAI	BDO	WOK SIKHIP	9733358518
77.	PRALINA CHETTRI	JR. VAA	BURIAKHOP	
78.	BHAKTA BDR. THATAL	AD PRI	GEYZING BAC	9733076918
79.	TSHERING YANKEE LEPCHA	PAA	SANYANATH	9593615426

ANNEXURES

80.	REENA RAI	PI	BAC NAMCHI	7363086857
81.	PHUTI LEPCHA	AD	BAC, MARTAM	9647825426
82.	SARAN P. BHUTIA	BDO MARTAM	MARTAM BAC	7908835918
83.	PEMA KUNZANG SHERPA	PAA	17-LINGTAM PHADAMCHEN	7047846558
84.	NOEL RAI	JR. VAA	10-MELLI ACHING GPU	9732828242
85.	NORGAY	VAA	21 LINGAY	9733506309
86.	KARMA SONAM CHOPEL	AD		8391091830
87.	ONGDUP LEPCHA	VAA	LUING	9832966747
88.	KHEM ADHIKARI	PI	BAC TINTEK	9434357702
89.	RINCHEN LAZAY LEPCHA	JR. VAA	BAC MANGAN	7866081316
90.	PANITA TAMANG	JR. VAA	18 NANDOK SARAMSA	9749887132
91.	SRIJANA RAI	PAA	25-NAMCHEYBONG	9749680019
92.	KHARANANDA DULAL	PAA	06 TAZA GPU	8972637164
93.	SAMDEN MAN LIMBOO	BDO	BAC YUKSAM	9733222146
94.	KUMAR THAPA	AD	41-MALEY/42-KAMRANG	9733451903
95.	DB RAI	AD	KEWZING LEGSHIP GPU	7872493391
96.	T CHGNU ALILI	PAA	BEY PLUFY GPU	8016562748
97.	LHAZEE CHODEN BHUTIA	PAA	SAMLIK MARCHAK	7679021644
98.	JIT BDR. CHETTRI	PDA	15 REGU GPU	9647870185
99.	PRAVIN RAI	PDA	13-DALAPCHEN	9593983826
100.	NAMGYAL BHUTIA	AD	01-LINGDOK NAMPING GPU	9907514858
101.	RINGYA LEPCHA	PAA	21/LINGDOK BARFOK	7384662543
102.	TASHI NORBU LACHUNGPA	PAA	LACHEN DZUMSA	9635164600

ANNEXURES

103.	ONGDI BHUTIA	AD	05RONGONG TUMLONG GPU	9907569930
104.	NARAYAN GURUNG	JR. VAA	23-SOPAKHA GPU	8765962251
105.	RAM PRAKASH RAI	AD/PRI	JORETHANG BAC	9434338700
106.	VIPASHNA LAMICHANAY	VAA	SIRWANI GPU	7908804123
107.	RESHMA TAMANG	PAA	17-SINGLING	9735939165
108.	KARMA TASHI LEPCHA	PAA	33-YANGSUM	9883295578
109.	HARI PRASAD SHARMA	PAA	31 BERMOIK BARTHANG	7602774607
110.	PEM LAKIT LEPCHA	PAA	15 PARBING DOVAN GPU	8768966568
111.	MANOJ PRADHAN	JR. VAA	26 MELLI DARA	9832654165
112.	NAGENDRA CHETTRI	PAA	26 MELLI DARA	9775847119
113.	SANGEY SHERPA	JE	26 MELLI DARA	7557042391
114.	SONAM WONGCHUK BHUTIA	JR. VAA	PHENSONG GPU	8001473145
115.	PEMA DORJEE	PDA	TINGCHIM CHADEY	7407813885
116.	CHEWANG TAMDING BHUTIA	PAA	TINGCHIM CHADEY	9734070179
117.	TASHI DORJEE BHUTIA	PAA	TOONG-NAGA GPU	7029267831
118.	KUMAR RAI	AD	BERMOIK BARTHANG	9434169287
119.	PB GURUNG	AD	HEE GK SRK GPU	9732088684
120.	BS TAMANG	AD	AMBA BERING GPU	8101576490
121.	SANTA TAMANG	PDA	18-CHUMBUNG GPU	79089857251
122.	LEELA KR. SUYAI	PAA	12-SUDUNG LAKHA	9800739520
123.	ANITA DEVI REGMI	PDA	12-SUDUNG LAKHA	9775921838
124.	MUNNA CHETTRI	PDA	10-ARITAR GPU	9734126063
125.	ROSHAN SHARMA	PI	BAC, DMD	9609873665

ANNEXURES

126.	NITYA CHETTRI	PI	BAC, DMD	7872896775
127.	ONGDI SHERPA	BDO	DARAMDIN	9851010279
128.	TASHI W. BHUTIA	BDO	NANDOK	8637320638
129.	HARI PD. SHARMA	DY. DIR.	GANGTOK	9647854150
130.	UPASHNA MANGAR	V. LIBRARIAN	NAMCHI 31-RONG BUL	9564172327
131.	NOEL RAI	PAA	ZOOM GPU	9647853365
132.	JAS HANG LIMBOO	PI	HEE-MARTAM	7076319703
133.	PAWAN GURUNG	PAA	25.M. DENTAM	9593973804
134.	PASSANG SHERPA	PAA	29-MARTAM	9593260141
135.	SONAM EDEN BHUTIA	PDA	14-CHAKUNG GPU	9832972975
136.	VIJAY GURUNG	PDA	MABONG DENTAM	8167063019
137.	DHURBA GURUNG	PAA	14-CHAKUNG GPU	9593384556
138.	RAM KR. GURUNG	BDO	RHENOCK BAC	9832096073
139.	YASUKI LIMBOO	VAA	03/KOLTHANG TOKDAY GPU	9543377544
140.	SURJEET RAI	PDA	23-SOPAKHA GPU	8967703068
141.	PRAYASH CHETTRI	PI	BAC NANDU GAON	7718559878
142.	MANI KR. RAI	BDO	PASSINGDONG	7384332765
143.	N. PINTSO BHUTIA	BDO	NAMCHI	9434864840
144.	DAMBER KR. JERIA	AD	SADAM & RABITAR	9609894554
145.	ARATI PRADHAN	PAA	SADAM & RABITAR	9734169947
146.	BHIM KR. BHUJEL	AD	DANCHUNG	9775945200
147.	SONAM TSH. SHERPA	PAA	RUMBUK	7063679851
148.	RUPUN CHETTRI	PAA	PECHREK-HEE PATAL	8670582485
149.	PUJA RAI	JR. VAA	PACHEY SAMSING GPU	9083090481
150.	DEVI MAYA REGMI	VAA	TUMIN	8145151181
151.	SHARMILA TAMANG	VAA	YANGTHEY	9775848278

ANNEXURES

152.	RAHUL RAI	JR. VAA	NAMLI	8768609333
153.	GEETA DEVI SUBBA	PDA	KAMRANG GPU	9775418856
154.	NEETA POUDYEL	PDA	33-MIKHOLA SINGITHANG	8670393937
155.	RINCHEN DOMA LEPCHA	PDA	30-KITAM MANPUR	9832391131
156.	MADAN RAI	VAA	13-ZOOM GPU	8170061115
157.	RAJU RAI	PAA	12-SAMSING PIPALAY	9083453801
158.	KIRAN G. CHETTRI	PDA	13-ZOOM	7602164030
159.	SANJIV TAMANG	PAA	20-KOPIBARI	8617495660
160.	SONAM PHURBA LEPCHA	JR. VAA	09-MARTAM	7872960394
161.	REHENA MANGAR	PI	DENTAM BAC	8016125199
162.	NIHA PRADHAN	PDA	26-AHO YANGTAM	9734134755
163.	JB TAMANG	AD	BAC SORENG	9733012833
164.	DIL KR. RAI	AD	BAC BAIGUNEY	9609938478
165.	BEMAL TSH. LEPCHA	JR VAA	RIBDI-BHARENG	7865046250
166.	DEO PRAKASH CHETTRI	AD	RIBDI-BHARENG	7865046250
167.	SURESH SUBBA	PAA	RIBDHU	8145175107
168.	THENDUP TSH. LEPCHA	JR. VAA	OKHAREY	6296170897
169.	NIM DORJEE	PAA	OKHAREY	7407254244
170.	SONGMIT LEPCHA	PDA	16-SUBANEYDARA GPU	801669153
171.	ASHWINI CHETTRI	JR. VAA	14-RONGLI CHANGEYLAKHA	7063085274
172.	GURMEE SHERPA	PAA	SIKTAM - TIKPUR	7407254244
173.	NISHA SUBBA	JR. VAA	17 SINGLING GPU	9832371031
174.	BIKASH SHARMA	JR. VAA	17 SINGLING GPU	9593266301
175.	NISHA SINGH KARKI	PAA	18 CHUMBUNG GPU	7478404291

ANNEXURES

176.	PHU TSHERING LEPCHA	VAA	27 ASSAM LINGZEY	8391040288
177.	SONAM P. BHUTIA	AD	RABONG BARFUNG	9733453678
178.	YONGSUNG BHUTIA	AD	RABONG BARFUNG	9733433329
179.	JOGEN RAI	PDA	26-MELLI DARA PAIYONG	8001866467
180.	ANGULI LEPCHA	JR. VAA	01-SAMDONG SRIBADAM GPU	9734142634
181.	RUPA MANGAR	PDA	01-SAMDONG SRIBADAM GPU	8145608810
182.	ALKA GURUNG	PAA	01-SAMDONG SRIBADAM GPU	7797885707
183.	BUDDHA KR. SUBBA	AD	KALUK BAC	9593987883
184.	CHANDRA MANI RAI	AD	SANG BAC	9647846890
185.	KAJAL KRI. RAJAK	PI	DUGA	7797602116
186.	DUSANG TAMANG	JR VAA	09-SULDUNG KAMLING	9609544383
187.	NEETI RAI	PAA	13-DALAPCHEN GPU	9932011802
188.	ELIZABETH	PAA	PREMLAKHA SUBANEYDARA	9547113633
189.	YAMUNA RAI	PAA	15-REGU	9735189752
190.	MANJU RAI	PAA	RONGLI	6260820417
191.	REENA TIWARI	PDA	21-TURUNG MAMRING GPU	7908536934
192.	AMRIT PRADHAN	PAA	12 NAMLI GPU	9883567018
193.	THENDUP NAMGYAL LEPCHA	PAA	15 REYMINDU	7602087072
194.	YOGEN SYHENGDEN	BDO	NAMTHANG	9593375861
195.	HARISH RAI	AD PRI	CHONGRANG BAC	9733066621
196.	HEM BDR. GURUNG	AD PRI	TIMBORBONG SORENG BAC	9733092350

ANNEXURES

197.	HANGSHA SUBBA	VAA	MANGSARI SORENG BAC	8509300765
198.	BUDDHA RAI	AD PRI	POKLOK NANDUGAON	9733076705
199.	RAJIV GURUNG	JR. VAA	TIMBURBONG SORENG	7432935822
200.	BINITA MANGAR	PI PRI	SORENG	8372836040
201.	PREM KRI. RAWAT	PDA	TINIK CHISOPANI GPU	7407852092
202.	SIDHANT RAJ BASNET	PI	POKLOK NANDUGAON BAC	9643145602
203.	ARUNA GURUNG	PAA	09-SULDUNG KAMLING	9609592764
204.	PUJA RAI	PAA	06-PARENGOAN GPU	6295412524
205.	SHYAM BDR. MANGAR	AD		9564989126
206.	MOHAN KR. RAI	AD	TASHIDING GPU	7430020693
207.	SANJAY SUBBA	JR VAA	TASHIDING GPU	9083466276
208.	DAMBAR SINGH GURUNG	JR VAA	BORONG PHAMTAM GPU	8348851924
209.	BIKASH LIMBOO	JR. VAA	16-YANGTHANG	9733077253
210.	SHIVA KR. RAI	JR. VAA	06-PARBINGGOAN	7797813517
211.	PAWAN ADHIKARI	PAA	02 PAYONG GPU	9734041029
212.	BINAY ADHIKARI	PAA	01/LINGI SOKPEY GPU	9775049495
213.	SONAM YANKEE BHUTIA	PAA	MANIRAM PHALIDARA	7797476790
214.	SK DHUNGEL	BDO	SORENG BAC	7872971423
215.	KANTI DEVI PRADHAN	JR VAA	BAC SORENG	6296121267
216.	SONAM W. BHUTIA	AD	BAC RANKA	9933164262
217.	KAILASH GURUNG	BDO	4. MARTAM	9434861758
218.	PEM DOMA PRADHAN	PAA	LINGCHOM TINGDA	8317823419
219.	ROSHAN SHARMA	PDA	POKLOK - DENCHUNG	9778992455

ANNEXURES

220.	MANI KR. RAI	AD/PR	RATEYPANI	9832332838
221.	MUKUNDA DHUNGYEL	PDA	NAMTHANG MANEYDARA	9593266036
222.	PRAYASH RAI	PAA	POKLOK - DENCHUNG	7872214490
223.	PRAKASH SUBBA	AD/PR	NAMTHANG KABREY KAREK	9679798164
224.	DAMBER KR. CHETTRI	VAA	19-KAREK KABREY	8016453378
225.	UMA DEVI SHARMA	JR VAA	21-TURUNG MAMRING GPU	9475008998
226.	BIRKHA MAN RAI	PAA	DARAP GPU	8001792512
227.	MUSKAN LIMBOO	PAA	RIMBI - TINGBRONG	8389811032
228.	ASHIL RAI	AD	TINGRITHANG DAMTHANG	9609983513
229.	SANJAY RANA	VAA	BERMOIK BERTHANG	7872660678
230.	YESHEY LEPCHA	PI	MANGAN BAC	8448531504
231.	BISHNU MANI G	A/D	TUMI	9647782341
232.	SUSHILA CHETTRI	VAA	08-TARPIN	8945932695
233.	OMNATH ADHIKARI	AD	KABI BLOCK	7407380812
234.	TSSHERING NEDUP	AD/PRI	14 SINGYANG CHUMBUNG	9733017976
235.	INDRA BDR. SUBBA	AD	RIMBI TINGBUM	9733145560
236.	SANTA KR. RAI	AD	RABONG KHOP	8116494097
237.	ASH BAHADUR RAI	VAA	RABONG	9733140323
238.	SUMITRA MANGAR	PAA	02-DHUPPI DARA NARKHOLA	9609852781
239.	KAMALA GURUNG	PAA	KONGRI LABDANG	9647881141
240.	PRISCILA LEPCHA	PDA	TASHIDING	9593387725
241.	TSSHERING KIPU LEPCHA	PAA	TASHIDING	7407179478

ANNEXURES

242.	KAMALA BASNET	JR. VAA	ARITHANG CHONGRONG GPU	9775946549
243.	NISHA MANGAR	PAA	ARITHANG, CHONGRONG	9064752955
244.	NISHA RAI	PDA	04-SANGADORJEE	8372839143
245.	SONAM W. BHUTIA	JR. VAA	01 KARJEE MANGNAM	9733076803
246.	BASHA LIMBOO	PAA	GERETHANG	9609602817
247.	TB THATAL	AD/PRI	29-LOWER FAMBONG GPU	9647877844
248.	SUSILA BHUJEL	PAA	30-LINGCHOK, SYALANGDANG	9382199598
249.	INDRA PRADHAN	PAA	29-LOWER FAMBONG GPU	9647877807
250.	PURNA SINGH SUBBA	PAA	21-SORENG GPU	7872692798
251.	EMANUEL CHETTRI	VAA	21 SORENG GPU	9734254386
252.	DIKSHA SHARMA	PAA	22-MANGSARI MANGARJONG GPU	7548045493
253.	BINOD PRADHAN	PAA	25-UPPER TIMBORBONG	9733374935
254.	BUNAKA PRADHAN	PAA	32-UPPER THAMBONG	8348968046
255.	HAS BIR SUBBA	VAA	30-LINGCHOK SALANGDONG	9734049771
256.	SUREYKHA GURUNG	PAA	BURIAKHOP	9609872726
257.	GEETANJALI RAI	PAA	41-MAMLEY	8372835952
258.	SONAM YANGKI BHUTIA	PAA	MANIRAM PHALIDAA	7797476790
259.	RENUKA RAI	PI	BAC/TEMI	9002050776
260.	RIM TARA CHETTRI	PAA	TEMI GPU	9635059960
261.	NIMA GYALPO BHUTIA	VAA	14 RAWTEY RUMTEK GPU	9593325449
262.	KARMA CHEWANG BHUTIA	PAA	14 RAWTEY RUMTEK GPU	8170897628

ANNEXURES

263.	JIGMEE NAMGYAL SHERPA	PDA	MENRONGONG	9647901510
264.	KULDEEP CHETTRI	PDA	07-LINGDOK NAMPONG	8145411257
265.	BHUWAN SINGH CHETTRI	PAA	07-LINGDOK NAMPONG	9933054023
266.	DHAN KR. RAI	AD	MARTAM	7908137330
267.	TSETEN TASHI BHUTIA	PAA	17-LUING PERBING	8617585177
268.	DIKI SHERPA	VAA	MANGSHELA TIBUK	6297043314
269.	ANITA LIMBOO	PAA	MANGSHELA TIBUK	7076103062
270.	RATAN MONSAR	AD	GNATHANG	9002774994
271.	AMBIKA GURUNG	PAA	PAKYONG YAAKTEN GPU	9800363100
272.	KHARGA BDR. LIMBU	PAA	11-BIRING TAREYTHANG	8348174321
273.	TD LEPCHA	PI	BAC YANGYANG	9679184470
274.	BB BHANDARI	AD	MAMRING GPU	7297892774
275.	LANZEY ONGMU BHUTIA	PAA	33 RALONG NAMLUNG	7872785210
276.	NIMDEM BHUTIA	PAA	49-LEGSHIP GPU	9775409646
277.	YADEM BHUTIA	PAA	47-TINKITAM RAYONG GPU	6296795957
278.	MILAN CHETTRI	PDA	20-TENZI BIKMAT GPU	8388945243
279.	BASANT PRADHAN	PDA	23-RALEY RANI GPU	9851405676
280.	JAMUNA PRADHAN	PAA	10 ARITAR GPU	9679170388
281.	BHIM KRI. PRADHAN	PAA	CHUJACHEN GPU	9064757463
282.	DEOLATA GURUNG	PAA	ROLEP LAMATEN	9475918181
283.	SARLAMAI LUUING	AD (P)	C/PENDAM E/11	8906129448
284.	BIJAY GURUNG	D DIRECTOR (P)	CHONGRANG BAC	9800780707

ANNEXURES

285.	TENCHO LEPCHA	VAA	16/SHIPGYER	9932053506
286.	BIKASH PRADHAN	PDA	14-RONGLI CHANGEYLAKHA	8116071523
287.	PRAKASH MANGER	VGRA	RONGLI GPU	9635651256
288.	SUNIL KR. MOTHEY	ADC DEV	RANBONG LA	9593975437
289.	UDAY CHANDRA RAI	VAA	MANIRAM PHALIDARA	7602863338
290.	PRASANT GURUNG	PDA	SOROK SHYAMPANI GPU	9749259511
291.	DAWA TSH. TAMANG	PAA	SOROK SHYAMPANI GPU	8250482675
292.	JAIDEEP RAI	VAA	SOROK SHYAMPANI GPU	7479116304
293.	HEMA GURUNG	JR. VAA	35-SOROK SHYAMPANI	9647783001
294.	KARMA TSH. BHUTIA	AD	RINGHIM SINGHIK	9083454363
295.	DHAN KR. GURUNG	PDA	KONGRI LABDANG	7557003991
296.	BASHNA GURUNG	JR. VAA	SARDANG LUNGZIK GPU	9907528598
297.	HEM LAL GURUNG	JR. VAA	KONGRI LABDANG	7407343349
298.	RAJ KUMAR RAI	PDA	SALGHARI GPU	7407256067
299.	LEK NATH G	AD	MANEYBONG DENTAM	9775945608
300.	SUSIL SUBBA	VAA	DUNGDUNG THASA GPU	9775977436
301.	MANESALK RAI	AD	BAC MANGALBAREY	7602599040
302.	MANIKHA CHETTRI	JR. VAA	16 TH PREMLAKHA SUBANEYDARA GPU	7602752953
303.	PREM PD. SHARMA	PAA	65-DEYTHANG	8436271935
304.	MENUKA D. SHARMA	PDA	05-DEYTHANG	7407349451
305.	KINZANG BHUTIA	JR. VAA	05-DEYTHANG	6297133878
306.	SURESH KR. TAMANG	PAA	04-SANGADORJI GPU	9382407623

ANNEXURES

307.	GOPAL RAI	AD	PECHERKHIPATAL MARTAM	9832168022
308.	MOHAN PRAKASH RAI	AD	LINGI-SOKPAY PAIYONG GPU	8670366333
309.	NIRUMEL RAI	AD	SANGADORJEE	7602130225
310.	MAHENDRA	DY/DIR	BAC NAMTHANG	9002313413
311.	SOM BAHADUR RAI	PDA	19 KAREK KABREY GPU	9083224131
312.	TASHI DOMA LEPCHA	PAA	08-RAMTHANG TANGYEK	9883771561
313.	PEMA LHAKEY BHUTIA	PDA	LACHUNG DZUMSA	6295951394
314.	LAXUMAN SHARMA	VAA	GYALSHING OMCHUNG	7076738629
315.	BISHAL RATWAL	PDA	28-GYALSHING OMCHUNG GPU	9002184643
316.	VASKAR CHETTRI	PAA	28-GYALSHING OMCHUNG	8768355510
317.	MUKESH DAHAL	BDO	JORETHANG	9933979009
318.	PRAMILA GURUNG	BDO	KALUK	9749088545
319.	SVEDADHU SUDHAN SHARMA	AD	09 RHENOCK	8101215617
320.	SCDUM BHUTIA	PDA	09 RHENOCK	9749049626
321.	BIKASH PRADHAN	PAA	09-RHENOCK	9832660045
322.	BIRKHA SINGH SUBBA	PI	BAC CHONGRANG	7979359552
323.	PRAMOD LAMA	AD	BAC CHONGRANG	6297600494
324.	NAKUL RAI	AD	BAC NANDOK	9564477330
325.	MADAN TAMANG	AD	MARTAM BAC	7908331002
326.	NAR SINGH RAI	AD	BAC CHUMBUNG	8348133964
327.	MEENA HANGMA LIMBOO	PAA	08-KHANISERBONG SUNTALEY	6245935894
328.	JAI KRI. SUBBA	PAA	20-MALBASEY GPU	9735016433

ANNEXURES

329.	PEMA BHUTIA	PDA	16-SHIPGYER GPU	9002536560
330.	KEEDEN LACHUNGPA	PDA	21-LACHUNG DZUMSA	8371981691
331.	PRAKASH CHETTRI	VAA	36-ASSANGTHANG GPU	9733098528
332.	RINZING NAMGYAL BHUTIA	AD	KABI	9474349019
333.	MANI KR. GURUNG	AD/PRI	DODAK BURIAKHOP	9733000645
334.	T. TOPRY LEPCHA	PAA	CHUNGTHANG	7602047002
335.	RAJIV RAI	VAA	CHUNGTHANG	9547796113
336.	KARMA SAMPHEL BHUTIA	PDA	CHUNGTHANG	8755258693
337.	DK RAI	AD	DENTAM	8145888606
338.	CHUTIM DORJEE BHUTIA	PAA	PHENSONG GPU	8101362606
339.	MILAN PRADHAN	AD	LINKEY PARAKHA	9609872616
340.	GHANA SHYAM SHARMA	AD	23-PACHEY SAMSING	9832318179
341.	CHURA MANI SHARMA	PAA	08-TARPIN	8145591411
342.	NITIKA RAI	PAA	TURUK RAMABONG	9933746020
343.	BHAGYA KR. RAI	AD/SACHIVA	SAMDONG	9393787080
344.	PEM THE LEPCHA	PAA	SINGHIK	9733909378
345.	REX RAI	PAA	26-AHO YANGTEM	8250160215
346.	BHAWANI SHARMA	AD	KHAMDONG BAC	9593872834
347.	RAJ KR. RAI	AD	BAC MANGLEY	9593772829
348.	SURAJ MISHRA	PAA	07-AMBA	9836893709
349.	GEETANJALI RAI	PAA	41-MAMLEY GPU	8372835952
350.	DHARMA CHETTRI	VAA	19 BUDANG GPU	9832253162
351.	NIM CHUKEY SHERPA	PDA	02 LING CHOM TINGDA GPU	9679271292

ANNEXURES

352.	SHYAM KR. RAI	AD	GYALSHING OMCHUNG BAC	7865926344
353.	ABINASH RAI	AD	PATUK SINGBEL TUMIN GPU	8001864999
354.	NILEN BHUTIA	PAA	KABI	9641001822
355.	MALINA LEPCHA	JR. VAA	17 NM/GPU	9593759212
356.	NIRAJ GURUNG	PAA	17 NM/GPU	7719110978
357.	CS LIMBOO	BDO PAKYONG	PAKYONG	9593978944
358.	MANISHA LIMBOO	PAA	06-YANGANG RANGANG GPU	9733081999
359.	PRAKASH GURUNG	VAA	06-YANGANG RANGANG	9733081999
360.	DILLIRAM SHARMA	PAA	29-LINGCHOK KAMERAY GPU	9593986100
361.	ANUME SUBBA	PAA	30 KITAM MANPUR GPU	9832182569
362.	DWARIKA KHATIWARA	PAA	02-CENTRAL PENDAM	8637576751
363.	SONAM CHUKEY BHITIA	PDA	22-KYONGSA GPU	8768981441
364.	TENZING ZENDEN	PAA	22-KYONGSA	7063647153
365.	DEEPU SUBBA	PAA	16-YANGTHANG GPU	9733036178
366.	OSAN RAI	PAA	15-YANGTEY	7872892896
367.	BIRKHA MAN RAI	PAA	13-DARAP	8501797512
368.	NIMA CHOSANG SHERPA	PI	BAC NAMCHI	7574920333
369.	PRATIVA RAI	PI	BAC NAMCHI	7872811965
370.	SAGARDEEP SUBBA	PI	BAC NAMCHI	9002265469
371.	SONAM YANGCHEN LEPCHA	PI	MANGAN RDD	9734252730
372.	PADAM KR. SUBBA	VAA	GERETHANG	9733148554
373.	LB SUBEDI	AD	CHONGRANG	9733442582

ANNEXURES

374.	KHITUK BHUTIA	PAA	50-KEWZING BAKHIM	7557008211
375.	MANI KR. RAI	AD	ASSANGTHANG SOROK GPU	9933569554
376.	KT MACHANG	PI	BAC MARTAM (E)	9733019194
377.	ROSHNA GURUNG	PDA	GELLING BAIGUNEY	7029319183
378.	DAWA T BHUTIA	PDA	YUKSAM DUBDI	8372094421
379.	BINOD PRADHAN	PAA	UPPER TIMBERBONG	9733374235
380.	NORJELA BHUTIA	PI	BAC RAVANGLA	8348495307
381.	KIRAN TAMANG	PI	BAC RAVANGLA	7719260095
382.	PEMBA SONAM SHERPA	VAA	44 DAMTHANG	7679960262
383.	LAKPA TSHERING	VAA	TEMI GPU	629776769
384.	ZIGMEE NAMGYAL BHUTIA	PAA	44 DAMTHANG	9734867127
385.	KHABINDRA GURUNG	VAA	YUKSAM DUBDI GPU	9733077316
386.	TSH. DOMA LEPCHA	PAA	YUKSAM DUBDI GPU	9593827380
387.	DAWA SHENDUP BHUTIA	PDA	YUKSAM DUBDI GPU	9832683425
388.	JUMTHI LEPCHA	PDA	31-BERMIOK BERTHANG GPU	9593772048
389.	BISHNU RAJ RAI	VAA	30-PECHEREK HEE PATAL	9734073631
390.	BHAGIRATH TIMSINA	PI/BAC	RAKDONG TINTEK	9775467636
391.	KALPANA RAI	OS	NAMPHING 12 GPU	9734959921
392.	NAWANF N. BHUTIA	PAA	13-BERMIOK TOKAL	9547716564
393.	AMAR RAI	AD	NAMPHING & BERMIOK GPU	9609864331
394.	CHEWANG T BHUTIA	PDA	TARPIN GPU	9933722238
395.	DURVA PSD. REGMI	PDA	TAZA GPU	8977017531

ANNEXURES

396.	YAKUB RAI	AD	TINKITAM RAYONG	9609851036
397.	PEMBA WANGCHUK SHERPA	PAA	LAMTING TINGMO	9609860824
398.	RAMALA RAI	PAA	WOK-OMCHU	9733144020
399.	DHAN MAYA RAI	PAA	RABONG KHOP	9647010209
400.	RAM BDR. RAI	PANCHAYAT PRESIDENT	BEN NAMPRIK	9775914850
401.	PRADEEP KR. AGARWAL	PAA	SIRWANI	9593309700
402.	MAN MAYA TAMANG	PAA	DUNG DUNG THASA GPU	7797580310
403.	SANJU PRADHAN	AD	PAKYONG SARKIM	7076338881
404.	PABITRA POUDYAL	PDA	RIWAMACHONG	9593975616
405.	PEMA CHODEN BHUTIA	PDA	21-LINKEY PARAKHA	7076334032
406.	DEEPA PRADHAN	VGRA	30-KITAM MANPUR	7679133894
407.	SAGAR SARKI	PAA	10 MABONG SEGENG GPU	9641577616
408.	KARUNA CHETTRI	PAA	21-GITANG KARMATAR DENTAM	7797883316
409.	DUYA RAI	PDA	03 BUDONG KAMERY GPU	8016377023
410.	BHASKER GURUNG	JR. VAA	04-NIYA MANGZING GPU	8001484306
411.	RATAN GURUNG	AD	PAKYONG BAC	9474354116
412.	MENUKA THAPA	PI	PAKYONG BAC	8145174936
413.	MANI RAJ RAI	SR. VAA	LINGI SOKPAY GPU	9735007193
414.	KOWAL KOIRALA	AD	SUMBUK	9832556070
415.	DILLIRAM SHARMA	PAA	SUMBUK	9832556070
416.	DHAN MAYA SUBBA	PAA	16-CHUBA PHONG	8670629873
417.	SALMA GURUNG	PDA	14 RAMENG NIZRAMENG	8250064021
418.	BASANT MOKTAN	BDO	DENTAM	9647876820

ANNEXURES

419.	RAKESH TAMANG	JR. VAA	27-DODAK	8765553190
420.	TSHERING NORBU BHUTIA	PDA	28-SUMIN LINGZEY GPU	6296136314
421.	BIPEN CHETTRI	PAA	28-SUMIN LINGZEY GPU	8597086777
422.	SANTA RAI	VGRA	31-RONGBUL GPU	9609861093
423.	KISHORE RAI	VAA	09-BEN NAMPRIK	9564032673
424.	PAHAL MAN LIMBU	PAA	03-KOLTHANG TOKDAY GPU	9733449446
425.	DP KHANAL	AD	RIBDI-BHARENG GPU	9735945315
426.	PHURBA R. SHERPA	PAA	SIKTAM TIKPUR GPU	9635945315
427.	MENUKA RANPEL	VAA	ARITAR GPU	9083893056
428.	DHAN BDR. TAMANG	PAA	RAATEYPANI GPU	9749091347
429.	SHIVA PRADHAN	PAA	TUMING MAMRING GPU	7797896446
430.	PEMA SANGDUP SHERPA	PAA	PERBING DOVAN GPU	8016550305
431.	HISSAY L LEPCHA	PDA	NAMCHEYBONG GPU	8388870401
432.	SANGAY D. TAMANG	PDA	ROLEP LAMATEN GPU	7602874491
433.	LACHUMIT LEPCHA	JR. VAA	NAMCHEYBONG GPU	8372053916
434.	JAMUNA SHARMA	JR. VAA	BERING TAREYTHANG	7319473038
435.	NIM DORJEE SHERPA	PAA	OKHREY GPU-35	8250281968
436.	SURESH KR. SUBBA	PAA	RIBDI GPU -36	
437.	KARUNA CHAMLING	JR. VAA	17 LINGTAM PHADAMCHEN	7501838447
438.	SAMJANA LIMBOO	PAA	27-HEE GPU	7478691887
439.	PHUL MOTI SUBBA	VAA	26-SRK GPU	8348560612
440.	BIGENDRA CHETTRI	PAA	20-BONGTEN SAPONG	9650024162

ANNEXURES

441.	KRISHNA CHETTRI	VAA	20-BONGTEN SAPONG	8967703347
442.	JYOTI SHARMA	PAA	04-PATUK SINGBEL	9609857132
443.	JYOTI CHETTRI	PAA		8509331120
445.	YS BHUTIA	AD	RALONG	9733433329
446.	KRISHNA GURUNG	PAA	RAMANG NIZUG GPU	9609863908
447.	REEM SEEMA MUKHIA	PAA	19-KAREK KABREY GPU	8942069811
448.	ROSHAN GURUNG	PAA	158-LINGCHOM TIKJEK	8436325536
449.	KHINU GURUNG	VAA	18-LINGCHOM TIKJEK	7076094149
450.	BHAWANI REGMI	PAA	05-SIMIK LINGZEY	9641784123
451.	INDU GURUNG	PAA	07-KHAMDONG GPU	7908964151
452.	NIMA DOMA BHUTIA	PAA	20-LATUK GPU	6297496399
453.	BIMLA RAI	PAA	22-RIWA MACHONG GPU	7407219091
454.	LAKPA PANBIL	PAA	52-BARFUNG ZORONG GPU	8436199194
455.	RUP DHAN RAI	VAA	52-BARFUNG ZORONG GPU	9593389992
456.	CHANDRA KR. ADHIKARI	VAA/RDA	22 HEE GYATHANG GPU	9749516864
457.	SITA GAUTAM	VGRA	22 HEE GYATHANG GPU	9749516864
458.	DEEPAK RAI	VAA/SACHIVA	12-SUDUNGLAKHA GPU	
459.	ABHINAI RAI	PDA	43-TINGRITHANG GPU	
460.	ROJESH RAI	PAA	43-TINGRITHANG GPU	
461.	SUDEEP RAI	PDA	41-MAMLEY GPU	
462.	YOZNA RAI	PDA	36-ASSANGTHANG GPU	7384130750
463.	PURAN GURUNG	VAA	53 RALONG NAMLUP GPU	

ANNEXURES

464.	SHIR KR. RAI	PAA	54-BORONG PHAMTEN GPU	
465.	BASHANTA CHETTRI	PAA	09-BEN NAMPRIK GPU SOOKE	8768963003
466.	BHAICHUNG BHUTIA	VAA	DOPR, RDD	9475079729
467.	TR CHETTRI	BDO	CHUNGTHANG	9609872885
468.	DORJEE SHERPA	BDO	REGU	9647857686
469.	BASANT MOKTAN	BDO	DENTAM BAC	9647876820

ANNEXURES

*Annexure 4.11
Para 4.5 (IV)*

Interaction with the Line Departments

19th April 2023, Chintan Bhavan, Meeting Hall Gangtok

Minutes of the Meeting:

The senior officers of Finance, Revenue, Rural Development and Urban Development were invited by the 6th SFC to solicit their inputs and suggestions regarding strengthening of financial and human resource capacities of the PRIs and the ULBs. The two hours long discussion focused on several macro and micro issues including data building, digitization, and sustained efforts to seal resource leakages and own resource mobilizations. Some of the important issues discussed during this meeting included:

1. Almost all representatives were aware about the report of 5th Finance Commission. They appreciated its progressive recommendations. But Finance department was of view that fund transfers to PRIs and ULBs should be with some conditionalities so that the Local Bodies could spend money to further strengthen development initiatives of state and central governments.
2. Finance department also urged the 6th SFC to make its future recommendations as specific as the mandate of the 6th SFC allows. It may however be noted that trust with specificity of recommendations should not encroach upon powers and authorities of administrative departments.
3. Almost all representatives were of the view that conventional transfers from Union and State to local governments can't continue indefinitely. Every government must strengthen its own resource base. Accordingly, the 6th SFC should focus on suggesting the innovative ways forward for own resource mobilizations by the PRIs and the ULBs.
4. In the above regard, the Commissioner, Commercial Tax invited the partnerships with local bodies to jointly develop data base for the hotels, the home stays and other commercial enterprises in the State. He advised for streamlining of the current system of trade licensing by the Local Bodies so that additional resources (apart from those who are not paying GST) could be generated from these commercial enterprises.
5. Concerns were expressed on revenue leakages due to weak digital data base and the weaker digital approaches in compiling and collecting service charges. The Gangtok Municipal Corporation, for example, is using the software to provide some services such as trade licenses, garbage collection, issuance of certificates etc. However, such digital approaches need to be speedily expanded and improved

ANNEXURES

further. The SFC should encourage and support the integration of all operations at Local Bodies level. For that the SFC could suggest special funds for strengthening the digitization of Local Bodies.

6. Audit is another area which needs further improvement. Currently CAG conducts the audits of departmental expenditures (e.g. NREGS, etc.) at Local Bodies level. The Local Fund Audit undertakes audit of Local Bodies, for funds directly transferred to the PRIs and ULBs. However, it seems that findings of these two audits are not integrated regularly.
7. The double accounting system should be implemented in letter and spirit. The SFC should further encourage the State Government and the local bodies to adapt and implement the double accounting system.
8. There were various exchanges among the participants regarding responsibilities for the implementations of the 'accepted' SFC recommendations. The Finance department agreed to take the proactive responsibility for monitoring such implementations.
9. However, almost all participants were of the view that an independent SFC cell should be created under the Finance department to ensure that SFC recommendations are implemented in letter and spirit.
10. The SFC Chairperson and other participants emphasized upon accelerated efforts to build human resource and institutional capacities of the PRIs and the ULBs. The local bodies should be supported and made accountable, but they should be not constrained by unnecessary conditionalities.

LIST OF PARTICIPANTS IN THE MEETING WITH STATE LEVEL OFFICIALS FROM RDD, UDD, AND FINANCE DEPARTMENT

VENUE: CHINTAN BHAWAN, MEETING HALL, GANGTOK

DATE: 19TH APRIL, 2023 (3:00 PM)

SL. NO.	NAME	DESIGNATION	NAME OF OFFICE/GPU	CONTACT NO.
1.	TASHI CHO CHO	CHAIRPERSON, 6 TH SFC		9733348477
2.	RAJ NARAYAN PRADHAN	MEMBER SECRETARY, 6 TH SFC		9733063820
3.	ROSHNI RAI	MEMBER, 6 TH SFC		9933326444
4.	TENZING D. DENZONGPA	MEMBER, 6 TH SFC		9733340157

ANNEXURES

5.	DR. ANSHUMAN KAROL	PRIA		9910390187
6.	MANOJ RAI	PRIA		9871198821
7.	PEMPA T. BHUTIA	OFFICE ADMINISTRATOR, 6 TH SFC		9434691590
8.	KOSHI KAPIL	ADDITIONAL SECRETARY, RDD		8016275362
9.	MANOJ RAI	CCT, COMM. TAXES		9932028369
10.	ABINASH RAI	AS, UDD		9434488820
11.	PATRICK R.	DIRECTOR, UDD		
12.	ROSHAN SUBBA	DS, UDD		9733136228
13.	DIKI N. BHUTIA	SR. AO, UDD		9083005001
14.	SUBASH PRADHAN	CAO, UDD		9434164602
15.	SONAM W. BHUTIA	D/SECY, RDD		
16.	SUBHA MUKHIA	ADDL. SECTY., MG NARIGA, RDD		
17.	JIWAN SUBBA	SECRETARY REVENUE, FIANACE DEPARTMENT		9434117617
18.	KUMAR BARDEWA	PR. DIRECTOR, BUDGET, FINANCE		9434024801
19.	CHOPEL T. LACHUNGPA	DIR. (LOAN/REV), FINANCE		9832036751
20.	MAHENDRA PRADHAN	DIRECTOR, FCD, FINANCE		8509755220
21.	BM KARKI	DY. DIR., FINANCE		7908177813

ANNEXURES

Annexure 4.12

MINUTES OF THE SEVENTH MEETING OF THE 6TH STATE FINANCE COMMISSION

The Seventh meeting of the 6th State Finance Commission (6th SFC) was held today i.e., 23rd May, 2023 in the chamber of Smt. Tashi Cho Cho, Secretary, Home Department who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Smt. Roshni Rai, Special Secretary, UDD, Shri. Tenzing Denzongpa, Director (Panchayat), and Shri. Raj N. Pradhan, Director (Accts), RDD. The meeting also had the attendance of Shri. Karma R Bonpo, Secretary, Commerce & Industries.

The meeting was primarily called to know the status of administration of Corporate Social Responsibility (CSR) in the State of Sikkim and also identify the participants from PSUs and Private Sectors for the meeting with 6th SFC on 1st June, 2023.

At the outset, Chairperson welcomed all the members to this meeting.

Firstly, the recommendation of the 5th SFC on CSR (Para 6.9 of the 5th SFC Report) was discussed by the House. Secretary, C&I informed the House that though the C&I Deptt has come out with Gazette Notification No.211 dated 4th June, 2015 to regulate the CSR fund, no appreciable progress has been made to streamline the CSR administration. He also shared the Notification No.30/Home/2021 dated 29/04/21 on Corporate Social Responsibility Authority of Sikkim.

The House was also informed that the State has not been able to draw majority of CSR funds available as the drawl of such funds require lot of work and documentation and is guided by stringent guidelines which the State Govt. has not been able to fulfill. The CSR fund is project specific and not fund specific which means that the CSR funding is done by the companies on the basis of projects prepared and approved as per the micro level guidelines.

On Institutional arrangement (IA), it was discussed that there is no credible IA present in the State. It was suggested that the project preparation and implementation is done at the District Level under the respective District Planning Committees (DPC) or the District Collector in collaboration with RLBs and ULBs. The State Nodal Department would periodically monitor the project and prepare data base.

Finally, it was decided by the Commission that a letter would be written to Secretary, C&I to identify and invite participants from PSUs and Private Sector for the meeting proposed to be held on 1st June, 2023.

ANNEXURES

*Annexure 4.13
Para 4.5 (V)*

Interaction with Elected Members of GPUs in Sikkim

29th May 2023, Chintan Bhawan, Gangtok

Minutes of the Meeting

To solicit their experiential learning and suggestions on implications of past SFC recommendations and current challenges in GPUs, the 6th SFC invited Elected members and officials of selected GPUs (award winning, remote and newly constituted) of Sikkim to participate in a meeting on 29th May 2023. This meeting was held at Chintan Bhawan. The Chairperson and all other members of 6th SFC participated in the discussion. PRIA representatives facilitated the lively and enriching discussions. The objectives of the meeting were:

- To understand the GPUs experiences with past SFC recommendations.
- To understand current opportunities and challenges at Gram Panchayat levels, which should be addressed by the 6th SFC.
- Capacity building, Resource Mobilization, and additional financial requirements of GPUs
- Additional financial requirements and capacity building for remote and newly constituted GPUs.

Some of important issues discussed during this meeting included:

1. Participants highlighted that building infrastructure at the Gram Panchayat level is utmost important and State Funds are not sufficient for the same.
2. Mandatory CSR expenditure of 2 percent is not coming to GPUs.
3. Participants raised that the State devolution has been made for 12-13 sectors only against the 29 subjects as per 11th Schedule of the Constitution. They demanded that all 29 Subjects should be devolved to PRIs. Further, at least 15 percent of the funds should be transferred to PRIs from departments concerned for 29 subjects.
4. They further demanded that tenders should be handed over to PRIs. Selling of Tender forms could be a good source of enhancing OSR of Gram Panchayats. They further demanded that forest tender works should be devolved to PRIs.
5. Participants also highlighted the need for more untied funds.
6. Concerns were raised regarding the accountability of GPUs. In order to enhance accountability, the Department should ask for a summary of Cashbook on a quarterly basis.

ANNEXURES

7. Flexibility should be provided for works under MGNREGA to include work related to achieving SDGs.
8. Some percentage of Environment Fund should be devolved to Gram Panchayats.
9. Gram Panchayat should also be incentivized from the District Mineral Fund.
10. Elected Members of various GPUs made a demand for increase in the rates of honorarium, and suggested for the provision of Discretionary Grant and Medical reimbursement as follows:

(INR)

	Position	Current Honorarium	Expected Honorarium	Expected Discretionary Grant per annum
1	Gram Panchayat President	10000	25000	25000
2	Gram Panchayat Vice-President	9500	22000	22000
3	Panchayat Member	9000	20000	20000

In addition, they also demanded for medical reimbursement up to 50,000 per annum.

11. GPU Members demanded that 'Population' should not be the formula for division of resources. It should be 80 percent on the basis of Area and 20 percent formula based.
12. Special provision of funds should be made for dealing with natural calamities.
13. They further raised the issue that 'Hawker license' is banned in Sikkim, it should be given to GPUs.
14. GPU Members listed various provisions to enhance the OSR of PRIs in Sikkim
 - House Tax
 - Hotel Tax
 - Water and Sanitation charge
 - Hawker license
 - Charges on building construction
 - Fee to resolve minor disputes.
 - Fee for income certificate
 - Promotion of village tourism

ANNEXURES

15. There is also a felt need that the Department to organise workshops on OSR.
16. There is also a suggestion that one time facilitating funds to be provided to GPUs for boosting OSR.
17. Out of the proceeds of land registration at least 0.5 percent should be given to GPUs and similarly 1 percent from companies' registration. It will enhance the income of GPUs.

The meeting is concluded with vote of thanks from Director, Panchayat Department cum Member, 6th SFC.

ANNEXURES

LIST OF PARTICIPANTS IN THE MEETING WITH ELECTED MEMBERS OF GPs (AWARD WINNING, REMOTE AND NEWLY CONSTITUTED)

VENUE: CHINTAN BHAWAN, MEETING HALL

DATE: 29TH MAY, 2023 (11:00 AM ONWARDS)

SL.NO.	NAME	DESIGNATION	NAME OF ZP/GPU	CONTACT NO.
1.	TASHI CHO CHO	CHAIRPERSON, 6 TH SFC		9733348477
2.	RAJ NARAYAN PRADHAN	MEMBER SECRETARY, 6 TH SFC		9733063820
3.	ROSHNI RAI	MEMBER, 6 TH SFC		9933326444
4.	TENZING D. DENZONGPA	MEMBER, 6 TH SFC		9733340157
5.	DR. ANSHUMAN KAROL	PRIA		9910390187
6.	MANOJ RAI	PRIA		9871198821
7.	CHANDRA KALA CHETTRI	P. PRESIDENT	16 PREMLAKHA SUBANEY DARA	8167063251
8.	KARMA WANGDI SHERPA	MEMBER	16PREMLAKHA SUBANEY DARA	9932010410
9.	KALU SHERPA	MEMBER	16PREMLAKHA SUBANEY DARA	
10.	DHADEN BHUTIA	MEMBER	16 PREMLAKHA SUBANEY DARA	8016242454
11.	LAL BHR. MANGER	V.P.		7797842146
12.	LAXUMAN CHETTRI	V.P.	TENZI BIKMAT	9382565536
13.	GYATSO TSH. LEPCHA	P.P	LINGDOK BARFOK	8116011980
14.	SUNIL GURUNG	S. PANCHAYAT	18 ROLEP LAMATEN	9800246393
15.	SANU RAI	PANCHAYAT PRESIDENT	18 ROLEP LAMATEN	7583993995

ANNEXURES

16.	NANDU MAYA GURUNG	PANCHAYAT PRESIDENT	01KARJEE MANGNAM	8327390571
17.	D.B MANGER	PANCHAYAT PRESIDENT	02- DHUPIDARA NARKHOLA	9883841718
18.	RAM CCHANDRA RAI	AD/SACHIYA	THINGLING	9933982795
19.	ANURADHA LINBOO	P/P	THINGLING	9733124916
20.	KUMAR THAPA	AD	KAMRANG GPU	9733451913
21.	PABITRA MANGER	P/MEMBER	42 KAMRANG GPU	9734943767
22.	FEROJA RAI	P/P	42 KAMRANG GPU	8350077890
23.	BHARAT CHETTRI	PANCHAYAT PRESIDENT	02 BARA SAMDONG BOOM RESHI	9593376998
24.	SONAM TSH. LEPCHA	P/P	01 SAMDONG SRIKADAM GPU	9735065652
25.	RAM BAHADUR LIMBOO	P/P	12 NAMBU SINDRABUN GPU	8001962198
26.	ONGMU BHUTIA	V/P		
27.	PASSANG BHUTIA	MEMBER		
28.	SANCHA KUMARI LINBOO	MEMBER		
29.	BHIM HANGMA LINBOO	MEMBER		
30.	PASSANG TSH. SHERPA	PDA	07- SANGMO RANKEY GPU	9734878527
31.	BAL KRISHNA GURUNG	PANCHAYAT MEMBER	44 DAMTHANG GPU	9647758900
32.	JYOTI RAI	PANCHAYAT	44 DAMTHANG GPU	6297432890
33.	NOM DOMA SHERPA	PANCHAYAT	44 DAMTHANG GPU	8597778322
34.	SALIM RAI	PANCHAYAT	44 DAMTHANG GPU	9641121118

ANNEXURES

35.	H.B. GURUNG	P. PRESIDENT	PACHEY SAMSING	9775423678
36.	RAMESH GURUNG	P. VICE PRESIDENT	24- PAKYONG YAKTEN GPU	8145161152
37.	SANITA BHUJAL	P. PRESIDENT	24- PAKYONG YAKTEN GPU	9609856603
38.	SANJU PRADHAN	AD	PAKYONG YAKTEN	7007633881
39.	BISHNU NIROLA	P. PRESIDENT	03 KOLTHANG TOKDEY	9641239949
40.	B.B ADHIKARI	AD	03 KOLTHANG TOKDEY	7797892774
41.	DEWGAY LEPCHA	P/PRESIDENT	SANGA DORJEE	8348988699
42.	SABHYA RAI	PANCHAYAT V. PRESIDENT	SNGA DORJEE	9883996774
43.	YAGKEY LHAMU LEPCHA	PAA	19/TINGRONG	9647887746
44.	DAWA DOEJEE LEPCHA	P. PRESIDENT	LUM, GOR SANGTAK	9593279538
45.	DOMA LEPCHA	VP	LUM, GOR SANGTAK	7872521834
46.	NIRMAL RAI	AD(P)	SANGA DORJEE	7602130225
47.	TEJ PD ADHIKARI	AD(R)	TIMBONG	9932570750
48.	NANDU LAMA MANGER	PANCHYAT MEMBER	01-KARJEE MANGNAM	988394940
49.	NANDU MAYA GURUNG	PANCHYAT PRESIDENT	01-KARJEE MANGNAM	8327390574
50.	AMAR RAI	AD	NAMPHING GPU	9609864331
51.	HEMA DEVI CHETTRI	VICE PRESIDENT	12 NAMPHING GPU	8016735106
52.	ARPAN SUBBA	PRESIDENT	12 NAMPHING GPU	7865095816
53.	THARMA BHUTIA	PDA	RONGAY TATHANGCHEN GPU	9800942719
54.	KARMA SAM CHOPEL	AD	REY MINDU REWTEY RUMTEK	8391041830

ANNEXURES

55.	SARITA THATAL	V/PRESIDENT	51-RAVONG BARFUNG	9635988833
56.	RAMESH SHARMA	MEMBER	08 TARPIN	9123831373
57.	SUMITRA CHETTRI	MEMBER	03 DARAGOAN	8637069715
58.	KARMA PINTSO BHUTIA	MEMBER	51-RABONG BERFUNG	8327389144
59.	RAJU RAI	PRESIDENT	REY MINDU GPU	8389947895
60.	SASHI LUITEL	P. PRESIDENT	06 GERETHANG LABING GPU	9647821674
61.	GOPAL RAI	AD/PRI	MARTAM	9832168022
62.	AMRITA RAI	VICE PRESIDENT	16- YANGTHANG GYALSHING	8768928106
63.	KAMALA SHARMA	VICE PRESIDENT	18 LINGCHONG TIKZYA GPU	9593881464
64.	ARGUNLA RAI	PRESIDENT	22 TENZI BIKMAT	7865031908
65.	SONAM ONGMOO LEPCHA	VICE PRESIDENT	LINGDONG BARFOK	7063808004
66.	PADAM KR. SUBBA	VAA	06- GERETHANG	9733148554
67.	SHYAM KR. RAI	A/O	YANGTHANG WEST	7865926344
68.	SOM NATH SHARMA	PAN/ PRESIDENT	16 YANGTHANG GPU	7797887608
69.	BHIM KR. BHUJEL	SACHIVA	SAPREYNEGI	9775948200
70.	PADEM KR. GURUNG	SACHIVA	LINGCHON TIKYEK	9593383220
71.	RAJEN SUBBA	PANCHAYAT PRESIDENT	18 LINGCHON TIKYEK GPU	9593383864
72.	SONAM TAMANG	P. PRESIDENT	MANIRAM PHALIDARA	8509079940
73.	TIKA MAYA PRADHAN	V.P	MANIRAM	8768763093
74.	RINZING BHUTIA		MANIRAM PHALIDARA	8436120155

ANNEXURES

75.	SUK RAJ LIMBOO	VP	40- DENCHONG	9800719657
76.	PEMLOK LEPCHA	P. PRESIDENT	SAKYONG PENTONG GPU	8348173053
77.	N.T. LEPCHA	JR. VAA	TINGRONG	9593269007
78.	PHUR DIKI SHERPA	P. PRESIDENT	34- SAPREY NAGHI	9382359961
79.	SUMIRA LINBOO	V/PRESIDENT	29 MARTAM GPU	9635938234
80.	BHISHNU MAYA CHETTRI	PRESIDENT	29 MARTAM GPU	7797888573
81.	NIMKIT LEPCHA	PRESIDENT	40 DENCHUNG	9083316586
82.	CHANDRA MAYA RAI	MEMBER	40 DENCHUNG GPU	9382792674
83.	L.B. SUBEDI	AD(PRI)	LABUNG GERETHANG	9733442682
84.	KISHAN K RAI	P/PRESIDENT	25- NAMCHEYBONG	9064371287
85.	BAL KUMARI SHARMA	PANCHAYAT MEMBER		8250117877
86.	SURAJ KUMAR CHETTRI	PANCHAYAT MEMBER	51 RABONG BORFUNG	7602099562
87.	HARISH CHANDRA RAI	AD(PRI)	KARJEE & DUPPI	9733066621
88.	UDAY RAI	VAA	MANIRAM PHALIDARA	7602863338
89.	ANUKA SHARMA	PANCHYAT PRESIDENT	38 POKLOK	7872973753
90.	P.M. SUBBA	VAA	26 SRK	8348560612
91.	RENU HANG LIMBOO	V/P	60 GERETHANG LABING	7797411394
92.	MUNNA CHETTRI	V/P	21- RONGAY TATHANGCHEN	9735800177
93.	SONAM WANGYAL BHUTIA	AD	RANKA & LUING PERBING	9933164262

ANNEXURES

94.	RUP MAYA RAI	PRESIDENT	RAVONG BARFUNG	7797064145
95.	SUNITA SHARMA	V/PRESIDENT	NAMCHEYBONG	9593789041
96.	CHONG DONKA	PANCHAYAT PRESIDENT	21 RONGAY TATHANGCHEN	8670242418
97.	ON PRAKASH RAI	AD	MANIRAM PHALIDARA GPU	9735096158
98.	BISHAL KUMAR THAPA	PANCHAYAT PRESIDENT	26 SRK	8001436301
99.	LAXMI MAYA SUBBA	V. PRESIDENT	SRK GPU	9733209932
100.	SRIMAN GURUNG	PANCHAYAT PRESIDENT	16 RANKA GPU	9832483622
101.	MINGUR BHUTIA	A.D.	RONGAY TATHANGCHEN GPU	9733200215

ANNEXURES

*Annexure 4.14
Para 4.5 (VI)*

Interaction with Elected Members of Zilla Panchayats in Sikkim

29th May 2023, Chintan Bhawan, Gangtok

Minutes of the Meeting

To solicit their experiential learning and suggestions on implications of past SFC recommendations and current challenges in ZPs, the 6th SFC invited Adhyakshas and Up-Adhyakshas and elected members of ZPs from six ZP (including women members) for the meeting. The DCs (Sachiva) and DPOs of all 6 ZPs were also invited to participate in the meeting held on second half of 29th May 2023. This meeting was held at Chintan Bhawan. The Chairperson and all other members of 6th SFC participated in the discussion. PRIA representatives facilitated the lively and enriching discussions. The objectives of the meeting were:

- To understand the implications of SFC recommendations in functioning of the ZPs.
- To understand current challenges and opportunities with the ZPs. The functional relationships between ZPs and GPUs.
- Capacity building, Resource Mobilization, and additional financial requirements of ZPs

Some of important issues discussed during this meeting included:

1. Meeting initiated with welcome address from Member Secretary, 6th SFC followed by presentation by PRIA highlighting mandate of 6th SFC and key recommendations of 5th SFC in relation to PRIs and specifically ZPs.
2. Zilla Panchayat Presidents pointed out that the current financial devolution to ZPs is inadequate and there is a need to increase the budget of ZPs.
3. They further highlighted that most parts of the State are prone to natural disasters and to meet the exigencies special funds need to be provided to ZPs.
4. Zilla Panchayat Members also requested for increase in discretionary funds for Local Area Development and discretionary grant to Zilla Panchayat Members. They also demanded to increase the honorarium of ZP Chairs and Members and provision of pension for elected members.
5. ZP members suggested that devolution of SFC funds should be based on Population and Area.
6. One of the major suggestions made by Zilla Panchayat Members is to get monthly reports from Line Departments to ensure their accountability.
7. Zilla Panchayat members suggested Additional Funds for newly constituted districts.

ANNEXURES

8. Zilla Members suggested that there should be periodic capacity building programmes to update the members on various aspect of administration and accounts.
9. Zilla Members also highlighted the lack of work tender information, office space for Zilla members and inadequate support staffs.
10. The meeting concluded with consolidation of discussion by 6th SFC Chairperson and vote of thanks, from Director, Panchayat Department cum Member, 6th SFC.

MEETING WITH MEMBERS OF ALL ZILLA PANCHAYATS (ZP Adhyaksha/UPA Adhyaksha/DCs (Sachiva) and DPOs)

VENUE: CHINTAN BHAWAN, MEETING HALL

DATE: 29TH MAY, 2023 (3:00 PM ONWARDS)

SL.NO.	NAME	DESIGNATION	NAME OF ZP/GPU	CONTACT NO.
1.	TASHI CHO CHO	CHAIRPERSON, 6 TH SFC		9733348477
2.	RAJ NARAYAN PRADHAN	MEMBER SECRETARY, 6 TH SFC		9733063820
3.	ROSHNI RAI	MEMBER, 6 TH SFC		9933326444
4.	TENZING D. DENZONGPA	MEMBER, 6 TH SFC		9733340157
5.	DR. ANSHUMAN KAROL	PRIA		9910390187
6.	MANOJ RAI	PRIA		9871198821
7.	TASHI CHOPEL	DC	PAKYONG	9474774456
8.	HK CHETTRI	DC	MANGAN	9434143936
9.	SACHIN RAI	ZILLA PANCHAYAT	DALAPCHEN AND RONGLI T.C	8670987582
10.	SUJAY RAI	ZILLA PANCHAYAT	10 – REGU /PREMLAKHA T.C	8167063654
11.	MANDEEP KUMAR RAI	ZILLA PANCHAYAT	16 – NAMCHEYBONG T.C	8768791952
12.	K.C. DAHAL	ASST. DIR (P)	DOPR	7872892175
13.	ANJEETA RAJALIM	ADHAKSHYA NAMCHI	SUKRABANEY SUNTLEY (13 TH)	7908179192

ANNEXURES

14.	BALARAM ADHIKARI	ADHAKSHYA GANGTOK	SAMDONG KUMBAL	9733023255
15.	D.S LINBOO	ADHAKSHYA GEYZING	YUKSOM KHECHOPARI	9735106236
16.	LILA DEVI GURUNG	ADHAKSHYA	01 – SANGADORJEE RINCHENPONG	7407595424
17.	KATSO LEPCHA	ADHAKSHYA MANGAN	MANGAN	6296481641
18.	LADEN LHAMU BHUTIA	ADHAKSHYA PAKYONG	PACHAY SMSING GPU	9609884134
19.	DEVI MAYA PRADHAN	UPADHAKSHYA	09 – SAMLIK NAMLI	8617561241
20.	CHANDRA BIR SHANKAR	UPADHAKSHYA	05 GELLING	6296352982
21.	PRABHA PRADHAN	UPADHAKSHYA	PAKYONG DISTRICT	6296950433
22.	ANITA RAI	UPADHAKSHYA	GEYZING DISTRICT	9647456160
23.	SONAM KIPA BHUTIA	UPADHAKSHYA	MANGAN DISTRICT	7076334601
24.	PRAKASH TAMANG	UPADHAKSHYA	NAMCHI DISTRICT	7550846452
25.	ANIL SHANKER	ZILLA PANCHYAT	12 – TANGZI RATEYPANI ZTC	8219171677
26.	NAWAMIT LEPCHA	ZILLA PANCHAYAR MAMBER	14 – MELLIDAR TURUK ZTC	9641009865
27.	INDRA KUMARI CHETTRI	ZILLA PANCHAYAT MEMBER	10 – MANEYDARA NAGI ZTC	9732085015
28.	DENDUP SHERPA	ZILLA PANCHAYAT MEMBER	9 RAMENG PERBING PHONG ZTC	6296646067
29.	K.T. BHUTIA	DPO	MDZP	9609867316
30.	SONAM G BHUTIA	DPO	GDZP	9832202566
31.	KHEW RAJ KHATTRI	PC/NAMCHI	DOPR	8670110313
32.	PEMPA T BHUTIA	OFFICE ADMINISTRATION	6 TH SFC	
33.	SUMAN LAMICHANEY	ZILLA PANCHAYAT	SIRWANI CHISOPANI	9625605442
34.	ANIRUDHRA BASTAKOTI	ZILLA PANCHAYAT	05- DUNG THARA	7679327787

ANNEXURES

35.	PRANESH TAMANG	ZILLA PANCHAYAT	SORENG DISTRICT	7551073037
36.	BIPON TAMANH	ZILLA UPADHAKSHYA	SORENG DISTRICT	8348668525
37.	BIRENDRE GURUNG	ZILLA MEMBER	TASHIDING KONGRI	7076357184
38.	SURESH SHARMA	OFFICE SUDT	GDGP	9593789888
39.	SAGAR SHARMA	ZILLA MEMBER	GEYZING	9647976312
40.	YADHU NATH CHETTRI	ZILLA MEMBER	GEYZING	9547900883
41.	KRISHNA KRI, CHETTRI	ZILLA MEMBER	YANGTHANG	7797885512
42.	SABITRA RAI	ZILLA MEMBER	MELLI RIMBI GYALSHING	6296611328
43.	SABITRA SANYASI	ZILLA MAMBER	SINGYANG CHUUBUNG GEYZING	7432856849
44.	PURNA BIR LIMBOO	ZILLA MEMBER	09- YANGTHANG TIKZUK TC	8436941958
45.	LAYMIT LEPCHA	JIA(IPR)	IPR DEPARTMENT GANGTOK	8927315136
46.	EVAN ALBERT THAPA	JIA (IPR)	IPR	7872651096
47.	DELEK S. LEPCHA	PA (ADHAKSHYA) NORTH	MDZP	8927962127
48.	J.B. LIMBOO	ZILLA PANCHAYAT	DARAP NAMBU	8145003665
49.	DILIP SHARMA	DPO	SORENG	9733283855
50.	KERZANG DIKI LASSOPA	DPO	NAMCHI	9002042168
51.	SONAM ZANGPO BHUTIA	DPO	PAKYONG	9832344784
52.	DODA BHUTIA	SR.AO	GDZP	9647877106

ANNEXURES

*Annexure 4.15
Para 4.5 (VII)*

Interaction with Elected Members of Urban Local Bodies in Sikkim

30th May 2023, Chintan Bhawan, Gangtok

Minutes of the Meeting

The meeting was organised among Elected Members of ULBs (Mayor, Deputy Mayor of Gangtok Municipal Corporation, Chairman and Vice Chairman of Namchi Municipal Council and Presidents and Vice Presidents of Nagar Panchayatsin Sikkim on 30th May 2023. Executive heads of the ULBs were also present during the meeting. The meeting was held at Chintan Bhawan. The chairperson and all members of 6th SFC participated in the discussion. PRIA representatives facilitated the lively and enriching discussions. The objectives of the meeting were:

- To understand the overall experiences of ULBs with past SFC recommendations.
- To understand current opportunities and challenges at ULB levels, which should be addressed by the 6th SFC.
- Capacity building, Resource Mobilization, and additional financial requirements of ULBs

Some of important issues discussed during this meeting were:

1. The meeting started with welcome and introduction by Special Secretary, UDHD and Member, 6th SFC followed by presentation by PRIA on the mandate of 6th SFC and major highlights of the recommendations of 5th SFC and action taken report with reference to Urban Local Bodies. The presentation further highlighted the status of OSR of ULBs, suggestions provided by ULBs for enhancing OSR and issues for consideration for 6th SFC. These were based on questionnaires circulated to all ULBs in advance.
2. Mayor of Gangtok MC highlighted that monthly labor rates are increased by Govt from ₹ 9000 to ₹ 15000, resulting in labor expenses by GMC to the amount of ₹ 45 lakh/ month. Monthly payment expenses have increased because of Municipal Cadre, but they were not getting enough funds from the Govt. In addition to that, pay fixation is due in 2026 and it will put more pressure on the financial health of ULBs.
3. He further shared that there are enough opportunities for revenue generation but funds are not available to put in place these revenue generation activities/ projects citing examples of Property Tax file not being cleared by the State Govt. He also placed before the House that there are requirements for construction of Children

ANNEXURES

Park, Car Parks, Community Centres, Housing Complexes, Housing Complexes for Safaikaramcharis.

4. He further emphasized that central govt funding also needs to be increased, License fee rate fixed in 2010 needs to be enhanced. The current rate of car parking, ₹ 20/day, needs to be increased. He suggested that there should be a provision for revision of the Taxes and Fees every 5 years.
5. President, Rango Nagar Panchayat shared that till date they are not issuing petrol pump license. He further added that for Health and Education it is difficult to access CSR funds. He emphasized that SFC should provide more funds for Infrastructure development which in turn can be used to generate OSR.
6. President Singtam Nagar Panchayat shared own revenue generation efforts by the SNP through rent on community hall and open theatre. He further emphasized that Birth and Death registration should be handed over to Nagar panchayat. Currently it is with Health Dept. Another source of revenue generation for municipalities could be Blueprint Plan fee. He also stressed raising the honorarium of elected members and training of ERs.
7. Vice President of Mangan Nagar Panchayat shared that resource recovery centre is an important facility to manage solid waste and source of revenue generation for ULBs. Mangan is successfully running the facility. To this Mayor Gangtok MC raised an issue that material recovery facility (MRF) is not operational to its full efficiency due to various reasons. During discussion it was found that municipalities have not seen material recovery facilities as a source of revenue, and these are not properly functioning in many ULBs. In fact, one of the major demands of ULBs from SFC is to help them with resources for solid waste management. Vice President, Mangan NP also raised an issue of Birth and Death registration and shared that though NPs are giving NoC, but certificates are issued by health department. This needs to be handed over to ULBs.
8. Representatives of Jorethang and Rangpo NP shared that tax on cable laying by companies is a good OSR source. In addition to this, tax on garbage, conference hall fee, renewal of trade license fee is also added revenue of these ULBs. They demanded that issuing authority of labour license should be handed over to them.
9. From conversations with the ULB members, it was very obvious that there was no systematic effort to build the capacities of ERs. Since 2022, the state government is using 5th SFC recommended State Capacity Building Fund through the SIRD to provide basic training to the urban ERs.

ANNEXURES

PARTICIPANTS IN THE MEETING WITH ELECTED MEMBERS OF ULBs (MAYOR, DEPUTY MAYOR, CHAIRPERSON, V. CHAIRPERSON, PRESIDENT/V. PRESIDENT/MEOs)

VENUE: CHINTAN BHAWAN, MEETING HALL

DATE: 30TH MAY, 2023 (11:00 AM ONWARDS)

SL. NO.	NAME	DESIGNATION	NAME OF OFFICE/GPU	CONTACT NO.
1.	TASHI CHO CHO	CHAIRPERSON, 6 TH SFC		9733348477
2.	RAJ NARAYAN PRADHAN	MEMBER SECRETARY, 6 TH SFC		9733063820
3.	ROSHNI RAI	MEMBER, 6 TH SFC		9933326444
4.	TENZING D. DENZONGPA	MEMBER, 6 TH SFC		9733340157
5.	DR. ANSHUMAN KAROL	PRIA		9910390187
6.	MANOJ RAI	PRIA		9871198821
7.	PEMPA T. BHUTIA	OFFICE ADMINISTRATOR, 6 TH SFC		9434691590
8.	NB CHETTRI	MAYOR	BURTUK, GTK	8250184552
9.	TSH. PALDEN BHUTIA	DY. MAYOR	27, GANGTOK	9733210136
10.	GANESH RAI	NMC CHAIRMAN	SINGILHAY	8945947324
11.	SABITRI TAMANG	VICE CHAIRMAN NMC	NAMCHI	7872858205
12.	SURESH KR. TAMANG	PRESIDENT	SINGTAM	9679782246
13.	DEVENDRA PRASAD SHARMA	PRESIDENT	GYALSHING GNP	9800072906
14.	SANJEEV KHATI	PRESIDENT	RNP	9933626819
15.	RADHA PRADHAN	V. PRESIDENT	RNP	9932718703

ANNEXURES

16.	BINDHYA SUBBA	V. PRESIDENT	SINGTAM NAGAR PANCHAYAT	8348554987
17.	MANJARI RAI	V. PRESIDENT	NJNP	7318770101
18.	LAKI DOMA BHUTIA	VP	GNP	7797496949
19.	NORKIT LEPCHA	PRESIDENT	MNP MANGAN	9593973178
20.	TSSHERING DOMA BHUTIA	COUNCILLOR	MNP	8207227422
21.	RB BHANDARI	MC/GMC	GMC	9832014743
22.	GOPAL SHARMA	MEO	GYALSHING NAGAR PANCHAYAT	9734188122
23.	UJJWAL PANDEY	MEO	SINGTAM NAGAR PANCHAYAT	97493309201
24.	SUREN TAMANG	MEO	RANGPO NAGAR PANCHAYAT	9593274198
25.	BISHAL KHATRI	IPR/SIA		
26.	LAYMIT LEPCHA	JIA IPR		
27.	RP SHARMA	MFO GMC		

ANNEXURES

*Annexure 4.16
Para 4.5 (VIII)*

Interaction with SIRD and Skill Development Department, other Capacity Building Organizations of the Government of Sikkim

30th May 2023, Chintan Bhawan, Gangtok

Minutes of the Meeting

The meeting was organised on 30th May 2023, at Chintan Bhawan, with the SIRD and SICB Officials, who are responsible for training of the PRI and the ULB functionaries. The Chairperson and all members of 6th SFC participated in the discussion. PRIA representatives facilitated the discussions. The objectives of the meeting were:

- To understand the issues in Capacity building of PRIs and ULBs
 - What additional capacities are required by SIRD and other capacity builders?
 - Support expected from the 6th SFC.
1. The meeting started with welcome address by Member Secretary, 6th SFC and followed by open discussion facilitated by PRIA.
 2. Director SIRD shared the present activities carried out by SIRD. He shared that SIRD is involved in building capacities of Elected Representatives of PRIs and recently initiated the capacity building of ERs of urban local bodies after Urban Development Department provided resources to SIRD for constitution of special training cell for ULBs. He further added that for Localisation of SDGs they are coordinating with 9 sectoral departments.
 3. SIRD have 26 field facilitators and over 100 Master Resource Persons empaneled with them.
 4. He stated that SIRD is not receiving regular funds from the line departments.
 5. Chief Administrator of Skill Development & Capacity Building Department informed that they are mandated as State Institution for Capacity Building under skill development for Sankalp for GPDP, PMKVY and DDUKVY. They are closely coordinating with social welfare Dept., Women & Child Development Dept. and Industries Dept. for capacity building efforts. The training is provided as per NSQF of NSDC. They are also receiving demands from PRIs and ULBs for learning new skills. They are undertaking placement-based trainings and SIRD has also provided them with a slot in their training programs. They have 149 empaneled training providers. The Chief Administrator shared that they are receiving grants-in-aid from the state, but out of this INR 1.92 crore/ annum is spent of payment of salaries.

ANNEXURES

6. He further shared that mobilizing candidate for skill training is very difficult, high dropout rate and placement is a big problem.
7. Director SIRD highlighted that the Institute requires financial support for carrying out research and building a repository of training material.
8. In her concluding remarks, SFC Chair highlighted that capacities of Panchayats to understand their role vis-à-vis development goals is important. She emphasized that SIRD team should participate in GPDP planning process to help in getting firsthand experience.
9. The meeting is concluded with a vote of thanks from Member Secretary, SFC.

PARTICIPANTS IN THE MEETING WITH SIRD AND SKILL DEV. DEPARTMENT/OTHER CAPACITY BUILDING ORGANIZATIONS

VENUE: CHINTAN BHAWAN, MEETING HALL

DATE: 30TH MAY, 2023 (3:00 PM ONWARDS)

SL. NO.	NAME	DESIGNATION	NAME OF OFFICE/GPU	CONTACT NO.
1.	TASHI CHO CHO	CHAIRPERSON, 6 TH SFC		9733348477
2.	RAJ NARAYAN PRADHAN	MEMBER SECRETARY, 6 TH SFC		9733063820
3.	ROSHNI RAI	MEMBER, 6 TH SFC		9933326444
4.	TENZING D. DENZONGPA	MEMBER, 6 TH SFC		9733340157
5.	DR. ANSHUMAN KAROL	PRIA		9910390187
6.	MANOJ RAI	PRIA		9871198821
7.	PEMPA T. BHUTIA	OFFICE ADMINISTRATOR, 6 TH SFC		9434691590
8.	BISHAL RAI	CHIEF ADMINISTRATOR	SICB/SDD	9735030703
9.	BISHAL MUKHIA	DIRECTOR	SIRDPR	7001271507

ANNEXURES

10.	BIKASH SUBBA	DY. DIRECTOR	SIRDPR	9733066200
11.	CHANDRA B. MANGAR	FACULTY	SIRD&PR SIKKIM	9735099595
12.	VARUN CHETTRI	FACULTY	SIRD&PR	9933475704
13.	ABINDRA RAI	ACCOUNTANT	SIRD&PR	7407810508
14.	LAYMIT LEPCHA	JIA/IPR		
15.	BISHALI KHATRI	IPR SIA		
16.	NISHIMA SUBBA	SCRIPT WRITER		

ANNEXURES

*Annexure 4.17
Para 4.5 (IX)*

Interaction with Representatives of Corporates implementing CSR Activities

1 June 2023, Chintan Bhawan, Gangtok

Minutes of the Meeting

The meeting was organised on 1st June 2023, at Chintan Bhawan, with corporate representatives of private and public sector companies implementing CSR activities in Sikkim and key representatives of nodal departments (for companies and CSR). The chairperson and all members of 6th SFC participated in the discussion. PRIA representatives facilitated the lively and enriching discussions. The objectives of the meeting were:

- To understand the current context of CSR initiatives of the companies and their existing or possible links with the GPUs or ZPs or ULBs?
 - How PRIs and ULBs could access CSR funds? What additional capacities the LBs may require for using CSR funds?
 - What could be the best institutional mechanism, which SFC may suggest, for optimal use of the CSR funds? How corporate talents could help the PRIs and ULBs?
1. The meeting started with a welcome and introduction by Member Secretary, 6th SFC followed by presentation from PRIA where PRIA representative briefed the participants about mandate of 6th SFC, various recommendations of 5th SFC and current scenario of CSR in Sikkim. This was followed by open discussion facilitated by PRIA.
 2. During his introductory remarks, Member Secretary SFC raised questions that whether CSR Committee is constituted at the State level? Whether formulated CSR Policy is in place? How do you inform the State about your Net Profit? What activities have been undertaken during the last 3 years?
 3. Referring to 2019 Notification, Officer from Dept of Commerce and Industries informed the house that there is no mechanism in place for collection/ pooling CSR funds. Every year the Dept of Commerce & Industries asks for their CSR reports, and we have reports till 2019-20 FY.
 4. Responding to the queries of SFC, representatives of CSRs shared that, companies having pan India operations, formulate their country wide CSR plan. The state allocation depends on State plan shared by the State representative subject to the approval of Board of Directors. The activities identified by the State level CSR

ANNEXURES

representative depend on the requests made by Govt Departments and/or on the basis of their own plans.

5. After this, CSR representatives shared the kind of work their CSR arms are undertaking in Sikkim. It varies from activities under Health and Education, infrastructure development, promotion of sports, livelihood activities, supply of various equipment like solar lights, barricades for police dept in Gangtok etc. Many CSR representatives echoed that they undertake construction activities as per their companies' norms to ensure quality but many local govts insists on transferring money to their accounts, which is not possible. As quality and sustainability of such projects is of paramount importance.
6. Various representatives shared that there is no Nodal Dept in the State to coordinate with Companies for CSR activities. They further emphasized that sometimes CSR contribution is not recognized. Representatives also highlighted that many a times they are receiving non- relevant and inappropriate demands (not in line with their CSR policies).
7. CSR representatives suggested that there should be one nodal department for coordinating CSR activities and linkage building with local govts. Further, there should be a mechanism for sending quarterly reports/ return, so that nodal department have CSR activities tracker and impact assessment studies.
8. Participants emphasized that there should be a Nodal Committee at the State level to coordinate CSR activities. They also recommended the constitution of committee having representatives of Industries & Commerce Department, RMDD, UDD, Health Dept, Education Department and CSR representatives. Similar Nodal Committee be constituted at the district level with District Magistrates as members. The Nodal Committee must be empowered to address the problems faced by CSRs. It is further recommended that the nodal agency should also look at the agenda of all CSRs and work out a common list of activities as per Section 7 of the Companies Act. It was suggested that the thrust area of Govt for the financial year should be communicated in advance to the CSRs and any recommendations should not be directive in nature. There should be a list of priority works so that CSR can pick the appropriate work as per their priorities.
9. Participants mutually agreed that the state should have CSR policy with long-term and short-term objectives and it should be communicated to everyone. The proposed CSR committees at State and District levels should act as custodian of these objectives.
10. Awareness of CSR needs to be created among government departments and officials.

ANNEXURES

11. It is also highlighted by the participants that there is no Association of CSRs in Sikkim as it was not approved by the Govt in their earlier attempt.
12. They also highlighted that CSRs need appreciation letters from the local govts, but these are not given on time.
13. SFC Chairperson, Smt. Tashi Cho Cho in her concluding remarks informed that the Commerce & Industries Department has been notified as the Nodal Department by the Govt of Sikkim for CSR activities and urged the officials of Nodal Department to lead and frame the guidelines for mobilisation of CSR funds. She further highlighted that the purpose of this meeting is to understand how PRIs and ULBs could access CSR funds and the role of corporate houses in helping local bodies with that. She further suggested that the Nodal Department to adopt the guidelines within the framework of company's policies. She urged corporates to have uniformity in implementing the works and avoid duplication of work and sensitize local bodies on CSR activities.
14. The meeting concluded with a vote of thanks from Shri. Raj Narayan Pradhan, Member Secretary, 6th SFC.

PARTICIPANTS IN THE MEETING WITH CSR REPRESENTATIVES

VENUE: CHINTAN BHAWAN, MEETING HALL

DATE: 1ST JUNE, 2023 (11:00 AM ONWARDS)

SL. NO.	NAME	DESIGNATION	NAME OF OFFICE/GPU	CONTACT NO.
1.	TASHI CHO CHO	CHAIRPERSON, 6 TH SFC		9733348477
2.	RAJ NARAYAN PRADHAN	MEMBER SECRETARY, 6 TH SFC		9733063820
3.	ROSHNI RAI	MEMBER, 6 TH SFC		9933326444
4.	TENZING D. DENZONGPA	MEMBER, 6 TH SFC		9733340157
5.	DR. ANSHUMAN KAROL	PRIA		9910390187
6.	MANOJ RAI	PRIA		9871198821
7.	PEMPA T. BHUTIA	OFFICE ADMINISTRATOR, 6 TH SFC		9434691590
8.	CHODEN SHERPA	DY. DIRECTOR	C&INDUSTRIES	9733001867

ANNEXURES

9.	MIKESH RARAIL	GAC	CEI	9593770778
10.	SABITA PRADHAN	HR	TITAN COMPANY LIMITED	9002282801
11.	VIJAY MANGLA	DGM-SITE HEAD	GLENMARK PHARMACEUTICALS LTD.	9736536880
12.	RUHAMAH SUBBA	SITE HR HEAD	GLENMARK PHARMACEUTICALS LTD.	9832300780
13.	B. BHUTIA	GM/HR HEAD	SIKKIM DISTILLERIES LTD.	9563638167
14.	NEERAJ KUMAR	ACCOUNT HEAD	MARE LIFE SCIENCES SIKKIM	7091031325
15.	SABIKA RAI	MANAGER HR	CENTRAL PANDAM	9933932035
16.	AMPAMS PRADHAN	MANAGER HR&A	CENTRAL PANDAM	7602280248
17.	RAJESH MITTAL	ACCOUNTS	SHANGRILA INDUSTRIES (P)	9434319100
18.	SUNIL KR. SRIVASTAVA	GENERAL MANAGER	SHANGRILA INDUSTRIES (P) LTD.	9086081318
19.	SVILY SINGH	GENERAL MANAGER	SAVI HEAD SCIENCE	9775544554
20.	NEHA RAMUDAMU	SR. EXECUTIVE HR	MAMRING TUSUNG GPU	9083710977
21.	PREADEEP KUMAR SHARMA	MANAGER-HR	NAGI KAVEEK GPU	7872666609
22.	NILESH SADHAV			
23.	MANOJ SARKAR	SR. MANAGER HR & ADMIN	MICRO LABS LTD. MAMRING	9735016160
24.	SIDDHARTH POUZAL	CENTRE MANAGER	LOPIN HUMAN WELFARE AND RESEARCH FOUNDATION, 4 TH MILE BHASME	8159071730/7076464762

ANNEXURES

25.	SURESH NATH ROY	AGM-HR	CHUBHA PANCHAYAT	9775465405
26.	PANKAJ BARDHAN	AM-HR	CHUBHA PANCHAYAT	9647851714
27.	SUMIT KAMRUKAR	GM (ACCT)		9564047000
28.	NAMITA CHETTRI	MANAGER	CIPLA	9733174019
29.	KULDEEP SINGH	GM HR		8170005557
30.	DEBRAJ KUNDU	GM-HR		8016620049
31.	KAUSHIK PAL	AGM-F&A		7719357168
32.	AJAY PRASAD	GM-A/C		9933382025
33.	ONGCHEN BHUTIA	HR/ADMIN	MAJHITAR RANGPO	9310994811
34.	AJAY SINHE	HR/ADMIN	ALKEM HEALTH SCIENCE MAZITAR	8170036311
35.	INDRA MANI SHARMA	HR/ADMIN	KUMREK RANGPO	9933720031
36.	CN JHA	GM	MACLEODS PHARMA	9382330437
37.	RANJAN CHATURVEDI	HR	GK BURMAN PRT & FIRAGRAMCES	8081255016
38.	AMIT TIWARI	FINANCE HEAD	GK BURMAN HERBAL & HEALTH CARE	9453651980
39.	KILASH AH	CR & CSR HEAD	NAMCHI AND NANDOK	7979864644
40.	YASHPAL KESHARI	PRODUCTION HEAD	AISHWARYA HEALTHCARE	9924107847

ANNEXURES

Annexure 4.18
Para 4.5 (X)

Meeting of 6th State Finance Commission with the Representatives of Self-Help Groups (SHGs)

1 June 2023, Chintan Bhawan, Gangtok

Minutes of the Meeting

The meeting was organised on 1st June 2023, at Chintan Bhawan, with the representatives of SHGs, government officials who directly deal with SHGs. The chairperson and all members of 6th SFC participated in the discussion. PRIA representatives facilitated the discussions. The objectives of the meeting were:

- To understand the framework of current relations of SHGs with PRIs and ULBs
 - How PRIs and ULBs could develop mutually beneficial relationships with the SHGs?
 - Suggestions for the 6th SFC to explore institutionalization of relationships of SHGs with the Local Bodies.
1. The meeting started with a welcome and introduction by Member Secretary, 6th SFC followed by presentation from PRIA where PRIA representative briefed the participants about mandate of 6th SFC, various recommendations of 5th SFC and how SHGs can coordinate with GPUs and ULBs for better functioning and developmental works. This was followed by an open discussion facilitated by PRIA.
 2. Participants shared that there is no productive relationship between SHGs and local bodies.
 3. Participants also emphasized that GPUs are not collecting any taxes, and this is a loss to GPUs and their development. SHGs can help GPUs in collection of fees and taxes to enhance their own source of revenue. SHG members urged that there is a need for establishing uniformity in collection of taxes and there should be SOP on this for all local bodies. SHG members can also be authorized for collection of taxes. These members can also help in increasing attendance in Gram Sabha meetings.
 4. SHGs were eager to develop mutually beneficial economic relations (beside further strengthening existing social relations) with GPUs, ZPs and ULBs. While helping GPUs in tax/fee collection was one example, other business ideas could be further explored between the associations of SHGs and ZPs/ULBs.

ANNEXURES

5. SFC Chairperson, Smt. Tashi Cho Cho in her concluding remarks stated that she was overwhelmed by the positive feedback from the participants and further suggested that the SHG members enact a positive role as civil society for the upliftment of their respective GPUs and wards.
6. The meeting is concluded with a vote of thanks from Sh Tenzing Denzongpa, Director (Panchayat) and Member, 6th SFC.

PARTICIPANTS IN THE MEETING WITH SELF-HELP GROUPS (SHGs)

VENUE: CHINTAN BHAWAN, MEETING HALL

DATE: 1ST JUNE, 2023 (3:00 PM ONWARDS)

SL. NO.	NAME	DESIGNATION	NAME OF OFFICE/GPU	CONTACT NO.
1.	TASHI CHO CHO	CHAIRPERSON, 6 TH SFC		9733348477
2.	RAJ NARAYAN PRADHAN	MEMBER SECRETARY, 6 TH SFC		9733063820
3.	ROSHNI RAI	MEMBER, 6 TH SFC		9933326444
4.	TENZING D. DENZONGPA	MEMBER, 6 TH SFC		9733340157
5.	DR. ANSHUMAN KAROL	PRIA		9910390187
6.	MANOJ RAI	PRIA		9871198821
7.	PEMPA T. BHUTIA	OFFICE ADMINISTRATOR, 6 TH SFC		9434691590
8.	TENZING T. KALEON	CEO, SRCM	RDD	9933872873
9.	ROBIN ACHARYA	DPM (JBCB) SRCM, RDD	RDD	7908019204
10.	SAILESH LEPCHA	DPM (FI) SRCM, RDD	RDD	9830762425

ANNEXURES

11.	SURAJ SAPKOTA	APM IBCB	SRLM/RDD	9832289922
12.	TUISA LUITEL	BRP BANK SHAKI	SRCM RDD	8768852418
13.	SUNITA SUBBA	BRP BANK SAKHI PAKYONG	SRCM	9933930479
14.	SARMILA DARJEE	SHG SECRETARY	SUMLICK MARCHAK	9907665748
15.	BHAGAWATI SHARMA	SHG PRESIDENT	SUMLICK MARCHAK	9832813514
16.	PEMA DOMA BHUTIA	ASST. TOWN PROJECT OFFICER UDD		9775314757
17.	PANKAJ RUCHAL	TOWNLAKEV UDD		8145012476
18.	LAKIT LEPCHA	DEO UDD		8101272827
19.	GEETA CHETTRI	OFFICE ASSISTANT UDD		7063611769
20.	PRANITA SHARMA	BRP	LUING PERBING GPU	8250159609
21.	NIRMALA PANDEY	WRP	RANKA PERBING	9749371849
22.	LAKPA DOMA BHUTIA	BRP	NANDOK	9547909701
23.	MAITI MAYA RAI	ASTER	KHIMSITHANG	9339957470
24.	PABITRA SHARMA		NANDOK	8967102889
25.	MIBSAW DHUNGEL	JUNIOR INFORMATION ASSISTANT	IPR DEPT	7029994080
26.	REENA DARJEE	SECRETARY	LINGTAM WARD	7318718168
27.	AITA MAYA RAI	UPPER AHO WDS PRESIDENT	AHO YANGTAM	9593275962
28.	TARA DEVI SHARMA	BRP L/AHO	AHO YANGTAM	9593263747
29.	SEEMA DEVI KHAREL	BDS PRESIDENT	RANKA	9883829899
30.	LILLY RAI	BDS SECRETARY	RANKA	9593279320

ANNEXURES

31.	MRS. TIKBL KHANAL	WRP	ASSAM LINZEY SOURENI	7908849343
32.	UMA RAI	BRP	MARTAM NAZITAN	6295692764
33.	MANJU LAMA	WRP	KOIBARI SYARI DOTHAPU	8145147802
34.	SABITA	BRP (BARK SELEHI)	NANDOK SARAMSA	9064092577

ANNEXURES

Annexure 4.19

MINUTES OF THE 8th MEETING OF THE 6TH STATE FINANCE COMMISSION

The Eight meeting of the 6th State Finance Commission (6th SFC) was held today i.e., 11th July, 2023 in the chamber of Smt. Tashi Cho Cho, Secretary, Home Department who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Smt. Shri. Tenzing Denzongpa, Director (Panchayat), and Shri. Raj N. Pradhan, Director (Accts), RDD.

At the outset, Chairperson welcomed all the members to this meeting.

The meeting was primarily called to discuss the status of the following:

1. Submission of revised data formats by ULBs and PRIs
2. Submission of Questionnaire by ULBs and PRIs
3. Submission of Committed Liability statement by ULBs and PRIs
4. Submission of Information on Professional Tax by Finance Department

It was informed to the House that the Committed Liability statement (Sl.No3) has been completed. However, for Sl.No.1,2 and 4, the work is not complete. It was directed to request both RDD, UDD and Finance Department to expedite the submission of the documents. The deadline of 15th July, 2023 has been fixed for submission of the above information. The revised ATR on the recommendations of 5th SFC was also found to be incomplete.

Secondly, a Video Conferencing is required to be held with PRIA in the third week to have a discussion on draft report. Chairperson stated that the date would be finalized shortly after identifying a suitable date.

Thirdly, it was unanimously decided to submit the utilization certificate of the first instalment of fund received during 2022-23 and submit claims for the balance fund for the year 2023-24.

Lastly and most importantly, it was decided to request the Government for extension of time for submission of the Final Report from 31st July, 2023 to 31st October, 2023 (3 months)

The meeting ended with vote of thanks.

ANNEXURES*Annexure 4.20***MINUTES OF THE 9th MEETING OF THE 6TH STATE FINANCE COMMISSION****19th July, 2023****Participants**

1. Mrs. Tashi Cho Cho, Chairperson, 6th SFC
2. Mr. Raj Pradhan, Member Secretary, 6th SFC
3. Mrs. Roshni Rai, Member, 6th SFC
4. Mr. Tenzing Dorjee Denzongpa, Member, 6th SFC
5. Mr. Manoj Rai, PRIA
6. Dr. Anshuman Karol, PRIA

Minutes of the Meeting:

1. Discussion on devolution of funds – Taking into considerations, the enhanced demands from the Local Bodies, inflation and significantly enhanced absolute value of state's Net Own Tax Revenue, SFC was advised to consider either 6 or 7% of the Sikkim's NOTR. This is also because, SFC may recommend devolution of the Profession Tax, which would be an additional support to the Local Bodies. The SFC, however, suggested considering devolution of 4.5 percent of state's NOTR (exactly same as what 5th SFC did). In addition, separate funds for capacity building to the tune of 0.5 percent and additional support for the infrastructure, IT and SWM can be provided. The percentage or one time grant for these will be decided after the draft recommendation.
2. It was suggested that any funds transferred for infrastructure development must be linked to concrete deliverables such as project details about enhancing OSR of local bodies.
3. Out of the total funds to be developed, it was tentatively decided that 80 percent will be basic grant and 20 percent will be performance/conditional grant. PRIA should suggest different options.
4. Since the period of 6th SFCs recommendations (2025-30) is concluding with SDG tenure (by 2030), achievement of the SDG should be considered as one of parameters for performance grant.
5. SFC also agreed to introduce an accountability mechanism for elected representatives and officials by promoting social audit for initiatives of the Local Bodies.

ANNEXURES

6. Details of Professional Tax were discussed. PRIA proposed that at least half of the total amount Professional Tax proceeds should be developed to the local bodies. The decision on this matter will be taken later.
7. It is agreed that 6th SFC will recommend permanent SFC cell in the Finance Department with allocated budget from 6th SFC.
8. Special onetime financial provision to be made to popularize Action Taken Report of 6th SFC so that it can be translated into Nepali and to be made available to each local body and department within one month of the approval by the State government.
9. Due to the ambiguity of information supplied on implementation of 5th SFC Action Taken Report, 6th SFC members agreed to hold meetings with respective departments and necessary revision will be made. The revised implementation report will be made available at the earliest.
10. It was suggested that formula for provisioning of 6th SFC Grants can be based on – population, Area, Backwardness, Geographical location, Income distance. In this regard PRIA will prepare a note suggesting possible way of considering the composite criteria for devolution of funds at GPU, ZP, and ULB levels. The SFC will consider those options to decide on the most plausible criteria for the aforesaid devolution.
11. PRIA expressed its concern on perpetual delays and gaps in data leading to huge loss of time. The SFC sympathized with the issue and asked PRIA to consider all data received so far (the last version received) as final one.
12. The SFC was of the view that details on implementation of 5th SFC and 15th CFC reports could be considered as part of the annexure, not as separate chapters as proposed by PRIA.
13. The SFC decided to consider re-recommending those progressive recommendations of the 5th SFC which were either not implemented or were partially implemented.
14. In the light of the above, the SFC agreed that it won't be possible to prepare the report by 31st July 2023, which was agreed earlier. So, the SFC will seek extension of its term and PRIA will be duly informed about the extension. Accordingly, PRIA should sign the addendum and propose an additional demand for its consulting support as per the contract.

ANNEXURES

Annexure 4.21

MINUTES OF THE 10th MEETING OF THE 6TH STATE FINANCE COMMISSION

The Tenth meeting of the 6th State Finance Commission (6th SFC) was held today i.e., 31st July, 2023 in the RDD Conference Hall. The meeting was jointly chaired by other members of the Commission; Smt. Roshni Rai, Special Secretary, Shri. Tenzing Denzongpa, Director (Panchayat), and Shri. Raj N. Pradhan, Director (Accts), RDD in absence of the Chairperson Smt. Tashi Cho Cho, Secretary, Home Department. The meeting was attended by officers from Finance Department, Rural Development Department and Urban Development Department namely;

1. Shri. Kumar Bardewa, Principal Director, Budget Division, Finance
2. Shri. Mahendra Pradhan, Director (FCD), Finance
3. Shri. Nawang Bhutia, Deputy Director, Budget Division, Finance
4. Shri. K.C. Dahal, Assistant Director (Panchayat), RDD
5. Shri. Pempa Bhutia, Sr Accountant, 6th SFC
6. Shri. Nipendra Pradhan, State Panchayat Co-ordinator(P), RDD
7. Shri. Khemraj Chettri, Panchayat Co-ordinator, DoPR, RDD
8. Shri. Bhaichung Bhutia, VAA, RDD

At the outset, all the attendees were welcomed to this meeting.

The meeting was primarily called to discuss the shortcomings on Status of Compliance of the recommendations of the 5th State Finance Commission submitted by the various concerned departments viz. Finance, Urban Development and Rural Development Departments. Going through the status of compliance submitted earlier, the Commission felt that compliance report required updation.

All the recommendations of 5th SFC were discussed in detail with the concerned departments and all were instructed to submit the updated ATR to the Director (FCD) by 1st August, 2023. Director (FCD) in turn would submit the collated statement to 6th SFC by 2nd August, 2023.

The meeting ended with vote of thanks.

ANNEXURES

Annexure 4.22

MINUTES OF THE 11th MEETING OF THE 6TH STATE FINANCE COMMISSION

The Eleventh meeting of the 6th State Finance Commission (6th SFC) was held today i.e., 16th August, 2023 in the chamber of Smt. Tashi Cho Cho, Secretary, Home Department who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Smt. Roshni Rai, Special Secretary (UDD), Shri. Tenzing Denzongpa, Director (Panchayat), and Shri. Raj N. Pradhan, Director (Accts), RDD.

At the outset, Chairperson welcomed all the members to this meeting.

The meeting was primarily called to discuss the possible devolution formula submitted by PRIA.

1. It was decided to request PRIA to analyze the NOTR including Professional Tax for the year 2025-26 (1st year of 6th SFC Devolution) and compare the devolution figure with that of 2024-25 (last year of 5th SFC devolution) at the same percentage of 4.5% and **submit to the Commission within one week.** (Action: **PRIA**)
2. The division of 6th SFC Grant as Basic Grant, Performance Grant and Enabling Grant was accepted by the Commission. The Basic Grant and Performance Grant would be devolved in the ratio of 80:20%. The conditionalities around performance grant should be specific so that there is no room for confusion while the devolution is in process.
3. The Enabling Grant would consist of 0.5% Capacity Building Grant and 0.5% Office Infrastructure Grant which would also include support to SFC cell and Awareness Grant. Office Infrastructure Grant to be devolved to LBs would be segregated in the ratio of 75:25% between digitization and other office infrastructures.
4. It was also decided to explore the idea of first fixing minimum threshold devolution for all Local Bodies (historically established through analysis) and the balance amount could be devolved on the basis of formulae based on population (weightage: 90%) and area (weightage: 10%). In such a scenario, the special incentive grant for backward LBs could be done away with. However, all such decisions will have to be backed up by proper analysis of data; both past and estimated for the future; for arriving at a final decision (Action: **PRIA to immediately start the analysis on these lines and report to the Commission**)
5. The vertical devolution between PRIs and ULBs to be kept at 75:25%. The vertical devolution between the ZPs and GPs should have to be justified.

ANNEXURES

6. There would be global sharing of 6th SFC Grant at a fixed percentage. The Professional Tax would also be devolved in the same sharing pattern after including it in the NOTR.
7. It was further decided to fix the timelines. The Commission took into account the timelines fixed by PRIA through their communication as follows:
 - a. Submission of Draft Report : 4th Sept,2023
 - b. Suggestions by 6th SFC : 18th Sept,2023
 - c. Submission of Revised Draft Report : 25th Sept,2023

In addition to the above issues, the House also took up the issue of revised consultancy amount submitted by PRIA. It was decided to request PRIA to submit the formal proposal for increase in the consultancy fees with justification clearly indicating the Human Resource Cost and Program Cost in line with the clauses of the Agreement. The issue of addendum to the original agreement will be taken up after obtaining the approval of the Government.

The meeting ended with vote of thanks.

ANNEXURES

Annexure 4.23

MINUTES OF THE 12th MEETING OF THE 6TH STATE FINANCE COMMISSION

The Twelfth meeting of the 6th State Finance Commission (6th SFC) was held today i.e., 24th August, 2023 in the chamber of Smt. Tashi Cho Cho, Secretary, Home Department who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Smt. Roshni Rai, Special Secretary (UDD) and Shri.Raj N. Pradhan, Director (Accts), RDD.

At the outset, Chairperson welcomed all the members to this meeting.

The meeting was primarily called to discuss the documents submitted by PRIA on comparative devolution between last year of 5th SFC (2024-25) and 1st year of 6th SFC at same level of 4.5% and also to discuss fixing of minimum devolution to LBs.

1. As per the analysis submitted by PRIA, it was evident that even if the devolution percentage was kept stagnant at 4.5% (same as 5th SFC), there was significant increase in the quantum of devolution. The per capita devolution is increasing from ₹ 664/- to ₹ 897/- for PRIs. Taking this into account the Commission has decided to fix the percentage of devolution at 5%. There will be additional devolution (Enabling Grant) of 0.5% for Capacity Building and another 0.5% for Infrastructure, IEC. SFC Cell Support etc.
2. The cost of collection of OTR will be as submitted by Finance Department.
3. Regarding minimum devolution to the LBs, the Commission is of the view that a certain minimum amount of devolution should be assured to all LBs in order to strengthen their financial sustainability. A minimum devolution amount shall be fixed for all LBs but it should be ensured that:
 - i) Generally, the LBs should not get lower devolution that what they were receiving under the 5th SFC
 - ii) the balance amount after fixing the minimum devolution should not be less than 50% of the total devolution.
 - iii) The total devolution so arrived at would be segregated into 80% Basic Grant and 20% Performance Grant. PRIA would be directed to work out clear cut conditionalities and modalities to be adopted for release of performance grant.
 - iv) The Commission is of the view that since the minimum devolution takes care of the backwardness of LBs, the devolution formula would take into account population (90% weightage) and area (10% weightage). **(PRIA would be required to be ready with the population and area data)**

ANNEXURES

4. It was also decided in the meeting that the Commission will visit Delhi in the month of September for a formal discussion on draft report with PRIA. Further the Commission will head to Haryana (tentatively) to interact with 6th SFC there.
5. The VC was fixed with PRIA on 28th September, 2023 at 1.30 pm. The VC will be conducted from the Conference Hall at Tashiling Secretariat.

The meeting ended with vote of thanks.

ANNEXURES

Annexure 4.24

MINUTES OF THE 13th MEETING OF THE 6TH STATE FINANCE COMMISSION

The Thirteenth meeting of the 6th State Finance Commission (6th SFC) was held today i.e. 28th August, 2023 in the Conference Hall, Tashiling Secretariat at 1.30 PM. The meeting was chaired by Smt. Tashi Cho Cho, Secretary, Home Department who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Shri. Tenzing Denzongpa, Director Panchayat and Shri. Raj N. Pradhan, Director (Accts), RDD. PRIA represented by Shri. Manoj Rai participated in the meeting through Video Conferencing.

At the outset, Chairperson welcomed all the members to this meeting.

The meeting was called to discuss the finer details to be included in the Draft 6th SFC Report. The following discussion took place:

1. It was decided to fix the quantum of devolution at 5%. The 5% devolution will be divided into 80% Basic Grant and 20% Performance Grant (PG). PRIA was directed to frame the conditions for availing of PG in a very clear manner and also easily achievable by the LBs (taking into account their capacity) and at the same time make them accountable. The formula of devolution will be based on population (90%) and area (10%). Directorate of Panchayat would facilitate the submission of data for population and area for RLBs and UDD will provide the same for ULBs.
2. It was decided to prescribe minimum assured devolution to LBs as discussed in the previous meeting. The basic fundamentals of fixing the minimum devolution to the LBs was discussed in the meeting. The Commission would meet again on 30th August, 2023 to fix the minimum devolution to GPs, ZPs and ULBs and convey the same to PRIA.
3. Enabling Grant of 1% (0.5% Capacity Building and 0.5% Infrastructure Grant) was also finalized. It was decided that the Infrastructure Grant after deducting SFC Cell support and IEC Grant would be segregated into 75% Digitization Grant and 25% Other Infrastructure Grant.
4. It was also decided to specify the exact amount of increase in honorarium in the report.
5. In order to give a boost to Infrastructure development activities in the Local Bodies that would augment their OSR, an innovative idea of creation of Capital Investment Fund (CIF) from the Professional Tax collection was agreed by the Commission. It was decided to recommend creating a CIF to be funded at the rate of 15% per

ANNEXURES

annum from the Professional Tax collection. The fund would be under the control of Finance Department. The details of operation of this account will be worked out by PRIA. Consequently, Professional Tax would be taken out from the NOTR.

6. The Commission also decided that the report would specifically include provisions to monitor the implementation of the recommendations on a regular basis. SFC Cell would review the implementation of the reforms on a half yearly basis and submit the report to the Chief Secretary. The Heads of the concerned departments would also be entrusted with the responsibilities for implementation.
7. The House also discussed the supporting role of SHGs to the Local Bodies specifically with regard to collection of taxes and fees.
8. Consequent to the decisions taken in this meeting, the dates for submission of draft report would be revised. The revised dates will be communicated by PRIA.

The meeting ended with vote of thanks.

ANNEXURES

Annexure 4.25

MINUTES OF THE 14th MEETING OF THE 6TH STATE FINANCE COMMISSION

The Fourteenth meeting of the 6th State Finance Commission (6th SFC) was held today i.e., 30th August, 2023 in the office of the Secretary, Home, Smt. Tashi Cho Cho, who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Shri. Tenzing Denzongpa, Director Panchayat and Shri. Raj N. Pradhan, Director (Accts), RDD.

At the outset, Chairperson welcomed all the members to this meeting.

The meeting was specifically called to finalize the decision of the Commission on granting minimum assured devolution to the Local Bodies (LBs).

The Commission is of the view that some of the LBs were financially stressed and no proper development was taking place in their areas. 6th SFC would like to create an equitable financial environment for all the LBs so that they receive optimum financial support to pursue their development goals. It is felt that backwardness and remoteness should not restrain the LBs to undertake development works. The Commission has taken cognizance of the fact that more remote a local body is, it becomes financially more challenging to take up development works. Therefore, in order to ensure that under developed LBs also rise up to the mainstream, a minimum assured devolution would be guaranteed to all the local bodies. Such an arrangement would automatically take into account the additional support required by LBs in terms of their backwardness and remoteness.

1. Gram Panchayat Unit (GPUs):

The Commission decided to grant minimum assured grant (MAG) of Rs.6.00 lakh per anum to all the GPUs. The Commission observed that even today GPUs like Karji Mangnam, Karthok Bojek, Sanganath, Shipgyer and Sakyong Pentong were receiving SFC grants of less than 5 lakhs per anum. There are several other GPUs receiving SFC grant of less than 8 lakhs per anum. Under this backdrop this MAG of Rs.6.00 lakhs have been fixed duly ensuring that the balance devolution to be issued to GPUs on formula based on population and area will be more than 50% of the total grant. The balance devolution would be devolved on the basis of the formula. It is also accepted that some of the bigger GPUs could be receiving marginally lesser grant than they were receiving due to this adjustment in devolution modalities.

2. Zilla Panchayats (ZPs):

Looking into the trend of devolution to ZPs, the Commission is of the view that MAG will not be required for ZPs.

ANNEXURES

3. Urban Local Bodies (ULBs):

With regard to ULBs, it is observed that Gyalshing Nagar Panchayat (2.74%), Mangan Nagar Panchayat (3.17%) and Singtam Nagar Panchayat (4.01%) received SFC grant less than 50 lakhs during the year 2022-23. Special Incentive Grant were prescribed by 5th SFC for these ULBs. The Commission decided to grant MAG of Rs.50 lakhs per anum to all ULBs and the balance devolution would be devolved as per the formula.

The total devolution including MAG will be divided into 80% Basic Grant and 20% Performance Grant (PG). The formula of devolution will be based on population (90%) and area (10%)

Apart from the agenda, it was decided to fix the last date of submission of Draft Report by PRIA on **11th Septemember,2023**. The itinerary of 6th SFC visit to Delhi will be fixed between **13th to 22nd September,2023**.

The meeting ended with vote of thanks.

ANNEXURES

Annexure 4.26

MINUTES OF THE 15th MEETING OF THE 6TH STATE FINANCE COMMISSION

The Fifteenth meeting of the 6th State Finance Commission (6th SFC) was held today i.e. 20th September, 2023 in the office of the Secretary, Home, Smt. Tashi Cho Cho, who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Smt. Roshni Rai, Special Secretary, UDD, Shri. Tenzing Denzongpa, Director Panchayat and Shri. Raj N. Pradhan, Director (Accts), RDD.

At the outset, Chairperson welcomed all the members to this meeting.

The meeting was specifically called to discuss the draft report of the 6th State Finance Commission submitted by PRIA.

The draft report was discussed in detail by the House and the discussion was structured Chapter wise. The Commission identified many issues in the report which need to be discussed with the Consultant. The major issues were:

1. It was generally felt that the language in the report required improvement.
2. The Basic Grant which includes Minimum Assured Grant should be released without any conditions duly following the basic requirement of submission of annual utilization certificate for the funds transferred during the previous year.
3. The total devolution from the share of net proceeds would be divided into MAG, 80% Basic Grant and 20% Performance Grant.
4. The conditions to be prescribed for availing of 20% Performance Grant would have to be made realistic based on the capacity of the LBs. Conditions could vary between RLBs and ULBs.
5. The Enabling Grant would consist of 0.5% (of NOTR) of Capacity Building Grant and 0.5% of Infrastructure Grant. The total fund devolution, therefore, would be 6% of NOTR.
6. The share in the Professional Tax would be delinked from the pool of net proceeds. It would be collected in the form of Capital Investment Fund at the rate of 15% per annum. The modalities of administration of this fund would require revision.
7. Various other issues were also discussed.
8. Since the whole draft report could not be discussed, it was decided to have another meeting on 22nd Sept, 2023

ANNEXURES

Apart from the agenda, it was tentatively decided to visit Delhi for draft discussion with PRIA from 24th to 27th Sept,23 including travel. It was agreed to co-opt an expert in State Finances Shri.S.D.Pradhan for his expert opinion on the draft report and also pay him agreed honorarium.

The meeting ended with vote of thanks.

ANNEXURES

Annexure 4.27

MINUTES OF THE 16th MEETING OF THE 6TH STATE FINANCE COMMISSION

The Sixteenth meeting of the 6th State Finance Commission (6th SFC) was held today i.e. 22nd September, 2023 in the office of the Secretary, Home, Smt. Tashi Cho Cho, who is also the Chairperson of the 6th SFC. The meeting was attended by other members of the Commission; Smt. Roshni Rai, Special Secretary, UDD, Shri. Tenzing Denzongpa, Director Panchayat and Shri. Raj N. Pradhan, Director (Accts), RDD. Shri. S.D. Pradhan was specially invited to the meeting to give his valuable inputs on the financial aspects of the State Government.

At the outset, Chairperson welcomed all the members to this meeting.

This was the continuity meeting to the meeting convened on 20th Sept, 2023 to discuss the Draft 6th SFC Report.

In continuation to the discussion on 22nd, the House discussed the remaining chapters of the report. The major issues were:

1. It was observed that the financial inputs in the report was generally accurate and required verification in few tables.
2. It was again reiterated that Basic Grant along with the Minimum Assured Grant (MAG) should be released without any specific conditions attached to it. The conditions to be prescribed for availing of 20% Performance Grant would have to be made realistic based on the capacity of the LBs. Conditions could vary between RLBs and ULBs.
3. The modalities of administration of Capital Investment Fund should have more clarity.
4. Various other issues were also discussed.

Apart from the agenda, it was tentatively decided to visit Delhi for draft discussion with PRIA from 25th to 27th Sept, 23 including travel.

The meeting ended with vote of thanks.

ANNEXURES

Annexure 4.28

Minutes of the 17th Meeting of the Sixth State Finance Commission, Sikkim

The 17th meeting of the 6th State Finance Commission, Sikkim was held on 25th-26th September 2023, at New Sikkim House, New Delhi on 25th September and at PRIA office, New Delhi on 26th September 2023. The meeting was spread over two days and attended by Smt. Tashi Cho Cho, Chairperson, Smt. Roshani Rai, Member, Shri. Raj Narayan Pradhan, Member Secretary and Shri. Pempa T Bhutia, Office Administrator from 6th SFC and Dr. Anshuman Karol and Shri. Manoj Rai from PRIA, New Delhi.

The meeting was organized to discuss the draft report of the Sixth State Finance Commission. The report was discussed in detail and the following points were suggested:

1. The language of the report should be the formal and official in nature. Therefore, wherever possible, the language should be accordingly edited.
2. The structure of the report also required improvement and the information should be chronologically inserted to make it easily readable.
3. The report should be divided into following Chapters:
 - i) Introduction
 - ii) Profile of Sikkim
 - iii) Introduction to 6th State Finance Commission
 - iv) Approach and Methodology
 - v) An Overview of Finances of State, PRIs and ULBs in Sikkim
 - vi) Scheme of Devolution
 - vii) Summary of Recommendations
 - viii) Annexures
4. Summary of recommendations from 1st SFC to 5th SFC shall be inserted in the report under Chapter 1- Introduction.
5. Implementation Status of Action taken report (ATR) of 5th SFC recommendations should be moved to Annexure in tabular format. The 6th SFC will revise the tabulated ATR and will share the same with PRIA by 5th Oct 2023.
6. Minimum Assured Grant (MAG) shall be taken out from the 5% Shareable Taxes and the balance amount shall be divided in the ratio of 80:20% between Basic Grant and Performance Grant.

ANNEXURES

7. Basic Grant including MAG should be completely untied and unconditional.
8. Conditions for the Performance grant should not be very stringent considering the current capacities of local bodies. It should have only three conditions,
 - (i) Mandatory Submission of Statutory Audit Report;
 - (ii) Show improvement in Revenue and
 - (iii) 50% of the grant should be used for the achievement of SDG Goals.

(The fulfilment of the conditions shall be certified by Director (Municipalities) and Director (Panchayat) and submitted to Finance Department for release of fund.)
9. Funds to LBs should be released in 3 installments. Basic Grant should be transferred in three instalments
 - a) First Instalment - By 31st May
 - b) Second Instalment - By 30th September
 - c) Third Instalment - By 31st January
10. Performance Grant should be released in two installments
 - a) First Instalment -By 30th Sept
 - b) Second Instalment - By 31st January
11. Share among GPUs and ZPs needs to be recalculated on 70 percent and 30 percent basis respectively. The resultant figure should be analyzed for its increase/decrease over the figures of 2024-25. The decrease in ratio of distribution to ZPs shall be adequately explained.
12. All fund as recommended by the SFC, should be put together in the report, preferably under the Financial Devolution section.
13. SFC shall revisit the GSDP figures and also Table 4.8. and 5.1 for its correctness and communicate the same to PRIA by 5th Oct,2023.
14. Wherever possible all the tables for financial figures should contain RE of 2022-23 and BE of 2023-24.
15. The House decided to include a provision in the Report whereby SFC would make a request to utilize part of the 5th SFC Capacity Building Fund for the year 2024-25 towards IEC activities for generating awareness on 6th SFC Report.

ANNEXURES

16. Annexure should include meeting minutes and a participants list for all stakeholders' consultations, photographs from various stakeholders' consultations and SFC meetings, news clips etc.
17. Preface and Acknowledgement part will be written by SFC.
18. SFC will provide the participants lists for all stakeholders' consultations by 5th October 2023.
19. PRIA will submit the Final draft of the report by 18th October 2023.
20. As mutually agreed in the partnership agreement, PRIA raised the issue of formal extension of its contract and the additional payment. The 6th SFC re-assured PRIA that formal extension and additional demand would be formally confirmed after the approval from HCM office.

The meeting ended with vote of thanks.

ANNEXURES*Annexure 4.29***Minutes of the 18th Meeting of the Sixth State Finance Commission, Sikkim**

The 18th and the final meeting of the 6th State Finance Commission, Sikkim was held on 22nd November, 2023. The meeting was chaired by Smt. Tashi Cho Cho, Chairperson and in attendance were Smt. Roshni Rai, Member, Shri. Raj Narayan Pradhan, Member Secretary, Shri. Tenzing D Denzongpa, Member and Shri. Pempa T Bhutia, Office Administrator from 6th SFC.

The meeting was held to discuss the final report of the Sixth State Finance Commission. The final report was discussed in detail and it was decided to finalise the report and give the same for printing.

The meeting ended with vote of thanks.

ANNEXURES

Annexure 6.1

Para 6.4

Schedule XI of the Constitution

Article 243G – Powers, authority and responsibilities of Panchayats – Subject to the provisions of the 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 trusted to them including those in relation to the matters listed in the Eleventh Schedule. The Eleventh Schedule lists the 29 subjects as follows:

1. Agriculture, including agricultural extension
2. Land improvement, implementation of land reforms, land consolidation and soil conservation
3. Minor irrigation, water management and watershed development
4. Animal husbandry, dairying and poultry
5. Fisheries
6. Social forestry and farm forestry
7. Minor Forest produce
8. Small scale industries, including food processing industries
9. Khadi, village and cottage industries
10. Rural housing
11. Drinking water
12. Fuel and fodder
13. Roads, culverts, bridges, ferries, waterways and other means of communication
14. Rural electrifications, including distribution of electricity.
15. non-conventional energy sources
16. Poverty alleviation programme

ANNEXURES

17. Education, including primary and secondary schools
18. Technical training and vocational education
19. Adult and non-formal education
20. Libraries
21. Cultural activities
22. Markets and fairs
23. Health and sanitation, including hospitals, primary health centres and dispensaries
24. Family welfare
25. Women and child development
26. Social welfare, including welfare of the handicapped and mentally retarded
27. Welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes
28. Public distribution system
29. Maintenance of community assets

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.

ANNEXURES

- (iii) Those Industrial Units which have not signed Memorandum of Understanding with the Government of Sikkim, shall be required to contribute to the Industrial Development Fund from the current financial year onwards.
- (iv) The Industrial Development Fund can be utilized for acquisition/development of land for industrial purposes, maintenance of Infrastructure at the existing Growth Centres, Promotional Activities for Investment and Industrial Development and any other related activities as approved by the Government of Sikkim.
- (v) Commerce & Industries Department, Government of Sikkim, would be the Nodal Department responsible for the collection, expenditure and maintenance of accounts relating to the Industrial Development Fund.

II. Corporate Social Responsibility

- (i) Before 30th September every year, all the Industrial Units in Sikkim, including Hydel Power Projects, shall submit the following details to the Commerce & Industries Department, Government of Sikkim, in Format-I prescribed herewith:
 - (a) Net Profit earned by the Industrial Unit in the preceding three financial years.
 - (b) Funds earmarked by it for Corporate Social Responsibility activities as per the provisions of the relevant laws in this regard.
 - (c) Works/Activities it has already undertaken or proposed to undertake under the Corporate Social Responsibility in the year, if any.
- (ii) Any agency/organization/entity, including Government Departments, who wish to avail benefits under the Corporate Social Responsibility Programme if the Industrial Units in Sikkim, shall henceforth submit their requirements by 30th September every year, to the Commerce & Industries Department, Government of Sikkim, in Format – II prescribed herewith. The works/activities/contributions requested shall be for a public cause benefitting the general public of a certain area or locality and shall normally not be for the benefit of any individual.
- (iii) The Commerce & Industries Department shall allocate the Corporate Social Responsibility funds available for the year as declared under Format I to the works/activities as per the demands received in Format II including any other works/activities which the department deems it fit to be taken up under the Corporate Social Responsibility Programme. The allocation of the funds for the works/activities shall be based on priority, need, urgency, extent of public benefit, social-economic impact, etc.

ANNEXURES

- (iv) The list of works/activities to be taken up under Corporate Social Responsibility shall be finalized by the Commerce & Industries Department with the due approval of the Government of Sikkim. The Government shall have the prerogative of adding/deleting/modifying any of the works proposed while approving the proposal.
- (v) The approved list of works would be conveyed to the Industrial Units concerned which shall ensure the completion of the works within the same financial year normally. Alternatively, the Industrial Unit may transfer earmarked funds to the Commerce & Industrial Department which shall thereafter execute the works departmentally following the due procedure.
- (vi) Wherever the contribution under the Corporate Social Responsibility Programme is required for an urgent or a time bound activity including Melas, Sports Activities, Festivals etc., the Industrial Units can contribute to such activities directly to the organizers of such activity under intimation of the Commerce & Industries Department and may later reflect the details of contribution in Format I.
- (vii) All the Industrial Units shall submit an Annual Report on Corporate Social Responsibility Activities by 10th April every year, in Format III prescribed herewith. The Commerce & Industries Department shall be the Nodal Department to monitor, supervise, review and evaluate the Corporate Social Responsibility Activities within the State of Sikkim.

III. Fixed Term Employment

- (i) It is hereby directed that all labourers employed by the Industrial Units in the State of Sikkim not under the Payroll of the Industrial Units, either through the Labour, Contractors or otherwise, under the unskilled/skilled category shall henceforth be employed by the Industrial Units for a fixed term, which shall be for a minimum period of 5 (five) years from the date of appointment/employment.
- (ii) On the expiry of the fixed term, the employment of such labourers shall normally be renewed by the Industrial Units for further period of the fixed term.
- (iii) The services of fixed term employee may be terminated either during the period of fixed term, or on completion of a fixed term, only on grounds Indiscipline/Absenteeism, in which case a reasonable opportunity of being heard shall be provided to such employee and the reasons for termination shall be recorded in writing.

ANNEXURES

- (iv) The terms of employment of those employees employed on the Payroll of the Industrial Units shall continue to be governed by the existing laws in force.
- (v) It is further directed that annually at least 5% of such fixed term employees who are not on the payrolls of the Industrial Units shall be taken on the payrolls of the Industrial Units, either on the same skill levels or on the higher skill levels, giving due weightage to length of service, experience, efficiency, discipline etc.

IV. Compliance to Government Notifications

If any Industrial Unit/Investor does not comply with any of the Notifications issued by the Government of Sikkim, the consent issued to such Industrial Unit/Investor for operating in the State of Sikkim is liable to be revoked whereafter such Industrial Unit/Investor shall be deemed to be ineligible for operating in the State of Sikkim. Consequently, the permissions given to such Industrial Units/Investors by any other Government agency in the State of Sikkim shall also be deemed to be revoke.

By Order and In the name of Governor.

Secretary
Commerce & Industries Department.

ANNEXURES

*Annexure 7.2
Para 7.73*



**GOVERNMENT OF SIKKIM
HOME DEPARTMENT
GANGTOK**

No. 30/Home/2021

Dated: 29/04/2021

NOTIFICATION

The State Government is pleased to establish Corporate Social Responsibility Authority (CSRA) of Sikkim with the aims and objectives to bring about collaboration between Corporate Social Responsibility stakeholders in businesses, government and civil society and improve the public infrastructure for the welfare of the citizens.

The lead areas that will be covered under the CSR Authority would include, skill development, innovation and entrepreneurship, rural livelihood support, education, disability affairs, healthcare, water conservation, sanitation, women and child development, heritage and culture.

The committee shall comprise of the following:

Serial No.	Designation	Designation
1.	Honourable Chief Minister of Sikkim	Chairman
2.	Honourable Minister, Commerce and Industries Department	Vice Chairmen
3.	Chief Secretary	Vice Chairman
4.	CEO is either a serving officer or a retired Civil servant or private sector executive based on his/her experience and understanding of CSR and Corporate network	Member
5.	Additional Chief Secretary, Finance Department	Member
6.	Development Commissioner	Member
7.	Commissioner (Project and Investment)	Member
8.	Secretary to the Sector concerned	Member
9.	Secretary, Commerce and Industries	Member Secretary

ANNEXURES

The term of reference of the Committee shall be as follows:

- (i) Prepare operational framework for CSR Authority of Sikkim, considering the national and state level scenario of various sectors.
- (ii) Prepare guidelines for identification of the areas and organizations in special needs at CSR support.
- (iii) Support CSRA of Sikkim in designing and executing the new projects ideas in various sectors with special emphasis on education, climate change, health and sports.
- (iv) Mobilisation CSR through corporates, PSU, and others.
- (v) Support in the audit of the activities funded and CSR.

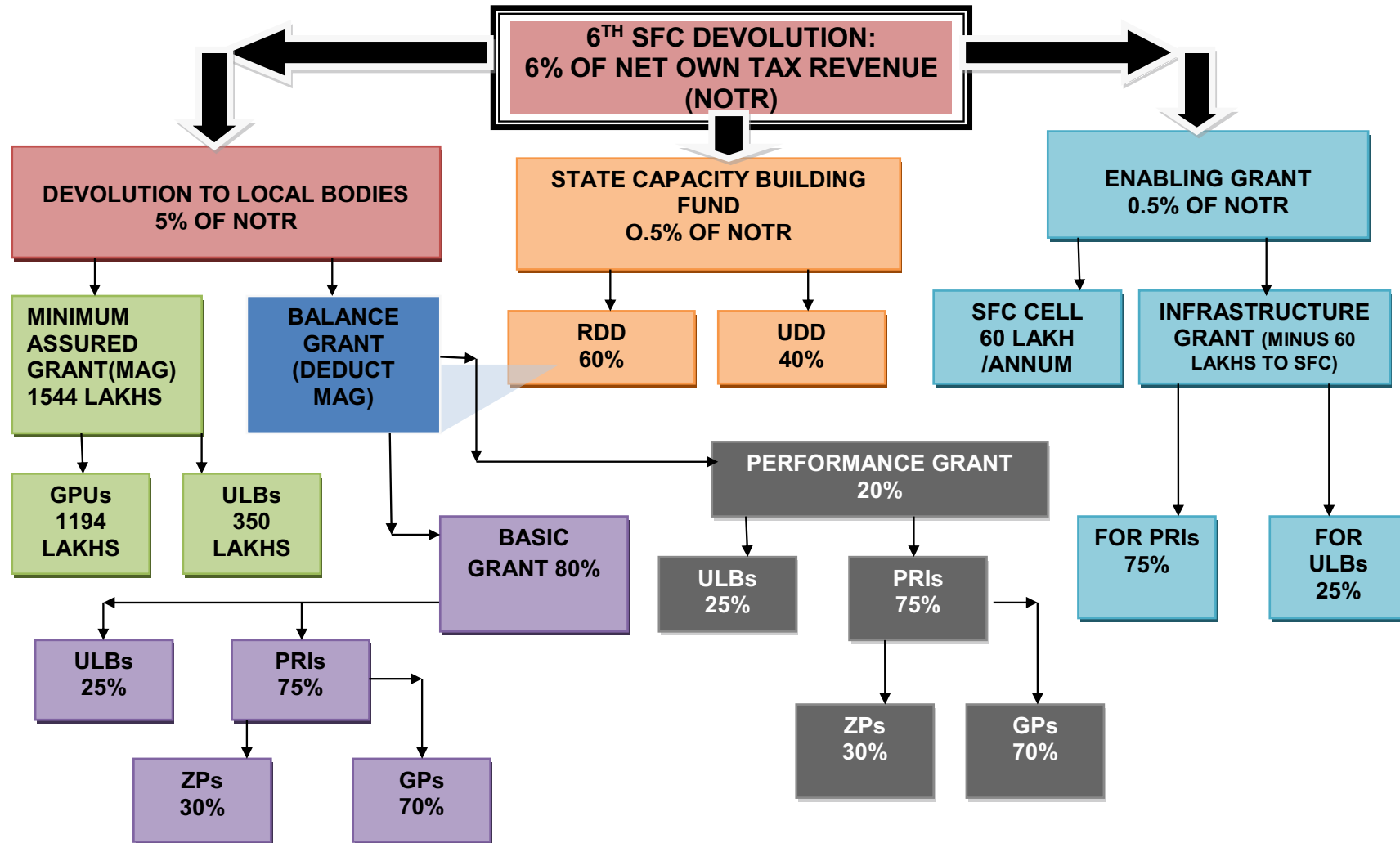
By Order and in the name of Governor.

Sd/-
(S.C. Gupta, IAS)
Chief Secretary
Government of Sikkim,

ANNEXURES

(Annexure 7.3)
(Para B)

FLOW CHART SHOWING YEARLY DEVOLUTION UNDER 6TH STATE FINANCE COMMISSION GRANTS



ANNEXURES

Annexure 3.4
Para 3.27

STATUS OF COMPLIANCE OF RECOMMENDATION OF THE 5TH STATE FINANCE COMMISSION

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance															
<p>9.1 In this report, the Commission has striven to make recommendations for appropriately increasing the devolution of resources to the institutions of local self- government. However, the Commission has emphasized on enhancing local resource mobilization through various initiatives such as optimization of collection of local taxes, fees and charges, and also undertaking local entrepreneurship initiatives such as local tourism, commercial cropping and local markets and so on.</p>	<p>The Government accepts the recommendation as it is desirable but is constrained due to limited scope of resource mobilization. The matter is to be pursued with the 15th Finance Commission and Central Government Agencies.</p>	<p>The Zilla/Gram Panchayats are empowered to levy various rates/fees wherever applicable, thus boosting their revenue receipts. In the last two financial years, the Adm Department could not work much on the recommendations of the 5th SFC due to the advent of the Corona Pandemic which had gripped the country and the world as a whole. However, a perceptible increase in the OSR corpus can be seen over the years.</p> <table border="1" data-bbox="1308 983 1928 1353"> <thead> <tr> <th>Year</th> <th>Zilla Panchayat</th> <th>Gram Panchayat</th> </tr> </thead> <tbody> <tr> <td>2019-20</td> <td>4.16 lakhs</td> <td>551.04lakhs</td> </tr> <tr> <td>2020-21</td> <td>7.87 lakhs</td> <td>391.11 lakhs</td> </tr> <tr> <td>2021-22</td> <td>21.66 lakhs</td> <td>397.15 lakhs</td> </tr> <tr> <td>2022-23</td> <td>44.69 lakhs</td> <td>545.74 lakhs</td> </tr> </tbody> </table>	Year	Zilla Panchayat	Gram Panchayat	2019-20	4.16 lakhs	551.04lakhs	2020-21	7.87 lakhs	391.11 lakhs	2021-22	21.66 lakhs	397.15 lakhs	2022-23	44.69 lakhs	545.74 lakhs
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ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance															
		<p>In Urban Sector, Section 31 of Chapter VI of Sikkim Municipalities Act ,2007, “Functional Domain of Municipalities “devolves the following key functions to the Urban Local Bodies namely Town Planning, Entertainment Tax, Trade Licence & Rent from Shopping Complex, Car Parking/ Bazaar Contract, Sanitation etc.</p> <p>Chapter XIV of the Act also empowers ULBs to levy taxes for generating its internal revenue.</p> <p>Accordingly, State Government has transferred public utilities owned by Government like Shopping Complexes, Parking Plazas and spaces, Children Park, Community Sanitary Complexes for generating their own source revenue.</p> <p>The trend of Own Source Revenue of the ULBs may be seen below:</p> <p>(₹ In lakhs)</p> <table border="1" data-bbox="1308 1150 1995 1422"> <thead> <tr> <th>Sl.No</th> <th>Name of ULB</th> <th>2020-21</th> <th>2021-22</th> <th>2022-23</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Gangtok MC</td> <td>647.52</td> <td>678.92</td> <td>983.39</td> </tr> <tr> <td>2</td> <td>Namchi MC</td> <td>78.70</td> <td>96.50</td> <td>108.10</td> </tr> </tbody> </table>	Sl.No	Name of ULB	2020-21	2021-22	2022-23	1	Gangtok MC	647.52	678.92	983.39	2	Namchi MC	78.70	96.50	108.10
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ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance				
		3	Singtam NP	31.09	32.99	37.94
		4	Rangpo NP	77.17	122.70	111.43
		5	Gyalshing NP	35.20	36.96	38.81
		6	Jorethang /Nayabazar NP	46.88	70.76	111.70
		7	Mangan NP	53.61	64.63	87.28
			TOTAL :	970.17	1103.46	1478.65
9.2 The financial strengthening of Panchayati Raj Institutions and Urban Local Bodies is unsustainable if appropriate financial and functional accountability mechanisms are not in place. Therefore, the Commission has also looked into incentivisation and accountability aspects to make appropriate recommendations in this regard.	The Prescribed procedure is already in place and the Government accepts the recommendation. However, the State is constrained due to its small resource base to provide appropriate powers and financial resources to fulfil people's expectations and Constitutional mandates. The Government approves the recommendation for pursuing the matter with the 15th Finance Commission and Central Government Agencies as	Directorate of Panchayati Raj, Rural Dev. Department has been actively involved in this matter through Statutory Audit, Local Fund Audit (LFA) along with the C&AG. Incentivization of the GPUs has not taken place as such till date. However, for the financial accountability of the GPUs, it may be noted that from the FY 2021-22 RLBs are maintaining their FC Grant Fund online on E-gram Swaraj and payments are made through PFMS and audited via 'Audit Online' by Local Fund Audit Division of Finance Department.				

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
	recommended by the Government Committee.	<p>Further, the Directorate of Panchayati Raj, in collaboration with SIRD&PR, has been imparting various training and provides handholding support to all functionaries dealing with accounts at the grass root level.</p> <p>For the Urban Local Bodies, Financial Statement / Audit Report are being submitted on regular basis.</p> <p>Submission of Utilisation Certificates is mandatory in receiving Government transfers of Fund.</p> <p>Apart from Statutory Audit, Local Fund Audit and Performance Audit by CAG on Efficacy of 73rd and 74th Amendment of the Constitution is also done.</p>
<p>9.3 The institutions of local self-government need to be more efficient and also scale up their efforts so as to meet the enhanced expectations of their people. Therefore, it is imperative that the LGIs should be provided appropriate powers and financial resources to fulfil people's expectations and the Constitutional mandate. The Commission has taken note of the financial deficiency of the LGIs and therefore recommends that this issue needs to be adequately addressed.</p>	<p>The Government accepts the recommendation to scale up the efforts to provide the Local Government Institutions (LGIs) with appropriate powers and devolutions. However, the issues involved are too large in so far as addressing the financial deficiencies of the LGIs. The Government agrees with the recommendation of the Commission to pursue these matters with the 15th Finance Commission and Central Government Agencies.</p>	<p>It may be noted that the SFC Grant Fund and the XV - FC Grant Fund are being directly transferred to the GPUs, ZPs and ULBs within 10 days as mandated by the XV FC.</p> <p>For PRIs, various initiatives for convergence with other Cells of RDD and line Departments have been taken by the Directorate. A State Level Steering Committee for Panchayat Development Plan under the Chairmanship of Chief Secretary, Government of Sikkim has also been constituted and Coordination meeting for preparation of Panchayat Development Plan is held every year.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
		In Urban Sectors, the State Government has transferred public utilities owned by Government like Shopping Complexes, Parking Plazas and spaces, Children park, Community Sanitary Complexes for generating their own source of revenue. The Backward ULBs are supported through transfer of Special Incentives Grants for supporting salaries of the support staff.
9.4 The Commission recommends that the preparation of an output-oriented Responsibility Matrix. This matrix will map the responsibility of the PRIs and the ULBs as well as responsibility of the State government in relation to responsibilities of the PRIs/ULBs.	The Government accepts the recommendation for immediate implementation by the administrative departments concerned.	It may be noted that the Adm. Deptt has taken due cognizance of this recommendation. However, paucity of working days in the yester years due to the Corona Pandemic has compelled the Nodal Department to follow the Devolution of Powers to Panchayats through Activity Mapping Notified Vide Notification No. 03/DD/P dated 29.04.2008. Further, the Department is at the cusp of working out a responsibility mapping exercise and a responsibility Matrix clearly defining the responsibilities and powers will be notified soon.
9.5 The Commission recommends that an amount of at least 4.5% of the net proceeds of State's taxes, fees and levies should be devolved to PRIs and ULBs for the period of 2020- 2025. This resource should be made available to PRIs and ULBs in the beginning of each financial year.	The Government accepts the recommendation of the Commission for devolving at least 4.5% of the net proceeds of the State's taxes, fees and levies to the PRIs and ULBs for the period 2020-2025 subject to the actual collection. It is apprehended that the sharing pattern of 70:30 in between PRIs and ULBs shows diminishing trend on actual flow of funds. This is illustrated with the recommended	4.5% of the net proceeds of State's taxes, fees and levies are being devolved to PRIs and ULBs in the ratio of 75:25% between the PRIs and ULBs respectively and as approved by the based on estimated receipts of the net proceeds. Adjustments are made on actual receipts for the preceding two year.

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
	devolution of fund arriving at 621.89 lakhs for the financial year 2020-21 against the devolved fund of ₹ 714.03 lakhs recommended by 4th State Finance Commission for 2019-20. The distribution formula totally based on population would adversely affect the flow of funds to sparsely populated Gram Panchayats. Hence, the Government approves the sharing pattern of 75:25 in between the PRIs and ULBs in lieu of 70:30.	The fund is, however, being transferred in four instalments taking into account the limited fund availability with the State Government.
9.6 The Commission recommends that an amount of 0.5% of the net proceeds of the State's Own Resources should be allocated for the State Level Capacity Building Fund. This Fund should be utilized by RM&DD and UD&HD for accessing specific capacity inputs from the market.	The Government accepts the recommendation.	0.5% of the net proceeds of State's taxes, fees and levies is being allocated for State Capacity Building based on estimated receipts of the net proceeds. For the financial year 2020-21 and 2021-22, the fund for the purpose could not be transferred due to financial limitation caused by the Covid Pandemic.
9.7 The Commission recommends that an additional 0.5% of the net proceeds should be allocated as Special Incentive Grant for special support to a certain number of PRIs and ULBs which are constrained by topography as well	The Government accepts the recommendation.	0.5% of the net proceeds of State's taxes, fees and levies are being devolved to PRIs and ULBs as Special Incentive Grant to identified GPUs and ULBs since 2020-21 based on estimated receipts of the net proceeds.

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
as inaccessibility and other peculiarities.		
9.8 The Commission recommends for the formation of a SFC Cell within FRED for the monitoring of resource transfer and resource utilization, as per recommendations of this Commission.	The recommendation is ideal and desirable but the State is constrained with non-availability of required man power. Therefore, the present Finance Commission Division of the Finance Department will continue to manage and function as State Finance Commission Cell.	The Finance Commission Division is presently looking after the function of SFC Cell.
9.9 The Commission recommends for enhanced collection of taxes, fees and levies by PRIs and ULBs which may vary in different PRIs and ULBs in different regions. (i) The nodal departments should fix a minimum and maximum amount for different rates at State or regional levels. (ii) While LGIs must be encouraged to deliberate upon innovative sources for generating their own resources, these charges must not be imposed irrationally. (iii) The nodal departments should continuously monitor tax/charge collections and review and revise their rates at least once in two years.	The Government accepts the recommendation.	<ul style="list-style-type: none"> (i) Rural Development Department vide Notification No 05/RM&DD/P dated 27.09.2010 defined the taxes, rates and fees to be levied by the Gram Panchayat as applicable in their respective jurisdiction. (ii) The Notification also empowers the Gram Sabhas to revise these rates/taxes and fees judiciously subject to the approval of the State Government. (iii) The Department continuously monitors the tax/charge collections and reviews the rates through the e-Gramswaraj portal. <p>The ULBs are levying taxes on the subjects devolved to them and enhancement may be observed in the trends of the yearly OSR generated as illustrated in 9.1.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
		<p>All Government Public utility infrastructures like Shopping complexes, parking plazas and spaces, community sanitary complexes, town /community halls has been transferred to respective ULB's.</p> <p>IT intervention through System of Issuance of Online Trade License and Online Blue Print System has enhanced effective collection of revenue in the ULB's. The Nodal Department has been monitoring the collection of Revenue through taxes from the ULB's.</p>
<p>9.10 The Commission recommends that the institutionalization of local social entrepreneurship by the PRIs and the ULBs must be encouraged by the State Government.</p> <p>(i) The State government should provide infrastructure and facilities available with them on concessional or subsidized rates to the PRIs and the ULBs for carrying out any activities related to their own resource mobilization.</p> <p>(ii) The Commission recommends that those PRIS and the ULBs that are not in a position to access appropriate sources for generating their own revenue, due to their remoteness or</p>	<p>The Government accepts the recommendation.</p>	<p>For PRIs:</p> <p>(i) Tourism Department, Horticulture & Agriculture Department, Urban Development Department, and Rural Development Department have handed infrastructures to few Gram Panchayats of Dentam, Mellidara, Sanghku RadhuKhandu, Maneybung, Beng Phegyong etc. for enhancement of their OSR. An abandoned RPMC has been identified in Namthang Maneydara GPU and will be handed over to the GPU shortly.</p> <p>(ii) As recommended by the 5th State Finance Commission, Special Incentive Grants are being transferred to such remote and backward Gram Panchayats as identified by the 5th SFC.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>certain peculiar circumstances, should be considered for remedial or compensatory measures by the State Government. (Remote areas like Karji-Mangnam Panchayat in West Sikkim, Sakyong-Pentong Panchayat in North Sikkim and Gyalshing Municipal Council in West Sikkim are some of the classic examples of such situation).</p> <p>(iii) The Commission recommends that the RM&DD in rural areas and UD&HD in urban areas in consultation with respective departments must identify/map constructions like Rural Marketing Centres and Tourism Wayside Amenities that are either underutilized or abandoned. Such infrastructure must be handed over to the respective LGIs for optimal utilization.</p> <p>(iv) The Commission recommends that the terms and conditions associated with any such transfer and services associated with it should not be financially detrimental to financial or non-financial functions of PRIs.</p>		<p>For ULBs:</p> <ol style="list-style-type: none"> i. All Government Public utility infrastructures like Shopping complexes, parking plazas and spaces, community sanitary complexes, town /community halls have been transferred to respective ULB's. ii. The Backward ULBs are supported through transfer of Special Incentives Grants for supporting salaries of the support staff from 0.5% of the SFC Grant. iii. The infrastructures handed to the ULB's are given on long term free lease on mutual agreement basis.

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
(v) The terms and conditions of aforementioned transfers should be mutually agreed between the agency of state government and the PRIs.		
9.11 The Commission recommends that PRIs/ULBs and local corporates should develop project partnerships as part of the Clause 1 of Section 135 of the Indian Companies Act 2013. (i) An institutional arrangement must be made to optimize and pool the available CSR resources and distributed in every district. (ii) The pooled resources should be appropriately managed for development expenditure through the District Planning Committee in the district. (iii) The detailed guidelines for such pooling and distribution of resources should be discussed and agreed between Representatives of Corporates and the nodal departments (RM&DD and UD&HD). (iv) The operation and management and the guidelines in this regard should be notified and published before the commencement of the financial year 2020.	The Government accepts the recommendation. Rural Management and Development Department and Urban Development and Housing Department may formulate operation and management guidelines in consultation with Commerce and Industries Department and Energy and Power Department and, notify them before the commencement of financial year 2020	<ul style="list-style-type: none"> (i) The Commerce & Industries Department, Government of Sikkim has been identified and appointed as the Nodal Department for all matters relating to Corporate Social Responsibility. (ii) The concerned District Collectors have been given the responsibility of appropriate management and implementation of CSR in the district. (iii) The Nodal Department has been entrusted with the responsibility of notifying the State policy and guidelines. (iv) ULBs are availing benefits through the District Collectors e.g., Garbage Collection Trucks are being handed over to the ULBs and public amenities like toilets, water vending outlets in ULB's and mother child amenities in MG Marg under Gangtok Municipal Corporation are being provided through CSR.

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>9.12 The Commission recommends a collective of GPs to federate to develop joint business opportunities with a clear-cut division of labour and sharing of resources.</p> <p>(i) The Commission recommends the State to provide appropriate technical guidance and support in this regard such as organic farming for floriculture and horticulture. The role of the GPs and the ZPs would be in marketing the farm produce collectively.</p> <p>(ii) The Commission recommends promoting village tourism through the concept of home stays by forming clusters of interested GPs. The PRIs will play a role as a marketing agent of these home stays and therefore ensure the quality of services provided to the tourists.</p> <p>(iii) The Commission recommends for the implementation of a participatory consolidation process under the GPDPs within the control of the DPC. Financial federation of GPs will usher</p>	<p>(i)The Government accepts the recommendation however, without disturbing the existing parameter laid down in the Organic Mission and Village Tourism.</p> <p>(ii) The Government accepts the recommendation.</p> <p>(iii)This is not viable as each of the GPUs as well as ULBs are independent entities.</p> <p>(iv) Organic Mission and Village Tourism are already in place and may be strengthened.</p>	<p>(i) Appropriate technical guidance and capacity building in this regard such as organic farming for Agriculture and Horticulture, Community based Tourism and Marketing of Rural Produce is being provided by the Department.</p> <p>(ii) Village Tourism and Homestays are being propagated by the Department through various Capacity Building and Skill Development undertaken by SIRD&PR.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>healthier relations between GPs and ZPs.</p> <p>(v) The Commission recommends that intra-organization coordination for this is important. This is visualized between PRIs and ULBs for proper development of rural business models and ultimately, coordination should be maintained to keep the supply chain intact between UD&HD, RM&DD, PRIs and ULBs and a holistic development model will be created.</p>		
<p>9.13 For the purpose of incentivizing the PRIs and the ULBs, the Commission recommends for an increase in the current honorarium rates keeping in mind the workload, social obligations, and inflation of the elected representatives and government officials. The Commission suggest that the honorarium amount should be arranged from the Consolidated Fund of the State.</p>	<p>The Government has already announced the enhancement of honorarium and the present system of financial assistance from the consolidated fund of the State should continue via devolution.</p>	<p>Monthly honorarium of elected representatives has been enhanced in the year 2018</p> <ol style="list-style-type: none"> 1. Zilla Panchayat members – 10000/p p.m. 2. Sabhapati of GP- 10000/-p.m. 3. Up-Sabhapati of GP- 9500/- p.m. 4. Member of GP – 9000/- p.m. <p>The revision of honorarium of the elected members of ULBs has been made in the year 2018-19</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>9.14 The Commission recommends incentivizing coordination between GPs, ZPs and ULBs. This includes:</p> <p>(i) Regular meetings of Gram Sabhas with due processes of participation and decision making, and documentation.</p> <p>(ii) Similarly, the UD&HD must ensure regular meetings of the Area Sabhas, on the lines of meetings of Gram Sabhas. (iii) The nodal departments RM&DD and UD&HD must support every PRI and ULB respectively, to prepare an annual calendar of their activities.</p> <p>(iv) The joint deliberation and planning meetings must take place among the GPs of a BAC, along with ZP members from the BAC, at least once in every quarter.</p> <p>(v) Similarly, the Secretary of District Planning Committee must ensure that representatives of ZPs and ULBs do meet at least twice in a year to discuss the emerging development opportunities and challenges.</p>	<p>The Government accepts the recommendation. The Administrative Departments' concerned may coordinate and provide the required support.</p>	<p>Rural Dev. Department has issued Notification vide no. 35 (2)97-98/38/RDD/P (ii) dated 13.05.1998 wherein activities pertaining to various Development work of Zilla Panchayat and Gram Panchayat has been specified along Administrative Apparatus, Preparation of District Budget and Planning Calendar. However, after the adoption of Gram Panchayat Development Plan vide Circular issued vide no. 73/RM&DD/P dated 19.05.2016, Gram Panchayats are required to prepare Annual GPDP which should be passed in the Gram Sabha</p> <p>For ULBs practice of Area Sabha has not been started.</p> <p>However, there is proportionate participation of elected members of ULBs in the DPC. Calendar of activities are prepared by the ULB's under the supervision and guidance of Nodal Department.</p> <p>The elected members of ZPs and ULBs are proportionately represented in the District Planning Committee which meets every six months.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>9.15 The Commission recommends the creation of Panchayats and Municipal Cadres, and Directorate of ULBs. Under this, the Commission recommends:</p> <p>(i) The nodal departments (RM&DD and UD&HD) must review staffing at every Panchayat and Municipality and suggest the redressal measures in terms of redeployments and recruitments, if necessary.</p> <p>(ii) The expeditious implementation of the recently created Panchayat Cadre under Sikkim Panchayat Subordinate Services Rules.</p> <p>(iii) The creation of a Municipal Cadre.</p> <p>(iv) The creation of a separate Directorate of ULBs.</p>	<p>The Government accepts the recommendation. The Panchayat Cadre is already in existence and the formation of Municipal Cadre is under process. The Administrative Departments may initiate necessary action.</p>	<p>The Nodal Department is reviewing the staffs in every Gram Panchayat time to time. The Sikkim State Panchayati Raj Development Service, Rules 2017 and Sikkim Sub-ordinate Panchayati Raj Development Service Rules 2017 has been Notified vide no57/GEN/DOP dated 08.07.2017 and 58/GE/DOP dated 08.07.2017 respectively.</p> <p>In ULBs, sufficient officers and staff are deployed in the ULB's. Creation of Municipal Cadre has been approved by the State Government and the Notification is has been issued. Creation of separate Directorate for ULBs has been approved by the Government and the process has been initiated to transfer the required manpower.</p>
<p>9.16 The Commission recommends that the Capacity Building arrangements in the State should be reviewed to explore their convergence for undertaking integrated capacity</p>	<p>The Government accepts the recommendation.</p>	<p>Rural Development Department:</p> <ol style="list-style-type: none"> 1. A separate cell is created in SIRD& PR that handles the CB & T of ULBs and its functionaries. Already conducted study visit to Pune and preparation of modules for training programme is initiated in collaboration with reputed institution of the country.

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>building approaches. For this purpose, the Commission recommends that:</p> <p>(i) There must be a separate training institution or a separate division in SIRD, with exclusive mandates to periodically build capacities of the elected representatives and functionaries of the ULBs.</p> <p>(ii) The RM&DD and the UD&HD should separately review/create the Training NEED Assessments for the elected representatives and functionaries of the PRIs, the ULBs and the DPCs, with reference to the projected development challenges during 2020-25.</p> <p>(iii) On the basis of the Training Needs Assessment above, RM&DD should prepare a 5-year training plan for the PRIs, UD&HD for the ULBs. In the case of the DPCs, the RM&DD and UD&HD should jointly prepare capacity building plans.</p> <p>(iv) The RM&DD and the UD&HD should jointly review all capacity building structures and arrangements to suggest an integrated framework in</p>		<ol style="list-style-type: none"> 2. SIRD & PR conducts Training Need Assessment of PRIs and DPCs once in two years. Based on the finding of TNA, training materials/modules are devised as per the emerging need of PRIs. 3. Training Plan is devised on yearly basis based on the finding of TNA and executed by SIRD & PR through both off-campus and residential mode by adopting latest methodologies. 4. Regular review of training programme of PRIs is done conducted by the RDD. 5. State Capacity Building Framework is yet to be finalised. 6. Directorate of Panchayati Raj, Rural Development Department, GoS is constantly guiding SIRD & PR for CB&T of PRIs and its functionaries. <p>Urban Development & Housing Department:</p> <p>In view of existing capacity building institutes like SIRD, SICUN, SICB, it may not be necessary to have a separate institute. The department has now partnered with SIRD to impart training to the elected representatives as per Training Needs Assessment. Accordingly, Agreement with SIRD has been made in the FY 2021-22 for handholding UDD in imparting training and capacity building. UDD transferred sum of ₹ 32.00 lakh to SIRD, Karfectar for conducting induction training to representative of ULBs.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>capacity building for elected representatives, functionaries of the PRIs and ULBs and people residing in the PRIs and the ULBs. This framework must be ready and implemented before commencement of the financial year 2020.</p> <p>(v) The State Capacity Building Framework must be ready for implementation by Specific learning exposure visits with clear-cut expected results, and</p> <ul style="list-style-type: none"> · Calendar of all routine trainings with deadlines of their completion. ·2020. It should include: Capacity inputs outsourced to other specialized departments of the State · Government and other capacity building agencies including the market. <p>(vi) The State Capacity Building Framework must be implemented in letter and spirit with the use/pooling of already available resources from Central and State Governments under</p>		<p>The said training was conducted in the year 2022 in YASADA, Pune for 51 elected representatives and officers and functionaries of ULBs and UDD in two batches.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>different schemes, and Capacity Building Fund.</p> <p>(vi) Flowing from the above point, the accountability of implementation of this State Capacity Building framework must be fixed with the Directorate of Panchayats in RM&DD and the Directorate of Municipalities in UD&HD as proposed by this Commission.</p>		
<p>9.17 The Commission recommends that the strategies for capacity and training and capacity building efforts must aim at making delivery of services quick, cost effective and responsive to people's requirements.</p>	<p>The Government accepts the recommendation and the Administrative Departments concerned may take necessary steps.</p>	<p>Capacity Building Fund is being utilised for training of Elected Representatives and functionaries to ensure the functioning of LBs in efficient manner which result in quick service delivery as per the expectation of the people. For PRIs, additional programmes are being undertaken under Rastriya Gram Swarozgar Yojana.</p>
<p>9.18 The Commission recommends more such state level training centres for capacity building and developing soft skills of the citizens for increasing employment opportunities for them. For this purpose, linkages with national level institutions can also be considered for improved quality.</p>	<p>The Government accepts the recommendation and the Administrative Departments concerned may take necessary steps.</p>	<p>In view of existing capacity building institutes like SIRD, SICUN, SICB, it may not be necessary to have a separate institute. Linkages with various National Level Institutions like NIRD&PR, NIUA, YASHADA etc. has been established.</p>
<p>9.19 The Commission recommends for an unambiguous and efficient accountability mechanism for all financial expenditures done at the level</p>	<p>The Government accepts the recommendation. The UD&HD may also develop uniform accounting software for all the ULBs as done by the Panchayati</p>	<p>PRIs are using the eGramSwaraj software for capturing all the receipts and expenditure in one place. For ULBs, only Gangtok Municipal Corporation has completely adopted Sikkim Municipal Accounting Manual and the</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>of the PRIs and the ULBs as well as expenses incurred by nodal departments for the PRIs and the ULBs. All such expense related data should be made available in one place for scrutiny of State Audit Authorities.</p>	<p>Raj Institutions with "PRIASoft" Accounting Software which has Audit Tools feature.</p>	<p>accounts has been computerized. For other ULBs, the process will be initiated.</p> <p>The Departmental accounts are available in SIFMS 2.0 software being maintained by Finance Department.</p> <p>Local Fund Audit and Special Audit like Performance Audit by CAG is being conducted timely.</p>
<p>9.20 The Commission expresses its concerns on state of accountability system in institutions of local self-government and recommends the following:</p> <p>(i) Mandatory annual audit of GPs, ZPs, ULBs and the DPCs must be undertaken as per standard operating procedures for the financial audit, as suggested by the Comptroller and Auditor General of India.</p> <p>(ii) The Audited Statement of a Unit (GP/ZP/ULB/DPC) must be publicly displayed in its office for public scrutiny and comments. 13</p>	<p>The Government accepts the recommendation. As per the recommendation of the 13th Finance Commission annual auditing of Local Bodies are mandatorily being carried out by both office of the Accountant General and Directorate of Local Fund Audit under FRED and reports thereof placed before the State Legislative Assembly.</p>	<p>Rural Development Department:</p> <p>Audit of PRIs are done by the Office of the Principal Accountant General, Local Fund Audit and empaneled chartered Accountant.</p> <p>Annual Technical Inspection Report prepared by the Office of the Principal Accountant General, Sikkim and Annual Consolidated Audit & Review Report prepared by the Directorate of Local Fund Audit are being placed in the State Legislative Assembly. These documents are reviewed by the PAC and actions are being taken on the basis of the recommendations.</p> <p>Urban Development & Housing Department:</p> <p>Such Audits are conducted on regular basis. Some ULBs have made voluntary disclosure of financial statements in the public portal.i.e., their websites. Audit observations</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
(iii) The audit observations should result in necessary corrective actions.		are taken as priority and necessary corrections are made thereof.
<p>9.21 The Commission has already made recommendations for preparation of a contemporary Responsibility Matrix. In order to ensure the functioning of all LGIs, result based monitoring is necessary. For this purpose, the Commission recommends that:</p> <p>(i) The RM&DD must prepare and implement a Result Based Monitoring System on the basis of Responsibility Matrix for PRIs and the DPCs.</p> <p>(ii) The UD&HD must do similar exercise for the ULBs.</p> <p>(iii) Both nodal departments must assign the responsibility of implementation of the Result Based Monitoring (RBM) at different levels to exclusively designated officers.</p> <p>(iv) The existing infrastructure/ systems for e-governance should be used for the</p>	<p>In view of the administrative constrains reported by the concerned administrative departments the Responsibility Matrix has not been implemented to the desired effect. The concerned administrative departments may initiate required action for preparation of Responsibility Matrix broadly prescribed by the Commission</p>	<p>Rural Development Department:</p> <p>It may be noted that the Adm. Deptt has taken due cognizance of this recommendation and due to the paucity of working days in the yester years due to the Pandemic, the Nodal Department is at the cusp of working out a responsibility mapping exercise and a responsibility Matrix clearly delineating the responsibilities will be notified soon</p> <p>Urban Development & Housing Department:</p> <p>The activity mapping for the ULBs is under active consideration after which, the Department will notify the same.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>RBM so that quarterly data is available to nodal departments.</p> <p>(v) The nodal departments must annually publish a summary report on experiences of RBM for public consumption and use.</p>		
<p>9.22 The Commission recommends the Central Government to address the following issues that are too large for the State to handle:</p> <p>(i) Issues of Connectivity: - (a) All weather road connectivity- Hampered Road connectivity leading to a lack of coordination and communication between institutions of local self-government call for a need for all weather road connectivity. (b) Internet connection- The Commission recommends the Central Government to pitch in for funding to improve the internet connectivity.</p> <p>(ii) Strategic linkages by government for professional capacity building:- The Commission suggests that specialized institution should be established by Central Government. These should</p>	<p>The Government accepts the recommendation and agrees with the Commission that the issues are too large for the State to handle. These issues are to be pursued with the Central Government Agencies and 15th Finance Commission.</p>	<p>Highlighted in:</p> <p>(i) Issues of Connectivity: Page no 15, 70, 95, 203, 247 of MEMORANDUM TO THE FIFTEENTH FINANCE COMMISSION, Vol I.</p> <p>(ii) Strategic linkages by government for professional capacity building: - Page no 248 of MEMORANDUM TO THE FIFTEENTH FINANCE COMMISSION, Vol I.</p> <p>(iii) Disaster mitigation/ management: Page no: 248 of MEMORANDUM TO THE FIFTEENTH FINANCE COMMISSION, Vol I.</p> <p>(iv) Special UD&HD training institute: Page no: 248 of MEMORANDUM TO THE FIFTEENTH FINANCE COMMISSION, Vol I.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
<p>focus on building professional capacity building skills.</p> <p>(iii) Disaster mitigation/ management: - The Commission recommends the Central Government to install Doppler weather radar for improving weather reports and updates. This would benefit not just Sikkim but also neighbouring States.</p> <p>(iv) Special UD&HD training institutes: - The Commission recommends that the Centre must support the State's initiative by providing funds to create institutions for training.</p> <p>(iv) Infrastructural support: - The Commission recommends for separate offices as well as a town hall should be constructed for each of the ULBs of the State.</p>		<p>(v) Infrastructural support: Page no: 249 of MEMORANDUM TO THE FIFTEENTH FINANCE COMMISSION, Vol I.</p>
<p>9.23 The Commission therefore requests the 15th Finance Commission to look into recommendations elaborated in section 8.1 above and suggest the appropriate measures for institutionalization of such special</p>	<p>The Government accepts the recommendation and agrees to pursue with the Central Government Agencies and 15th Finance Commission.</p>	<p>The proposal had been put up to the 15h Finance Commission as stated in 9.22 above.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
supports from Central Government for the PRIs and the ULBs in Sikkim.		
<p>9.24 In addition to the above, the Central Finance Commission should also consider the following needs of local self-governments in Sikkim.</p> <p>(i) Grants for Zilla Panchayats:- The ZPs in Sikkim play important roles in Sikkim. Being the only second tier of two-tier system of Panchayati Raj Institutions in Sikkim, the ZPs are the only elected bodies to take care of any development needs above the Gram Panchayat. Moreover, ZPs in Sikkim have historically been quite active in rural development planning in the district. Somehow these bodies did not receive any grant from the Fourteenth Finance Commission. Due to absence of Central financial supports, the ZPs in Sikkim are in dire need of resources to play their constitutionally mandated roles. It has also affected the efficiency in functioning of the PRI system as a whole. This Commission would therefore urge the 15th Finance Commission to consider the financial</p>	<p>The Government accepts the recommendation. The RMDD may analyse the flow of fund to Zilla Panchayats as per the recommendation of 13th FC and the resulting gap due to discontinuation by the 14th FC with present status on their actual requirement of fund to be incorporated in the Memorandum for placing before the 15th Finance Commission and to any other agencies of the Central Government.</p>	<p>The Fifteenth Finance Commission has accepted the recommendation and resources have been made available to the Zilla Panchayats for the years 2020-21 to 2025-26.</p>

ANNEXURES

Recommendations	Action Taken as per Explanatory Memorandum	Status of Compliance
needs of ZPs and make appropriate recommendations for them.		
<p>(ii) Infrastructural support: - After discussions with ULBs and UD&HD of Sikkim, it was found that no ULBs have buildings/separate offices for their proper functioning. Currently, they are renting out buildings belonging to private owners and other Government offices. Hence, there is a need to build their offices in order to improve their efficiency and effectiveness. However, the cost for these buildings is not in the capacity of the State to spend. The Central Government can support them in providing funding for the same. Thus, it is proposed that the 15th Finance Commission should suggest appropriate institutional mechanism for financial supports to construct the separate offices for each of the ULBs in the State.</p>	<p>The Government accepts the recommendation. The UD&HD may prepare a detailed project report immediately so that this may be placed before the 15th FC for consideration or any other agencies of the Central Government.</p>	<p>Urban Development & Housing Department:</p> <p>The State Government has provided infrastructure to all 7 ULBs. Hence there has been no additional burden for administrative cost arising from rent.</p>

ANNEXURES

Annexure 7.4
Para 7.26

DEVOLUTION PERCENTAGE FOR ZILLA PANCHAYATS - THE 6TH STATE FINANCE COMMISSION GRANTS

SI.No.	Name of the ULB	Population (Nos.)	Area (Ha)	Percentage Share of Population	90% Weightage on Population	Percentage share on Area	10% Weightage on Area	Percentage Devolution
1	2	3	4	5	6	7	8	9
1	Gangtok Zilla Panchayat	77594	15912.66	16.719	15.047	9.671	0.968	16.015
2	Pakyong Zilla Panchayat	84983	24908.63	18.310	16.480	15.140	1.511	17.991
3	Gyalshing Zilla Panchayat	68326	24841.29	14.720	13.251	15.100	1.510	14.761
4	Soreng Zilla Panchayat	63272	18520.39	13.630	12.271	11.260	1.131	13.402
5	Mangan Zilla Panchayat	43746	40964.64	9.431	8.491	24.899	2.490	10.981
6	Namchi Zilla Panchayat	126196	39385.78	27.190	24.460	23.930	2.390	26.850
	T O T A L :	464117	164533.39	100.000	90.000	100.000	10.000	100.000

ANNEXURES

Annex 7.5

Para 7.26

DEVOLUTION PERCENTAGE FOR THE GRAM PANCHAYAT UNITS - THE 6TH STATE FINANCE COMMISSION GRANTS

Progressive Count	Sl.No.	Name of the ULB	Population (Nos.)	Area (Ha)	Percentage Share of Population	90% Weightage on Population	Percentage share on Area	10% Weightage on Area	Percentage Devolution
	1	2	3	4	5	6	7	8	9
		GANGTOK DISTRICT							
1	1	Beng-Phegyong	3483	767.66	0.750	0.675	0.467	0.047	0.722
2	2	Bhusuk Naitam	2081	560.31	0.448	0.403	0.341	0.034	0.437
3	3	Chisopani	2213	489.99	0.477	0.429	0.298	0.030	0.459
4	4	Dung Dung Thasa	2194	651.14	0.473	0.426	0.396	0.040	0.466
5	5	Gnathang	8860	487.66	1.908	1.710	0.296	0.030	1.740
6	6	Khamdong	2881	764.91	0.621	0.559	0.465	0.047	0.606
7	7	Kopibari Syari	3826	286.05	0.824	0.742	0.174	0.017	0.759
8	8	Kyongnosla	1037	716.55	0.223	0.201	0.436	0.044	0.245
9	9	Luing Parbing	2478	572.07	0.534	0.481	0.348	0.035	0.516
10	10	Martam Nazitam	4530	1245.06	0.976	0.878	0.757	0.076	0.954
11	11	Namli	2764	628.80	0.596	0.536	0.382	0.038	0.574
12	12	Nandok Saramsa	3604	419.82	0.777	0.699	0.255	0.026	0.725
13	13	Patuk Singbel	4215	755.42	0.908	0.817	0.459	0.046	0.863
14	14	Rakdong Tintek	4187	525.65	0.902	0.812	0.319	0.032	0.844
15	15	Ranka	1431	285.35	0.308	0.277	0.173	0.017	0.294
16	16	Rawtey Rumtek	3987	593.85	0.859	0.773	0.361	0.036	0.809

ANNEXURES

17	17	Rey Mendu	5011	1379.40	1.080	0.972	0.838	0.084	1.056
18	18	Rongay Thangchen	4105	517.21	0.884	0.796	0.314	0.031	0.827
19	19	Samdong Kambel	4886	1215.82	1.053	0.948	0.739	0.074	1.022
20	20	Samlik Marchok	2610	477.07	0.562	0.506	0.290	0.029	0.535
21	21	Simik Linzey	1498	1012.11	0.323	0.291	0.615	0.062	0.353
22	22	Sirwani	2739	489.99	0.590	0.531	0.298	0.030	0.561
23	23	Tumin	2974	1070.77	0.641	0.577	0.651	0.065	0.642
		TOTAL GANGTOK DISTRICT	77594	15912.66	16.717	15.039	9.672	0.970	16.009
		PAKYONG DISTRICT							
24	1	Aho Yangtam	4185	677.47	0.902	0.812	0.412	0.041	0.853
25	2	Amba	2193	711.13	0.473	0.426	0.432	0.043	0.469
26	3	Aritar	3175	697.40	0.684	0.616	0.424	0.042	0.658
27	4	Assam Lingzey	3741	907.78	0.806	0.725	0.552	0.055	0.780
28	5	Bering Thareythang	2058	565.38	0.443	0.399	0.344	0.034	0.433
29	6	Budang Kamerey	2780	716.55	0.599	0.539	0.436	0.044	0.583
30	7	Central Pandam	6342	1301.51	1.366	1.228	0.791	0.079	1.307
31	8	Chalamthang Pachey khaney	2977	495.57	0.641	0.577	0.301	0.030	0.607
32	9	Chujachen	4781	777.14	1.030	0.927	0.472	0.047	0.974
33	10	Dalapchen	2553	598.95	0.550	0.495	0.364	0.036	0.531
34	11	East Pandam	3418	1260.80	0.736	0.662	0.766	0.077	0.739
35	12	Latuk	1421	1378.13	0.306	0.275	0.838	0.084	0.359
36	13	Lingtam Phadamchen	1742	1091.22	0.375	0.338	0.663	0.066	0.404
37	14	Linkey Parkha	2302	865.05	0.496	0.446	0.526	0.053	0.499
38	15	Namcheybong	5128	873.38	1.105	0.995	0.531	0.053	1.048
39	16	Pachey Samsing	2953	505.04	0.636	0.572	0.307	0.031	0.603
40	17	Pakyong Yakteen	3045	716.55	0.656	0.590	0.436	0.044	0.634

ANNEXURES

41	18	Premlakha Subaneydara	1865	1411.72	0.402	0.362	0.858	0.086	0.448
42	19	Regoh	1988	2244.00	0.428	0.385	1.364	0.136	0.521
43	20	Rhenock	5883	467.00	1.268	1.141	0.284	0.028	1.169
44	21	Riwa Machong	1575	711.95	0.339	0.305	0.433	0.043	0.348
45	22	Rolep Lamaten	1419	1373.25	0.306	0.275	0.835	0.084	0.359
46	23	Rongli Chegylakha	2216	716.55	0.477	0.429	0.436	0.044	0.473
47	24	Sudunglakha	1808	502.61	0.390	0.351	0.305	0.031	0.382
48	25	Sumin Lingzey	2842	1065.84	0.612	0.551	0.648	0.065	0.616
49	26	Tarpin	1858	435.31	0.400	0.360	0.265	0.027	0.387
50	27	Taza	1899	716.55	0.409	0.368	0.436	0.044	0.412
51	28	West Pandam	6836	1124.80	1.473	1.326	0.684	0.068	1.394
		TOTAL PAKYONG DISTRICT	84983	24908.63	18.308	16.475	15.143	1.515	17.990
		GYALSHING DISTRICT							
52	1	Arithang Chongrang	2384	904.97	0.514	0.463	0.550	0.055	0.518
53	2	Begha	1493	303.57	0.322	0.290	0.185	0.019	0.309
54	3	Berfok Chandabong	1820	533.76	0.392	0.353	0.324	0.032	0.385
55	4	Bernyak Barthang	3118	697.42	0.672	0.605	0.424	0.042	0.647
56	5	Bongten Sapong	1975	652.53	0.426	0.383	0.397	0.040	0.423
57	6	Darap Singheng	2028	769.69	0.437	0.393	0.468	0.047	0.440
58	7	Dentam	1733	303.57	0.373	0.336	0.185	0.019	0.355
59	8	Dhupidara Narkhola	1048	1135.63	0.226	0.203	0.690	0.069	0.272
60	9	Gerethang	2441	708.12	0.526	0.473	0.430	0.043	0.516
61	10	Gyalshing Omchung	3406	513.36	0.734	0.661	0.312	0.031	0.692
62	11	Hee	2514	336.87	0.542	0.488	0.205	0.021	0.509
63	12	Karmatar Gitang	1839	885.98	0.396	0.356	0.538	0.054	0.410
64	13	Karzi Mangam	463	2081.00	0.100	0.090	1.265	0.127	0.217

ANNEXURES

65	14	Khecheoperi	1303	749.21	0.281	0.253	0.455	0.046	0.299
66	15	Kongri Labdang	983	946.33	0.212	0.191	0.575	0.058	0.249
67	16	Lingchom Tikjya	3130	754.45	0.674	0.607	0.459	0.046	0.653
68	17	Maneybung	3182	663.19	0.686	0.617	0.403	0.040	0.657
69	18	Martam	1963	520.86	0.423	0.381	0.317	0.032	0.413
70	19	Meliaching	1041	649.17	0.224	0.202	0.395	0.040	0.242
71	20	Nambu Sindrabong	1513	769.69	0.326	0.293	0.468	0.047	0.340
72	21	Pecherek Hee Patel	1309	430.95	0.282	0.254	0.262	0.026	0.280
73	22	Rimbi Tringbrum	1620	649.17	0.349	0.314	0.395	0.040	0.354
74	23	Sangkhu Radukkhadu	3796	914.39	0.818	0.736	0.556	0.056	0.792
75	24	Sardung Lungzik	1612	437.49	0.347	0.312	0.266	0.027	0.339
76	25	Singyang Chumbung	2997	1120.95	0.646	0.581	0.681	0.068	0.649
77	26	Sopakha	1173	663.19	0.253	0.228	0.403	0.040	0.268
78	27	Tashiding	3987	2096.65	0.859	0.773	1.274	0.127	0.900
79	28	Thingling	1529	749.21	0.329	0.296	0.455	0.046	0.342
80	29	Tikjuk Kyongsa	1363	390.56	0.294	0.265	0.237	0.024	0.289
81	30	Yangtey	3252	1246.93	0.701	0.631	0.758	0.076	0.707
82	31	Yangthang	1974	390.56	0.425	0.383	0.237	0.024	0.407
83	32	Yuksom	2543	338.11	0.548	0.493	0.205	0.021	0.514
84	33	Yungsum	1794	533.76	0.387	0.348	0.324	0.032	0.380
		TOTAL GYALSHING DISTRICT	68326	24841.29	14.724	13.252	15.098	1.515	14.767
		SORENG DISTRICT							
85	1	Bara Samdong Boom Reshi	1877	640.01	0.404	0.364	0.389	0.039	0.403
86	2	Budhang	1584	328.12	0.341	0.307	0.199	0.020	0.327
87	3	Burikhop	1337	507.67	0.288	0.259	0.309	0.031	0.290
88	4	Chakung	1859	521.76	0.401	0.361	0.317	0.032	0.393

ANNEXURES

89	5	Chota Samdong Arubotey	1633	829.72	0.352	0.317	0.504	0.050	0.367
90	6	Chumbung	1796	600.17	0.387	0.348	0.365	0.037	0.385
91	7	Deythang	1359	526.59	0.293	0.264	0.320	0.032	0.296
92	8	Dodak	2167	779.59	0.467	0.420	0.474	0.047	0.467
93	9	Gelling Baiguney	1251	330.28	0.270	0.243	0.201	0.020	0.263
94	10	Karthok Bojek	619	255.80	0.133	0.120	0.155	0.016	0.136
95	11	Khaniserbong Suntoley	1503	567.89	0.324	0.292	0.345	0.035	0.327
96	12	Lower Fambong	2613	322.56	0.563	0.507	0.196	0.020	0.527
97	13	Lower Timburbong	1207	228.29	0.260	0.234	0.139	0.014	0.248
98	14	Lungchok Salyangdong	1986	391.09	0.428	0.385	0.238	0.024	0.409
99	15	Mabong Segeng	1958	671.91	0.422	0.380	0.408	0.041	0.421
100	16	Malbasey	1410	328.12	0.304	0.274	0.199	0.020	0.294
101	17	Manedogaon Berbotey	925	283.04	0.199	0.179	0.172	0.017	0.196
102	18	Mangsari Mangerjung	1527	295.20	0.329	0.296	0.179	0.018	0.314
103	19	Okhery	1719	641.76	0.370	0.333	0.390	0.039	0.372
104	20	Parengaon	1464	526.59	0.315	0.284	0.320	0.032	0.316
105	21	Ribdi Bhareng	1424	550.30	0.307	0.276	0.334	0.033	0.309
106	22	Rumbuk	1838	928.13	0.396	0.356	0.564	0.056	0.412
107	23	Samdong	1803	640.01	0.388	0.349	0.389	0.039	0.388
108	24	Samsing Pipaley	1516	330.28	0.327	0.294	0.201	0.020	0.314
109	25	Sangadorji	2899	1236.12	0.625	0.563	0.751	0.075	0.638
110	26	Sapreynagi	695	461.25	0.150	0.135	0.280	0.028	0.163
111	27	Siktam Tikpur	2021	461.25	0.435	0.392	0.280	0.028	0.420
112	28	Singling	2376	547.01	0.512	0.461	0.332	0.033	0.494
113	29	Soreng	1633	295.20	0.352	0.317	0.179	0.018	0.335
114	30	Suldung Kamling	3038	965.55	0.655	0.590	0.587	0.059	0.649

ANNEXURES

115	31	Tadong Rinchenpong	2903	635.66	0.625	0.563	0.386	0.039	0.602
116	32	Takothang	2157	636.09	0.465	0.419	0.387	0.039	0.458
117	33	Tharpu	1117	179.86	0.241	0.217	0.109	0.011	0.228
118	34	Upper Thambong	2995	417.95	0.645	0.581	0.254	0.025	0.606
119	35	Upper Timburbong	1139	228.29	0.245	0.221	0.139	0.014	0.235
120	36	Zoom	1924	431.28	0.415	0.374	0.262	0.026	0.400
		TOTAL SORENG DISTRICT	63272	18520.39	13.633	12.275	11.253	1.127	13.402
		MANGAN DISTRICT							
121	1	Chungthang	3970	2676.93	0.855	0.770	1.627	0.163	0.933
122	2	Hee-Gyathang	1513	2615.12	0.326	0.293	1.589	0.159	0.452
123	3	Kabi-Rongpa	923	651.05	0.199	0.179	0.396	0.040	0.219
124	4	Lachen Dzumsa	2622	3635.75	0.565	0.509	2.210	0.221	0.730
125	5	Lachung Dzumsa	2499	2805.82	0.538	0.484	1.705	0.171	0.655
126	6	Lingchom Tingda	738	651.05	0.159	0.143	0.396	0.040	0.183
127	7	LingdokNampong	1861	824.57	0.401	0.361	0.501	0.050	0.411
128	8	Lingdong-Berfok	1253	1309.01	0.270	0.243	0.796	0.080	0.323
129	9	Lingthem-Lingden	1618	2347.45	0.349	0.314	1.427	0.143	0.457
130	10	Lum-Gor Sangok	1831	2950.90	0.395	0.356	1.793	0.177	0.533
131	11	Mangshilla-Tibuk	2229	607.34	0.480	0.432	0.369	0.037	0.469
132	12	Men-Rongong	1239	1245.04	0.267	0.240	0.757	0.076	0.316
133	13	Namok-Swyem	1442	723.77	0.311	0.280	0.440	0.044	0.324
134	14	Navay Shotok	3241	1149.74	0.698	0.628	0.699	0.070	0.698
135	15	Passingdong-Saffo	873	2241.74	0.188	0.169	1.362	0.136	0.305
136	16	Phensong	1308	951.40	0.282	0.254	0.578	0.058	0.312
137	17	Ramthang-Tanek	1124	1032.26	0.242	0.218	0.627	0.063	0.281
138	18	Ringhim-Namapatam	2469	699.07	0.532	0.479	0.425	0.043	0.522
139	19	Rongong-Tumlong	1902	1166.66	0.410	0.369	0.709	0.071	0.440

ANNEXURES

140	20	Sakyong-Pentong	593	3160.41	0.128	0.115	1.920	0.189	0.304
141	21	Ship-Gyer	710	1635.90	0.153	0.138	0.994	0.099	0.237
142	22	Singhik -Sentam	2635	1176.69	0.568	0.511	0.715	0.072	0.583
143	23	Tingchim Chady	2166	892.69	0.467	0.420	0.543	0.054	0.474
144	24	Tingvong	992	1830.28	0.214	0.193	1.112	0.109	0.302
145	25	Toong-naga	1995	1984.00	0.430	0.387	1.206	0.119	0.506
		TOTAL MANGAN DISTRICT	43746	40964.64	9.427	8.485	24.896	2.484	10.969
		NAMCHI DISTRICT							
146	1	Assangthang	1659	410.75	0.357	0.321	0.250	0.025	0.346
147	2	Barfung Zarung	2471	522.58	0.532	0.479	0.318	0.032	0.511
148	3	Ben Namphrik	3837	1867.07	0.827	0.744	1.132	0.110	0.854
149	4	Bermyak Tokal	2497	804.97	0.538	0.484	0.489	0.049	0.533
150	5	Boomtar Salleybong	1746	582.39	0.376	0.338	0.354	0.035	0.373
151	6	Borong Phamthang	2705	1880.05	0.583	0.525	1.140	0.110	0.635
152	7	Chuba Phong	1452	740.71	0.313	0.282	0.450	0.045	0.327
153	8	Damthang	1580	841.95	0.340	0.306	0.512	0.051	0.357
154	9	Denchung	1197	404.17	0.258	0.232	0.246	0.025	0.257
155	10	Kamrang	1684	534.05	0.363	0.327	0.325	0.033	0.360
156	11	Karek Kabrey	2145	491.40	0.462	0.416	0.299	0.030	0.446
157	12	Kateng Pamphok	2290	830.14	0.493	0.444	0.505	0.051	0.495
158	13	Kewzing Barkhim	2831	984.23	0.610	0.549	0.598	0.060	0.609
159	14	Kitam Manpur	1263	318.90	0.272	0.245	0.194	0.019	0.264
160	15	Kolathang Tokdey	2588	437.21	0.558	0.502	0.266	0.027	0.529
161	16	Lamting Tingmo	2387	1092.47	0.514	0.463	0.664	0.066	0.529
162	17	Lekship	2302	290.33	0.496	0.446	0.176	0.018	0.464
163	18	Lingi	2325	1138.07	0.501	0.451	0.692	0.069	0.520
164	19	Lingmoo Paiyong	2417	1276.84	0.521	0.469	0.776	0.078	0.547

ANNEXURES

165	20	Lungchok Kamarey	1731	494.30	0.373	0.336	0.300	0.030	0.366
166	21	Mamley	1059	534.05	0.228	0.205	0.325	0.033	0.238
167	22	Maniram Phalidara	1798	581.25	0.387	0.348	0.353	0.035	0.383
168	23	Mellidara Paiyong	6073	841.72	1.309	1.178	0.512	0.051	1.229
169	24	Mikhola Singithang	1507	582.40	0.325	0.293	0.354	0.035	0.328
170	25	Nagi Ruchung	979	491.40	0.211	0.190	0.299	0.030	0.220
171	26	Namphing	6157	576.41	1.327	1.194	0.350	0.035	1.229
172	27	Namthang Maneydara	2772	664.48	0.597	0.537	0.404	0.040	0.577
173	28	Niya Mangzing	2711	955.75	0.584	0.526	0.581	0.058	0.584
174	29	Perbing Dovan	1617	550.69	0.348	0.313	0.335	0.034	0.347
175	30	Poklok	1946	404.17	0.419	0.377	0.246	0.025	0.402
176	31	Ralong Namlung	2433	1452.71	0.524	0.472	0.883	0.088	0.560
177	32	Rameng Nizrameng	1474	954.10	0.318	0.286	0.580	0.058	0.344
178	33	Rateypani	1769	642.27	0.381	0.343	0.390	0.039	0.382
179	34	Ravong Barfung	2516	522.57	0.542	0.488	0.318	0.032	0.520
180	35	Ravong Khop	2400	519.27	0.517	0.465	0.316	0.032	0.497
181	36	Rong Bul	1323	728.89	0.285	0.257	0.443	0.044	0.301
182	37	Sadam Rabitar	2232	637.65	0.481	0.433	0.388	0.039	0.472
183	38	Salghari	2014	659.55	0.434	0.391	0.401	0.040	0.431
184	39	Sanganath	893	709.28	0.192	0.173	0.431	0.043	0.216
185	40	Sangmo Rankey	2175	519.27	0.469	0.422	0.316	0.032	0.454
186	41	Sorok Shyampani	2138	656.65	0.461	0.415	0.399	0.040	0.455
187	42	Sripatam Gangang	4509	983.68	0.972	0.875	0.598	0.060	0.935
188	43	Sumbuk kartikey	2355	494.25	0.507	0.456	0.300	0.030	0.486
189	44	Suntoley Sukrubarey	2584	637.65	0.557	0.501	0.388	0.039	0.540
190	45	Tanji Biktam	1768	759.06	0.381	0.343	0.461	0.046	0.389
191	46	Tarku	2713	575.20	0.585	0.527	0.350	0.035	0.562
192	47	Temi	3353	313.79	0.722	0.650	0.191	0.019	0.669

ANNEXURES

193	48	Tingrithang	1298	775.17	0.280	0.252	0.471	0.047	0.299
194	49	Tinikitam Rayong	1502	1031.05	0.324	0.292	0.627	0.063	0.355
195	50	Tintek Chisopani	3114	390.08	0.671	0.604	0.237	0.024	0.628
196	51	Turuk Ramabung	2833	906.89	0.610	0.549	0.551	0.055	0.604
197	52	Turung Mamring	2876	646.60	0.620	0.558	0.393	0.039	0.597
198	53	Wak Omchu	1856	520.82	0.400	0.360	0.317	0.032	0.392
199	54	Yangang Rangang	4342	1224.43	0.936	0.842	0.744	0.074	0.916
		TOTAL NAMCHI DISTRICT	126196	39385.78	27.191	24.474	23.938	2.389	26.863
		GRAND TOTAL :	464117	164533.39	100.000	90.000	100.000	10.000	100.000

ANNEXURES

Annexure 7.6
Para 7.26

**DEVOLUTION PERCENTAGE FOR THE URBAN LOCAL BODIES - THE 6TH STATE FINANCE COMMISSION
GRANTS**

Sl.No.	Name of the ULB	Census 2011 Population (Nos.)	Area (Ha)	Percentage Share of Population	90% Weightage on Population	Percentage share on Area	10% Weightage on Area	Percentage Devolution
1	2	3	4	5	6	7	8	9
1	Gangtok Municipal Corporation	100286	19.33	68.473	61.625	59.386	5.938	67.563
2	Namchi Municipal Council	12190	6.50	8.323	7.491	19.969	1.997	9.488
3	Rangpo Nagar Panchayat	10450	2.80	7.135	6.422	8.602	0.860	7.282
4	Singtam Nagar Panchayat	5868	0.17	4.007	3.606	0.522	0.052	3.658
5	Mangan Nagar Panchayat	4644	1.32	3.171	2.854	4.055	0.406	3.260
6	Jorethang Naya Bazar Nagar Panchayat	9009	0.65	6.151	5.536	1.997	0.200	5.736
7	Gyalshing Nagar Panchayat	4013	1.78	2.740	2.466	5.469	0.547	3.013
	T O T A L :	146460	32.55	100.000	90.000	100.000	10.000	100.000

ANNEXURES

Annexure 7.7

CONSOLIDATED DEVOLUTION TO ZPs, GPs AND ULBs (5 YEARS)

(₹ in lakhs)

Sl.No.	Devolution Head	Rural Local Bodies (2025-26 to 2029-30)		Urban Local Bodies (2025-26 to 2029-30)
		Zilla Panchayat	Gram Panchayat	
1	Minimum Assured Grant	0.00	5970.00	1750.00
2	Basic Grant	4265.99	9953.99	4740.00
3	Performance Grant	1066.51	2488.51	1184.99
	T O T A L :	5332.50	18412.50	7674.99

ANNEXURES

Annexure 7.8

YEARLY DEVOLUTION OF FUNDS DIRECTLY TO LOCAL BODIES

(₹ in lakhs)

Type of Grant	LB	2025-26	2026-27	2027-28	2028-29	2029-30
Minimum Assured Grant (MAG)	GP	1194.00	1194.00	1194.00	1194.00	1194.00
	ZP	0.00	0.00	0.00	0.00	0.00
	ULB	350.00	350.00	350.00	350.00	350.00
Total MAG	All LBs	1544.00	1544.00	1544.00	1544.00	1544.00
Basic Grant (80%)	GP	1862.03	1922.29	1986.55	2055.06	2128.06
	ZP	798.02	823.83	851.38	880.74	912.02
	ULB	886.68	915.38	945.98	978.60	1013.36
Total Basic Grant	All LBs	3546.73	3661.50	3783.91	3914.40	4053.44
Performance Grant (20%)	GP	465.51	480.57	496.64	513.77	532.02
	ZP	199.50	205.96	212.85	220.19	228.01
	ULB	221.67	228.84	236.49	244.65	253.34
Total Performance Grant	All LBs	886.68	915.37	945.98	978.61	1013.37
Total Grant	All LBs	5977.41	6120.87	6273.89	6437.01	6610.81

ANNEXURES

Annexure 7.9

DEVOLUTION OF GRANTS TO ZILLA PANCHAYAT

(₹ In lakhs)

Sl. No.	Name of the Zilla Panchayat	Percentage Devolution	2025-26			2026-27			2027-28			2028-29			2029-30		
			MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant
1	Gangtok	16.015	0.00	127.80	31.95	0.00	131.94	32.98	0.00	136.35	34.09	0.00	141.05	35.27	0.00	146.06	36.52
2	Pakyong	17.991	0.00	143.57	35.89	0.00	148.22	37.05	0.00	153.17	38.29	0.00	158.45	39.62	0.00	164.08	41.02
3	Gyalshing	14.761	0.00	117.80	29.45	0.00	121.61	30.40	0.00	125.67	31.42	0.00	130.01	32.50	0.00	134.62	33.66
4	Soreng	13.402	0.00	106.95	26.74	0.00	110.41	27.60	0.00	114.10	28.53	0.00	118.04	29.51	0.00	122.23	30.56
5	Mangan	10.981	0.00	87.63	21.91	0.00	90.46	22.62	0.00	93.49	23.37	0.00	96.71	24.18	0.00	100.15	25.04
6	Namchi	26.850	0.00	214.27	53.57	0.00	221.19	55.30	0.00	228.60	57.15	0.00	236.48	59.11	0.00	244.88	61.21
	TOTAL :	100.000	0.00	798.02	199.51	0.00	823.83	205.95	0.00	851.38	212.85	0.00	880.74	220.19	0.00	912.02	228.01

ANNEXURES

Annexure 7.10

DEVOLUTION OF GRANTS TO GRAM PANCHAYATS

(*₹ In lakhs*)

Sl.No.	Name of the Gram Panchayat	Percentage Devolution	2025-26			2026-27			2027-28			2028-29			2029-30		
			MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant
	GANGTOK DISTRICT																
1	Beng-Phegyong	0.722	6.00	13.44	3.36	6.00	13.88	3.47	6.00	14.34	3.59	6.00	14.84	3.71	6.00	15.36	3.84
2	Bhusuk Naitam	0.437	6.00	8.14	2.03	6.00	8.40	2.10	6.00	8.68	2.17	6.00	8.98	2.25	6.00	9.30	2.32
3	Chisopani	0.459	6.00	8.55	2.14	6.00	8.82	2.21	6.00	9.12	2.28	6.00	9.44	2.36	6.00	9.77	2.44
4	Dung Dung Thasa	0.466	6.00	8.68	2.17	6.00	8.96	2.24	6.00	9.26	2.31	6.00	9.58	2.39	6.00	9.92	2.48
5	Gnathang	1.74	6.00	32.40	8.10	6.00	33.45	8.33	6.00	34.57	8.64	6.00	35.27	8.94	6.00	37.03	9.26
6	Khamdong	0.606	6.00	11.28	2.82	6.00	11.65	2.91	6.00	12.04	3.01	6.00	12.46	3.11	6.00	12.90	3.22
7	Kopibari Syari	0.759	6.00	14.13	3.53	6.00	14.59	3.65	6.00	15.08	3.77	6.00	15.60	3.90	6.00	16.15	4.04
8	Kyongnosla	0.245	6.00	4.56	1.14	6.00	4.71	1.18	6.00	4.87	1.22	6.00	5.04	1.26	6.00	5.21	1.30
9	Luing Parbing	0.516	6.00	9.61	2.40	6.00	9.92	2.48	6.00	10.25	2.56	6.00	10.61	2.65	6.00	10.98	2.75
10	Martam Nazitam	0.954	6.00	17.76	4.44	6.00	18.34	4.58	6.00	18.95	4.74	6.00	19.61	4.90	6.00	20.30	5.08
11	Namli	0.574	6.00	10.69	2.67	6.00	11.03	2.76	6.00	11.40	2.85	6.00	11.80	2.95	6.00	12.22	3.05

ANNEXURES

12	Nandok Saramsa	0.725	6.00	13.50	3.37	6.00	13.94	3.48	6.00	14.40	3.60	6.00	14.90	3.72	6.00	15.43	3.86
13	Patuk Singbel	0.863	6.00	16.07	4.02	6.00	16.59	4.15	6.00	17.14	4.29	6.00	17.74	4.43	6.00	18.37	4.59
14	Rakdong Tintek	0.844	6.00	15.72	3.93	6.00	16.22	4.06	6.00	16.77	4.19	6.00	17.35	4.34	6.00	17.96	4.49
15	Ranka	0.294	6.00	5.47	1.37	6.00	5.65	1.41	6.00	5.84	1.46	6.00	6.04	1.51	6.00	6.26	1.56
16	Rawtey Rumtek	0.809	6.00	15.06	3.77	6.00	15.55	3.89	6.00	16.07	4.02	6.00	16.63	4.16	6.00	17.22	4.30
17	Rey Mendu	1.056	6.00	19.66	4.92	6.00	20.30	5.07	6.00	20.98	5.24	6.00	21.71	5.43	6.00	22.47	5.62
18	Rongay Thangchen	0.827	6.00	15.40	3.85	6.00	15.90	3.97	6.00	16.43	4.11	6.00	17.00	4.25	6.00	17.60	4.40
19	Samdong Kambel	1.022	6.00	19.03	4.76	6.00	19.65	4.91	6.00	20.30	5.08	6.00	21.01	5.25	6.00	21.75	5.44
20	Samlik Marchok	0.535	6.00	9.96	2.49	6.00	10.28	2.57	6.00	10.63	2.66	6.00	11.00	2.75	6.00	11.39	2.85
21	Simik Linzey	0.353	6.00	6.57	1.64	6.00	6.79	1.70	6.00	7.01	1.75	6.00	7.26	1.81	6.00	7.51	1.88
22	Sirwani	0.561	6.00	10.45	2.61	6.00	10.78	2.70	6.00	11.14	2.79	6.00	11.53	2.88	6.00	11.94	2.98
23	Tumin	0.642	6.00	11.95	2.99	6.00	12.34	3.09	6.00	12.75	3.19	6.00	13.20	3.30	6.00	13.66	3.42
TOTAL GANGTOK DISTRICT		16.009	138.00	298.08	74.52	138.00	307.74	76.91	138.00	318.02	79.52	138.00	328.60	82.25	138.00	340.70	85.17
PAKYONG DISTRICT																	
1	Aho Yangtam	0.853	6.00	15.88	3.97	6.00	16.40	4.10	6.00	16.95	4.24	6.00	17.53	4.38	6.00	18.15	4.54
2	Amba	0.469	6.00	8.73	2.18	6.00	9.02	2.25	6.00	9.32	2.33	6.00	9.64	2.41	6.00	9.98	2.50
3	Aritar	0.658	6.00	12.25	3.06	6.00	12.65	3.16	6.00	13.07	3.27	6.00	13.53	3.38	6.00	14.00	3.50
4	Assam Lingzey	0.78	6.00	14.52	3.63	6.00	14.99	3.75	6.00	15.50	3.87	6.00	16.03	4.01	6.00	16.60	4.15

ANNEXURES

5	Bering Thareythang	0.433	6.00	8.06	2.02	6.00	8.32	2.08	6.00	8.60	2.15	6.00	8.90	2.22	6.00	9.21	2.30
6	Budang Kamerey	0.583	6.00	10.86	2.71	6.00	11.21	2.80	6.00	11.58	2.90	6.00	11.98	3.00	6.00	12.41	3.10
7	Central Pandam	1.307	6.00	24.34	6.08	6.00	25.12	6.28	6.00	25.96	6.49	6.00	26.84	6.71	6.00	27.81	6.95
8	Chalamthang Pachey Khaney	0.607	6.00	11.30	2.83	6.00	11.67	2.92	6.00	12.06	3.01	6.00	12.48	3.12	6.00	12.92	3.23
9	Chujachen	0.974	6.00	18.14	4.53	6.00	18.72	4.68	6.00	19.35	4.84	6.00	20.02	5.00	6.00	20.73	5.18
10	Dalapchen	0.531	6.00	9.89	2.47	6.00	10.21	2.55	6.00	10.55	2.64	6.00	10.92	2.73	6.00	11.30	2.83
11	East Pandam	0.739	6.00	13.76	3.44	6.00	14.21	3.55	6.00	14.68	3.67	6.00	15.19	3.80	6.00	15.73	3.93
12	Latuk	0.359	6.00	6.68	1.67	6.00	6.90	1.73	6.00	7.13	1.78	6.00	7.38	1.84	6.00	7.64	1.91
13	Lingtam Phadamchen	0.404	6.00	7.52	1.88	6.00	7.77	1.94	6.00	8.03	2.01	6.00	8.30	2.08	6.00	8.60	2.15
14	Linkey Parkha	0.499	6.00	9.29	2.32	6.00	9.59	2.40	6.00	9.91	2.48	6.00	10.26	2.56	6.00	10.62	2.65
15	Namcheybo ng	1.048	6.00	19.51	4.88	6.00	20.15	5.04	6.00	20.82	5.20	6.00	21.54	5.38	6.00	22.30	5.58
16	Pachey Samsing	0.603	6.00	11.23	2.81	6.00	11.59	2.90	6.00	11.98	2.99	6.00	12.40	3.10	6.00	12.83	3.21
17	Pakyong Yakteen	0.634	6.00	11.81	2.95	6.00	12.19	3.05	6.00	12.59	3.15	6.00	13.03	3.26	6.00	13.49	3.37
18	Premlakha Subaneydar a	0.448	6.00	8.34	2.09	6.00	8.61	2.15	6.00	8.90	2.22	6.00	9.21	2.30	6.00	9.53	2.38
19	Regoh	0.521	6.00	9.70	2.43	6.00	10.02	2.50	6.00	10.35	2.59	6.00	10.71	2.68	6.00	11.09	2.77
20	Rhenock	1.169	6.00	21.77	5.44	6.00	22.47	5.62	6.00	23.22	5.81	6.00	24.03	6.01	6.00	24.88	6.22

ANNEXURES

21	Riwa Machong	0.348	6.00	6.48	1.62	6.00	6.69	1.67	6.00	6.91	1.73	6.00	7.15	1.79	6.00	7.41	1.85
22	Rolep Lamaten	0.359	6.00	6.68	1.67	6.00	6.90	1.73	6.00	7.13	1.78	6.00	7.38	1.84	6.00	7.64	1.91
23	Rongli Chegylakha	0.473	6.00	8.81	2.20	6.00	9.09	2.27	6.00	9.40	2.35	6.00	9.72	2.43	6.00	10.07	2.52
24	Sudunglakha	0.382	6.00	7.11	1.78	6.00	7.34	1.84	6.00	7.59	1.90	6.00	7.85	1.96	6.00	8.13	2.03
25	Sumin Lingzey	0.616	6.00	11.47	2.87	6.00	11.84	2.96	6.00	12.24	3.06	6.00	12.66	3.16	6.00	13.11	3.28
26	Tarpin	0.387	6.00	7.21	1.80	6.00	7.44	1.86	6.00	7.69	1.92	6.00	7.96	1.99	6.00	8.24	2.06
27	Taza	0.412	6.00	7.67	1.92	6.00	7.92	1.98	6.00	8.18	2.05	6.00	8.47	2.12	6.00	8.77	2.19
28	West Pandam	1.394	6.00	25.96	6.49	6.00	26.80	6.70	6.00	27.69	6.92	6.00	28.65	7.16	6.00	29.67	7.42
TOTAL PAKYONG DISTRICT		17.990	168.00	334.97	83.74	168.00	345.83	86.46	168.00	357.38	89.35	168.00	369.76	92.42	168.00	382.86	95.71
GYALSHING DISTRICT																	
1	Arithang Chongrang	0.518	6.00	9.65	2.41	6.00	9.96	2.49	6.00	10.29	2.57	6.00	10.65	2.66	6.00	11.02	2.76
2	Begha	0.309	6.00	5.75	1.44	6.00	5.94	1.48	6.00	6.14	1.53	6.00	6.35	1.59	6.00	6.58	1.64
3	Berfok Chandabong	0.385	6.00	7.17	1.79	6.00	7.40	1.85	6.00	7.65	1.91	6.00	7.91	1.98	6.00	8.19	2.05
4	Bernyak Barthang	0.647	6.00	12.05	3.01	6.00	12.44	3.11	6.00	12.85	3.21	6.00	13.30	3.32	6.00	13.77	3.44
5	Bongten Sapong	0.423	6.00	7.88	1.97	6.00	8.13	2.03	6.00	8.40	2.10	6.00	8.70	2.17	6.00	9.00	2.25
6	Darap Singheng	0.44	6.00	8.19	2.05	6.00	8.46	2.11	6.00	8.74	2.19	6.00	9.04	2.26	6.00	9.36	2.34
7	Dentam	0.355	6.00	6.61	1.65	6.00	6.82	1.71	6.00	7.05	1.76	6.00	7.30	1.82	6.00	7.55	1.89

ANNEXURES

8	Dhupidara Narkhola	0.272	6.00	5.06	1.27	6.00	5.23	1.31	6.00	5.40	1.35	6.00	5.59	1.40	6.00	5.79	1.45
9	Gerethang	0.516	6.00	9.61	2.40	6.00	9.92	2.48	6.00	10.25	2.56	6.00	10.61	2.65	6.00	10.98	2.75
10	Gyalshing Omchung	0.692	6.00	12.89	3.22	6.00	13.30	3.33	6.00	13.75	3.44	6.00	14.23	3.56	6.00	14.73	3.68
11	Hee	0.509	6.00	9.48	2.37	6.00	9.78	2.45	6.00	10.11	2.53	6.00	10.46	2.62	6.00	10.83	2.71
12	Karmatar Gitang	0.41	6.00	7.63	1.91	6.00	7.88	1.97	6.00	8.14	2.04	6.00	8.43	2.11	6.00	8.73	2.18
13	Karzi Mangam	0.217	6.00	4.04	1.01	6.00	4.17	1.04	6.00	4.31	1.08	6.00	4.46	1.11	6.00	4.62	1.15
14	Khecheoperi	0.299	6.00	5.57	1.39	6.00	5.75	1.44	6.00	5.94	1.48	6.00	6.15	1.54	6.00	6.36	1.59
15	Kongri Labdang	0.249	6.00	4.64	1.16	6.00	4.79	1.20	6.00	4.95	1.24	6.00	5.12	1.28	6.00	5.30	1.32
16	Lingchom Tikjya	0.653	6.00	12.16	3.04	6.00	12.55	3.14	6.00	12.97	3.24	6.00	13.42	3.35	6.00	13.90	3.47
17	Maneybung	0.657	6.00	12.23	3.06	6.00	12.63	3.16	6.00	13.05	3.26	6.00	13.51	3.38	6.00	13.98	3.50
18	Martam	0.413	6.00	7.69	1.92	6.00	7.94	1.98	6.00	8.20	2.05	6.00	8.49	2.12	6.00	8.79	2.20
19	Meliaching	0.242	6.00	4.51	1.13	6.00	4.65	1.16	6.00	4.81	1.20	6.00	4.97	1.24	6.00	5.15	1.29
20	Nambu Sindrabong	0.34	6.00	6.33	1.58	6.00	6.54	1.63	6.00	6.75	1.69	6.00	6.99	1.75	6.00	7.24	1.81
21	Pecherek Hee Patel	0.28	6.00	5.21	1.30	6.00	5.38	1.35	6.00	5.56	1.39	6.00	5.76	1.44	6.00	5.96	1.49
22	Rimbi Tringbrum	0.354	6.00	6.59	1.65	6.00	6.80	1.70	6.00	7.03	1.76	6.00	7.28	1.82	6.00	7.53	1.88
23	Sangkhu Radukkhadu	0.792	6.00	14.75	3.69	6.00	15.22	3.81	6.00	15.73	3.93	6.00	16.28	4.07	6.00	16.85	4.21
24	Sardung Lungzik	0.339	6.00	6.31	1.58	6.00	6.52	1.63	6.00	6.73	1.68	6.00	6.97	1.74	6.00	7.21	1.80

ANNEXURES

25	Singyang Chumbung	0.649	6.00	12.08	3.02	6.00	12.48	3.12	6.00	12.89	3.22	6.00	13.34	3.33	6.00	13.81	3.45
26	Sopakha	0.268	6.00	4.99	1.25	6.00	5.15	1.29	6.00	5.32	1.33	6.00	5.51	1.38	6.00	5.70	1.43
27	Tashiding	0.9	6.00	16.76	4.19	6.00	17.30	4.33	6.00	17.88	4.47	6.00	18.50	4.62	6.00	19.15	4.79
28	Thingling	0.342	6.00	6.37	1.59	6.00	6.57	1.64	6.00	6.79	1.70	6.00	7.03	1.76	6.00	7.28	1.82
29	Tikjuk Kyongsa	0.289	6.00	5.38	1.35	6.00	5.56	1.39	6.00	5.74	1.44	6.00	5.94	1.48	6.00	6.15	1.54
30	Yangtey	0.707	6.00	13.16	3.29	6.00	13.59	3.40	6.00	14.04	3.51	6.00	14.53	3.63	6.00	15.05	3.76
31	Yangthang	0.407	6.00	7.58	1.89	6.00	7.82	1.96	6.00	8.09	2.02	6.00	8.37	2.09	6.00	8.66	2.17
32	Yuksom	0.514	6.00	9.57	2.39	6.00	9.88	2.47	6.00	10.21	2.55	6.00	10.57	2.64	6.00	10.94	2.73
33	Yungsum	0.38	6.00	7.08	1.77	6.00	7.30	1.83	6.00	7.55	1.89	6.00	7.81	1.95	6.00	8.09	2.02
TOTAL GYALSHING DISTRICT		14.767	198.00	274.97	68.74	198.00	283.85	70.99	198.00	293.31	73.32	198.00	303.57	75.86	198.00	314.25	78.56
SORENG DISTRICT																	
1	Bara Samdong Boom Reshi	0.403	6.00	7.50	1.88	6.00	7.75	1.94	6.00	8.01	2.00	6.00	8.28	2.07	6.00	8.58	2.14
2	Budhang	0.327	6.00	6.09	1.52	6.00	6.29	1.57	6.00	6.50	1.62	6.00	6.72	1.68	6.00	6.96	1.74
3	Burikhop	0.29	6.00	5.40	1.35	6.00	5.57	1.39	6.00	5.76	1.44	6.00	5.96	1.49	6.00	6.17	1.54
4	Chakung	0.393	6.00	7.32	1.83	6.00	7.55	1.89	6.00	7.81	1.95	6.00	8.08	2.02	6.00	8.36	2.09
5	Chota Samdong Arubotey	0.367	6.00	6.83	1.71	6.00	7.05	1.76	6.00	7.29	1.82	6.00	7.54	1.89	6.00	7.81	1.95
6	Chumbung	0.385	6.00	7.17	1.79	6.00	7.40	1.85	6.00	7.65	1.91	6.00	7.91	1.98	6.00	8.19	2.05
7	Deythang	0.296	6.00	5.51	1.38	6.00	5.69	1.42	6.00	5.88	1.47	6.00	6.08	1.52	6.00	6.30	1.57
8	Dodak	0.467	6.00	8.70	2.17	6.00	8.98	2.24	6.00	9.28	2.32	6.00	9.60	2.40	6.00	9.94	2.48

ANNEXURES

9	Gelling Baiguney	0.263	6.00	4.90	1.22	6.00	5.06	1.26	6.00	5.22	1.31	6.00	5.41	1.35	6.00	5.60	1.40
10	Karthok Bojek	0.136	6.00	2.53	0.64	6.00	2.61	0.65	6.00	2.70	0.73	6.00	2.80	0.72	6.00	2.90	0.78
11	Khaniserbong Suntuoley	0.327	6.00	6.09	1.52	6.00	6.29	1.57	6.00	6.50	1.62	6.00	6.72	1.68	6.00	6.96	1.74
12	Lower Fambong	0.527	6.00	9.81	2.45	6.00	10.13	2.53	6.00	10.47	2.62	6.00	10.83	2.71	6.00	11.21	2.80
13	Lower Timburbong	0.248	6.00	4.62	1.15	6.00	4.77	1.19	6.00	4.93	1.23	6.00	5.10	1.27	6.00	5.28	1.32
14	Lungchok Salyangdong	0.409	6.00	7.62	1.90	6.00	7.86	1.97	6.00	8.12	2.03	6.00	8.41	2.10	6.00	8.70	2.18
15	Mabong Segeng	0.421	6.00	7.84	1.96	6.00	8.09	2.02	6.00	8.36	2.09	6.00	8.65	2.16	6.00	8.96	2.24
16	Malbasey	0.294	6.00	5.47	1.37	6.00	5.65	1.41	6.00	5.84	1.46	6.00	6.04	1.51	6.00	6.26	1.56
17	Manedogaon Berbotey	0.196	6.00	3.69	0.91	6.00	3.77	0.94	6.00	3.93	0.97	6.00	4.03	1.01	6.00	4.17	1.04
18	Mangsari Mangerjung	0.314	6.00	5.85	1.46	6.00	6.04	1.51	6.00	6.24	1.56	6.00	6.45	1.61	6.00	6.68	1.67
19	Okhery	0.372	6.00	6.93	1.73	6.00	7.15	1.79	6.00	7.39	1.85	6.00	7.65	1.91	6.00	7.92	1.98
20	Parengaon	0.316	6.00	5.88	1.47	6.00	6.07	1.52	6.00	6.28	1.57	6.00	6.50	1.62	6.00	6.72	1.68
21	Ribdi Bhareng	0.309	6.00	5.75	1.44	6.00	5.94	1.48	6.00	6.14	1.53	6.00	6.35	1.59	6.00	6.58	1.64
22	Rumbuk	0.412	6.00	7.67	1.92	6.00	7.92	1.98	6.00	8.18	2.05	6.00	8.47	2.12	6.00	8.77	2.19
23	Samdong	0.388	6.00	7.22	1.81	6.00	7.46	1.86	6.00	7.71	1.93	6.00	7.98	1.99	6.00	8.26	2.06
24	Samsing Pipaley	0.314	6.00	5.85	1.46	6.00	6.04	1.51	6.00	6.24	1.56	6.00	6.45	1.61	6.00	6.68	1.67
25	Sangadorji	0.638	6.00	11.88	2.97	6.00	12.26	3.07	6.00	12.67	3.17	6.00	13.12	3.28	6.00	13.58	3.39

ANNEXURES

26	Sapreynagi	0.163	6.00	3.04	0.76	6.00	3.13	0.78	6.00	3.24	0.81	6.00	3.35	0.84	6.00	3.47	0.87
27	Siktam Tikpur	0.42	6.00	7.82	1.96	6.00	8.07	2.02	6.00	8.34	2.09	6.00	8.63	2.16	6.00	8.94	2.23
28	Singling	0.494	6.00	9.20	2.30	6.00	9.50	2.37	6.00	9.81	2.45	6.00	10.15	2.54	6.00	10.51	2.63
29	Soreng	0.335	6.00	6.24	1.56	6.00	6.44	1.61	6.00	6.65	1.66	6.00	6.89	1.72	6.00	7.13	1.78
30	Suldung Kamling	0.649	6.00	12.08	3.02	6.00	12.48	3.12	6.00	12.89	3.22	6.00	13.34	3.33	6.00	13.81	3.45
31	Tadong Rinchenpong	0.602	6.00	11.21	2.80	6.00	11.57	2.89	6.00	11.96	2.99	6.00	12.38	3.09	6.00	12.81	3.20
32	Takothing	0.458	6.00	8.53	2.13	6.00	8.80	2.20	6.00	9.10	2.27	6.00	9.41	2.35	6.00	9.75	2.44
33	Tharpu	0.228	6.00	4.25	1.06	6.00	4.38	1.10	6.00	4.53	1.13	6.00	4.69	1.17	6.00	4.85	1.21
34	Upper Thambong	0.606	6.00	11.28	2.82	6.00	11.65	2.91	6.00	12.04	3.01	6.00	12.46	3.11	6.00	12.90	3.22
35	Upper Timburbong	0.235	6.00	4.38	1.09	6.00	4.52	1.13	6.00	4.67	1.17	6.00	4.83	1.21	6.00	5.00	1.25
36	Zoom	0.4	6.00	7.45	1.86	6.00	7.69	1.92	6.00	7.95	1.99	6.00	8.22	2.06	6.00	8.51	2.13
TOTAL SORENG DISTRICT		13.402	216.00	249.60	62.37	216.00	257.62	64.37	216.00	266.28	66.60	216.00	275.48	68.87	216.00	285.22	71.31
MANGAN DISTRICT																	
1	Chungthang	0.933	6.00	17.37	4.34	6.00	17.93	4.48	6.00	18.53	4.63	6.00	19.18	4.79	6.00	19.85	4.96
2	Hee-Gyathang	0.452	6.00	8.42	2.10	6.00	8.69	2.17	6.00	8.98	2.24	6.00	9.29	2.32	6.00	9.62	2.40
3	Kabi-Rongpa	0.219	6.00	4.08	1.02	6.00	4.21	1.05	6.00	4.35	1.09	6.00	4.50	1.13	6.00	4.66	1.17
4	Lachen Dzumsa	0.73	6.00	13.59	3.40	6.00	14.03	3.51	6.00	14.50	3.63	6.00	15.01	3.75	6.00	15.53	3.88
5	Lachung Dzumsa	0.655	6.00	12.20	3.05	6.00	12.59	3.15	6.00	13.01	3.25	6.00	13.46	3.37	6.00	13.94	3.48

ANNEXURES

6	Lingchom Tingda	0.183	6.00	3.41	0.89	6.00	3.52	0.88	6.00	3.64	0.91	6.00	3.76	0.94	6.00	3.89	0.97
7	LingdokNam pong	0.411	6.00	7.65	1.91	6.00	7.90	1.98	6.00	8.16	2.04	6.00	8.45	2.11	6.00	8.75	2.19
8	Lingdong-Berfok	0.323	6.00	6.01	1.50	6.00	6.21	1.55	6.00	6.42	1.60	6.00	6.64	1.66	6.00	6.87	1.72
9	Lingthem-Lingden	0.457	6.00	8.51	2.13	6.00	8.78	2.20	6.00	9.08	2.27	6.00	9.39	2.35	6.00	9.73	2.43
10	Lum-Gor Sangok	0.533	6.00	9.92	2.48	6.00	10.25	2.56	6.00	10.59	2.65	6.00	10.96	2.74	6.00	11.34	2.84
11	Mangshilla-Tibuk	0.469	6.00	8.73	2.18	6.00	9.02	2.25	6.00	9.32	2.33	6.00	9.64	2.41	6.00	9.98	2.50
12	Men-Rongong	0.316	6.00	5.88	1.47	6.00	6.07	1.52	6.00	6.28	1.57	6.00	6.50	1.62	6.00	6.72	1.68
13	Namok-Swyem	0.324	6.00	6.03	1.51	6.00	6.23	1.56	6.00	6.44	1.61	6.00	6.66	1.66	6.00	6.89	1.72
14	Navay Shotok	0.698	6.00	13.00	3.25	6.00	13.42	3.35	6.00	13.87	3.47	6.00	14.35	3.59	6.00	14.85	3.71
15	Passingdong-Saffo	0.305	6.00	5.68	1.42	6.00	5.86	1.47	6.00	6.06	1.51	6.00	6.27	1.57	6.00	6.49	1.62
16	Phensong	0.312	6.00	5.81	1.45	6.00	6.00	1.50	6.00	6.20	1.55	6.00	6.41	1.60	6.00	6.64	1.66
17	Ramthang-Tanek	0.281	6.00	5.23	1.31	6.00	5.40	1.35	6.00	5.58	1.40	6.00	5.78	1.44	6.00	5.98	1.49
18	Ringhim-Namapatam	0.522	6.00	9.72	2.43	6.00	10.03	2.51	6.00	10.37	2.59	6.00	10.73	2.68	6.00	11.11	2.78
19	Rongong-Tumlong	0.44	6.00	8.19	2.05	6.00	8.46	2.11	6.00	8.74	2.19	6.00	9.04	2.26	6.00	9.36	2.34
20	Sakyong-Pentong	0.304	6.00	5.66	1.42	6.00	5.84	1.46	6.00	6.04	1.51	6.00	6.25	1.56	6.00	6.47	1.62

ANNEXURES

21	Ship-Gyer	0.237	6.00	4.41	1.10	6.00	4.56	1.14	6.00	4.71	1.18	6.00	4.87	1.22	6.00	5.04	1.26
22	Singhik - Sentam	0.583	6.00	10.86	2.71	6.00	11.21	2.80	6.00	11.58	2.90	6.00	11.98	3.00	6.00	12.41	3.10
23	Tingchim Chady	0.474	6.00	8.83	2.21	6.00	9.11	2.28	6.00	9.42	2.35	6.00	9.74	2.44	6.00	10.09	2.52
24	Tingvong	0.302	6.00	5.62	1.41	6.00	5.81	1.45	6.00	6.00	1.50	6.00	6.21	1.55	6.00	6.43	1.61
25	Toong-naga	0.506	6.00	9.42	2.36	6.00	9.73	2.43	6.00	10.05	2.51	6.00	10.40	2.60	6.00	10.77	2.69
TOTAL MANGAN DISTRICT		10.969	150.00	204.23	51.10	150.00	210.86	52.71	150.00	217.92	54.48	150.00	225.47	56.36	150.00	233.41	58.34
NAMCHI DISTRICT																	
1	Assangthang	0.346	6.00	6.44	1.61	6.00	6.65	1.66	6.00	6.87	1.72	6.00	7.11	1.78	6.00	7.36	1.84
2	Barfung Zarung	0.511	6.00	9.51	2.38	6.00	9.82	2.46	6.00	10.15	2.54	6.00	10.50	2.63	6.00	10.87	2.72
3	Ben Namphrik	0.854	6.00	15.90	3.98	6.00	16.42	4.10	6.00	16.97	4.24	6.00	17.56	4.39	6.00	18.17	4.54
4	Bermyak Tokal	0.533	6.00	9.92	2.48	6.00	10.25	2.56	6.00	10.59	2.65	6.00	10.96	2.74	6.00	11.34	2.84
5	Boomtar Salleybong	0.373	6.00	6.95	1.74	6.00	7.17	1.79	6.00	7.41	1.85	6.00	7.67	1.92	6.00	7.94	1.98
6	Borong Phamthang	0.635	6.00	11.82	2.96	6.00	12.21	3.05	6.00	12.61	3.15	6.00	13.05	3.26	6.00	13.51	3.38
7	Chuba Phong	0.327	6.00	6.09	1.52	6.00	6.29	1.57	6.00	6.50	1.62	6.00	6.72	1.68	6.00	6.96	1.74
8	Damthang	0.357	6.00	6.65	1.66	6.00	6.86	1.72	6.00	7.09	1.77	6.00	7.34	1.83	6.00	7.60	1.90
9	Denchung	0.257	6.00	4.79	1.20	6.00	4.94	1.24	6.00	5.11	1.28	6.00	5.28	1.32	6.00	5.47	1.37
10	Kamrang	0.36	6.00	6.70	1.68	6.00	6.92	1.73	6.00	7.15	1.79	6.00	7.40	1.85	6.00	7.66	1.92
11	Karek Kabrey	0.446	6.00	8.30	2.08	6.00	8.57	2.14	6.00	8.86	2.22	6.00	9.17	2.29	6.00	9.49	2.37

ANNEXURES

12	Kateng Pampbok	0.495	6.00	9.22	2.30	6.00	9.52	2.38	6.00	9.83	2.46	6.00	10.18	2.54	6.00	10.53	2.63
13	Kewzing Barkhim	0.609	6.00	11.34	2.83	6.00	11.71	2.93	6.00	12.10	3.02	6.00	12.52	3.13	6.00	12.96	3.24
14	Kitam Manpur	0.264	6.00	4.92	1.23	6.00	5.07	1.27	6.00	5.24	1.31	6.00	5.43	1.36	6.00	5.62	1.40
15	Kolathang Tokdey	0.529	6.00	9.85	2.46	6.00	10.17	2.54	6.00	10.51	2.63	6.00	10.87	2.72	6.00	11.26	2.81
16	Lamting Tingmo	0.529	6.00	9.85	2.46	6.00	10.17	2.54	6.00	10.51	2.63	6.00	10.87	2.72	6.00	11.26	2.81
17	Lekship	0.464	6.00	8.64	2.16	6.00	8.92	2.23	6.00	9.22	2.30	6.00	9.54	2.38	6.00	9.87	2.47
18	Lingi	0.52	6.00	9.68	2.42	6.00	10.00	2.50	6.00	10.33	2.58	6.00	10.69	2.67	6.00	11.07	2.77
19	Lingmoo Paiyong	0.547	6.00	10.19	2.55	6.00	10.51	2.63	6.00	10.87	2.72	6.00	11.24	2.81	6.00	11.64	2.91
20	Lungchok Kamarey	0.366	6.00	6.82	1.70	6.00	7.04	1.76	6.00	7.27	1.82	6.00	7.52	1.88	6.00	7.79	1.95
21	Mamley	0.238	6.00	4.43	1.11	6.00	4.58	1.14	6.00	4.73	1.18	6.00	4.89	1.22	6.00	5.06	1.27
22	Maniram Phalidara	0.383	6.00	7.13	1.78	6.00	7.36	1.84	6.00	7.61	1.90	6.00	7.87	1.97	6.00	8.15	2.04
23	Mellidara Paiyong	1.229	6.00	22.88	5.72	6.00	23.61	5.91	6.00	24.41	6.10	6.00	25.26	6.31	6.00	26.15	6.54
24	Mikhola Singithang	0.328	6.00	6.11	1.53	6.00	6.31	1.58	6.00	6.52	1.63	6.00	6.74	1.69	6.00	6.98	1.75
25	Nagi Ruchung	0.22	6.00	4.10	1.02	6.00	4.23	1.06	6.00	4.37	1.09	6.00	4.52	1.13	6.00	4.68	1.17
26	Namphing	1.229	6.00	22.88	5.72	6.00	23.62	5.91	6.00	24.41	6.10	6.00	25.26	6.31	6.00	26.15	6.54
27	Namthang Maneydara	0.577	6.00	10.74	2.69	6.00	11.09	2.77	6.00	11.46	2.87	6.00	11.86	2.96	6.00	12.28	3.07

ANNEXURES

28	Niya Mangzing	0.584	6.00	10.87	2.72	6.00	11.23	2.81	6.00	11.60	2.90	6.00	12.01	3.00	6.00	12.43	3.11
29	Perbing Dovan	0.347	6.00	6.46	1.62	6.00	6.67	1.67	6.00	6.89	1.72	6.00	7.13	1.78	6.00	7.38	1.85
30	Poklok	0.402	6.00	7.49	1.87	6.00	7.73	1.93	6.00	7.99	2.00	6.00	8.26	2.07	6.00	8.55	2.14
31	Ralong Namlung	0.56	6.00	10.43	2.61	6.00	10.76	2.69	6.00	11.12	2.78	6.00	11.51	2.88	6.00	11.92	2.98
32	Rameng Nizrameng	0.344	6.00	6.41	1.60	6.00	6.61	1.65	6.00	6.83	1.71	6.00	7.07	1.77	6.00	7.32	1.83
33	Rateypani	0.382	6.00	7.11	1.78	6.00	7.34	1.84	6.00	7.59	1.90	6.00	7.85	1.96	6.00	8.13	2.03
34	Ravong Barfung	0.52	6.00	9.68	2.42	6.00	10.00	2.50	6.00	10.33	2.58	6.00	10.69	2.67	6.00	11.07	2.77
35	Ravong Khop	0.497	6.00	9.25	2.31	6.00	9.55	2.39	6.00	9.87	2.47	6.00	10.22	2.55	6.00	10.58	2.64
36	Rong Bul	0.301	6.00	5.60	1.40	6.00	5.79	1.45	6.00	5.98	1.49	6.00	6.19	1.55	6.00	6.41	1.60
37	Sadam Rabitar	0.472	6.00	8.79	2.20	6.00	9.07	2.27	6.00	9.38	2.34	6.00	9.70	2.42	6.00	10.04	2.51
38	Salghari	0.431	6.00	8.03	2.01	6.00	8.29	2.07	6.00	8.56	2.14	6.00	8.86	2.21	6.00	9.17	2.29
39	Sanganath	0.216	6.00	4.02	1.01	6.00	4.15	1.04	6.00	4.29	1.07	6.00	4.44	1.11	6.00	4.60	1.15
40	Sangmo Rankey	0.454	6.00	8.45	2.11	6.00	8.73	2.18	6.00	9.02	2.25	6.00	9.33	2.33	6.00	9.66	2.42
41	Sorok Shyampani	0.455	6.00	8.47	2.12	6.00	8.75	2.19	6.00	9.04	2.26	6.00	9.35	2.34	6.00	9.68	2.42
42	Sripatam Gangang	0.935	6.00	17.41	4.35	6.00	17.97	4.49	6.00	18.57	4.64	6.00	19.22	4.80	6.00	19.90	4.97
43	Sumbuk kartikey	0.486	6.00	9.05	2.26	6.00	9.34	2.34	6.00	9.65	2.41	6.00	9.99	2.50	6.00	10.34	2.59
44	Suntoley Sukrubarey	0.54	6.00	10.05	2.51	6.00	10.38	2.60	6.00	10.73	2.68	6.00	11.10	2.77	6.00	11.49	2.87

ANNEXURES

45	Tanji Biktam	0.389	6.00	7.24	1.81	6.00	7.48	1.87	6.00	7.73	1.93	6.00	8.00	2.00	6.00	8.28	2.07
46	Tarku	0.562	6.00	10.46	2.62	6.00	10.80	2.70	6.00	11.16	2.79	6.00	11.55	2.89	6.00	11.96	2.99
47	Temu	0.669	6.00	12.46	3.11	6.00	12.86	3.22	6.00	13.29	3.32	6.00	13.75	3.44	6.00	14.24	3.56
48	Tingrithang	0.299	6.00	5.57	1.39	6.00	5.75	1.44	6.00	5.94	1.48	6.00	6.15	1.54	6.00	6.36	1.59
49	Tinikitam Rayong	0.355	6.00	6.61	1.65	6.00	6.82	1.71	6.00	7.05	1.76	6.00	7.30	1.82	6.00	7.55	1.89
50	Tintek Chisopani	0.628	6.00	11.69	2.92	6.00	12.07	3.02	6.00	12.48	3.12	6.00	12.91	3.23	6.00	13.36	3.34
51	Turuk Ramabung	0.604	6.00	11.25	2.81	6.00	11.61	2.90	6.00	12.00	3.00	6.00	12.42	3.10	6.00	12.85	3.21
52	Turung Mamring	0.597	6.00	11.12	2.78	6.00	11.48	2.87	6.00	11.86	2.96	6.00	12.27	3.07	6.00	12.70	3.18
53	Wak Omchu	0.392	6.00	7.30	1.82	6.00	7.54	1.88	6.00	7.79	1.95	6.00	8.06	2.01	6.00	8.34	2.09
54	Yangang Rangang	0.916	6.00	17.06	4.26	6.00	17.61	4.40	6.00	18.20	4.55	6.00	18.83	4.71	6.00	19.49	4.87
TOTAL NAMCHI DISTRICT		26.863	324.00	500.18	125.04	324.00	516.39	129.13	324.00	533.64	133.37	324.00	552.18	138.01	324.00	571.62	142.93
GRAND TOTAL :		100.000	1194.00	1862.03	465.51	1194.00	1922.29	480.57	1194.00	1986.55	496.64	1194.00	2055.06	513.77	1194.00	2128.06	532.02

ANNEXURES

Annexure 7.11

DEVOLUTION OF GRANTS TO URBAN LOCAL BODIES

(₹ in lakh)

Sl.No.	Name of the Urban Local Bodies	Percentage Devolution	2025-26			2026-27			2027-28			2028-29			2029-30		
			MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant	MAG	Basic Grant	Perf. Grant
1	Gangtok Municipal Corporation	67.563	50.00	599.06	149.77	50.00	618.46	154.61	50.00	639.13	159.78	50.00	661.17	165.29	50.00	684.65	171.16
2	Namchi Municipal Council	9.488	50.00	84.13	21.03	50.00	86.85	21.71	50.00	89.75	22.44	50.00	92.85	23.21	50.00	96.15	24.04
3	Rangpo Nagar Panchayat	7.282	50.00	64.57	16.14	50.00	66.66	16.66	50.00	68.89	17.22	50.00	71.26	17.82	50.00	73.79	18.45
4	Singtam Nagar Panchayat	3.658	50.00	32.43	8.11	50.00	33.48	8.37	50.00	34.60	8.65	50.00	35.80	8.95	50.00	37.07	9.27
5	Mangan Nagar Panchayat	3.260	50.00	28.91	7.23	50.00	29.84	7.46	50.00	30.84	7.71	50.00	31.90	7.98	50.00	33.04	8.26
6	Jorethang Nayabazar Nagar Panchayat	5.736	50.00	50.86	12.71	50.00	52.51	13.13	50.00	54.26	13.57	50.00	56.13	14.03	50.00	58.13	14.53
7	Gyalshing Nagar Panchayat	3.013	50.00	26.72	6.68	50.00	27.58	6.89	50.00	28.51	7.13	50.00	29.49	7.37	50.00	30.53	7.63
	TOTAL :	100.000	350.00	886.68	221.67	350.00	915.38	228.83	350.00	945.98	236.50	350.00	978.60	244.65	350.00	1013.36	253.34

PRESS RELEASE

6/28/23, 11:17 AM

Sikkim Express

SIKKIM EXPRESS

OF THIS LAND, FOR ITS PEOPLE

6th SFC holds meeting with former commission members

SE Report

GANGTOK, April 17: The Sixth State Finance Commission conducted a meeting with former State Finance Commission (SFC) members to provide institutional continuity to the works of SFCs and to receive valued inputs from the former SFC members for preparation of 6th SFC report.

The meeting was chaired by 6th SFC chairperson Tashi Cho Cho and attended by member Roshni Rai, member secretary Raj N Pradhan, 5th SFC chairman Tsegyal Tashi,



5th SFC members Tashi W Klungsarpa, MN Dhakal and Bikram Tamang, 5th SFC member secretary Mahendra Pradhan and Manoj Rai and Anshuman Karol from PRIA,

New Delhi.

Various issues regarding the State Finance Commission were discussed in detail. Valuable inputs put forth by the former

chairperson and members has been taken note by the present State Finance Commission and will be deliberated upon for its inclusion in the report, the release adds.

6/28/23, 11:11 AM

Sikkim Express

SIKKIM EXPRESS

OF THIS LAND, FOR ITS PEOPLE

State Finance Commission meeting with SHGs

GANGTOK, June 1 (IPR): Tashi Cho Cho, Chairperson, 6th State Finance Commission, Government of Sikkim, chaired a meeting with self-help groups at the conference hall of Chintan Bhawan today.

The meeting was attended by Raj Narayan Pradhan, member secretary, SFC; Roshni Rai, member, SFC; Tenzing D. Denzongpa, member, SFC; and Dr Anshuman Karol and Manoj Rai from Participatory Research in Asia, New Delhi (PRIA). The meeting also had the attendance of Tenzing Kaleon, CEO, NRLM, officials from Urban Development department and various representatives from the SHGs.

The objective of the meeting was to understand the framework of current relationship of self-help groups with the PRIs and ULBs in the State.

Anshuman Karol, in his presentation, gave an overview of the meeting and highlighted the purpose. He also briefed the representatives on the importance of the meeting to improve their functioning at their local levels. He also urged them to give suggestions and feedback for their



betterment so that the commission can further forward their suggestions to the State government. After the presentation, the house was open for discussion. Many suggestions were laid down before the commission with a healthy interaction between the commission and the SHGs representatives present in the meeting.

After the discussion, Tashi Cho Cho presented her views before the house. She stated that she was overwhelmed by the positive feedback from the participants and further suggested the SHGs members enact a positive role as civil societies for the upliftment of their respective gram and zilla wards.

PRESS RELEASE

6/28/23, 10:46 AM

Sikkim Express

SIKKIM EXPRESS
OF THIS LAND, FOR ITS PEOPLE

Finance Commission chairperson convenes meeting with line dept officials

GANGTOK, April 19 (PR): The chairperson of 6th State Finance Commission, Tashi Cho Cho, chaired a meeting with State-level officials from Rural Development, Urban Development and Finance departments here at the conference hall of Chintan Bhawan today.

The objective of the meeting was to understand the current state of devolution and activity mapping of the 3 Fs (Functions, Funds and Functionaries) for PRIs and ULBs.

During the meeting, reflections and suggestions were given by participants from their respective line departments where various issues such as GST in the State, restriction of tax division, auditing of accounts,



initiation of a dedicated SIC Cell, accountability of transferred funds, streamlining of CSR funds, review of performance of PRIs, transfer of functions were discussed at great length.

Chairperson Tashi Cho

Cho thanked the participants for their valuable suggestions. Taking into account the earlier suggestions given by the participants, she requested a dedicated SIC Cell for proper initiation and monitoring of funds. In

her concluding remark, she stressed on the importance of digitisation and recommendation of funds for such projects.

6th State Finance Commission member secretary Raj N. Pradhan thanked the participants for a fruitful

meeting and hoped that same sort of meeting will take place in the future.

The meeting had the presence of Finance secretary (Revenue) Iteusan Subba, Finance principal director (Budget) Kumar Bardewa, commissioner (Commercial Tax Division) Manoj Rai, special secretary - commissioner director for Socially Bharati Mission (Gramin) (SBMGI) Benu Gurung, director (Loan & Revenue) Chupel T. Bhutia, Rural Development additional secretary Koshi Kapil, Urban Development additional secretary Abinash Rai, MHNRI USA additional secretary Subha Mukhia, Rural Development chief accounts officer Nandish Pradhan and officers from line departments.

6/28/23, 11:02 AM

Sikkim Express

SIKKIM EXPRESS
OF THIS LAND, FOR ITS PEOPLE

6th Finance Commission holds meeting with Zilla representatives

GANGTOK, May 30 (PR): The chairperson 6th Finance Commission, Tashi Cho Cho, chaired the technical support session with the Zilla Adhyaksha, Upadhyaksha, Secretaries and DPOs of all Zilla of Sikkim at the conference hall of Chintan Bhawan on Tuesday.

The main objective of the meeting was to take suggestions from Zilla Panchayats for strengthening of recommendations on 6th State Finance Commission which will be implemented from 2025-26 to 2029-30 in Sikkim.

During the meeting, various issues such as recommendations of the 6th SFC and present issue with all Zillas were discussed at great length between Zilla representatives and the 6th State Finance Commission.

Chairperson Tashi Cho Cho in her address, extended congratulations to the newly-elected Zilla Adhyakshas and Upadhyakshas. She apprised the Zilla Panchayats about the strict regulations governing the CSR funds and suggested



territorial discontinuities to create their own revenue by prioritizing the opportunities such as tourism and clustering marketing in rural areas which is the need of the hour. Further, she requested the Zilla Panchayats to work in tandem with the Gram Panchayats for holistic development of rural areas.

She also requested the Zilla Panchayats to learn best practices from successful Panchayat wards and replicate it in other wards. She assured to look into various issues such as endorsement of honorarium to Zilla members, funds in Zilla panchayats during natural calamities and

separate funds for the newly formed districts. Touching on the subject of self-sustenance she spoke about full assistance from the State Government to generate self-dependence initiative such as cluster-village schemes which would benefit OPLs with sparse resources. Furthermore, she assured in

assist the newly formed Districts such as Soreng and Pakyong as per their needs. In the end, she thanked the Zilla Panchayats for their valuable suggestions and assured to implement the suggestions to support the Panchayat Raj institutions.

Present in the meeting were members of the 6th Finance Commission, representatives from Participatory Research in Asia (PRIA), New Delhi, Manoj Rai and Anshuman Karol, district collectors, Gangtok Zilla Adhyaksha Butaram Adhikari, Upadhyaksha Devi Maya Pradhan, Pakyong Zilla Adhyaksha Laxmi Bhutia, Upadhyaksha Prabha Pradhan, Gangtok Zilla Adhyaksha D.S. Sobba, Upadhyaksha Anita Rai, Soreng Zilla Adhyaksha Tila Devi Gurung, Upadhyaksha Chandan Bir Kani, Mangang Zilla Adhyaksha Kalia Lepcha, Upadhyaksha Kola Bhutia, Namchi Zilla Adhyaksha Anita Bhutia, Upadhyaksha Binayak Tamara, Zilla members and district planning officers.

PRESS RELEASE

1055AN Sikkim Express

IKKIM EXPRESS
BY THE PEOPLE FOR THE PEOPLE

Finance Commission holds consultation meeting with panchayats



GANGTOK, May 29 (IPR): The chairperson of the 6th Finance Commission, Tashi Cho Cho, chaired the first day of the second phase of consultations of Sixth State Finance Commission meeting with elected members of Gram Panchayats here at Chintan Bhawan today.

The main objective of the meeting was to understand the GPU's experience with past State Finance Commission recommendations, to discuss the bottlenecks faced by Gram Panchayats and their solution, capacity building, resource mobilization and additional financial requirements of GPUs and additional financial requirements and capacity building for remote and newly-constituted GPUs.

The second phase of Rural Development

Sikkim Express

IM EXPRESS
BY THE PEOPLE FOR THE PEOPLE

Finance Commission ...

consultations which is to enhance capacities for efficient and accountable governance locally, enhance own source resource generation and build capacities to negotiate and partner with stakeholders at local level.

During the meeting, an interactive session also took place between member secretaries of 6th Finance Commission, PRIA representatives and elected members of GPUs.

The meeting also had the presence of Urban Development special secretary Roshni Rai, RDD director Raj Narayan Pradhan and PRIA representatives Manoj Rai and Anshuman Karol.

PRESS RELEASE

6/28/23, 11:10 AM

Sikkim Express

SIKKIM EXPRESS

OF THIS LAND, FOR ITS PEOPLE

6th State Finance Commission holds meeting with corporates

GANGTOK, June 1 (IPR): Tashi Cho Cho, Chairperson, 6th State Finance Commission, Government of Sikkim, chaired a meeting with the corporate houses of Sikkim, at the conference hall of Chintan Bhawan today.

The meeting was attended by Koshni Rai, member, SFC; Tenzing D. Denzongpa, member, SFC; Raj Narayan Pradhan, member secretary, SFC; Anshuman Karol, Participatory Research in Asia, New Delhi (PRIA); Manoj Rai; Choden Gensapa, deputy director, Commerce & Industries, and representatives from the industrial units from the State.

At the start, the gathering was introduced to the agenda of the meeting by Raj Narayan Pradhan. Thereupon, the meeting was carried forward through a Power Point presentation where the member of PRIA, Anshuman Karol briefed the participants about the mandate of the 6th State Finance Commission. He highlighted the various recommendations of the 6th SFC and the current scenario of CSR in the State.

The presentation proceeded with a discussion session facilitated by Manoj Rai. The members of the SFC also participated in the discussion. The corporate representatives appraised the chair about their activities in the State. The representative from

PRIA said that an institutional arrangement must be put in place to optimise and pool the available CSR resources that can be distributed in the State. Various issues regarding the administration of CSR in Sikkim were placed before the Commission by the corporate units which have been noted for further deliberation.

Later, Tashi Cho Cho informed that the Commerce & Industries department has been notified as the nodal department by the government for CSR activities in the State and urged the officials of the nodal department to lead and frame the guidelines for mobilization of CSR funds. She informed that the purpose of the meeting is basically to understand how PRIs and ULBs could access CSR funds and the role of the corporate houses could help the PRIs and ULBs. She further requested the nodal department to adopt the guidelines within the framework of company policies. In addition, she also urged the corporates to have uniformity in implementing the funds and avoid duplication of work.

The meeting also discussed the current status of CSR initiatives of the companies and their existing links with the gram panchayat units, zilla panchayat and urban local bodies.

The meeting was convened to understand the issues regarding Corporate Social Responsibility.

6/28/23, 11:04 AM

Sikkim Express

SIKKIM EXPRESS

OF THIS LAND, FOR ITS PEOPLE

6th Finance Commission holds consultation meeting with ULB members

GANGTOK, May 30 (IPR): The Sixth State Finance Commission conducted a consultation meeting with the elected members of Urban Local Bodies (ULBs) of the State at Chintan Bhawan today.

The meeting was chaired by 6th State Finance Commission chairperson - cum-secretary Tashi Cho Cho in the presence of RDD director (Panchayat) Tenzing D. Denzongpa, Urban Development - special secretary Koshni Rai and RDD director Raj Narayan Pradhan along with Manoj Rai, Anshuman Karol and other representatives of PRIA.

The meeting was attended by elected members of ULBs, mayor, deputy mayor, chairperson, vice chairperson, president, vice president, CEOs of the State and Society for Participatory Research in Asia (PRIA), New Delhi.

6th SFC member secretary Raj Narayan Pradhan briefed about the 6th State Finance Commission. He discussed about the objectives of the meeting. He also mentioned that the commission would like to



hear the grievances and suggestions of the elected members of ULBs.

The primary objective of the meeting was to understand the overall experiences of the ULBs with past SFC recommendations, current opportunities and challenges at ULB levels and to understand capacity building, resource mobilization and additional financial requirements of the ULBs.

PRIA member Anshuman Karol gave a power point presentation on the key roles of State Finance Commission as mandated by Article 243(1) of the Constitution of India.

Likewise, he highlighted the key recommendations of the 5th SFC accepted by the Government of Sikkim. Out of 24 recommendations, 23

were accepted by the government including preparation of Output Oriented Responsibility Matrix for PRIs and ULBs and Responsibility Matrix for the State government.

An open discussion was facilitated between PRIA and the elected members of ULBs about the issues regarding the State Finance Commission.

In the deliberation that followed, the issue that came about was mainly concerning the increase in the honorarium of the elected representatives, augmentation of fund of Zilla Panchayats, lack of awareness on provision of the Sikkim Panchayat Act, provision for natural calamity fund and other relevant support.

The 6th State Finance Commission chairperson, in her closing remarks, urged the

ULBs, which is also a local self-government body, to come out with innovative ideas for revenue generation and also to explore facilities provided by emerging technology and digitization.

PHOTO GALLERY

NATIONAL CONCLAVE OF STATE FINANCE COMMISSIONS
AT NIRD&PR AT HYDERABAD ON 29th and 30th November, 2022



PHOTO GALLERY



PHOTO GALLERY

GLIMPSES OF STAKE HOLDERS CONSULTATION MEETINGS PHASE-I (APRIL ,2023)



PHOTO GALLERY

GLIMPSES OF STAKE HOLDERS' CONSULTATION MEETINGS PHASE-II (MAY – JUNE, 2023)



PHOTO GALLERY

MEETINGS WITH PRIA AT NEW DELHI 25TH-26TH SEPTEMBER, 2023



TEAM SIXTH FINANCE COMMISSION, SIKKIM



Sitting (From Left to Right): Shri Tenzing D Denzongpa, Director (Panchayat)-cum-Member, 6th SFC; Smt. Tashi Cho Cho, Secretary, Home Department-cum-Chairperson, 6th SFC; Smt. Roshni Rai, Secretary, Sikkim Information Commission-cum-Member, 6th SFC & Shri Raj N. Pradhan, Director (Finance & Accounts) RDD-cum-Member Secretary, 6th SFC.

Standing (From Left to Right): Smt. Leela Rai, LDC; Smt. Bala Subba, Office Attendant; Smt. Jenisha Rai, Office Assistant & Shri Pempa T Bhutia, Sr. Accountant (RDD)-cum-Office Administrator, 6th SFC.