

*Report*  
*of the*  
*Fourth State Finance Commission*  
*Himachal Pradesh*

*January, 2014*

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# CHAPTER-I

## INTRODUCTION

### STATE PROFILE

- 1.1. Himachal Pradesh came into being as a part "C" State of the Indian Union on 15<sup>th</sup> April, 1948 by integration/ merger of 30 big and small hill states and was conferred statehood on 25<sup>th</sup> January, 1971.
- 1.2. Himachal Pradesh is situated between 30° 22' 40" to 33° 12' 20" north latitudes and 75° 45' 55" to 79° 04' 20" east longitudes. The altitude in the Pradesh, a wholly mountain region in the lap of Himalayas, ranges from 350 metres to 6975 metres above mean sea level. It is surrounded by Jammu and Kashmir on the north, Tibet on the north east, Uttarakhand on east/ south east, Haryana on south and Punjab on south west/west. The State has an area of 55,673 Sq. Kms. which is only 1.69% of the total geographical area of India. The total population of the state is 68.57 lakh as per 2011 census.
- 1.3. Since 1<sup>st</sup> September, 1972, there have been no changes in the administrative structure of Himachal Pradesh except carving out of new sub – divisions, sub-tehsils, upgrading of sub- tehsils to the level of tehsils within the district boundaries. Presently, there are 12 districts, 53 sub- divisions, 84 tehsils and 34 sub- tehsils in Himachal Pradesh.
- 1.4. From development point of view, the Pradesh is divided into 77 development blocks. The smallest unit of development-cum- administration is Gram Panchayat. The State has a three tier Panchayati Raj structure comprising 12 Zila Parishads, 77 Panchayat Samities and 3243 Gram Panchayats. The State has one Municipal Corporation, 25 Municipal Councils and 24 Nagar Panchayats.

## CONSTITUTION OF THE COMMISSION AND TERMS OF REFERENCE

- 1.5. Towards evolving and ensuring active participation of the grass-root level local government bodies in the democratic governance, the Constitution of India was amended through 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments to make space for the Panchayati Raj Institutions and Urban Local Bodies as the third level of democratic governance at local level.
- 1.6. Article 243 (I) and Article 243(Y) of the Constitution envisages constitution of State Finance Commission at the expiration of every fifth year to review the financial position of the Panchayats and the Municipalities and make recommendations to the State Government for strengthening the financial position of these institutions.
- 1.7. As a consequence of this amendment, the Government of Himachal Pradesh enacted/amended the existing Himachal Pradesh Panchayati Raj Act and put in place a new Himachal Pradesh Panchayati Raj Act, 1994. Himachal Pradesh Municipal Act, and Himachal Pradesh Municipal Corporation Act, were also enacted in the same year, to meet the spirit of the constitutional amendments.
- 1.8. The First State Finance Commission was constituted by the State Government in the year 1994. The tenure and composition of first three State Finance Commissions remained as under:

Name	Tenure	Composition
First State Finance Commission	23 <sup>rd</sup> April, 1994	Sh. S.C. Nayar, M.L.A. -Chairman
	to 30 <sup>th</sup>	Sh. Avay Shukla, IAS -Member
	November, 1996	Sh. D.K. Sharma, -Member Secretary
Second State Finance Commission	5 <sup>th</sup> April, 1998	Sh. K. D. Dharmani, M.L.A. - Chairman
	to 24 <sup>th</sup> October,	Sh. Narinder Chauhan, IAS -Member
	2002	Sh. D.K. Sharma, -Member Secretary
Third State Finance Commission	26 <sup>th</sup> May, 2005	Sh. Kuldeep Singh Pathania, M.L.A. -Chairman
	to 2 <sup>nd</sup>	Sh. Narinder Chauhan, I.A.S. - Member
	November, 2007	Sh. D.K. Sharma, - Member Secretary

- 1.9. The Fourth State Finance Commission was constituted vide Himachal Pradesh Government Notification No. Fin-IF(C)-A (3) 4/2004 dated 20<sup>th</sup> May, 2011. The text of the notification is reproduced below:

“In exercise of the powers conferred by section 98(1) of the Himachal Pradesh Panchayati Raj Act, 1994 (Act No. 4 of 1994) read with Articles 243-I and 243-Y of the Constitution of India, the Governor of Himachal, is pleased to constitute the Fourth H.P. State Finance Commission to review the financial position of the Panchayats and Municipalities and devolution of resources to these institutions and to appoint the following as its Chairman and Members with immediate effect. The Chairman and Members will look after this job in addition to their own work:-

- |   |                                  |
|---|----------------------------------|
| 1. Shri Dile Ram, MLA                           | Chairman                         |
| 2. Sh. S.K.B.S. Negi,<br>Pr, Secretary (PR &RD) | Member (ex-officio)              |
| 3. Dr. S.K. Shad, Adviser (Planning)            | Member Secretary<br>(ex-officio) |

The Commission shall make recommendations to the Government as to:-

- (a) the principles which should govern-
- (i) the distribution between the State and Panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the Government which may be divided between them and allocation between all levels of the Panchayats/ Municipalities 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 Panchayats and Municipalities;
  - (iii) the grants-in-aid to Panchayats/ Municipalities from the consolidated fund of the State;
- (b) to suggest measures needed to improve the financial position of the Panchayats/ Municipalities;

- (c) the Commission should make a normative assessment of needs based on the actual devolution of functions to each tier of the PRIs and assessment of potential fiscal capacity based on the tax and non-tax resources available to PRIs in making any recommendations on devolving untied grants or share of State taxes to these bodies.
- (d) the Commission should make an assessment of recurring grants for specific schemes of the State Government relating to support for honorarium and expenses of elected representatives and employees of PRIs and suggest improvements in these schemes in order to promote the exercise of fiscal autonomy and responsibility by the PRIs.
- (e) the Commission should suggest appropriate ways to take forward the process of devolution of functions, funds and functionaries to the PRIs keeping in view the existing-delivery system and the financial capacity of the State Government. It may make specific suggestions with regard to:
- support for pilots to hand over responsibility for delivery of primary education, primary health, water and sanitation and rural roads to appropriate levels of PRIs;
  - changes in legislation and procedures necessary to enhance the tax and non tax capacity of the PRIs consistent with accepted principles of taxation at the local level;
  - Strengthening of administrative capacity of PRIs by placing under their control relevant categories of employees either by way of recruitment at the level of relevant tiers of the PRIs or by seconding of existing State Government staff to them.
- (f) any other matter referred to the 4th H.P. State Finance Commission by the Government in the interest of sound finances of the Panchayats and Municipalities.

The Commission shall devise its own procedure and appoint such advisers, Institutional Consultants as it may consider necessary. It may call for such information and take such evidence as it may consider necessary.

The Commission shall make its report available by 31<sup>st</sup> December, 2011 covering a period of five years commencing from 1<sup>st</sup> April, 2012.

The Planning Department would be the nodal department for functioning of the Commission on the pattern of 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> State Finance Commissions.

1.10 The composition of the Fourth State Finance Commission was modified upon retirement of Dr. S. K Shad, Adviser (Planning)-cum- Member Secretary (ex-officio) Fourth State Finance Commission. Sh Subhashish Panda, IAS, Adviser Planning held the charge of the Member Secretary from 1<sup>st</sup> July to 24<sup>th</sup> July, 2012. Thereafter, Dr. S. K Shad was re-employed as full time Member Secretary vide Office Order No. Fin. IF ( C) A(3) 4/2011 dated 24<sup>th</sup> July, 2012.

1.11 After State Assembly Elections and formation of new Government in the State, Sh Dile Ram, resigned from the post of the Chairman, Fourth State Finance Commission and the State Government accepted his resignation vide notification No. Fin-IF(C)A(3)4/2011 dated 31<sup>st</sup> December, 2012. The services of Dr. S. K. Shad, Member Secretary, Fourth State Finance Commission were also terminated vide Notification No.Fin-IF(C)A(3)4/2011 dated 31<sup>st</sup> December, 2012. Thereafter, the State Government vide notification No. Fin-IF (C)-A (3)4/2004 dated 26<sup>th</sup> February, 2013 has appointed the following as the Chairman and Members of the Fourth State Finance Commission:

- |                       |                                |
|-----------------------|--------------------------------|
| 1. Sh. Sudripta Roy,  |                                |
| Chief Secretary       | Chairman                       |
| 2. Dr. A. R. Sihag,   |                                |
| Pr. Secretary (PR&RD) | Member (Ex- Officio)           |
| 3. Sh. Maneesh Garg   |                                |
| Adviser (Planning)    | Member Secretary (Ex- Officio) |



- 1.12 The composition of the Fourth State Finance Commission was further modified upon proceeding of Dr. A. R. Sihag, I.A.S. Member on deputation to the Government of India. In his place Mrs. Upma Chawdhry, I.A.S., Principal Secretary (Rural Development & Panchayati Raj) remained the ex-officio Member of the Commission and held the charge throughout the tenure of the Commission. On proceeding of Sh Maneesh Garg, I.A.S. Adviser Planning-cum- Member Secretary, State Finance Commission on long term foreign training in U.K, Dr. Amandeep Garg, I.A.S, officiated as Member Secretary of the Commission.
- 1.13 Later on proceeding of Sh. Sudripta Roy, I.A.S, Chief Secretary-cum-Chairman, Fourth State Finance Commission on medical leave, Sh Kuldeep Kumar, Member of Legislative Assembly was nominated as Chairman of the Fourth State Finance Commission vide Notification No. Fin-IF (C)-A (3)4/2004 dated 21<sup>st</sup> October, 2013.
- 1.14 The tenure of the Fourth State Finance Commission was notified up to 31<sup>st</sup> December, 2011 vide notification No. Fin-IF(c)-A (3)4/2004 dated 20<sup>th</sup> May, 2011. This was done in view of the fact that the recommendations of the Third State Finance Commission were from 2007-08 to 2011-12 and the recommendations of the Fourth Finance Commission were to start from the year 2012-13. As per the notification, the Fourth State Finance Commission was to submit its report by 31<sup>st</sup> December, 2011, but it was not possible for the Commission to submit the complete report in a short period of six months that too without staff. After the notification, it took about one year to make the Secretariat of the Commission fully functional. The main reasons attributed to this delay were the non- availability of surplus staff with other Departments/ Boards/ Corporations and inordinate delay at the government level for according approval to change the approved mode of recruitment for staff. The tenure of the Commission was extended four times, first upto 19<sup>th</sup> May, 2012 vide notification No. Fin-IF(C)-A (3)4/2011 dated 12<sup>th</sup> January, 2012, and then upto 30<sup>th</sup> June, 2013 vide notification of even No. dated 22<sup>nd</sup> June, 2012 and thereafter upto 31<sup>st</sup> December, 2013 vide notification dated 8<sup>th</sup> July, 2013 and lastly upto 31<sup>st</sup> March, 2014 vide notification dated 24<sup>th</sup> December, 2013. The copies of the notification pertaining to constitution and extension sought by the Commission are appended to the report as **Appendix-I**.

## INTERNAL MEETINGS OF THE COMMISSION

1.15 The Fourth State Finance Commission held four internal meetings. The important decisions taken in these meetings are given below:

Details of Meeting	Date	Important Decisions
First Meeting	31.05.2011	<ul style="list-style-type: none"> <li>(i) Establishment of the Secretariat of the Commission.</li> <li>(ii) Decided to study the models of the State Finance Commissions of different States like Karnataka, Kerala, Gujarat, Maharashtra and Andhra Pradesh where SFCs are already working.</li> <li>(iii) Decided to seek action taken report on the recommendations of the Third State Finance Commission.</li> <li>(iv) Finalisation of the budget requirements.</li> <li>(v) Decision to submit Interim Report by the Commission.</li> <li>(vi) General action plan for the Fourth State Finance Commission finalised</li> </ul>
Second Meeting	06.09.2011	<ul style="list-style-type: none"> <li>(i) The status of establishment of the Secretariat of the Commission was reviewed.</li> <li>(ii) Decided to adopt item No. 8 " Procedure and Powers of the Commission" of The Finance Commission (Miscellaneous Provisions) Act, 1951 as circulated by the Ministry of Panchayati Raj, Government of India vide letter No. 38012/TFC/2008 dated 27<sup>th</sup> April, 2011, for its working.</li> <li>(iii) The resource transfers recommended by the Third State Finance Commission in respect of Urban Local Bodies were reviewed and the State</li> </ul>

		Government was asked to restore the observed shortfall, immediately.
Third Meeting	09.10.2012	<p>(i) The status of the survey work was reviewed and decision taken to extend the time period for the survey keeping in view the constraints being faced by Lok Mitra Kendras in the field.</p> <p>(ii) The status of block level meetings with the representatives of PRIs and ULBs was reviewed and decision taken to hold meetings with the representatives of the left out districts.</p> <p>(iii) The functioning of the Secretariat of the Commission was reviewed and decision taken to process the pending administrative matters with the State Government, on priority for the smooth functioning of the Commission.</p> <p>(iv) Decided to hold meetings with the Department of Panchayati Raj, Urban Development and Municipal Corporation, Shimla to firm up its views on the issues presented by these departments in their memorandums submitted to the Commission</p>
Fourth Meeting	04.03.2013	(i) Decided to submit the second Interim Report for the period 2013-14

## **INTERIM REPORTS OF THE COMMISSION**

### **NEED FOR THE FIRST INTERIM REPORT FOR THE YEAR 2012-13**

1.16 As has been discussed above, the Fourth State Finance Commission was set up by the State Government on 20<sup>th</sup> May, 2011 and it was required to submit its report by 31<sup>st</sup> December, 2011. Due to delayed functioning of the Secretariat of the

Commission, coupled with the reasons given below, the Commission decided to submit its' Interim Report for the first year i.e. 2012-13;

- I. Thirteenth Finance Commission (2010-2015) Volume-I Report vide Chapter-10: Local Bodies, Para 10.160 (v) has laid down that the State Government must prescribe through an Act the qualifications of persons eligible for appointment as members of the State Finance Commission consistent with Article 243 I (2) of the Constitution. It has further specified that passage of relevant legislation and its notification will demonstrate compliance with this condition. It also laid down some other conditions to be fulfilled by the State Government. The final notification prescribing the qualification for the members of the Fourth State Finance Commission was issued by the State government in the month of April, 2011. This led to the delay in the constitution of Fourth State Finance Commission.
- II. The issue of the preparation of the report by the Finance Commission was discussed in detail in the first meeting of the Commission held on 31.05.2011. The Commission was of the opinion that the constitution of Fourth State Finance Commission has been delayed and it is difficult to submit the report by 31<sup>st</sup> December, 2011 as this involves number of processes such as collection of primary and secondary data/information from PRIs & ULBs, consultations/discussions with public representatives at different levels, etc.
- III. The Commission in its second meeting held on 06.09.2011 discussed the status of posts created in the Fourth State Finance Commission by the Finance Department. The Commission observed that staff needs to be provided on the pattern of Third State Finance Commission to accomplish the time bound task assigned to it. Accordingly, the matter for the creation of posts on the pattern of Third State Finance Commission was sent to the Finance Department. The Finance Department did not agree to the proposal sent by the Commission.
- IV. The Fourth State Finance Commission was set up by the Government on 20<sup>th</sup> May, 2011. As a consequence, the Member Secretary assumed charge with immediate effect and the Chairman assumed charge on 21.5.2011. The State

Finance Commission was required to submit its report by 31<sup>st</sup> December, 2011. The secretarial and supporting technical staff of the Commission could not be engaged in time due to lengthy procedures and delayed approvals.

V. Since, all the posts created in the Fourth State Finance Commission were required to be filled up on secondment basis; the vacancies were circulated to all the departments on 6<sup>th</sup> August, 2011 to invite applications. But no recommendations were received from the departments despite best efforts. The notification for posting of secretarial staff from the Planning Department was issued by the State Govt. on 7<sup>th</sup> January, 2012. As such, it was not possible for the Commission to submit its report by 31.12.2011.

VI. The Commission was constituted in May, 2011 and was required to submit its report for the period 2012-2017 by 31<sup>st</sup> December, 2011. But the Secretariat of the Commission partially became functional in the month January 2012 after posting of staff from the Planning Department on secondment basis. So, it was difficult for the Commission to submit its report in the given time frame.

VII. The recommendations made by the Third State Finance Commission were upto 31-3-2012 and the award period of the Fourth State Finance Commission was to begin from 01.04.2012. This necessitated the need for an Interim Report for the first year of the award period of the Fourth State Finance Commission.

1.17 Keeping in view the facts and circumstances discussed above, the Commission was constrained to submit an Interim Report on 31<sup>st</sup> January, 2012 for the first year of the award period i.e. 2012-13. A resource transfer of Rs. 111.02 crore (Rs. 53.95 crore for PRIs and 57.07 crore for ULBs) was recommended by the Commission for the given year. A copy of the report is appended as **Appendix-II**.

#### **NEED FOR THE SECOND INTERIM REPORT FOR THE YEAR 2013-14**

1.18 Although the Fourth State Finance Commission was constituted by the State Government on 20<sup>th</sup> May, 2011 but the officers and the staff could not be

appointed in time due to various official formalities. Despite best efforts, the Secretariat of the Commission could be made fully functional in May, 2012 .

- 1.19 The questionnaires for collecting information from Panchayati Raj Institutions and Urban Local Bodies were prepared in time. The work to undertake survey for assessing the receipts and expenditure of the Panchayati Raj Institutions and Urban Local Bodies through Lok Mitra Kendras was assigned to the Department of Information Technology, Himachal Pradesh in the month of May, 2012.
- 1.20 The Commission held regular meetings with the Department of Information Technology to review the status of the survey work. The matter for providing support and cooperation to the staff of the Lok Mitra Kendras was taken up by the Commission with the Department of Panchayati Raj and Urban Development.
- 1.21 Keeping in view the status of data received through Lok Mitra Kendras, the Commission also started the process of data collection at its own level in the month of September, 2012 by sending the designed questionnaires to the Gram Panchayats, by post (to whom the Questionnaires were not circulated through Lok Mitra Kendras) , mailing the schedules to the District Panchayat Officers/Block Development Officers for expediting information in respect of Zila Parishads/Panchayat Samities. The same process was followed for the Urban Local Bodies also.
- 1.22 The Commission held block-level meetings with the representatives of PRIs and ULBs of Mandi, Hamirpur, Kangra, Shimla, Solan, Kinnaur and Kullu districts to obtain views and suggestions from the representatives of these bodies to strengthen the local governance system. In these meetings, training was also imparted to the representatives to give information on the receipts and expenditure pertaining to their local bodies as per the questionnaires designed by the Commission. But the response from PRIs and ULBs remained very slow.
- 1.23 The Commission could not gear up its activities of data collection and interaction with the concerned departments due to the State Assembly Elections and

imposition of Code of Conduct in the State from 4<sup>th</sup> October, 2012 to 27<sup>th</sup> December, 2012.

- 1.24 The institution-wise status of data received by the Commission as on 31<sup>st</sup> December, 2012 remained as under:

Sr. No	Name of Institution	Total Institutions	Information received through LMKs	Information directly received by the Commission	Total receipts
<b>A. Panchayati Raj Institutions.</b>					
1.	Gram Panchayat	3243	88	60	148
2.	Panchayat Samiti	77	-	20	20
3.	Zila Parishad	12	-	4	4
<b>B. Urban Local Bodies</b>					
1.	Municipal Corporation	1	-	1	1
2.	MCs/ Nagar Panchayats	50	-	8	8

- 1.25 With the received information it was not possible for the Commission to make assessment of receipts and expenditure of the PRIs and ULBs for the award period of the Fourth State Finance Commission.

- 1.26 To meet the constitutional obligations and for providing continuity, the Commission in its' fourth meeting held on 4<sup>th</sup> March, 2013 decided to give the Second Interim Report for the period 2013-14 and submitted its' report to the State Government on 12<sup>th</sup> March, 2013. A resource transfer of Rs. 127.38 crore (Rs. 63.83 crore for PRIs and 63.55 crore for ULBs) was recommended by the Commission for the given year. A copy of the report is appended as **Appendix-III**.

## **NEED FOR THE THIRD INTERIM REPORT FOR THE PERIOD 2014-15 TO 2016-17**

1.27 In terms of article 280 of the Constitution of India, the Government of India has constituted the Fourteenth Finance Commission vide Presidential Order dated 2<sup>nd</sup> January, 2013 under the Chairmanship of Dr. Y. V. Reddy. The recommendations of the Fourteenth Finance Commission will cover the period of five years from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2020.

1.28 As mandated in the Constitution, the Commission is required to make recommendations as to the following matters:

- i. the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them under Chapter I Part XII of the Constitution and the allocation between the States of the respective shares of such proceeds;
- ii. the principles which should govern the grants in aid of the revenues of the States out of the Consolidated Fund of India and the sums to be paid to the States which are in need of assistance by way of grants-in-aid of their revenues under Article 275 of the Constitution for purposes other than those specified in the provisos to clause (1) of that article; and
- iii. the measures needed to augment the Consolidated Fund of the State to supplement the resources of the Panchayats and Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State.

1.29 In view of above, the Fourteenth Finance Commission sought views of the State Government regarding the principles which should govern the sharing of taxes between Union and States, formulation of the principles which should govern the grants- in-aid to be given to the States in need of assistance under Article 275 of the Constitution. In addition to above, the information on the recommendations of the State Finance Commissions and their implementation with respect to funding of Panchayats and Municipalities were also to be provided to the Commission.



- 1.30 The desired memorandum was to be submitted by the State Government to the Fourteenth Finance Commission by end of July, 2013 before the visit of the Commission to the State from 12<sup>th</sup> to 14<sup>th</sup> August, 2013. But at that time, the Fourth State Finance Commission was not in a position to submit its final report to the State Government. Therefore, to meet the requirement of the Fourteenth Finance Commission, the Commission decided to give its Interim Report by projecting the resource transfers to the local bodies for the period 2014-15 to 2016-17. Therefore, the Commission submitted its Third Interim Report to the State Government on 23<sup>rd</sup> July, 2013

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## **CHAPTER-II**

### **GENERAL FRAMEWORK, APPROACH AND METHODOLOGY**

#### **GENERAL FRAMEWORK AND APPROACH**

- 2.1 The Commission's approach has been largely guided by the fact that the elected bodies of local governance should not entirely look forward to a situation where their financial needs will be entirely met by devolution of resources from the State or Central Government. The Commission was also guided by the fact that State Government itself was facing a fiscal deficit problem. Given the precarious financial position of the State, the Commission had the difficult task of finding a balance where scarce available resources and the emerging responsibilities at different levels of government, could be gainfully shared, while the imperatives of decentralization and delegation are also not lost sight of at the same time.
- 2.2 The estimation of revenue and expenditure of the Panchayati Raj Institutions and the Urban Local Bodies is one of the most critical functions of the Commission towards forecasting of resources and expenditure and finding ways and means of matching the two. The award period to be covered by the recommendations of the Fourth State Finance Commission will be from 2012-2013 to 2016-2017. This period at the national and State levels will witness significant changes in the economic scenario, fiscal federalism and overall question of responsibility sharing. It will also coincide with the Twelfth Five Year Plan which promises to take forward the process of decentralization for making the third level of governance a reality in several ways, including development. The mandate of the Commission originates from the Constitution of India and, therefore, the Commission is required to perform the judicious function of division of resources based on the responsibilities enjoined upon the local government system below the State level. The Commission has to ensure that while deliberating upon the sensitive issue of resource sharing, it does not lose the overall perspective of difficult situation of State finances. In the whole design, the Commission would like to emphasize the need for equity, efficiency and owning of the responsibility

at all levels, which could only be realized if available financial resources were put to most productive use and such investments could lead to the generation of resources for further growth.

- 2.3 The recommendations of the Thirteenth Finance Commission for supplementing State resources were also taken into consideration while firming up the approach of the Commission. The Thirteenth Finance Commission had recommended a sum of Rs. 87519 crore to local bodies for the period 2010-15 as grants-in-aid to augment the consolidated fund of the states. The share of Himachal Pradesh out of above amount is Rs. 641.50 crore consisting of Rs. 559.54 crore for Panchayati Raj Institutions and Rs. 81.96 crore for Urban Local Bodies. This grant is intended to augment Consolidated Fund of the State to supplement the resources of the local bodies. As far as the Fourth State Finance Commission is concerned, it would not take the resource transfers recommended by the Thirteenth Finance Commission into account on either receipt or expenditure account since these would be counterbalancing entries. The extent to which these transfers cater to the statutory functions of these bodies would, however, be duly considered by the Commission while firming up the recommendations.
- 2.4 Since the finances of the Special Category States are under stress due to mismatch in the overall revenue receipts and the expenditure commitments and these are likely to have an impact on the local government resources. The implications are that the whole question of financial devolution at the sub-State level should become an exercise in assigning greater responsibility for raising resources, on the one hand, and also ensuring that whatever resources became available through efforts at local level and through the scheme of devolution worked out by the Commission, are used in the most cost-effective and efficient manner and for maximizing the benefits, on the other. The Commission, in the course of its work, realized that the upkeep and maintenance of assets created in the past deserved greater attention. The situation of maintenance of assets at the level of local bodies was more precarious, since these bodies all along look forward to grants from the State rather than assuming responsibility for this purpose and levying of appropriate user charges. The Commission felt that before estimating requirement of funds for maintenance of assets at the local level, inventory of physical assets

should be prepared and updated. However, a certain quantum of resources for maintenance purpose should be generated at the local level by introduction of appropriate user charges or institutionalization of the community ownership and participation.

- 2.5 One of the important components of the approach was the question of estimating the existing revenue receipts and revenue expenditure of the Panchayati Raj Institutions and Urban Local Bodies. Despite all efforts the response of reporting data on questionnaires designed by the Commission from Panchayati Raj Institutions and Urban Local Bodies was not to the desired extent. The response from the Gram Panchayats was very poor. The data on Grant-in-Aid and Finance Commission devolutions from both Central and State Finance Commission was collected from the Department of Panchayati Raj and Urban Development to firm up receipts on this count, as the data supplied by Local Bodies on questionnaires was inconsistent.
- 2.6 In the process of firming up the approach, the Commission carefully considered the statutory functions assigned to the Panchayati Raj Institutions as enshrined under Section 11, 81, and 92 of the Himachal Pradesh Panchayati Raj Act, 1994 for Gram Panchayats, Panchayat Samitis and Zila Parishads, respectively, and relevant sections 42 and 43 of the Municipal Acts. The Commission also considered the amendments made by the Department of Panchayati Raj and Urban Development in the above referred Acts from time to time. The Commission also took note of the fact that even though the delegation had been ordered, a vast majority of the local government bodies were not in a position to undertake the responsibilities and carry out the same effectively for lack of capacity and appropriate administrative support.
- 2.7 The decisions taken in the first and second meeting of the Fourth State Finance Commission held on 31<sup>st</sup> May, 2011 and 6<sup>th</sup> September, 2011, as discussed under paragraph 1.15 of Chapter-I, were also made part of general frame-work and approach.

## METHODOLOGY OF DATA COLLECTION

- 2.8 The terms of reference of the Commission required detailed and exhaustive collection and analysis of the data. To achieve this end, the Commission had to access a very large number of units for the collection of basic data and to make interaction with different departments and stakeholders. The Commission had to collect data separately for the three tiers of Panchayati Raj System and three distinct and mutually exclusive levels of the Urban Local Governance. There are 3243 Gram Panchayats, 77 Panchayat Samities and 12 Zila Parishads under the Panchayati Raj System and on the other hand there is one Municipal Corporation, 25 Municipal Councils and 24 Nagar Panchayats under the Urban Local Governance structure.
- 2.9 The Commission devised separate questionnaires for collection of basic data from each tier of PRIs and each level of ULBs. The designed questionnaires are appended as **Appendix-IV**. Since, the Commission was not provided required staff to undertake field survey, therefore, the work to collect data for assessing the receipts and expenditure of the Panchayati Raj Institutions and Urban Local Bodies and other related details was assigned to the Department of Information Technology for undertaking the survey through Lok Mitra Kendras.
- 2.10 The Secretariat of the Commission held regular meetings with the Department of Information Technology to review the status of the survey work. The matter for providing support and cooperation to the staff of the Lok Mitra Kendras was regularly taken up by the Commission with the Department of Panchayati Raj and Urban Development.
- 2.11 Due to the non- supportive attitude of the staff of the local bodies, the response of data collection through Lok Mitra Kendras remained very low. Thereafter, the Commission started the process of data collection at its own level and sent the

designed questionnaires to the Gram Panchayats, by post (to whom the questionnaires were not circulated through Lok Mitra Kendras) , mailed the questionnaires to the District Panchayat Officers/Block Development Officers for expediting information in respect of Zila Parishads/Panchayat Samities. The same process was followed for the Urban Local Bodies also.

2.12 The Commission in the block-level meetings held with the representatives of PRIs and ULBs of Mandi, Hamirpur, Kangra, Shimla, Solan, Kinnaur and Kullu districts also imparted training to the elected representatives and the supporting staff accompanying the representatives, to give information on the receipts and expenditure pertaining to their local bodies as per the questionnaires designed by the Commission.

2.13 The officers of the Secretariat of the Commission remained constantly in touch with the field officers concerned with the local bodies for furnishing the desired information. Despite all efforts, the status of response remained as under:

Sr. No	Name of Institution	Total Institutions	Information received till June, 2013	Percentage of information received
<b>A. Panchayati Raj Institutions.</b>				
1.	Gram Panchayat	3243	348	10.73
2.	Panchayat Samiti	77	26	33.77
3.	Zila Parishad	12	10	83.33
<b>B. Urban Local Bodies</b>				
1.	Municipal Corporation	1	1	100.00
2.	Municipal Councils	25	11	44.00
3.	Nagar Panchayats	24	12	50.00

2.14 Keeping in view the emphasis on participatory approach lauded at different forums, the association of interested persons, institutions and organisations in the process was considered significant by the Commission. To give wider publicity to

terms of reference and to elicit views and suggestions from persons, academic institutions, non-governmental organizations, elected representatives and other interested public in local bodies' finances, decentralization and strengthening of local government systems, the Commission invited views and suggestions by publishing advertisements in selected national and regional leading newspapers. This notice was also posted on the website of the Planning Department, on a web folder assigned to the Commission.

- 2.15 With a view to have direct interaction, the Commission held block level meetings with the representatives of PRIs and ULBs of Mandi, Hamirpur, Kangra, Shimla, Solan, Kinnaur and Kullu districts in which Chairman, Zila Parishad of concerned district, Chairman of Panchayat Samiti of concerned block, Pradhans of all Gram Panchayats in the block with their Panchayat Secretaries, President of Municipal Councils/Nagar Panchayats, with their Executive Officers, were invited. The Commission interacted with the representatives on the broad Terms of Reference assigned to the Commission, explained the schedule designed by the Commission to seek information on the receipt and finances of these bodies, and also obtained views and suggestions from the representatives to strengthen the local governance system. These interactive meetings provided awareness to the representatives of the local government Institutions of the role of the Commission. This also enriched the Commission with very practical and fruitful feedback which helped Commission to firm up its views and recommendations. The detailed schedule of these meetings is given in the Table below.

**BLOCK LEVEL MEETINGS HELD BY THE COMMISSION WITH THE  
REPRESENTATIVES OF PRIs AND ULBs**

Sl. No.	Date	Meeting	Business Conducted
1	2	3	4
1.	14.5.2012	Meeting with the representatives of PRIs and ULBs at Gohar, Block Chachiot, Distt. Mandi.	Interaction with the representatives of PRIs and ULBs on broad Terms of Reference assigned to the Commission, explained the schedule designed by the Commission, and obtained views and suggestions from the representatives to strengthen and streamline the Local Governance System.
2.	15.5.2012	Meeting with the representatives of PRIs and ULBs at Sundernagar, Distt. Mandi.	Interaction with the representatives of PRIs and ULBs on broad Terms of Reference assigned to the Commission, explained the schedule designed by the Commission, and obtained views and suggestions from the representatives to strengthen and streamline the Local Governance System.
3.	16.5.2012	Meeting with the representatives of PRIs and ULBs at Hamirpur.	Interaction with the representatives of PRIs and ULBs on broad Terms of Reference assigned to the Commission, explained the schedule designed by the Commission, and obtained views and suggestions from the representatives to strengthen and streamline the Local Governance System.
4.	17.5.2012	Meeting with the representatives of PRIs and ULBs at Dehra, Distt. Kangra.	Interaction with the representatives of PRIs and ULBs on broad Terms of Reference assigned to the Commission, explained the schedule designed by the Commission, and obtained views and suggestions from the representatives to strengthen and streamline the Local Governance System.
5.	12.9.2012	Meeting with the representatives of PRIs and ULBs at Theog, Distt. Shimla.	Interaction with the representatives of PRIs and ULBs on broad Terms of Reference assigned to the Commission,



			explained the schedule designed by the Commission, and obtained views and suggestions from the representatives to strengthen and streamline the Local Governance System.
6.	14.9.2012	Meeting with the representatives of PRIs and ULBs at Kunihar, District Solan.	Interaction with the representatives of PRIs and ULBs on broad Terms of Reference assigned to the Commission, explained the schedule designed by the Commission, and obtained views and suggestions from the representatives to strengthen and streamline the Local Governance System.
7.	22.11.2012	Meeting with the representatives of PRIs and ULBs at Kalpa, Distt. Kinnaur.	Interaction with the representatives of PRIs and ULBs on broad Terms of Reference assigned to the Commission, explained the schedule designed by the Commission, and obtained views and suggestions from the representatives to strengthen and streamline the Local Governance System.
8.	13.12.2012	Meeting with the representatives of PRIs and ULBs at Kullu.	Interaction with the representatives of PRIs and ULBs on broad Terms of Reference assigned to the Commission, explained the schedule designed by the Commission, and obtained views and suggestions from the representatives to strengthen and streamline the Local Governance System.
9.	15.12.2012	Meeting with the representatives of PRIs and ULBs at Kangra, Distt. Kangra.	Interaction with the representatives of PRIs and ULBs on broad Terms of Reference assigned to the Commission, explained the schedule designed by the Commission, and obtained views and suggestions from the representatives to strengthen and streamline the Local Governance System.

- 2.16 Keeping in view the status of staff provided by the State Government to the Secretariat of the Commission, the data entry work was assigned to the DOEACC Society now known as National Institute of Electronics and Information Technology (NIELIT). The Department of Information Technology provided support to the Commission for generating final Output Tables, as per the formats devised by the Commission.
- 2.17 The Department of Panchayati Raj, being the nodal department and charged with the responsibility of implementing and overseeing the devolution of functions, powers and responsibilities to the Panchayati Raj Institutions, was asked to submit a detailed memorandum keeping in view the Terms of Reference of the Commission, for giving feedback on the implementation of 73<sup>rd</sup> constitutional amendment, existing status of implementation of statutory and delegated functions, finances, administrative set up of PRIs and to also to submit a detailed proposal for strengthening the existing system of devolution.
- 2.18 Similarly, the Department of Urban Development, being the nodal department for the Urban Local Bodies, was also asked to submit detailed memorandum, giving feedback on the implementation of 74<sup>th</sup> constitutional amendment, existing status of implementation of statutory and delegated functions, finances, administrative set up of ULBs, alongwith a proposal for strengthening the process of devolution to ULBs. Similar details were requisitioned from the Municipal Corporation, Shimla, being the only Corporation in the State.
- 2.19 The Memorandums received from the Department of Panchayati Raj, Urban Development and Municipal Corporation, Shimla were examined in detail and the issues raised by these departments and Corporation were taken on record to firm up the views of the Commission on the issues raised.

- 2.20 To study the financial scenario in the State, the Commission invited memorandum from the Finance Department on the status State finances covering details on receipts and expenditure (both revenue and capital), debt liabilities, committed liabilities of the State Government and fiscal management by the State Government. Similarly, the information pertaining to economic scenario in the State and trends in the growth and development of the State were requisitioned from the Department of Economics and Statistics. The information received on this account was used to assess the financial situation and trends of growth and development of the State.
- 2.21 The Administrative Secretaries of Department of Panchayati Raj and Urban Development were asked to submit the status of delegation of functions assigned to the Panchayati Raj Institutions vide section 11(1) of Himachal Pradesh Panchayati Raj Act, 1994 and delegated vide notification No. PCH- HA (1) 12/87-10206-406 dated 31<sup>st</sup> July, 1996 and assigned to the Urban Local Bodies vide section 48 of the Himachal Pradesh Municipal Act, 1994 and section 42 of the Himachal Pradesh Municipal Corporation Act, 1994 and further delegated by the State Government vide Notification No. LSG-A (2)3/94 dated 30<sup>th</sup> August, 1994, respectively. The initiatives take by these departments and other concerned line departments to make this delegation a success, were also sought. The concerned line departments were also asked to submit detailed status of implementation of devolved functions, as per the delegation made by the State government and to suggest a road map to strengthen and streamline the existing system.
- 2.22 Though the questionnaires devised by the Commission were complete in itself, yet to have an appropriate assessment of the resource transfers made by the State Government, as assigned revenue to the to the PRIs and ULBs, the information was collected from the Department of Revenue, Excise and Taxation, Industries

(Geology Wing), Forest, Fisheries and Telecommunication. This enabled the Commission to cross check the information obtained on questionnaires and preparing estimates pertaining to receipts of local bodies from this source.

- 2.23 The Action Taken Report on the recommendations of the previous State Finance Commissions was requisitioned from the Department of Panchayati Raj, Urban Development and other concerned departments and the areas where the action was yet to be taken by the State Government were identified and examined and the recommendations were made by the Commission to carry forward the significant recommendations.
- 2.24 To firm up the data received from the local bodies on various aspects and to finalise the report, several round of meetings were organised by the Commission with the Department of Panchayati Raj and Urban Development.
- 2.25 The Commission also analyzed the announcements made by the State Government, through the budget speeches after enactment of the Himachal Pradesh Panchayati Raj Act, 1994, Himachal Pradesh Municipal Act, 1994 and Himachal Pradesh Municipal Corporation Act, 1994 and rules and regulations made thereunder, to strengthen and streamline the process of devolution of powers to PRIs and ULBs.
- 2.26 To have an overview of the status of devolution to the local bodies in other states, the Commission collected reports from the other State Finance Commissions. This provided an insight to the Commission of the recommendations made by other State Finance Commissions and action taken thereon by the concerned State Governments.

2.27 The Commission wishes to acknowledge the cooperation received from various stakeholders in obtaining data, having free and frank discussions and the other support given by the nodal departments, enabling the Commission to complete its task. The Commission would especially acknowledge the support and cooperation provided by the officers/ officials of the Department of Panchayati Raj and Urban Development for making available all desired information, in time. The Commission acknowledges the support provided by the Department of Information Technology for overall coordination for designing programme for data collection through Lok Mitra Kendras and for generating Output Tables, designed by the Commission. The Commission would like to place on record the hard work done by Dr. Neeta Gautam, Deputy Director of the Commission for completing the task pertaining to preparation of report within the scheduled timeframe and the services provided by Sh. Pradeep Sharma, Research Officer in compilation and analysis of heterogeneous data received from various quarters. The Commission acknowledges the time to time service provided by Sh Jaishi Ram, Computer Operator of Planning Department to the Secretariat of the Commission. Sh. Tara Chand Chauhan, Drawing and Disbursing Officer and other supporting staff engaged by the Commission and deployed by the Planning Department with additional charge of the State Finance Commission also came up to the expectations.

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## **CHAPTER-III**

### **STATUS OF IMPLEMENTATION OF RECOMMENDATIONS OF PREVIOUS STATE FINANCE COMMISSIONS**

- 3.1 Himachal Pradesh is one of the few States which have been very prompt in constituting the State Finance Commissions (SFCs). Following Articles 243 I and 243Y, the State Government has constituted State Finance Commissions at regular intervals. The First State Finance Commission was constituted in April, 1994, the Second in May, 1999, the Third in May, 2005 and the Fourth in May, 2011. The first three State Finance Commissions submitted their reports within the stipulated time and the financial recommendations of all the three State Finance Commissions have generally been accepted by the State Government.
- 3.2 The Commission decided to review the status of implementation of the recommendations made by the first three State Finance Commissions so that the important and significant recommendations which have a bearing to strengthen the local governance system and on which action is yet to be taken or partially taken by the State Government could be brought to the knowledge of the State Government so that the same could be considered for implementation. The views of the concerned departments were also sought to study the difficulties faced by them in implementing these recommendations, so that Commission could consider those areas/issues while framing the report of the Fourth State Finance Commission.
- 3.3 The reports of the first two State Finance Commissions were preliminary in nature as the Local Government Institutions at the initial stage were taking shape and coming to be established as per the spirit of the 73<sup>rd</sup> and 74<sup>th</sup> constitutional amendments. The devolutions recommended by the Commissions were also in respect of meeting the committed expenditure, in general. With the setting up of the successive Finance Commissions, their role and scope has been getting enlarged by way of moving towards higher degree of delegation and decentralization. The mechanism of Finance Commission is becoming transparent and the provisions recommended by it are to be devolved to the Local Government

Institutions in consonance with the design of the Constitution, simultaneously taking a comprehensive view of the state finances also.

- 3.4 With this background, the Commission decided to take an overall view of the financial devolutions recommended by the previous Finance Commissions and the actual resource transfers made by the State Government to the local bodies. A comparative picture of the recommendations made by the first three State Finance Commissions with regard to devolution of financial resources to local bodies vis-à-vis the amount released by the State Government on the basis of these recommendations is given in the following table:

**Table 3.1**  
**Recommended Resource Transfer by State Finance Commissions and Actual**  
**Releases made by the State Government to the Local Bodies**  
(Rs. in crore)

Sr. No.	Institutions/ Tenure of Commission	Amount recommended by the Commission	Amount released by the State Government
1.	2.	3.	4.
<b>A. Panchayati Raj Institutions</b>			
1.	First State Finance Commission (1996-2001)	13.87	30.85
2.	Second State Finance Commission (2002-2007)	70.05	119.45
3.	Third State Finance Commission (2007-2012)	228.28	260.25
<b>B. Urban Local Bodies</b>			
1.	First State Finance Commission (1996-2001)	74.55	83.97
2.	Second State Finance Commission (2002-2007)	159.46	133.66
3.	Third State Finance Commission (2007-2012)	223.02	212.05

Source: Reports of the State Finance Commissions and Budget Documents of Finance Department.

3.5 The above table reveals a quantum jump in the amount devolved to the local bodies which shows the commitment of the State Government in strengthening the local governance to meet the rising aspirations of the people of the State. The amount released by the State Government to PRIs remained higher than the recommendations of State Finance Commissions whereas the State Government curtailed the grants recommended to the Urban Local Bodies against the recommended resource transfers.

3.6 The Table 3.2 gives an account of the year-wise resource transfers recommended by the Third State Finance Commission and the amount released by the State Government to the Local Bodies:

**Table 3.2**  
**Status of Resource Transfers during the Award period of Third**  
**State Finance Commission (2007-12)**  
**(Rs. in lakh)**

Sr. No	Year	Amount Recommended by the Third SFC	Amount released by the State Government
<b>A. Panchayati Raj Institutions</b>			
1.	2007-08	2463.52	2619.45
2.	2008-09	5364.16	5598.76
3.	2009-10	5293.45	5614.12
4.	2010-11	4802.60	6073.47
5.	2011-12	4904.58	6118.80
	<b>Total</b>	<b>22828.31</b>	<b>26024.60</b>
<b>B. Urban Local Bodies</b>			
1.	2007-08	4149.00	3052.05
2.	2008-09	4176.00	4176.00
3.	2009-10	4177.00	4177.00
4.	2010-11	4612.00	4612.00
5.	2011-12	5188.00	5188.00
	<b>Total</b>	<b>22302.00</b>	<b>21205.05</b>

3.7 It is evident from the above Table that the overall resource transfers by the State Government to the Local bodies remained on the higher side.



- 3.8 The State Government had constituted the First and the Second State Finance Commission with Terms of Reference which were given in the Constitution of India. The recommendations made by the first two State Finance Commissions broadly were pertaining to additional resource mobilization, amendment in the provisions of the Acts to fix the minimum and the maximum limit of statutory taxes to be imposed by the local bodies to provide flexible arrangement, collection of statutory levies was made conditional for seeking grants, setting a permanent institutional arrangement to oversee the implementation of the recommendations of State Finance Commissions, zonation of urban areas on the principle of equity and justice for rationalization of rates of taxes.
- 3.9 With the rising level of awareness of the representatives of the Local Government Institutions and people and a decade of active existence of these bodies, the following Terms of Reference were added to the mandate of the Third State Finance Commission by the State Government:
- (a) the Commission should make a normative assessment of needs based on the actual devolution of functions to each tier of the PRIs/Municipalities and an assessment of potential fiscal capacity based on the tax and non-tax resources available to PRIs/Municipalities in making any recommendations on devolving untied grants or share of State taxes to these bodies;
  - (b) the Commission should make an assessment of recurring grants for specific schemes of the State Government relating to support for honorarium and expenses of elected representatives and employees of PRIs/Municipalities and suggest improvements in these schemes in order to promote the exercise of fiscal autonomy and responsibility by the PRIs/Municipalities;
  - (c) the Commission should suggest appropriate ways to take forward the process of devolution of functions, funds and functionaries to the PRIs/Municipalities keeping in view the existing delivery system and the financial capacity of the State Government. It may make specific suggestions with regard to:
    - Support for pilots to hand over responsibility for delivery of primary education, primary health, water and sanitation and rural roads to appropriate levels of PRIs/Municipalities;

- Changes in legislation and procedures necessary to enhance the tax and non-tax capacity of the PRIs/Municipalities consistent with accepted principles of taxation at the local level;
- Strengthening of administrative capacity of PRIs/Municipalities by placing under their control relevant categories of employees either by way of recruitment at the level of relevant tiers of the PRIs/Municipalities or by seconding of existing State Government staff to them;

3.10 Taking stock of additional Terms of Reference, the Third State Finance Commission has given a number of recommendations consisting of increased financial devolutions, proposed amendments in the existing tax laws of Local Government Institutions so as to increase their revenue generation base, recommended enhanced devolution of assigned taxes, fees, levy of new charges and devolution of old charges to Local Institutions. It has also recommended more functions and control of functionaries of Primary Education, Rural Health , ICDS Programme and Animal Husbandry departments to the local bodies and has also proposed increasing the scope of powers to these bodies.

3.11 The Action Taken Report on some of the specific recommendations made by the first three State Finance Commissions is discussed in the following table:

Table-3.1

**ACTION TAKEN REPORT ON THE RECOMMENDATIONS OF FIRST THREE STATE FINANCE COMMISSIONS**

<b>RECOMMENDATIONS OF FIRST STATE FINANCE COMMISSION</b>				
<b>Sr. No.</b>	<b>Contents of the Recommendations</b>	<b>Department concerned for Action</b>	<b>Action Taken Report</b>	<b>Status of Implementation</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
19.1	1. Decentralization brings greater responsibility upon the lower levels of hierarchy. This implies that the local governments at all level will have to be extremely careful about the efficient use of available scarce resources. Not only this, they will also have to assume responsibility for raising resources, an area which may have remained at a very low priority so far. Panchayati Raj Institutions and Urban Local Bodies must raise resources which are exclusively their responsibility.	Panchayati Raj	In the rural areas there is remote possibility for the Panchayati Raj Institutions to raise their resources. Being political bodies, these institutions generally refrain from imposing extra taxes or increasing the existing taxes. The only possibility for these institutions is to create income generating assets wherever possible or adjudged financially viable. To create such type of assets, Panchayats have to generate funds by way of borrowing etc. To facilitate the Panchayats to raise loan for creation of income generating assets, the conditions imposed under earlier sections by the State Government for taking loans were relaxed by amending Section 110 of Himachal Pradesh Panchayati Raj Act,	Accepted and implemented.

		<p>1994. Under the amended provisions, Panchayats have been empowered to take loans from any financial institutions at its own level by obtaining the prior approval of Gram Sabha.</p> <p>The summary of the recommendations of 1<sup>st</sup> State Finance Commission was circulated to all the Urban Local Bodies of the State for taking further necessary action as suggested by the 1<sup>st</sup> State Finance Commission . All Urban Local Bodies of the State have been impressed upon to raise their resources as are statutorily expected from them, so that they may not remain wholly dependent on government grants and should meet their expenditure from their own resources. It is seen that the Urban Local Bodies of the State are earnestly moving in this direction but on a slow pace, due to political compulsions at the local level. The revenue income of the ULBs during the year 2001-02 was Rs.19.79 crores which has been raised to Rs. 50.87 crores by the year 2009-10.</p>	Accepted and implemented.
	Urban Development		

	<p>2. The existing provisions in the Acts do not really allow a fair degree of freedom to the PRIs or the Urban Local Bodies to raise resources through the taxes and levies mentioned in the Statutes. In the opinion of the Commission, the State Government could consider setting the minimum and maximum of the rates for each of such taxes and let the local government institutions take a view on the current rates which certainly merit to be revised. For this purpose, the State Government could consider amending the statutes to provide for such a flexible arrangement.</p>	Panchayati Raj	<p>Gram Panchayats have been empowered to levy the following taxes and fees subject to the maximum rates fixed by the State Government as per the provision under various sections of the Himachal Pradesh Panchayati Raj Act, 1994 vide notification No. PCH-HA(2)2/95-20381-680 dated 2<sup>nd</sup> November, 1999:</p> <p><b>i. House Tax : (Section 100(1))</b></p> <table><tr><th>Sr No</th><th>Particulars</th><th>Maximum rate of house tax</th></tr><tr><td>1.</td><td>Where the person is liable to house tax own house having the total built up area up to 40 Sq. Mtrs.</td><td>Rs. 10/- per annum</td></tr><tr><td>2.</td><td>Where the person is liable to house tax own house having the total built up area 40 to 100 Sq. Mtrs.</td><td>Rs. 25/- per annum</td></tr><tr><td>3.</td><td>Where the person is liable to house tax own house having the total built up area above 100 Sq. Mtrs.</td><td>Rs. 50/- per annum</td></tr></table>	Sr No	Particulars	Maximum rate of house tax	1.	Where the person is liable to house tax own house having the total built up area up to 40 Sq. Mtrs.	Rs. 10/- per annum	2.	Where the person is liable to house tax own house having the total built up area 40 to 100 Sq. Mtrs.	Rs. 25/- per annum	3.	Where the person is liable to house tax own house having the total built up area above 100 Sq. Mtrs.	Rs. 50/- per annum	Accepted and implemented.
Sr No	Particulars	Maximum rate of house tax														
1.	Where the person is liable to house tax own house having the total built up area up to 40 Sq. Mtrs.	Rs. 10/- per annum														
2.	Where the person is liable to house tax own house having the total built up area 40 to 100 Sq. Mtrs.	Rs. 25/- per annum														
3.	Where the person is liable to house tax own house having the total built up area above 100 Sq. Mtrs.	Rs. 50/- per annum														

			<p>ii. Tax on extraction and export of sand, stone, bajri and slates :</p> <p>a) Tax on extraction and export of sand, stone, bajri not exceeding Rs. 10/- per Truck and Rs. 5/- per trolly.</p> <p>b) Tax on slates not exceeding Rs. 50/- per truck.</p> <p>iii. Fees.</p> <p>a) Tehbazari from the Shopkeepers in the fairs at the rates as it may deem proper, but not exceeding Rs. 30/- per Sq. Mtrs. per day.</p> <p>b) Service fee including fee on cleaning streets and lighting of streets and sanitation at the rates as the Gram Panchayats may deem proper, but not exceeding Rs. 20/- per month from those individuals households/shopkeepers/business establishments, who are being provided such services by the Gram Panchayats, keeping in view their paying capacity.</p> <p>c) Fee for registration of animals sold in the Sabha area at such rates as may be fixed by the Gram Panchayats, subject to maximum of 2% of the sale price.</p>	
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	Urban Development	The House Tax varying from 7.5% to 12.5% is being imposed by almost all the Municipal Bodies of the State. In order to allow free hand to the Municipalities to levy taxes fees, user charges etc. at their own level, the Government vide Notification No. LSG-D(1)-9/94 dated 08.11.1999 has prescribed the maximum limits of the rates of taxes/fees leviable by the municipalities. To further the process of decentralization, the powers to levy taxes have been delegated to the ULBs by making an amendment in the HP Municipal Act, 1994 and Municipal Corporation, Act, 1994.	Accepted and implemented
3. Some of the local government bodies are not levying the rates, and taxes which should be statutorily levied by them. It should be mandatory for all to raise resources within their purview. The Commission feels that if some local government bodies do not collect the statutory levies, the resource transfers recommended through this report of the	Panchayati Raj	At present, Gram Panchayats are collecting house tax based on flat rates and not on the built area. The average rate of house tax ranges from Rs. 10 to 15 per annum. In addition to this few Gram Panchayats are also levying tax on sand, stone, bajri and slates as this resource is not available with all Gram Panchayats. Tehbazari is being also collected by Gram Panchayats in whose area of jurisdiction, fairs	Partially implemented.

	<p>Commission should not be released. Compliance to collect taxes at the local level should only qualify these bodies for availing the resource transfers from the consolidated fund of the State. The Department of Panchayati Raj and Local Self Government should ensure implementation of this suggestion. It is also clarified that this suggestion should not be construed to imply any staff proliferation in these Departments.</p>	<p>Urban Development</p>	<p>are being organized. Proposal to levy user charges could not carried through.</p> <p>No decision has been taken by the State Government to implement the suggestion made by the Commission as it was felt that the resource transfer made by the State Government on the recommendations of SFCs are mainly utilized to meet out the committed liabilities such as Honorarium to the Elected Representatives of Panchayati Raj Institutions and Office Expenses etc. Withholding of such grants will adversely affect the functioning of the Panchayats.</p> <p>With the imposition of House Tax in all the Municipal Bodies of the State, all the municipalities have been directed to get this tax compulsorily imposed but it has been found that some of the local bodies are still resisting the imposition of this tax. All measures are being adopted to impress upon all the Urban Local Bodies to realize this statutory Tax in a time bound manner and the process of</p> <p>Partially implemented.</p>
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		<p>realization is going on. Since, State Finance Commission has recommended the resource transfer by clubbing Octroi grant, which in the past was a compensation from the State Government to the Municipalities of the State in lieu of abolition of Octroi, therefore, withholding the said compensation in the garb of 1<sup>st</sup> State Finance Commission Award (resources transfer) is not a desirable step. Moreover in order to show adequate sincerity in the efforts of ULBs for mobilizing revenue resources, the GIA recommended by State Finance Commission has been linked with the collection of House Tax. With regard to the staff position, it is submitted that most of the municipalities have not employed even bare minimum staff and in the absence of which the pace of recovery of taxes and other activities of the ULBs cannot be maintained.</p> <p>In order to rationalize the staff positions no permission to fill up the vacant posts and even employment to dependents in harness cases are not</p>
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	<p>5. In developing and expanding the civic infrastructure, the Urban Local Bodies should increasingly resort to negotiated loans from the national funding agencies since the competing priorities within the state plan will leave less and less resources available for such infrastructure as could be amenable to levy of user charges. This mode of financing will also ensure levy of user charges which could at least make up for the operation and maintenance expenditure for such infrastructure.</p>	Urban Development	<p>The Urban Local Bodies are at liberty to negotiate for loans from the national funding agencies like HUDCO, Banks and LIC etc. for developing and expanding the civic infrastructure. Municipal Corporation Act allows Corporation to raise loan but there is no such provision in Municipal Council Act. Steps are being taken to amend the H.P. Municipal Act, 1994 on the lines of H.P. Municipal Corporation Act, by adding one chapter of "Borrowings" so that they are also able to raise resources through financial institutions. However, some of the ULBs are creating infrastructure like shopping complex etc. through self financing. Now some projects are being posed on PPP basis.</p>	Partially implemented.
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RECOMMENDATIONS OF SECOND STATE FINANCE COMMISSION				
Sr. No.	Contents of the Recommendations	Department concerned for Action	Action Taken Report	Status of Implementation
1	2	3	4	5
8.1	1. Decentralization brings greater responsibility upon the lower levels of hierarchy. This implies that the local government at all levels will have to be extremely careful about the efficient use of available scarce resources. Not only this, they will also have to assume responsibility for raising resources, an area which may have remained at a very low priority so far. Panchayati Raj Institutions must raise resources which are exclusively their responsibility which needs to be supplemented through institutional funding for economically viable income generating projects/assets	Panchayati Raj	8.1(1 & 2) It was recommended by the Second State Finance Commission that the existing provisions should allow a fair degree of freedom to the Panchayati Raj Institutions to raise resources through the taxes and levies. Presently, Zila Parishad and Panchayat Samiti are not levying any tax, fee, cess etc. However, Gram Panchayats have been empowered to levy the following taxes and fees subject to the maximum rates fixed by the Government as per the provision under various sections of the Himachal Pradesh Panchayati Raj Act, 1994 vide notification dated 2 <sup>nd</sup> November, 1999:-	Accepted and implemented.

creation activities.	<p>2. The existing provisions in the Act do not really allow a fair degree of freedom to the Panchayati Raj Institutions to raise resources through the taxes and levies mentioned in the Statutes. In the opinion of the Commission, the State Government could consider amending the Statutes so as to empower the local bodies to levy new taxes and levies/cess as well as the revision of the existing rates.</p>	
(i) House Tax : (Section 100(1))		
Sr. No	Particulars	Maximum rate of house tax
1.	Where the person is liable to house tax own house having the total built up area up to 40 Sq. Mtrs.	Rs. 10/- per annum
2.	Where the person is liable to house tax own house having the total built up area 40 to 100 Sq. Mtrs.	Rs. 25/- per annum
3.	Where the person is liable to house tax own house having the total built up area above 100 Sq. Mtrs.	Rs. 50/- per annum

			<p>(ii) Tax on extraction and export of sand, stone, bajri and slates :</p> <p>a) Tax on extraction and export of sand, stone, bajri not exceeding Rs. 10/- per Truck and Rs. 5/- per trolley.</p> <p>b) Tax on slates not exceeding Rs. 50/- per truck.</p> <p>(iii) Fees.</p> <p>a) Tehbazari from the Shopkeepers in the fairs at the rates as it may deem proper, but not exceeding Rs. 30/- per Sq. Mtrs. per day.</p> <p>b) Service fee including fee on cleaning streets and lighting of streets and sanitation at the rates as the Gram Panchayats may deem proper, but not exceeding Rs. 20/- per month from those individuals households/ shopkeepers/business establishments, who are being provided such services by the Gram Panchayats. Keeping in view their paying capacity.</p> <p>c) Fee for registration of animals sold in the Sabha area at such rates as may be fixed by the Gram Panchayats, subject to maximum</p>	
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			of 2% of the sale price.	
	<p>3. Some of the local government bodies are not levying the rates and taxes which should be statutorily levied by them. It should be mandatory for all to raise resources within their purview. The Commission feels that in case some local government bodies do not collect the statutory levies, the resource transfers recommended through the Report of the Commission, should not be released. Compliance to collect taxes at all the local level should only qualify these bodies for availing the resource transfers from the Consolidated Fund of the State. The Department of Panchayati Raj should ensure implementation of this suggestion. It is also clarified that this suggestion should not be construed to imply any staff proliferation in the Panchayati Raj Institutions.</p>	Panchayati Raj	<p>At present, Gram Panchayats are collecting house tax based on flat rates and not on the built area. The average rate of house tax ranges from Rs. 10 to 15 per annum. In addition to this few Gram Panchayats are also levying tax on sand, stone, bajri and slates as this resource is not available with all Gram Panchayats. Tehbazari is being also collected by Gram Panchayats in whose area of jurisdiction, fairs are being organized. Proposal to levy user charges could not carried through.</p> <p>No decision has been taken by the State Government to implement the suggestion made by the Commission as it was felt that the resource transfer made by the State Government on the recommendations of SFCs are mainly utilized to meet out the committed liabilities such as honorarium to the elected representatives of</p>	Partially implemented.

			Panchayati Raj Institutions and office expenses etc. Withholding of such grants will adversely affect the functioning of the Panchayati Raj Institutions.	
	<p>4. In the course of its work, the Commission realized that proper inventories of the assets either owned by these bodies did not exist. This has to be created so that exact availability of infrastructure-civic as well as developmental is known and the needs of resources for its effective upkeep are possible to be quantified. In the context of quantification of resources for upkeep and maintenance, it would be necessary to have the inventories prepared and continuously updated.</p> <p>5. As recommended by the Eleventh Finance Commission, all government properties, which belong to the Central or the State Government should be subject to the levy of user charges. The Commission, also suggest</p>	Panchayati Raj	<p>Proper inventory of assets is not being maintained by the PRIs. But this data is significant to work out the maintenance requirements of these bodies. Now, the department has devised a format for maintenance of basic data which will further generate information on inventory of assets.</p> <p>Action is yet to be taken by the State Government</p>	Accepted but not implemented.
		Finance (IF)		Not implemented.



	that it should be regulated by a suitable legislation.				
8.2	<p>The Commission would like to quote from the Report of the Tenth Finance Commission on the subject of decentralization which is still relevant to entire scheme of things, emerging from this Report. The text is as under:-</p> <p>“Because of the 73<sup>rd</sup> and 74<sup>th</sup> amendments to the Constitution, Finance Commission will be required in future to suggest measures in the light of the recommendations of the State Finance Commission. We believe it is important that the Panchayati Raj Institutions are firmly established and strengthened. Equally, we think it is necessary to guard against generation of dependency for resources at each sub-national level. The three tier</p>	Panchayati Raj	<p>The Panchayati Raj Institutions have been empowered from time to time as per provisions of the 73<sup>rd</sup> amendment to the Constitution. The powers with regard to levying taxes by the Panchayats have been discussed under the Action Taken Report pertaining to recommendation No. 8.1. It is also pertinent to mention here that the resources generated by the Gram Panchayats are being utilized for development purpose in rural areas.</p>	Accepted and implemented.	

	<p>structure, with two layers of Finance Commission, may generate expectations that in the end it will be responsibility of the Centre to channel resources through the State Government to the Panchayats and urban local bodies. The fiscal system can scarcely meet such expectations. Panchayats and urban local bodies need to have well defined sources of income and taxing powers. They must be encouraged to exploit them to the full, relying on the transfers from the above only at the margin and preferably on a matching basis. Decentralization of the development process is a desirable objective. But it can prove effective only if local resources are mobilized for local development, thus ensuring minimum leakage and cost effective deployment".</p>				
8.3	The Commission has expressed the above	Finance (IF)	8.3, 8.4 & 8.5: The issue of setting up a permanent	Not accepted.	

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	<p>concern in the Report at several places. It is felt that in order to achieve the back up for such a system, there should be Permanent Institutional Arrangement in the State Planning Department to perform the following functions on a sustaining basis:-</p> <p>a) To observe the implementation of the recommendations of the State Finance Commission and continuously monitor the methodology for implementation of various recommendations so that the local level institutions develop a system which could be useful in the context of these bodies becoming effective in the overall design of decentralization.</p> <p>b) To collect data and analyze the trends in actual receipts and expenditure of the Panchayati Raj Institutions and identify the reasons for variations vis-à-vis the recommendations of the State Finance Commission.</p>		<p>SFC Cell was placed before the Council of Ministers and it was decided that the work relating to SFCs will be carried out through restructuring / redeployment of existing staff in the Planning Department without creation of additional posts for permanent SFC cell, as this will lead a heavy financial burden on the State Government exchequer.</p>	
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	<p>c) To conduct studies and publish data on the finances of the Panchayati Raj Institutions and Urban Local Bodies and</p> <p>d) To study and analyze the disparities in the levels of development at various level, as also the capabilities of raising resources.</p>			
8.4	<p>In the context of institutionalising a permanent arrangement for sustained performance of the above tasks, the Commission recommends that such an arrangement would be best institutionalized in the State Planning Department on account of the State Finance Commission devolution being canalised to the PRIs as plan outlays. It has also been the experience of the Commission that the monitoring of the implementation of the recommendations of the First Finance Commission leaves much</p>	Finance (IF)		

	<p>to be desired and grants have been released to the PRIs without adequate tie up on the issue of raising resources by the PRIs. The existing system of administering devolution of funds lead to the following problems:-</p> <ol style="list-style-type: none"> <li>Grants released to PRIs in violation of the guidelines result in audit objections.</li> <li>Future grants receivable from the Government of India under Special Purpose grants of Finance Commission (Eleventh) would be adjusted against such releases and result in reduced resource transfers to PRIs.</li> <li>CAG has indicated its intent to audit the accounts of PRIs on a sustained and universal basis.</li> </ol>			
8.5	Although Planning Department has a regional and Decentralized Planning Division which could perform the functions	Finance (IF)		

	<p>relating to sub-State level planning and decentralization of the development, yet the past experience has shown that the said division is burdened with other multifarious duties and cannot take on the additional burden of monitoring the implementation of the recommendations of the State Finance Commissions from time to time. Also in the coming years, the transfer levels are going to rise substantially as more and more duties and functions get enjoined upon the PRIs with the march of decentralization. Important studies, if required in the above context, could also be considered to be farmed out to appropriate institutions and individuals having the right kind of experience. Keeping all these considerations in view, the Commission should be converted into a permanent arrangement and added as a division in the Planning Department.</p>			
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8.6	<p>The Commission recommended that the State Government could consider the release of recommended funds to PRIs from out of the Consolidated Fund of the State on a quarterly basis and the PRIs would qualify for getting funds for the subsequent quarter on the basis of mobilization of revenue resources by these bodies and tendering of the utilization certificates. The transfer of the grants should be administered through the institutional mechanism suggested above.</p>	Panchayati Raj	<p>Since the funds are mostly being released to meet out the committed liabilities of PRIs, therefore, suggested mechanism is not applicable.</p>	Not accepted.
9.2	<p>The Commission observed that the local bodies have not shown adequate sincerity in their efforts in mobilising revenue resources and look towards Government to fund their deficit. To avoid this situation Commission recommends that :-</p> <p>i) 75% of the grants be released provided the local body imposes</p>	Urban Development	<p>All ULBs have been directed to get this component compulsorily imposed, but it has been found that some of the local bodies are still resisting the collection of House tax. All measures are being adopted to impress upon the ULBs to start the collection of House tax.</p> <p>The ULBs are moving in this direction though with a slow pace due to limited will of the public</p>	Accepted and partially implemented.

	<p>and collects a house tax on a minimum of 7.5%.</p> <p>ii) 25% of grants be released provided the local body commits to raise the rate of house tax by a percentage point each year, so that it reaches 12.5% by the end of award period.</p>	<p>representative at the local level, as is evident from the reports of some ULBs. All ULBs except Chopal, Kotkhai Baddi and Bilaspur are collecting House Tax.</p> <p>As per the recommendations of the 2<sup>nd</sup> State Finance Commission, the releases to the ULBs were restrained which is evident from the status given below:-</p> <table><tr><th>Sr. No</th><th>Year</th><th>Amount recommended</th><th>Amount released</th><th>Short-fall</th></tr><tr><td>1</td><td>2002-03</td><td>5275.79</td><td>5275.79</td><td>---</td></tr><tr><td>2</td><td>2003-04</td><td>2570.42</td><td>1300.86</td><td>1269.56</td></tr><tr><td>3</td><td>2004-05</td><td>2602.67</td><td>2115.04</td><td>487.63</td></tr><tr><td>4</td><td>2005-06</td><td>2617.53</td><td>2337.70</td><td>279.83</td></tr><tr><td>5</td><td>2006-07</td><td>2879.29</td><td>2336.70</td><td>542.59</td></tr><tr><td></td><td>Total:-</td><td>15945.70</td><td>13366.09</td><td>2579.61</td></tr></table>	Sr. No	Year	Amount recommended	Amount released	Short-fall	1	2002-03	5275.79	5275.79	---	2	2003-04	2570.42	1300.86	1269.56	3	2004-05	2602.67	2115.04	487.63	4	2005-06	2617.53	2337.70	279.83	5	2006-07	2879.29	2336.70	542.59		Total:-	15945.70	13366.09	2579.61
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			To further the process of decentralization, the power to levy taxes has been delegated to the ULBs by making an amendment in the HP Municipal Act, 1994 and Municipal Corporation, Act, 1994.	
9.3	<p>The Commission has recommended that zonation of Urban areas based on the principle of equity and justice and rates of taxes be rationalized .</p> <p>The zonation can be classified in the following three zones :-</p> <ul style="list-style-type: none"> <li>(a) Commercial</li> <li>(b) Residential</li> <li>(c) Peripheral slum areas.</li> </ul> <p>Tax structure can be considered by these Urban Local Bodies in an appropriate manner which, if accepted, would be easy to implement and administer and also be more equitable.</p>	Urban Development	In order to consider the possibility of imposition of house tax on zonation basis, the issue was discussed with municipalities. It was observed that this recommendation can be applicable where towns have been developed strictly on zonation basis. In hilly towns, commercial establishments have not been banned in residential areas. However, in the current situation the present system of assessment based on rental value of the property should continue.	Not Implemented.

9.4	<p>The Commission feels that present system of centralized cadre of employees merits to be reviewed and status-quo-ante restored as it will lead to reduction in expenditure and better local control. Commission, however, considers it appropriate to have central cadre for only one category of the functionaries i.e. of Secretary/Executive officers who serves as a link between local body and Government and is also statutorily required.</p>	Urban Development	<p>The Government has excluded the employees of Municipal Corporation, Shimla from schedule-I (State Cadre). The matter regarding services of the employees of MCs/NPs is under consideration at Government level.</p>	Partially implemented.
9.5	<p>The Commission is of the view that smaller local bodies should not have any permanent staff except Secretary as they do not have full time work and their resource capacity is severely limited. System of engaging staff on part time or contractual basis would lead to reduction in expenditure.</p>	Urban Development	<p>The recommendation of the Commission could not be fully implemented, as some regular staff is essentially required to run these institutions of Local Self Government, keeping in view their increasing responsibilities after the 74<sup>th</sup> Constitutional Amendment and enactment of new H.P. Municipal Acts. Moreover, the regular staff was already there when the recommendations of the 2<sup>nd</sup> SFC were accepted by the State Government. However, charge of Secretaries of several Nagar</p>	Partially implemented.

			Panchayats have either been given to officers of other Departments or to the Executive Officers of adjoining Municipal Councils to save the Nagar Panchayats from the burden of salary. There are 24 Nagar Panchayats out of which 15 Nagar Panchayats are without Secretaries.	
9.6	It has also been noticed by the Commission that some Urban Local Bodies owe huge amounts to HPSEB and IPH Departments. Main reason for this situation is fiscal health of ULBs which on the other hand severely affects the efficiency and capability of service providers. The Commission recommends a onetime liquidation of the arrears of the defaulting ULBs by directly paying to HPSEB or IPH Departments during the first year of the award period in the following manner :- The arrears for energy bills for street lighting	Urban Development	Necessary instructions have been issued to all the ULBs to make regular payments of street light bills and water supply bills to the HPSEBL and IPH Departments respectively, failing which the same will be deducted from their grants. Due to their lean financial position they are not in a position to pay the water and electricity charges. However, keeping in view the pending liabilities payable to the Himachal Pradesh State Electricity Board Limited and Irrigation and Public Health Department on account of street lights/water, the State Government has decided to recover the outstanding dues out of the grants of the defaulter ULBs and accordingly recovery is being effected in	Implemented

	<p>shall be adjusted against the future grants in 4 equal installments.</p> <p>i) in case the local bodies fail to raise the local tax on consumption of electricity in a manner that no arrears accrue in future.</p> <p>ii) For water supply, the local bodies, as a first step, will raise the water rates to cover full cost of bulk supply at existing rates of supply and subsequently raise the rates towards ensuring full cost recovery of O &amp; M charges over a five year period. In case of a failure to comply, the grants due to the local bodies will be adjusted at the rate of 25% of the arrears paid during the first year.</p>		installments.	
9.7	The Commission has also recommended to reward the local bodies which pay for such services on a regular basis. In the event of	Urban Development	Necessary instructions have been issued to all the Urban Local Bodies to take advantage of "incentive fund" as per the recommendations of the 2 <sup>nd</sup> State	Accepted and partially implemented.

	<p>any hike in the rates of local tax on consumption of electricity or water rates, for every additional rupee raised the local bodies shall be entitled to incentive grant of Rs.2. This incentive will apply only to these bodies which have no arrears. For this purpose, the Commission recommended an "Incentive Fund" amounting to Rs.1.50 crore per annum for the year 2003-2004, implying a total Corpus of Rs.6.00 crore over the forecast period.</p>		<p>Finance Commission. However, no such proposal has been received from any of the ULBs.</p>	
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RECOMMENDATIONS OF THIRD STATE FINANCE COMMISSION				Accepted and implemented																					
16.1	<p>The Commission had made over to the State Government an Interim Report for the year 2007-08 in June, 2006 to ensure the continuity in fiscal transfers as also in the fulfilment of the Constitutional requirements. The State Government had accepted the Interim Report and implemented the same for the year 2007-08. For the year 2007-08, the Panchayati Raj Institutions are expected to receive a total gap filling grant of the order of Rs. 1759.39 lakh to meet the obligations of committed expenditure as also infrastructural support grants amounting to Rs. 201.70 lakh for augmentation of accommodation of Panchayat Ghars and office infrastructure. For the Urban Local Bodies, an amount of Rs. 3052.05 lakh was recommended to be devolved</p>	Panchayati Raj	<p>As per the recommendation of the 3<sup>rd</sup> State Finance Commission the status of the release of gap filling grants is as under :</p> <p>(Rs. in lakh)</p> <table><tr><th>Financial Year</th><th>Recommendation by SFC</th><th>Amount Released</th></tr><tr><td>2007-08</td><td>2463.52</td><td>2619.45</td></tr><tr><td>2008-09</td><td>5364.16</td><td>5598.76</td></tr><tr><td>2009-10</td><td>5293.45</td><td>5614.12</td></tr><tr><td>2010-11</td><td>4802.60</td><td>6073.47</td></tr><tr><td>2011-12</td><td>4904.58</td><td>6118.80</td></tr><tr><td>Total</td><td>22828.31</td><td>26024.60</td></tr></table> <p>It is evident from the above table that total gap filling grants released to PRIs is Rs 26024.60 lakh which is over and above the recommended grant of Rs. 22828.31 lakh. The Commission has recommended Rs. 2937.98 lakh for the maintenance of physical assets of various</p>	Financial Year	Recommendation by SFC	Amount Released	2007-08	2463.52	2619.45	2008-09	5364.16	5598.76	2009-10	5293.45	5614.12	2010-11	4802.60	6073.47	2011-12	4904.58	6118.80	Total	22828.31	26024.60	
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	<p>by way of developmental grants for 2007-08. The Commission while making out the full Report for the period 2007-08 to 2011-12 will take into cognizance these amounts and separately offset them from the overall recommendations.</p>	<p>Urban Development</p>	<p>departments. The Commission recommended that maintenance provision of other departments may continue to be with the departments but its devolution to Gram Panchayats be made for carrying out maintenance to gradually enhance the stake of Gram Panchayats in the basic infrastructure meant for local level service delivery. The Commission also recommended for budgetary provisions for the assets, in the Demand for Grants of Panchayati Raj Department by declaring the Director, Panchayati Raj as Head of the Department for the proper utilization of the same by the Panchayati Raj Institutions.</p> <p>The Department took up the matter with the Government and the Finance Department, but no such delegation has been made by the respective Departments.</p> <p>As per interim report of the 3<sup>rd</sup> State Finance Commission, as sum of Rs.3052.05 lakh has been released to the Urban Local Bodies of the State. Due to the lean financial position of the Urban Local Bodies most part of this grant has been utilized by them to meet out committed revenue liability.</p>	<p>Accepted and implemented</p>
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16.4	<p>The Interim Report had provided for a gap filling grant amounting to Rs.1759.39 lakh for the Panchayati Raj Institutions. Against this recommendation in the Interim Report, the revised gap as worked out above after taking into account the revision in the rates of honorarium to the elected representatives and also the revision in the levels of remuneration of the Panchayati Raj functionaries of the Panchayati Raj Institutions works out to Rs. 2463.52 lakh. Accordingly, the State Government may make a further provision of Rs. 704.13 lakh in the current year through the supplementary demands for grants to meet such committed expenditure.</p>	Panchayati Raj	<p>Keeping in view the additional requirement of funds on account the revision in the rates of honorarium to the elected representatives and the revision in the levels of remuneration of the functionaries of the Panchayati Raj Institutions, the demand for additional funds was sent to the State Government by the Department of Panchayati Raj and accordingly funds were released to the PRIs to meet out this expenditure.</p>	Accepted and implemented.
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16.7	For the year 2007-08, the Interim Report of the Commission had recommended a total transfer of Rs. 3052.05 lakh for the Urban Local Bodies. As against this, the above data indicates that the State Government may be required to provide a further grant of Rs. 910.00 lakh for 2007-08 towards meeting the expenditure commitments as detailed above. Such a provision for 2007-08 may be made through a supplementary demand for grants during the current year. For the remaining four years of the forecast period, the total transfers to the Urban Local Bodies by way of developmental grants (grants in lieu of Octroi) and gap-filling grants will be required as under :-	Urban Development	The funds released to the Urban Local Bodies are as under:-						Accepted and implemented
			Sr. No	Year	Development Grant	Gap-filling grant	Total	Amount Released	
			1	2007-08*	3239.00	910.00	4149.00	3052.05	
			2	2008-09	3644.00	532.00	4176.00	4176.00	
			3	2009-10	4100.00	77.00	4177.00	4177.00	
			4	2010-11	4612.00	--	4612.00	4612.00	
			5	2011-12	5188.00	--	5188.00	5188.00	
				<b>TOTAL</b>	<b>20783.00</b>	<b>1519.00</b>	<b>22302.00</b>	<b>21205.05</b>	
* For the year 2007-08, the Commission in its Interim Report had recommended a total transfer of Rs. 3052.05 lakh for the Urban Local Bodies. Budget provisions for the year 2008-09 onwards was kept strictly as per the recommendations of 3 <sup>rd</sup> State Finance Commission. The State Government has also provided Rs. 6.00 crore during the year 2009-10 and 2010-11, as grant filling grants.									

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<b>Table V</b> <b>Total Transfers to Urban Local Bodies</b> In Rs. lakh)																														
	<table><tr><th>Year</th><th>Develop- mental Grants</th><th>Gap- filling Grants</th><th>Total Resource transfers</th></tr><tr><td>2008-09</td><td>3644.00</td><td>532.00</td><td>4176.00</td></tr><tr><td>2009-10</td><td>4100.00</td><td>77.00</td><td>4177.00</td></tr><tr><td>2010-11</td><td>4612.00</td><td>Nil</td><td>4612.00</td></tr><tr><td>2011-12</td><td>5188.00</td><td>Nil</td><td>5188.00</td></tr></table>	Year	Develop- mental Grants	Gap- filling Grants	Total Resource transfers	2008-09	3644.00	532.00	4176.00	2009-10	4100.00	77.00	4177.00	2010-11	4612.00	Nil	4612.00	2011-12	5188.00	Nil	5188.00									
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2010-11	4612.00	Nil	4612.00																											
2011-12	5188.00	Nil	5188.00																											
16.8	The surplus in the overall finances of the Urban Local Bodies as brought out in Table IV (Chapter 16) for the year 2010-2011 and 2011-12 has not been taken into account to be offset against the developmental grants. The Commission took such a view keeping in picture the fact that in case the Urban Local Bodies end up with a nominal surplus due to the projected effort of raising resources at their own level, such surplus may be left to be best utilized by the local bodies for			Urban Development	The actual receipts and projected receipts of the ULBs are as under:- <table><tr><th>Year</th><th>Actual Receipts</th><th>Projected Receipts by 3<sup>rd</sup> S.F.C.</th><th>Deficit</th></tr><tr><td>2007-08</td><td>44.26</td><td>42.57</td><td>(+) 1.69</td></tr><tr><td>2008-09</td><td>44.98</td><td>47.88</td><td>(-) 0.90</td></tr><tr><td>2009-10</td><td>50.87</td><td>53.86</td><td>(-) 2.99</td></tr><tr><td>2010-11*</td><td>53.68</td><td>60.58</td><td>(-) 6.90</td></tr><tr><td>2011-12*</td><td>56.36</td><td>68.15</td><td>(-) 11.45</td></tr></table> * projected.		Year	Actual Receipts	Projected Receipts by 3 <sup>rd</sup> S.F.C.	Deficit	2007-08	44.26	42.57	(+) 1.69	2008-09	44.98	47.88	(-) 0.90	2009-10	50.87	53.86	(-) 2.99	2010-11*	53.68	60.58	(-) 6.90	2011-12*	56.36	68.15	(-) 11.45
Year	Actual Receipts	Projected Receipts by 3 <sup>rd</sup> S.F.C.	Deficit																											
2007-08	44.26	42.57	(+) 1.69																											
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2010-11*	53.68	60.58	(-) 6.90																											
2011-12*	56.36	68.15	(-) 11.45																											
				Accepted but could not be implemented in view of emerged situation.																										

	improvement and up gradation of civic infrastructure.		There is a gap between receipts projected by the Commission and actual receipt of the ULBs. In the current situation, the ULBs are not even in a position to pay the water and electricity bills.	
16.11	It may be seen from the above data that even though the transfers to the local government institutions show a marginal increase during the forecast period in nominal terms, yet the percentage of the total devolution to the State's total own revenues keeps declining over time due to the fact that the State's projected total own revenues show a growth rate higher than the increase in the recommended level of devolutions.	Finance (IF) Department	The Third State Finance Commission has considered the growth trend of Sale Tax / VAT while recommending Development Grants to the Urban Local Bodies. The State Government has accepted the recommendations made by the Third Finance Commission and released the grants to the ULBs, accordingly.	Accepted and implemented.
16.12	The Commission is of the opinion that the recommended resource transfers to the local government institutions may not be passed on as grants-in-aid as has happened during the award periods of the	Finance (IF) Department	No decision has been taken by the State Government.	Not Implemented.

	<p>First and the Second State Finance Commissions. Instead, it may be more appropriate if the State Government fixes the resource transfers to the local government institutions as a percentage of the State's own tax and non-tax revenues. Given the fact that transfers during 2008-09 are recommended at 3.02 per cent of the total State's own tax and non-tax revenues and also the fact that the local government institutions should be encouraged to play a larger role in democratic governance at the decentralized level, the Commission is of the opinion that the State government may, instead of transferring the recommended devolution as gap filling grants, consider to devolve an amount equivalent to 2.75 per cent of the aggregate State's own tax and non-tax revenues to the local government</p>			
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institutions starting with the year 2008-09. This percentage may be kept fixed for the forecast period upto 2011-12 and could be reviewed by the next State Finance Commission. As to the distribution of this aggregate transfer between the Panchayati Raj Bodies and the Urban Local Bodies, the Commission recommends that the ratios of the total recommended devolution to these respective bodies may be used for apportioning the corpus. It would work out as under :-

(Rs. in crore)

Year	Transfers to PRIs	Transfers to ULBs	Total Transfers	Percentage of Column 2 to Column 4	Percentage of Column 3 to Column 4
1	2	3	4	5	6
2008-09	53.64	41.76	95.40	56.22	43.78
2009-10	52.93	41.77	94.70	54.34	45.66
2010-11	48.03	46.12	94.15	51.00	49.00
2011-12	49.05	51.88	100.93	48.60	51.40

16.13	Based on the above percentages, the aggregate transfers equivalent to 2.75 per cent of the State's own tax and non-tax revenues between Panchayati Raj Bodies and the Urban Local Bodies would be as under:-  (In percent)	Finance (IF) Department	No decision has been taken by the State Government.	Not Implemented.																				
	<table><tr><td>Year</td><td>Percent of Total Own Revenues to be allocated to PRIs</td><td>Percent of Total Own Revenues to be allocated to ULBs</td><td>Total</td></tr><tr><td>2008-09</td><td>1.5460</td><td>1.2040</td><td>2.7500</td></tr><tr><td>2009-10</td><td>1.4944</td><td>1.2556</td><td>2.7500</td></tr><tr><td>2010-11</td><td>1.4025</td><td>1.3475</td><td>2.7500</td></tr><tr><td>2011-12</td><td>1.3365</td><td>1.4135</td><td>2.7500</td></tr></table>	Year	Percent of Total Own Revenues to be allocated to PRIs	Percent of Total Own Revenues to be allocated to ULBs	Total	2008-09	1.5460	1.2040	2.7500	2009-10	1.4944	1.2556	2.7500	2010-11	1.4025	1.3475	2.7500	2011-12	1.3365	1.4135	2.7500			
Year	Percent of Total Own Revenues to be allocated to PRIs	Percent of Total Own Revenues to be allocated to ULBs	Total																					
2008-09	1.5460	1.2040	2.7500																					
2009-10	1.4944	1.2556	2.7500																					
2010-11	1.4025	1.3475	2.7500																					
2011-12	1.3365	1.4135	2.7500																					
16.14	For the purposes of operationalization of this system, the State Government may budget transfers equivalent to the above	Finance (IF) Department	No decision has been taken by the State Government.	Not implemented.																				

	<p>percentages against the budget estimates of the State's own tax and non-tax revenue put together as a singular entry in the respective budgets of the Panchayati Raj Department and the Urban Development Department. After the budget is passed by the State Legislature, these departments could administer the resource transfers to the concerned subordinate levels of local governance at their own level in accordance with the principles enunciated by the State Finance Commission for such allocation. Such an arrangement will be very simple to implement and administer and will also afford a greater degree of freedom for resource transfer mechanism to pave the way for strengthening the democratic decentralization.</p>			
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16.15	<p>The Commission was specifically asked to suggest ways and means to improve the financial position of the Panchayati Raj and Municipal Institutions. The Commission, after having comprehensive interaction with the local government institutions at different levels and inviting their suggestions in this behalf, has made detailed recommendations for strengthening of the fiscal base of the local government institutions. Chapter 14 of the report contains these recommendations. Paragraph 14.24 of this chapter comprehensively deals with the existing provisions on the taxes and fees of the Panchayati Raj Institutions and Municipal Bodies and the suggestions or recommendations of the Commission for amendment in the existing provisions towards achieving the underlying objectives. The Commission</p>	Panchayati Raj Department	<p>In compliance to the recommendation made by the Commission, the Department of Panchayati Raj has made requisite amendments under section 100 and 101 of the Himachal Pradesh Panchayati Raj Act.1994.</p>	Partially implemented.
		Urban Development	<p>In compliance to the recommendation made by the Commission, the Urban Development Department has made amendment under section 84, 85, 86, 87, 88 and 89, of H.P. Municipal Corporation Act, 1994 and section 65, 66, and 71 of H.P. Municipal Act, 1994.</p>	Partially implemented.



	<p>recommends to the Government that the suggested amendments may be carried through in the existing statutes so that the financial position of these bodies is strengthened. These amendments will also lead to making these bodies more effectively answerable at the local level besides moving them in the direction of financial self-sustainability. In addition to this, the Commission has also recommended that the Panchayati Raj Bodies may also be allowed access to the duty on transfer of property in the form of surcharge on the duty imposed by the Indian Stamp Act, 1899 on the same lines as the Urban Local Bodies (Paragraph 14.12). Other specific recommendations of the Commission which have a bearing on the financial well-being of the local government institutions as elaborated in</p>			
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	chapter 14 are summed-up as below :-			
	<p>1. The proceeds of the cess on liquor should be equitably distributed among all the Panchayats irrespective of the fact whether liquor vend exists within the geographical territory of a Panchayat or not. Also, the total proceeds of the cess on liquor should be divided into rural and urban pools in the ratio of population according to 2001 census and then further distributed among the individual local government bodies in the ratio of population according to 2001 census (Paragraph 14.8).</p>	Panchayati Raj	<p>The matter is under the consideration of the State Government proposing therein that the proceeds of the cess on the liquor should be provided to the Zila Parishad and the Zila Parishad by way of dovetailing this amount with the grants received from the Central Finance Commission as well as BRGF will further spent the same on the basis of the approved Zila Parishad plan.</p>	Not implemented.
	<p>2. The Commission has recommended that the entire collection of the cess</p>	Panchayati	<p>The matter has been taken up with the Excise and Taxation</p>	Not Implemented.

	<p>on liquor at the rate of Rs.2 per bottle should be transferred to the local bodies instead of retaining half of the proceeds by the State Government. In the alternative, in case the State Government wishes to retain Re.1 out of the Rs.2 per bottle collection, the cess may be raised to Rs.3 per bottle and Rs.2 per bottle out of this be transferred to the local bodies (Paragraph 14.9).</p>	<p>Raj</p> <p>Urban Development</p>	<p>Department. Response is awaited.</p> <p>As per the announcement made by the Hon'ble Chief Minister, HP, in the Budget speech, the proposal for enhancement of cess on sale of liquor in municipal areas from Rs.1 to Rs. 2 per bottle of liquor sold in the jurisdiction of ULBs was taken up with the Department of Excise &amp; Taxation and department has approved the proposed enhancement from the year 2012-13.</p>	<p>Implemented.</p>
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3. The Commission has recommended that collection of water charges on drinking water supply for private domestic connections be entrusted to Panchayats and 50 % of the charges thus collected be retained by the Gram Panchayats on the same pattern as was done earlier. However, the Gram Panchayats should be made responsible for preventive maintenance and upkeep of the water supply schemes on account of this resource (Paragraph 14.13).	Panchayati Raj	The collection of water charges on drinking water supply for private domestic connections is with the Department of Irrigation & Public Health. However, 3843 Jal Rakshaks have been engaged through PRIs for operation and maintenance of water supply schemes. A provision for engaging additional 500 Jal Rakshaks has been made in the budget for the year 2013-14.	Partially implemented.
4. The Commission has recommended that the Gram Panchayats may be entrusted the collection of Abiana charges for irrigation and 50% of the proceeds be allowed to be retained at their level for minor repairs in the distribution system. This would lead to better capacity utilization and enhanced	Panchayati Raj	The collection of Abiana charges is being done as per Minor Canal Act and process for its revision / amendment is under consideration of the State Government.	Not implemented.

	participation by the Panchayati Raj Bodies (.Paragraph 14.14.)			
	5. The Commission has recommended that the marriage registration fee and the fee for birth and death may be fixed at Rs.200 and Rs.100, respectively with a provision for concessional registration for the IRDP families at the rate of Rs.25 in both the cases. The late fee for delayed registration of such events may be double the basic rate (Paragraph 14.16).	Panchayati Raj	The matter for enhancement of marriage registration fee and birth –death fees is to be taken up with the Department of Social Justice & Empowerment for making appropriate amendment in Acts.	Not implemented.
		Urban Development	The matter has been taken up with the Department of Social Justice and Empowerment to make necessary amendments in “HP Registration of Marriage Rules,2004 and HP Birth and Death Registration Rules ,2003 vide letter dated 5.11.2011, 4.9.2012 and 5.1.2013. The necessary amendment is yet to be made by the concerned Department.	Not implemented.
	6. The Commission has recommended differential taxation for urban properties according to their geographical location within a town on the same lines as was recommended by the Second State	Urban Development	The Property Tax Board has been constituted vide Notification No. UD.C ((9)-1/2007 dated 28.03.2011 to review the present property tax system in the municipalities. In view of the resource situation with the municipalities, the Board will assist all the ULBs to	Partially implemented.

	Finance Commission. The details of this design are contained in paragraphs 14.20 to 14.22 and the State Government may consider setting up a study group to go into the suggestions made and amend the statutes on these lines subsequently as such a suggestion has also been made under the National Urban Renewal Mission (Paragraph 14.20 to 14.22)		improve property tax recovery system and assessment including unit area method and flexibility on rates. The amendment under Section 65 of the H.P. Municipal Act, 1994 and section 86 of the H.P. Municipal Corporation Act, 1994 has also been made.	
16.16	The Commission was also entrusted the responsibility of making recommendations in regard to taking forward the process of devolution of functions to the local government institutions. Based on the existing level of being of the Panchayati Raj Bodies and their capacity to take on certain developmental responsibilities, the Commission has recommended entrusting the activities related to	Panchayati Raj	As per the requirement of Article 243 G of the Constitution of India read with sections 11, 83 and 94 of the Himachal Pradesh Panchayati Raj Act, 1994 the powers, functions and responsibilities relating to 15 various departments of the State Government in respect of subjects mentioned in schedule 11 of the Constitutions were devolved upon the Panchayati Raj Institutions vide notification dated 31 <sup>st</sup> July, 1996. Powers and functions devolved to the PRIs mainly pertains to supervision, monitoring, reporting, planning and issuing of contractual appointments and these functions have not been devolved completely because the same are	Partially implemented.

	<p>primary education, mid-day meals programme, rural health functions and infrastructure upto the level of health sub-centre, ICDS programme upto the level of Anganwaris and animal husbandry programme upto the level of veterinary dispensaries and artificial insemination centers. The details in this behalf are contained in chapter 15 of the report.</p>	<p>also being performed by the agencies of the State Government. Funds and functionaries have not been transferred to the PRIs. The powers and functions devolved so far to the PRIs either by way of legislation or notification or executive orders are being implemented by the Panchayats. But in the absence of the effective devolution, the Panchayats are reluctant about the same because the existing powers/functions devolved to the PRIs mainly pertain to supervising, monitoring and reporting.</p> <p>The 29 subjects mentioned in Schedule-II of Constitution relate to the various departments of the State Government. As a follow up of the recommendations of seven roundtables, a statement of conclusions has been signed between by the Hon'ble Union Minister of Panchayati Raj on behalf of the Govt. of India and Hon'ble Chief Minister on behalf of the State Government. It was agreed that the activity mapping will be finalized by August, 2006. In view of this, the Govt. of India has stressed for clear cut demarcation of functions to be transferred to PRIs alongwith transfer of related funds and</p>
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		<p>functionaries. Therefore, the concerned departments were requested to identify the activities relating to 29 subjects mentioned in 11<sup>th</sup> Schedule of Constitution for identifying the activities that can be devolved to the PRLs and to prepare activity map for devolution of functions and transfer of related funds and functionaries and to take policy decision at the Government level for preparation of activity map for opening of a separate budget window for transfer of funds to the PRLs. The department of Panchayati Raj of State Govt. started the exercise of the activities Mapping with the collaboration of GTZ (German Aided Project). Meeting with the Administrative Secretaries and Head of Departments regarding activity Mapping was held and the same was followed by the training of the officers/officials of the concerned departments with regard to concept, methodology etc. of Activity Mapping on 12 – 14 May, 2008 at HIPA (SIRD). As a follow up of the same, Activity Maps of all the 29 subjects mentioned in the 11<sup>th</sup> Schedule of the Constitution have been notified vide notification No. PCH-HA(3)P/2006 -18580-22180 dated 19<sup>th</sup> October, 2009. But the transfer of functions, funds ,</p>
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		<p>functionaries is yet to be done by the concerned line departments and no separate Panchayat budget window has been opened.</p> <p>The department is vigorously perusing the matter with the different line departments for earlier transfer of funds, functions and functionaries to PRIs. Under the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), the State Government has committed to strengthen the financial base of Panchayats by assigning appropriate taxes, fees etc., providing un-tied funds to Panchayats and ensuring devolution of funds, functions and functionaries. In order to speed up, monitor and review the process of devolution, a State level Steering Committee headed by Minister-in-Charge and an Executive Committee headed by Pr. Secretary (Panchayati Raj) has been constituted on 31.7.2013 under RGPSA.</p> <p>However, of the 29 subject to be devolved to PRIs sanitation is one of the functions which is presently being performed by the Gram Panchayats.</p>	
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16.17	<p>The need for continuity of an institutional mechanism to track the implementation of the recommendations made by the State Finance Commission and to collect and compile the financial data relating to the local government institutions on a regular basis needs no over-emphasis. The previous Commissions have also made similar recommendations. The Third State Finance Commission reiterates the need for a permanent mechanism for this purpose and the specific recommendation in this behalf has been detailed out in Chapter 2 of this report while analysing the implementation of the recommendations of the previous Commissions.</p>	Finance Department	<p>This issue was placed before the Council of Ministers and it was decided that the work relating to SFCs will be carried out through restructuring / redeployment of existing staff in the Planning Department without any additional creation of posts, as permanent SFC cell will lead a heavy financial burden on the State Government exchequer.</p>	Not implemented.
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3.12 An overview of the action taken by the concerned departments on the recommendations made by the first three State Finance Commissions reveals that there are certain significant recommendations which have either been partially accepted or not accepted by the State Government. The Commission analyzed and studied the status of such recommendations and observed as under:

1. Preparation of proper inventory of the assets owned by the local bodies or delegated to be maintained by these bodies has been strongly emphasized by all the previous State Finance Commissions. This task was envisaged to be easy with the introduction of Priya Soft by the Department of Panchayati Raj. It is the matter of concern that after about seventeen years, the Department of Panchayati Raj in the Action Taken Report submitted to Commission has sought clarification on the type of assets to be inventoried. The Commission is the view that the assets created at the local bodies' level need to be inventorised, on priority. For this, the Commission suggests that the Department of Panchayati Raj can make categorization on the basis of following:

- i) Assets created and owned by the PRIs;
- ii) Assets transferred to the PRIs by State Government Departments under Schedule I & II, for upkeep and maintenance of assets; and
- iii) Assets of the State Government not transferred to PRIs, being maintained by the Departments concerned, but falling under the jurisdiction of the PRIs.

2. The Commission observes that Section 144 of the Municipal Corporation Act, 1994 empowers the Corporation, in pursuance to any resolution passed by it, "borrow by way of debenture or otherwise on the security by any immovable property vested in it or proposed to be acquired by it or of all or any of the taxes, rates, cess, fees and charges authorized by or under this Act or from public financial institutions, any sum of money, which it require". The Commission appreciates the effects made by the Department of Urban

Development to empower the Corporation to raise loans. But similar freedom needs to be provided to the Municipal Councils/Nagar Panchayats by making suitable amendment in the Himachal Pradesh Municipal Act, 1994 so that these fund starved Urban Local Bodies can also resort to borrowing for economically viable income generating projects/assets, keeping in view their financial capacities.

3. The Eleventh Finance Commission recommended that all government properties which belong to Central or the State Government should be subject to levy of user charges. The Second State Finance Commission endorsed the recommendations made by the Eleventh Finance Commission. The Commission feels that suitable amendment in the relevant statutes is yet to be made by the State Government. Therefore, the Commission recommends that necessary amendment be put in place on priority, as this will facilitate to augment the resources of the local bodies.
4. The Second and Third State Finance Commission strongly recommended for establishing a Permanent Institutional Arrangement. The need for supporting State Finance Commission with a permanent secretariat cannot be overlooked given the crucial role State Finance Commission plays in the overall system of fiscal devolution. It is also important to retain the institutional memory and the capacity to provide optimal level of support to State Finance Commission.

The Thirteenth Finance Commission also recommended that a permanent SFC Cell may be created in each State and all Members and Chairman should be on full time basis which can look in details of functioning of the local bodies and their problems of sustainability. It should also maintain good data base (time series) of local bodies related to finances, functions etc. It will also help in improving the credibility of information on the finances of local bodies

The Commission reiterates the need and recommends that a permanent secretariat for the State Finance Commission with adequate staff need to be created. Its function will include:

- i) To monitor the implementation of the recommendations of the State Finance Commissions (SFCs) and Central Finance Commissions (CFCs) and also monitor the methodology for implementation of various recommendations so that the local level institutions develop a system which could be useful in the context of these bodies becoming effective in the overall design of decentralization.
- ii) To track timely release of CFC and SFC grants from the State Government.
- iii) To function as data base for local bodies finance, analysis of data will include studying the trends in actual receipts and expenditure of the Local Bodies and identify the reasons for variations vis-à-vis the recommendations of the State Finance Commission.
- iv) To conduct studies and publish data on the finances of the Panchayati Raj Institutions and Urban Local Bodies and sharing with local bodies (through workshops and seminars), publishing the data on the website.
- v) To study and analyze the disparities in the levels of development at various level, as also the capabilities of raising resources.

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## CHAPTER-IV

### STATE FINANCES- AN ASSESSMENT

- 4.1 The State Finance Commission, widely acknowledged as a counterpart of the Central Finance Commission (CFC) which reviews the finances of the Central and State Governments, has to review the finances of the state as well as sub- state level governments. Article 243 G, H, I, W, X and Y make it compelling to have a review of the performance of the finances of the state as well as sub- state level governments. This chapter briefly examines the structure of the state economy, growth and development trends, fiscal capability of the state to bear the transfer package to sub-state level governments and the status of compliance under Himachal Pradesh Fiscal Responsibility and Budget Management Bill, 2005.
- A. **Structure of the Economy**
- 4.2 Himachal Pradesh has emerged as a leading economy in the country and is also a leader in Hill Area Development, Agriculture and Horticulture resolution. Himachal is an ideal destination for investment in Power and Tourism Sector. Responsive administration and conducive macro economic conditions have induced a competitive environment in the economy.
- 4.3 The total geographical area of Himachal Pradesh is 55,673 sq. kms. It has a population of 68.65 lakh as per 2011 census. The ratio of rural to urban population in the state is 90.00 percent to 10.00 percent. The population of the State registered a decadal growth of 12.94 percent as against 17.54 percent during the decade 2001-2011 which shows a decline of 4.6 percent as compared to the preceding decade 1991-2001. This has been possible through a three pronged strategy of intensive health care, improvement in literacy rates especially among the women and making family planning a people's movement alongwith a positive thrust of incentives. The sex ratio of Himachal Pradesh stands at 972 females per 1000 males. The total literacy rate of the State is 82.80 percent as compared to the All India literacy rate which stands at 73 percent. Male and female literacy rate in the State is 89.5 percent and 75.9 percent, respectively.

- 4.4 The mainstay of the people of Himachal Pradesh is agriculture on which 62.8 percent population (57.9 percent cultivators and 4.9 percent agriculture workers) depends for their livelihood. As per 2011 census, 30.05 percent of the total population of Himachal Pradesh is classified as main workers, 21.80 percent as marginal workers and the rest 48.15 percent as non-workers.

#### **B. Review of Growth and Development**

- 4.5 The economy of Himachal Pradesh has been progressing at a uniform pace and it has achieved a growth rate of 7.4 percent in the financial year 2011-12 which is higher than the national growth rate of 6.2 percent. In the 10<sup>th</sup> Five Year Plan (2002-07), the State economy achieved a growth rate of 7.6% and the growth rate at All India level was 7.8%, thus both the economies by and large grew at same pace. During the 11<sup>th</sup> Five Year Plan (2007-12), an average growth of 8.0% has been achieved despite the worldwide economic slowdown.
- 4.6 The State income of Himachal Pradesh or the Gross State Domestic Product (G.S.D.P) for the year 2011-12 has been estimated at Rs. 41,939 crore as against Rs. 39,036 crore in the year 2010-11 thereby registering a growth of 7.4% at constant prices (2004-05), Whereas at All India level, the Gross Domestic Product (G.D.P.) in 2011-12 at constant prices (2004-05) has been estimated at Rs. 52,43,582 crore as against Rs. 49,37,006 crore in 2010-11. It registered a growth of 6.2% during 2011-12 which is lower than the growth rate of Himachal Pradesh. At the current price, the G.S.D.P. of the State for the year 2011-12 has been estimated at Rs. 63,812 crore as against Rs. 56,355 crore in 2010-11. Whereas at the national level it is estimated at Rs. 83, 53,495 crore as against Rs. 72, 66,967 crore in 2010-11.
- 4.7 The per capita income of Himachal Pradesh and All India increased almost at the same pace from the period 1951-52 till the end of 8<sup>th</sup> Five Year Plan but thereafter Himachal Pradesh leaped forward and reached up to a level of Rs. 74,694 by March, 2012 as compared to All India per capita income of Rs.61,564.

- 4.8 The trend in growth and development of the State in comparison to All India over the last five years (2007-08 to 2011-12) is given in the table below:

**Table No. 4.1**

**Trend in Growth and Development over the Years (2007-08 to 2011-12)**

Year/ Particulars		2007-08	2008-09	2009-10	2010-11	2011-12
GSDP( At Current Prices) ( Rs. in crore)	H.P	33,963	41,483	48,189	56,355	63,812
	All India	45,81,422	54,03,567	60,91,485	72,66,967	83,53,495
GSDP( At Constant Prices (Rs. in crore)	H.P	30,917	33,210	35,907	39,036	41939
	All India	38,98,958	41,58,676	45,07,637	49,37,006	52,43,582
Growth Rate	H.P	8.5	7.4	8.1	8.7	7.4
	All India	9.3	6.7	8.4	8.4	6.2
Per Capita Income (In Rupees	H.P	43,966	49,903	56,706	65,535	74,694
	All India	35,825	40,775	46,117	53,331	61564

Source: Department of Economics and Statistics, Himachal Pradesh.

**C. A Critical Analysis of the State Finances**

- 4.9 The Commission decided to undertake the detailed analysis of the State Finances over the last five years (2007-08 to 2011-12) corresponding to the award period of Third State Finance Commission. For this, the Commission invited detailed memorandum from the Finance Department of the State Government on receipts and expenditure (both revenue and capital), debt liabilities, committed liabilities and fiscal management of the State Government. The Finance Department has provided information on important financial indicators of the State Finances. It would be significant to reproduce the board data containing vital information to understand and appreciate the financial position of the State Government based on actual figures pertaining to the period 2007-08 to 2011-12 which are given in Table 2.1:



**Table: 4.2**  
**Important Financial Indicators of Himachal Pradesh**

(Rs. in crore)

Sr. No.	Indicator	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	Average Annual Increase (%)
<b>A</b>	<b>Revenue Receipts</b>						
I	State Share in Central Taxes	793.67	837.49	861.62	1715.35	2060.67	31.90
II	State's own Tax Revenue	1958.15	2242.49	2574.53	3642.38	4280.30	22.08
III	State's Non Tax Revenue						
1	1. Interest Receipts (a+b+c)	66.90	77.97	76.93	69.95	83.47	6.37
2	Dividend and Profits (a+b)	1.03	89.58	73.49	64.11	81.11	62.46*
3	General Services of which lotteries (net)	109.59	71.57	76.71	102.75	102.12	1.46
4	Social Services	86.54	97.25	124.56	134.17	155.30	15.98
5	Economic Services	1558.38	1419.84	1431.97	1324.32	1412.75	-2.22
	<b>TOTAL (III)</b>	<b>1822.44</b>	<b>1756.21</b>	<b>1783.66</b>	<b>1695.30</b>	<b>1834.75</b>	<b>0.30</b>
IV	Union Grant etc.	4567.29	4471.77	5126.55	5657.57	6248.93	8.34
	<b>TOTAL -A</b>	<b>9141.55</b>	<b>9307.96</b>	<b>10346.36</b>	<b>12710.60</b>	<b>14424.65</b>	<b>12.33</b>
<b>B</b>	<b>Capital Receipts</b>						
1	Non-Debt Capital Receipts	0.00	0.00	0.00	645.85	0.00	
2	Internal Debt of the State i.e. Market & other institutional borrowings	1798.47	2236.75	2483.50	1729.19	2083.37	6.38
3	Loan from Centre	50.65	11.93	69.02	38.80	62.88	105.09
4	Recovery of Loans and advances	26.05	20.97	33.84	72.59	24.99	22.70
5	Public & Contingency Fund (Net)	797.92	922.07	551.63	1258.18	600.00	12.79
	<b>TOATAL -B</b>	<b>2673.09</b>	<b>3191.72</b>	<b>3137.99</b>	<b>3744.61</b>	<b>2771.24</b>	<b>2.76</b>

Sr. No.	Indicator	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	Average Annual increase (%)
C.	<b>Expenditure</b>						
1	Revenue Expenditure	8291.75	9438.13	11151.01	13246.09	13967.16	14.05
2	Capital Outlay	1413.49	2079.07	1943.44	1788.99	1855.68	9.09
3	Loan & Advances	13.94	89.61	69.67	226.56	389.80	204.45
4	Repayment of Public Debt	936.60	885.54	866.81	869.64	1099.25	4.79
	<b>TOTAL- C</b>	<b>10655.78</b>	<b>12492.35</b>	<b>14030.93</b>	<b>16131.28</b>	<b>17311.89</b>	<b>12.96</b>
D	<b>Budgetary Deficit/ Surplus</b>	1158.86	7.33	-546.58	323.93	-116.00	
E	<b>Revenue Deficit/Surplus</b>	849.80	-130.17	-804.65	-535.49	457.49	45.99
F	<b>Fiscal Deficit</b>	-551.58	-2277.88	-2783.92	-1832.60	-1763.00	74.30
G	<b>Total Debt of the State Government</b>	21241.84	23151.39	23163.70	24960.85	26607.85	5.85
H	<b>Gross State Domestic Product (GSDP)</b>	33,963	41,483	48,189	56,355	63,812	17.12
I	<b>Revenue Deficit as % to GDSP</b>	2.50	-0.31	-1.67	-0.95	0.72	25.26
J	<b>Fiscal Deficit as % to GDSP</b>	-1.62	-5.49	-5.78	-3.25	-2.76	46.14
K	<b>Debt as % to GDSP</b>	62.54	55.81	48.07	44.29	41.70	-9.59

\* The average annual growth pertains to the period 2008-09 to 2011-12

4.10 The total revenue receipts (state's own revenue, central transfers and grants) increased from Rs.9141.55 crore in 2007-08 to Rs. 14424. 65 crore in 2011-12, indicating an annual increase of 12.33%.

4.11 The corresponding revenue expenditure which was Rs. 8291.75 crore in 2007-08 increased to Rs. 13967.16 crore in 2011-12 experiencing an average annual growth of 14.05 percent. The growth of revenue expenditure remained higher as compared to the revenue receipts of the State Government.

- 4.12 The average annual growth of capital receipts was 2.76% whereas the growth of capital expenditure was 9.09% which indicates the endeavor of the State Government towards infrastructure development in the State.
- 4.13 Despite the status of a special category state and consequently high central transfers, the financial picture of the State depicts a trend of revenue and fiscal deficit, though not very high, during the period 2007-08 to 2011-12. The revenue deficit and fiscal deficit as percentage of GSDP remained highest as 1.67 percent and 5.78 % respectively during the year 2009-10.
- 4.14 The debt of the State increased to Rs. 26607.85 crore in 2011-12 compared to Rs. 21241.84 crore in 2007-08, with an annual growth of 5.85%. But the liability of debt as percentage of GSDP is showing a decreasing trend as it was 62.54 % in 2007-08 and has reduced to 41.70 % during 2011-12.
- 4.15 Having looked at the overall financial scenario of the State, it is evident that the years to come are likely to witness a certain level of surplus on revenue account, which indicates that the transfer of resources to the third level of governance would not very adversely affect the Consolidated Fund of the State. In this context, it may be of interest to look at the picture of growth in the State's own tax and non- tax revenue during the award period of the Third State Finance Commission. The status of resource transfers to the local bodies is presented in the Table 2.2:

**Table No. 4.3**

**Status of Resource Transfers to the Local Bodies during the period 2007-12**

**(Rs. in crore)**

Year	State's own Revenue (Tax & Non Tax)	Resource Transfers recommended by Third SFC	Actual Transfer made by State Government	Resource Transfers as percentage of own revenue
2007-08	3780.59	66.12	56.71	1.50
2008-09	3998.70	95.40	93.56	2.34
2009-10	4358.19	94.70	93.60	2.15
2010-11	5337.68	94.15	103.51	1.94
2011-12	6115.05	100.93	108.84	1.78
<b>Total</b>	<b>23590.21</b>	<b>451.30</b>	<b>456.22</b>	<b>1.93</b>

- 4.16 The aggregate own revenue (tax and non-tax) of the State during the award period of Third State Finance Commission (2007-08 to 2011-12) was Rs. 23,590.21 crore, whereas the actual resource transfer made by the State Government to the local bodies (both PRIs and ULBs) remained Rs. 456.22 crore. Thus, the actual transfer made to the third level of governance constitutes 1.93 percent of the aggregate own revenue. Given this scenario, it reveals that the transfers to the local government institutions will not cause any unbearable stress, especially if the transfers are also accompanied by the responsibilities.

**D. Status of Compliance under Himachal Pradesh Fiscal Responsibility & Budget Management Act, 2005**

- 4.17 Himachal Pradesh Fiscal Responsibility & Budget Management Act, 2005 and Himachal Pradesh Fiscal Responsibility & Budget Management Rules, 2005 were enacted in the State in the year 2005 with the objective to make the State Government accountable for ensuring prudence in fiscal management and to ensure fiscal stability by progressive elimination of Revenue Deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations. The Act provided responsibility on the State Government to:
- (a) Reduce revenue deficit every financial year compared to previous financial year to eliminate revenue deficit by March, 2009 and generate revenue surplus thereafter;
  - (b) Progressively reduce fiscal deficit to bring it to three percent of Gross State Domestic Product; and
  - (c) Progressively reduce its outstanding guarantees on long term debt, until it can cap outstanding risk weighted guarantees at eighty percent of total revenue receipt in the preceding financial year for which actuals are available as per finance accounts.
- 4.18 The Thirteenth Finance Commission in its report submitted to the Union Government recommended the States to enact or amend the Fiscal Responsibility

and Budget Management Act, for setting a fresh trajectory of fiscal reforms to seek State Specific Grants and other benefits recommended by the Commission for the States. In compliance to these recommendations, Himachal Pradesh Fiscal Responsibility and Budget Management Act, 2005 was amended by the State Government in the year 2011. The following provisions were incorporated under the amended Act:

- (a) Eliminate revenue deficit by financial year 2011-12 and maintain revenue surplus thereafter;
- (b) Reduce fiscal deficit to 3.5 per cent or less of Gross State Domestic Product by financial year 2010-11, 3 per cent or less of the Gross State Domestic Product by financial year 2011-12 and maintain fiscal deficit at the level of 3 per cent or less of Gross State Domestic Product thereafter;
- (c) Reduce outstanding debt to 49.7 per cent, 47.0 per cent, 44.4 per cent, 42.1 per cent and 40.1 per cent of Gross State Domestic Product by the financial years 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively; and
- (d) An independent mechanism shall be set up by the State Government to review and monitor the fiscal reform path set out under this Act.

4.19 As per the provisions under the amended Act, the State Government is required to lay before the legislative Assembly in every financial year, the Medium Term Fiscal Policy Statement, and the Fiscal Policy Strategy Statement along with the budget, The Medium Term Fiscal Policy Statement, and the Fiscal Policy Strategy Statement set forth the fiscal objectives, strategic priorities of the State Government and a three-year rolling target for fiscal management.

4.20 The Himachal Pradesh Government undertook a number of steps to move forward on the path of fiscal correction and is on the path to achieve all parameters of FRBM Act well within the stipulated time.

2.21 The Commission has kept all these facts in view while firming up its recommendations on the resource transfers from the State Government to the third level of governance.

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## **CHAPTER-V**

### **REVIEW OF THE STATUS OF DECENTRALISED GOVERNANCE UNDER PANCHAYATI RAJ SYSTEM AND DEVOLUTION TO PANCHAYATI RAJ INSTITUTIONS**

#### **Evolution of Panchayati Raj System**

- 5.1 Panchayats have been in existence since time immemorial. In the ancient period, the Panchayats generally functioned as informal institutions to solve intra-village and sometimes inter-village feuds, and organised forums for village-level social development and cultural functions.
- 5.2 In Himachal Pradesh, the Panchayati Raj system was established in a statutory form in 1954 under the Himachal Pradesh Panchayati Raj Act, 1952. After the reorganisation of the states on 1<sup>st</sup> November, 1966, the 1952 Act was replaced by the Himachal Pradesh Panchayati Raj Act, 1968, incorporating the major recommendations of Balwant Raj Mehta Committee and a two-tier system was established in the state.
- 5.3 The Constitutional 73<sup>rd</sup> Amendment Act, 1992 was enacted on 24<sup>th</sup> April, 1993 with a view to restructure, rejuvenate and to give constitutional status to the Panchayati Raj Institutions. Essentially, the Amendment Act lays down certain ground rules which constitutes the basic structure or core features of the local authorities. This consists of a well defined duration, safeguards against external interference in the form of prolonged supersession, provision for regular elections, proper and meaningful representation of weaker sections and women and devolution of powers, authority and adequate finances. The rest of the fields have been left to the State.

5.4 The salient features of 73<sup>rd</sup> Constitutional Amendment Act, 1992 are as under:

243(A)	Constitution of Gram Sabha
243(B)	Constitution of three tier Panchayat Raj System
243(C)	Mandatory for the States to enact laws
243(D)	Reservation policy (SCs, STs, OBCs and Women)
243(E)	Term of PRIs (5 years)
243(F)	Disqualification of Member
243(G)	Assignment of functions –Eleventh Schedule
243(H)	Assignment of taxing powers, grants-in-aid
243(I)	State Finance Commission and its terms of reference
243(J)	Maintenance of accounts
243(K)	Elections and constitution of Election Commission
243(L)	Application of provisions to the Union Territories
243(M)	Exclusion of Scheduled Areas
243(N)	Status of previous laws relating to Panchayats
243(O)	Validity of law relating to delimitation and allotment of seats

5.5 With the passage of the 73<sup>rd</sup> Constitutional Amendment Act, 1992, the Himachal Pradesh Panchayati Raj Act, 1994, came into force on 23<sup>rd</sup> April, 1994, in place of the Himachal Pradesh Panchayati Raj Act, 1968, within one year from the date of the constitutional amendment. New rules were framed under the new Act. Simultaneously, the State Election Commission was also established and the two-tier Panchayati Raj System, namely Gram Panchayat and Panchayat Samiti, which was already in existence in the State, gave way to the establishment of a three-tier Panchayati Raj system.

5.6 The salient features of the Himachal Pradesh Panchayat Raj Act, 1994 are as under:

- i. Gram Sabha will be a body consisting of persons registered or qualified to be registered in the electoral roll of Legislative Assembly relating to a village.

- ii. Every Gram Sabha shall hold four general meetings in a year on the predetermined dates i.e. 1<sup>st</sup> Sunday of January, April, July and 2<sup>nd</sup> October. Family will be the unit for determining the quorum of the Gram Sabha meeting.
- iii. For every ward, Up-Gram Sabha shall be constituted which will meet twice a year. Up-Gram Sabha besides discussing the local issues shall also nominate its members to represent it in general meetings of the Gram Sabha.
- iv. The Act provides for the establishment of a three tier system of Panchayati Raj i.e. Gram Panchayat at village level, Panchayat Samiti at intermediate level and Zila Parishad at district level.
- v. It provides for direct elections for Pradhans, Up-Pradhans and the Members of Panchayats. Whereas, the Chairperson and Vice-Chairperson of Panchayat Samiti and Zila Parishad are to be elected indirectly from amongst their elected members.
- vi. The Act provides 50% reservation for women in PRIs.
- vii. In all the Panchayats, seats of members and offices of Chairpersons are to be reserved for Scheduled Castes and Scheduled Tribes in proportion to their population. One half of the total number of seats and offices would be reserved of women. Enabling provision has also been made for reserving the seats to the persons belonging to Other Backward Classes.
- viii. The number of members in a Gram Panchayat shall be determined on the basis of population which may range from 5 to 13 excluding Pradhan and Up-Pradhan. The Member of Panchayat Samiti representing a part or whole of the Gram Sabha area shall also be the member of concerned Gram Panchayat(s) and shall have the right to vote. The number of the elected members of the Panchayat Samiti shall consists of persons elected from the territorial constituencies in the Samiti area as may be notified from time to time by the Government at the rate of one member for every 3500 population or part thereof subject to minimum of 15 members. The number of the elected members of the Zila Parishad shall consists of persons elected from the territorial constituencies in the district as may be notified from time to time by the Government at the rate of one member for every 25000 population or part thereof subject to minimum of 10 members.
- ix. Every Panchayat unless sooner dissolved, shall have a uniform term of five years and elections to constitute new Panchayats shall be completed before the expiry of the term of the existing Panchayats and before the expiration of a period of six months from the date of dissolution.



- x. Enabling provisions have been made under the Act for delegation of powers, functions and responsibilities to the PRIs.
  - xi. The section 11(1), 81 and 92 of the Act provides certain mandatory functions to be performed by the Gram Panchayats, Panchayat Samities and Zila Parishads, respectively.
  - xii. The section 11(2), 82 and 93 of the Act empowers the State Government to provide more functions to the PRIs.
  - xiii. Gram Panchayats have also been empowered to perform judicial functions.
  - xiv. Gram Panchayats have been empowered to levy taxes, duty, cess and fees in their area of jurisdiction.
  - xv. A Finance Commission shall be constituted at expiration of every fifth year to review the financial position of Panchayats and to recommend the resource transfers to PRIs from the Consolidated Fund of the State.
  - xvi. The Act provides for establishing an independent State Election Commission for superintendence, direction and control of the electoral process and preparation of electoral rolls.
  - xvii. Every district shall have a District Planning Committee. A Minister or Speaker/Deputy Speaker of Vidhan Sabha, to be chosen by the State Government, shall be the Chairperson of District Planning Committee.
  - xviii. PRIs at all the level shall prepare development plan for their area of jurisdiction which will be submitted to the District Planning Committee who is required to consolidate the plans prepared by the urban and rural bodies and prepare a draft development plan for a district as a whole and forward the same to the State Government.
  - xix. For the efficient functioning of the PRIs, provisions have been made for the constitution of the standing committees.
- 5.7 The Himachal Pradesh Panchayati Raj Act, 1994 was also brought in conformity with the provisions of the Central Act No 40 of the Panchayats (Extension to Scheduled Areas) Act, 1996. Special provisions relating to Gram Panchayats, Panchayat Samities and Zila Parishads located in the Scheduled Areas were incorporated by inserting Chapter-VI-A vide Act No 1 of 1998.

## **Structure of the Panchayati Raj in Himachal Pradesh**

### **A. Gram Sabha/UP-Gram Sabha :**

5.8 Gram Sabha which forms the core of the democratic decentralisation have been given utmost attention. There is a provision to constitute a Up-Gram Sabha for each ward of the Gram Sabha under the Act. It may deliberate on issues relating to its area and make recommendations to the Gram Panchayat or Gram Sabha. Efforts have been made by the State Government to strengthen these institutions by making following provisions:

- i. Gram Sabha has been empowered to form vigilance Committee(s) from amongst its members to supervise Gram Panchayats works, schemes and other activities.
- ii. To select beneficiaries under various poverty alleviation programmes.
- iii. Gram Sabha will authorise Gram Panchayat to issue utilization certificate of funds spent on the implementation of the plans, projects and programmes undertaken in the Gram Panchayat areas.

### **B. Gram Panchayat**

5.9 Gram Panchayats in the State are constituted for a village or a group of villages having population ranging from 1000 to 5000. In the Scheduled and far flung areas, Gram Panchayats are also constituted for the population of less than 1000. The Himachal Pradesh Panchayati Raj Act, 1994 empowers the Gram Panchayats for removal of encroachments and nuisance, control of erection of buildings, to enquire and make report about misconduct of officials, to contract for the collection of taxes and other duties, to introduce prohibition, manage fairs and markets etc.

### **C. Panchayat Samiti**

5.10 Panchayat Samiti is the intermediate body of the three tier Panchayati Raj System in the State. This institution is co-terminus with the development blocks. The

members of the Panchayat Samiti are elected directly whereas the Chairperson and Vice-Chairperson are elected indirectly by the elected Members.

#### **D. Zila Parishad**

5.11 This is uppermost body of the Panchayati Raj System. Consequent upon 73<sup>rd</sup> Constitutional Amendment Act, the Zila Parishads were constituted for the first time in the State after the enactment of new law relating to Panchayati Raj system. The members of Zila Parishad are elected directly by the people however the Chairpersons and Vice-Chairperson are elected by the elected members indirectly.

5.12 The present structure and the status of Panchayati Raj System/Institutions in the State are given in the table below:

<b>Level of Panchayat</b>	<b>Name used</b>	<b>Numbers</b>
District Panchayat	Zila Parishad	12
Intermediate Panchayat	Panchayat Samiti	77
Village Panchayat	Gram Panchayat	3243
Gram Panchayat	Gram Sabha	3243
Ward Panchayat	Up-Gram Sabha	19413

#### **Powers, Duties and Responsibilities of PRIs**

(a) **Powers and Functions specified under the Himachal Pradesh Panchayati Raj Act, 1994 and the rules there under**

5.13 With a view to strengthen democracy at the grass root level and as per the requirement of Article 243 of the Constitution of India to make the PRIs viable institutions of self governance, the State Government has devolved powers, functions and responsibilities relating to 15 departments, namely Agriculture, Animal Husbandry, Ayurveda, Education, Food & Supplies, Forest, Health & Family Welfare, Horticulture, Industries, Irrigation & Public Health, Public Works, Revenue, Rural Development and Social & Women Welfare to the Panchayati Raj

Institutions on 31<sup>st</sup> July, 1996 covering 26 subjects (except three subjects i.e. (a) Rural Electrification including Distribution of Electricity (b) Non-Conventional Energy Sources and (c) Adult and Non- Formal Education) as mentioned in the 11<sup>th</sup> Schedule of the Constitution. Besides this, the State Government has also delegated following powers, functions and responsibilities to the PRIs by way of executive orders:

- i. Powers and functions devolved to the PRIs mainly pertain to supervision, monitoring, reporting, planning and issuing contractual appointments.
- ii. Gram Sabhas have been vested with the powers to select beneficiaries under the Indira Awas Yojana/ Rajiv Awas Yojana as per the guidelines of Govt. of India.
- iii. Zila Parishads have been empowered to evaluate all the poverty alleviation programmes and coverage of women, SCs, STs and other BPL families in these programmes as per the guidelines issued by the Government of India.
- iv. Chairpersons of Zila Parishads have been designated as the Chairpersons of the Governing Body of the respective District Rural Development Agencies.
- v. Gram Panchayats prepare micro-plans proposing development interventions that reflect the felt needs in their areas for improving rural connectivity, schooling, health and veterinary care facilities, drinking water, sanitation etc. indicating the order of priority. The micro plans are being approved by the Gram Sabha.
- vi. The Gram Panchayats have been empowered to decide the location of institutions/facilities of public welfare such as:-
  - (i) Schools.
  - (ii) Anganwari Centres
  - (iii) Health Institutions
    - (a) Allopathic
    - (b) Ayurvedic
  - (iv) Veterinary Institutions
  - (v) Fair Price Shops
  - (vi) Hand Pumps
  - (vii) Public Water Taps etc.

- vii. Checking of physical attendance of grass root level functionaries such as Pump Operators, Helpers, Fitters, Linemen, Water Guards, Beldars of I & PH Department, Veterinary Assistants, employees attached with the Ayurvedic Health Centres, School Teachers, Male/Female Health Workers, Grass root level functionaries of Education Department, Anganwari Workers, Tailoring Teachers, Panchayat Sahayaks, Takniki Sahayaks and those functionaries which are appointed by the Panchayat. Apart from this, Panchayat Veterinary Assistants and Water Guards are appointed by the Gram Panchayat.
- viii. Pradhans and Up-Pradhans of Gram Panchayats have been empowered to issue fishing licence to the anglers for sport fishing and Chairpersons and Vice-Chairpersons of Panchayat Samitis for issuing licence to the professional fishermen for general and trout fishing and the money realised as licence fee is being retained by the concerned Panchayat as its revenue.
- ix. Primary School Buildings have been transferred to the Gram Panchayats and the maintenance/repair and control of Primary School buildings is the responsibility of the Gram Panchayats.
- x. Zila Parishads and Panchayat Samitis have been empowered to supervise the duties and functions regarding revenue matters, to assist the revenue officials in identification of landless/houseless persons and formulation of policies for utilization of government land and giving no objection certificates for such land on lease at district and block level.
- xi. Pradhans have been empowered to issue Below Poverty Line certificates and non-employment certificates.
- xii. 50% Reservation has been provided to women against the seats of Members and Chairpersons in the PRIs.

- xiii. Total devolution to Panchayats under the Nirmal Bharat Abhiyan has been done.
- xiv. Before grant of any lease for mining of minerals, a resolution from the concerned Panchayat has been made mandatory.
- xv. Gram Panchayats are appointing and disciplinary authorities in respect of the employees of the PRIs such as Panchayat Sahayak, re-designated Panchayat Secretary, Takniki Sahayak, Junior Engineer, Assistant Engineer, Kanishtha Lekhapal, Junior Scale Stenographer, Tailoring Teachers, Panchayat Chowkidar, Panchayat Veterinary Assistant etc.
- xvi. Judicial functions have been assigned to Gram Panchayats as per the provisions of the Himachal Pradesh Panchayati Raj Act, 1994.
- xvii. Funds in respect of the various schemes and programmes such as Mahatma Gandhi National Rural Employment Guarantee Act, Rajiv Awas Yojana, National Rural Livelihood Mission, Total Sanitation Campaign, Rajiv Gandhi Panchayat Sashaktikaran Abhiyan, Backward Region Grant Fund etc. are being provided through the Panchayats. The Panchayats are empowered to execute the developmental works at Panchayat level.

**(b) Power to levy Taxes and Fees**

5.14 Presently, Gram Panchayats have been empowered to levy and collect taxes/ fees whereas no such powers have been given to Zila Parishads & Panchayat Samitis. These can be categorised as under:

**1. Taxes/Fees that can be levied & collected by Gram Panchayats at their level.**

- (i) **Property Tax:** A Gram Panchayat may, through a resolution and after previous publication, levy property tax at such rates and in such manner as it may deem fit on residential and commercial buildings, in the Sabha area.

- (ii) **Fees:** A Gram Panchayat may, through a resolution and after previous publication, can levy following fees at such rates and in such manner as it may deem fit in the Sabha area, namely:

(a) Teh-Bazari from the shopkeepers in the fairs.

(b) Service fee for cleaning of streets, lighting of streets, sanitation, solid and liquid waste management, parking of vehicles, as the case may be.

(c) Fee for registration of animals sold in the Sabha area, and

(d) Water rate where water is supplied by the Gram Panchayat.

## **2. Taxes that can be levied with the prior approval of State Government**

- (i) **Profession Tax:** With the prior approval of the Government, a tax on persons carrying on any profession, trade, calling and employment other than agriculture in the Sabha area; provided such tax has not been levied in the Sabha area by any other local authority under any law for the time being in force.
- (ii) **Duty on transfer of property:** If so authorized by the Government, a duty on transfer of property in the form of a surcharge on the duty levied under the Indian Stamp Act, 1899, in its application to Himachal Pradesh, on instruments of sale, gift and mortgage with possession of immovable property situated in the Sabha area at such rate as may be fixed by the Government not exceeding two percent on, as the case may be, the amount of the consideration, the value of the property or the amount secured by the mortgage, as set forth in the instrument.

## **3. Assigned Taxes/Fees.**

- (i) **Land Revenue:** Gram Panchayats have been empowered to collect the land revenue from the land owners/right holders and Gram Panchayats will use the collected land revenue at their own level.

- (ii) **Liquor Cess:** Cess of Rs.1/- per bottle of liquor sold in the rural area will be collected and transferred to the Gram Panchayats for utilization in developmental activities.
  - (iii) Tax on extraction & export of sand, stone, bajri & slates.
  - (iv) Licence for the fishing.
  - (v) Permit fee for minor forest produce
  - (vi) Duty on mobile towers communications.
- (C) **Powers of PRIs to recruit employees and their powers as disciplinary authority.**

5.15 Consequent to 73<sup>rd</sup> Constitutional Amendment Act and enactment of Himachal Pradesh Panchayati Raj Act, 1994 under its obligations, the Gram Panchayats have been assigned the administrative and financial powers to discharge their functions more effectively and smoothly to function as institutions of Self Governance. With a view to discharge the assigned functions, the Gram Panchayats have been empowered to engage the administrative as well as technical staff. The status of devolution of staff to PRIs by various line departments as well as staff recruited by PRIs is as under:

- (i) The Department of Education, Animal Husbandry & Irrigation and Public Health have devolved powers to the Gram Panchayats for the appointment of Part Time Water Carriers, Panchayat Veterinary Assistants & Water Guards, respectively.
- (ii) It has also been decided by the State Government that in future all vacancies of employees occurring in the cadre of Panchayat Secretaries will be filled up through the PRIs but the recruitment of Panchayat Sahayaks will be done through the Himachal Pradesh Subordinate Staff Selection Board, to make it more competitive and transparent.



## Status of devolution to Panchayati Raj Institutions

- 5.16 Section 11(2), 83(1) and 94(1) of the Himachal Pradesh Panchayati Raj Act, 1994 provides that the State Government may entrust functions to the Panchayati Raj Institutions. In exercise of the powers conferred under these sections, the State Government vide Notification No. PCH-HA (I)12/87-10206-406 dated 31<sup>st</sup> July, 1996 entrusted the powers, functions and responsibilities to the PRIs (Copy appended as Appendix- V). The First State Finance Commission, Himachal Pradesh in Chapter XI of its reports submitted to the State Government culled out the functions which involved financial implications. The whole exercise was done way back in the year 1996 and over a period of time, the status of majority of the schemes had undergone a change.
- 5.17 The Third State Finance Commission also studied the level of financial and administrative powers devolved to these institutions alongwith executive orders delegating powers to Panchayati Raj Institutions. The department-wise status of devolution of powers and functions and proposed initiatives to be taken by the departments concerned, as discussed under para 6.5 and 6.6 under Chapter-6, reveals that delegation made/ proposed to be made to the Panchayati Raj Institutions was to monitor, supervise and coordinate for the activities of the different line departments.
- 5.18 To streamline and strengthen this process, the Department of Panchayati Raj vide notification No. PCH-HA(3)9/2006-18580-22180 dated 19<sup>th</sup> October, 2009 (Copy appended as Appendix-VI) has notified the Activity Map proposing entrustment of 29 subjects to Gram Panchayat or Panchayat Samiti or Zila Parishad, enabling them to discharge delegated/ assigned functions effectively and efficiently, to ensure effective delivery of services at the grass root level. But as per the feedback received from the Department of Panchayati Raj, the line departments are reluctant to transfer the funds and functionaries to the PRIs. In compliance to the devolution made under the Activity Mapping, no concrete efforts have been made by the line departments to empower the Panchayati Raj Institutions.
- 5.19 The Commission also made efforts to review the status of the functions assigned to the PRIs by the State Government and initiatives taken by the concerned

departments to make this delegation, a success. For this, the information in respect of following was requisitioned from the concerned departments:

- (i) Status of activities devolved to PRIs in compliance to the activity mapping notified by the Department of Panchayati Raj.
- (ii) Whether fiscal devolution has taken place to match the functional devolution? If yes, the details be given for the last three years i.e.2010-11 to 2012-13.
- (iii) The status note regarding delegation made for other areas such as writing of confidential reports; leave sanction, disciplinary action etc.
- (iv) Difficulties being faced by the departments to make the system functional.
- (v) Suggestions, if any to streamline and strengthen the existing system.

5.20 Despite all efforts, the Commission could get feedback only from the Departments of Animal Husbandry, Women and Child Development and Elementary Education, which shows the lacklustre approach of the line departments to empower and strengthen these institutions of self governance. The status of delegation made by these departments is as under:

**A. Animal Husbandry Department**

- (i) Under Mukhya Mantri Arogya Pashudhan Yojna, 1250 Veterinary Dispensaries have been notified in Gram Panchayats which were not having any Veterinary Institution earlier. Panchayat Veterinary Assistants being posted in these dispensaries are employees of Gram Panchayats. All activities of the department like animal treatment, vaccination, fodder development, poultry birds distribution and in some places breeding work is being done by the Panchayat Veterinary Assistants. The remuneration @ Rs. 5000/- per month per Panchayat Veterinary Assistant is being transferred by the department to Gram Panchayats.

- (ii) The cattle registration scheme is being implemented with the help of Gram Panchayats.
- (iii) Gram Panchayats have been authorised to sanction leave and take disciplinary action against the Panchayat Veterinary Assistants.

#### **B. Women & Child Development Department**

- (i) The approval of Gram Sabha is mandatory for the selection of beneficiaries for the schemes (a) Mother Terrasa Ashay Matri Sambal Yojna and (b) Mata Shabri Mahila Sashktikaran Yojna.
- (ii) Ward Member of Gram Panchayat functions as one of the members of the Anganwadi Level Monitoring Committee (ALMC).
- (iii) Construction of Anganwadi Centres has been assigned to the Gram Panchayats under MGNREGA Scheme.

#### **C. Elementary Education Department**

- (i) The PRI's have been assigned the role of checking the primary/upper primary schools and report on attendance of teachers and other staff in these schools, However the powers in respect of granting of leave to the teacher and other staff of primary schools have not yet been given to the PRIs.
- (ii) To check and monitor the scholarship and other incentive schemes being implemented by the State Government at elementary level.
- (iii) Construction, repair and maintenance of elementary school buildings/ rooms has been assigned to the Gram Panchayats in their area of jurisdiction.

5.21 While reviewing of the status of delegation made to the PRIs, it has been observed by the Commission that most of the departments have not implemented the notified Activity Map of proposed entrustment of 29 subjects to PRIs and those who have taken the initiative, most of them have not transferred funds and

functionaries to these institutions. Hence, the Commission is of the view that there is need to implement the Activity Mapping notified by the Panchayati Raj Department with full spirit. For this the State Government should constitute a High Powered Committee of Secretaries of the concerned line departments under the chairmanship of the Chief Secretary, Government of Himachal Pradesh, to oversee the entire process of delegation/ devolution of funds, functions and functionaries to the Panchayati Raj Institutions and Urban Local Bodies and to suggest remedial and corrective measures to strengthen the local governance system.

#### **Constitution of District Planning Committees**

5.22 One of the major activities enshrined under Article 243 ZD of the Constitution of India is the constitution of the District Planning Committees. Necessary provision for preparation of Development Plans and constitution of District Planning Committees have been incorporated in the Himachal Pradesh Panchayati Raj Act, 1994 vide section 184 and 185, respectively. In compliance to these provisions, District Planning Committees have been constituted in all the districts for preparation and consolidation of district development plans. Local Bodies, as institutions of self governance have been empowered to prepare plans for economic development and social justice and to implement the schemes relating thereto including those that are included in the Eleventh and Twelfth schedules of the Constitution. But as per the status report received from the Department of Panchayati Raj and Urban Development, the District Planning Committees are fully functional only in two Backward Region Grant Fund (BRGF) districts viz. Chamba and Sirmaur and are preparing the draft development plans in compliance to the provisions of the Himachal Pradesh Panchayati Raj Act, 1994.

5.23 The Commission found that the State Government has also constituted the District Planning, Development and 20 Point Programme Review Committees at the district level with the following mandate:

- (i) To function as the Policy and Planning Council at the district level.
- (ii) To give directions to the administrative and technical personnel.

(iii) Accord approval, oversee the implementation in terms of monitoring and review in respect of developmental schemes/programmes to be executed at the district level.

(iv) To approve the shelf of schemes/ projects under various decentralized planning programmers including Backward Area Sub- Plan.

5.24 The Commission feels that efforts are required to be made by the State Government to replicate the experiences of Chamba and Sirmaur districts to the other districts of the State so that objective enshrined under the Act for empowerment of local bodies to prepare plans for economic development and social justice and to implement the schemes relating thereto, could be achieved. To provide more teeth to the District Planning Committees, the functions assigned to the District Planning, Development and 20 Point Programme Review Committees, constituted by the Planning Department, Himachal Pradesh, could be merged with the functions of the District Planning Committees.

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## **CHAPTER-VI**

### **REVIEW OF THE STATUS OF URBAN GOVERNANCE IN HIMACHAL PRADESH AND DEVOLUTION TO URBAN LOCAL BODIES**

#### **Evolution of Urban Local Governance**

- 6.1 In the pre-independence period, the four main categories of Municipalities were in existence in the State. These were: Municipal Corporations, City Municipalities, District Municipalities and Town Municipalities. The Municipal Corporation was distinguished by its structure as more power and autonomy was given to it. The characteristic features of a city Municipality were the large population as well as the greater amenities of city life.
- 6.2 After independence, the Central Government found it desirable that the civic bodies should be run by elected representatives and not by nominated councilors, which was the case in the pre-independence period. The Punjab Municipal Act, 1911 was applied to the Punjab Hill States and Shimla Hill States. As a result of the reorganization of Punjab with effect from 1<sup>st</sup> November, 1966, the Municipal Committees were governed by the Punjab Municipal Act, 1911 and Town Committees by Punjab Small Town Act, 1921. The governance of Small Town Committees was repealed by the Punjab Municipal (Second Amendment) Act, 1954, whereas the Cantonments remained governed by the Cantonment Act, 1924.
- 6.3 Under the above Acts, the State Government had supervisory power over the municipalities. To give independence to these bodies, the State Government passed the Himachal Pradesh Municipal Act, 1968. The State Government also enacted a separate legislation by passing the Capital of Himachal Pradesh (Development and Regulation) Act, 1968 (22 of 1969), for the development of Shimla town and its suburbs.

- 6.4 The Government of Himachal Pradesh provided separate Municipal Acts for Municipal Corporation and Municipal Committees. These were: Himachal Pradesh Municipal Act, 1968 and the Himachal Pradesh Municipal (Amendment and Validation) Act, 1980 and Himachal Pradesh Municipal Corporation Act, 1979.
- 6.5 The 74<sup>th</sup> constitutional amendment envisaged greater decentralization of administrative, legislative and financial functions to the Urban Local Bodies coupled with more and more functional autonomy to all the municipalities. The salient features of this amendment are as under:

243(Q).	Constitution of Municipalities
243(R)	Composition of Municipalities
243(S)	Constitution and composition of Wards Committees
243(T)	Reservation of Seats ( SCs, STs, OBCs and Women)
243(u)	Term of Municipalities,
243(V)	Disqualifications for Membership
243(W)	Powers, Authority and Responsibilities of Municipalities
243(X)	Power to Impose Taxes by, and Funds of, the Municipalities
243(Y)	State Finance Commission and its Terms of Reference
243(Z)	Audit of Accounts of Municipalities
243(ZA)	Elections to the Municipalities
243(ZB)	Application of Provisions to the Union Territories
243(ZC)	Exclusion of Scheduled Areas
243(ZD)	Constitution of District Planning Committees
243(ZE)	Committee for Metropolitan Planning
243(ZF)	Continuance of Existing Laws and Municipalities
243(ZG)	Bar to interfere by Courts in Electoral Matters

- 6.6 In compliance to the provisions of the 74<sup>th</sup> Constitutional Amendment Act, the State Government enacted the following Acts:
1. Himachal Pradesh Municipal Act, 1994.
  2. Himachal Pradesh Municipal Corporation Act, 1994.
  3. Himachal Pradesh Municipal Services Act, 1994.

- 6.7 These new Acts have bestowed upon the Municipalities numerous additional functions which are in conformity with the 12<sup>th</sup> Schedule of the Constitution. . The 12<sup>th</sup> Schedule in Article 243W enumerated 18 functions out of which three functions are as under:
- a) Urban Planning including Town Planning.
  - b) Regulation of land use and construction of buildings.
  - c) Planning for economic and social development.
- 6.8 The above three functions in the past were not part of the previous Municipal Acts of 1968 probably due to the fact that these obligatory responsibilities of the municipal bodies were being derived from the State Town Planning Act of 1977 under which the implementation of plans/schemes are being done by them in their respective areas. Now the above functions are being performed as part of the obligatory functions of the municipalities. It is now being realized that Urban Local Bodies should not only provide civic services for the welfare of local people but also carry out the task of the urban planning and development. The Commission feels that if the Urban Local Bodies have to serve as agencies of plan preparation, enforcement and implementation as envisaged in the constitutional amendment then it becomes necessary that effective infrastructure is built in the urban areas.

#### **Structure of the Urban Governance in Himachal Pradesh**

- 6.9 Section 3 of the Himachal Pradesh Municipal Act, 1994 provides the classification of the municipalities. There are three kinds of Urban Local Bodies in the State (a) Nagar Panchayats (b) Municipal Councils and (c) Municipal Corporation, demarcated on the basis of population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non-agricultural activities and the economic importance of the area. The criteria for the classification of Urban Local Bodies is given as under:
- (i) “Nagar Panchayat” for a transitional area is constituted for a population exceeding two thousand and generating annual revenue exceeding Rs. five lakh for the local administration;



- (ii) "Municipal Council" for a smaller urban area is constituted for a population exceeding five thousand and generating the annual revenue exceeding Rs. ten lakh for the local administration;
- (iii) "Municipal Corporation" for a larger urban area is constituted for a population exceeding fifty thousand and generating annual revenue exceeding Rs. two crore for the local administration and which has been declared to be a municipal area under section 3 of the Himachal Pradesh

6.10 Presently, there are 50 Urban Local Bodies in the State, comprising 1 Municipal Corporation 25 Municipal Councils and 24 Nagar Panchayats. Municipal Corporation Shimla is having a population of 1.69 lakh with 46000 households. The average households per Municipal Council and Nagar Panchayat are 7200 and 500 respectively.

#### **Powers, Duties and Responsibilities of ULBs**

##### **(A) Powers and Duties specified under the Municipal Acts and Rules thereunder**

- 6.11 Section 48 of the Himachal Pradesh Municipal Act, 1994 empowers the State Government to issue Notification to determine various functions of the Municipalities. In the repealed Municipal Act, 1968 the following normal functions were performed by the Municipalities under section 51(2):
- (a) Construction, maintenance, improvement, clearing and repair of all public streets, bridges, town-halls, town-gates, embankments, drains, privies, latrines, urinals, tanks and water courses and setting up of solid waste management projects, productions and marketing of compost;
  - (b) Watering and lighting of such streets or any of them;
  - (c) Construction establishment and maintenance of schools, hospitals, and dispensaries and other institutions for the promotion of education for the benefit of the public health and Rest Houses, Sarais, poor-houses, markets, stalls, encamping grounds, ponds and other works of public utility and the control and administration of public institutions of any of these descriptions;
  - (d) Grant-in Aid to schools, hospitals, dispensaries, poor-houses, lepers asylum's and other educational or charitable institutions;

- (e) Training of teachers and the establishment of scholarships;
- (f) Giving of relief and the establishment and maintenance of relief works in time of famines or scarcity;
- (g) Supply, storage and preservation from pollution of water for the use of human beings and animals.
- (h) Planting and preservations of trees; and the establishments and maintenance of public parks and gardens;
- (i) Taking of a census, the registration of births, marriage and deaths , public vaccination and any sanitary measure;
- (j) Holding of fairs and industrial exhibitions;
- (k) Preparation and maintenance of a record of rights of immovable property.
- (l) All acts and things which are likely to promote the safety, health or convenience of the inhabitants or expenditure whereon may be declared by the committee with the sanction of the State Government to be an appropriate charge on the Municipal Fund;
- (m) Construction of building and sale thereof with the prior approval of the State Government.

6.12 Similarly, section 43 and 44 of the HP Municipal Corporation Act, 1994 provides the obligatory and discretionary functions to be performed by the Municipal Corporation. These functions are identical reproduction of section 43 and 44 of the repealed Act, the Himachal Pradesh Municipal Corporation, Act, 1979.

6.13 But Section 42 of the Himachal Pradesh Municipal Corporation Act, 1994 empowers the State Government to issue Notification to determine various additional functions of the Corporation on the subject itself indicated under section 42(i)(a) & (b) and further heads (i) to (xviii) and the twelfth Schedule of the Constitution corresponding to Article 243-W.

6.14 Since, the provisions under section 42(1) (a) & (b) of the Himachal Pradesh Municipal Corporation Act, 1994 and section 48(1) (i) & (ii) of the Himachal Pradesh Municipal Act, 1994 are identical, therefore, the State Government vide

two separate Notifications No. LSG-A(2)-2/94 dated 30.08.1994 bestowed the following additional functions to the Urban Local Bodies in the State:

**(i) Urban Planning including Town Planning:**

Implementation of land use map notified by the State Government.

Provided that where no such map is notified, the concerned local body will prepare and implement the local land use map;

**(ii) Planning for Economic and Social Development**

- (a) Formulation of schemes for the upliftment of poor,
- (b) Generation of employment.
- (c) Implementation of Poverty Alleviation programmes.

**(iii) Roads and Bridges:**

Construction and maintenance of roads and bridges, except the roads and bridges on National Highways and State Highways within municipal areas.

**(iv) Water Supply:**

Planning provision for construction and maintenance of water supply of domestic commercial and industrial purposes within the municipal areas.

Provided that execution of new schemes will be in accordance with the decision of Government in each case.

**(v) Public Health:**

- (a) Provision of drains and Sewerage and sewerage disposal and nallahs.
- (b) Provision for public latrines and urinals their upkeeps.

**(vi) Urban Forestry, Protection of the Environment and Promotion of Ecological aspects:**

- (a) Creation, maintenance and regulating the use of urban forest blocks.

- (b) Plantation, maintenance and preservation of trees both ornamental and economic within the municipal areas.
- (c) Regulating the plantation preservation and felling of trees.
- (d) To establish and maintain refuse disposal sites and apparatus.
- (e) To regulate the pollution, establishment and maintenance of electric crematoriums.

**(vii) Safeguarding the interests of Weaker Sections of society, including the Handicapped and Mentally Retarded:**

Establishment of orphanage mental hospitals, administration and care of mentally retarded children and women homes.

**(viii) Slum Improvement and Up-gradation:**

Identification of slum areas, formulation of schemes for the rehabilitation of the people living in slums.

**(ix) Urban Poverty Alleviation:**

- (a) Identification of urban poor and localities pre-dominantly occupied by them.
- (b) Formulation and execution of schemes for their upliftment.

**(x) Provision of Urban Amenities and Facilities such as Parks, Gardens and Playgrounds etc.**

**(xi) Promotion of Cultural, Educational and Aesthetics aspects.**

**(xii) Burials and Burial Ground, Cremations, Cremation Grounds and Electric Crematoriums.**

To establish and maintain electric crematoriums.

**(xiii) Cattle Ponds and Prevention of Cruelty to Animals:**

- (a) To provide for a care and upkeep of old and injured cattle,
- (b) To establish and maintain veterinary hospitals.
- (c) To take action against persons causing cruelty to animals.

**(xiv) Vital Statistics including registration of Births and Deaths:**

To keep population record of the municipal areas and annual publication of population statistics including male, female, SCs, STs and handicapped persons living below poverty line.

**(xv) Public Amenities including Street Lighting, Parking lots, Bus Stops and Public Conveniences:**

Bus stands, bus stops rain shelters, loading and unloading points.

**(xvi) Regulation of Slaughter Houses and Tanneries:**

Establishment, maintenance, regulation and control of slaughter houses and tanneries.

- 6.15 The above given functional status depicts that the Urban Local Bodies are not only providing civic services for the welfare of local people but also carry out the task of the Urban Planning and Development. The Commission feels that if the Urban Local Bodies have to serve as agencies of plan preparation, enforcement and implementation as envisaged in the constitutional amendment it is absolutely necessary that effective infrastructure is built in the urban areas. For this, investment friendly enabling environment needs to be created in ULBs so that investment from private investors could be attracted.

**(B) Devolution of Powers to Urban Local Bodies to Levy Taxes, Fees and Cess.**

- 6.16 The Urban Local Bodies have been given adequate powers to levy tax, tolls, fees under section 66 of H.P. Municipal Act, 1994 and various sections of Chapter-VIII of the Municipal Corporation Act, 1994. To further the process of empowerment, the H.P. Municipal Corporation (Amendment) Act, 2011 and H.P. Municipal (Amendment) Act, 2011 provided more teeth to the ULBs. The following provisions have been incorporated vide sections 85 and 66 respectively regarding collection of fee, tolls and user charges:

### Section 85 & 66

**“Fee, tolls and users charges- the municipality may impose fee, tolls and user charges for the services provided by it at such rate and in such manner as may be determined by the municipality from time to time.”**

- 6.17 The Urban Local Bodies at all the three levels have been empowered to levy taxes/ fees in their area of jurisdiction. In order to boost the resource mobilisation efforts by tax collection and to bring efficiency in coverage, the Government of Himachal Pradesh has made necessary amendments in section 86 of Himachal Pradesh Municipal Corporation Act, 1994 and under section 65 of Himachal Pradesh Municipal Act, 1994, which were notified in February, 2012 to give free hand for imposing House Tax by the Urban Local Bodies and realize the Property Tax.

#### **1. Taxes/Fees that can be levied and collected by the Urban Local Bodies.**

- 6.18 As per the provisions made under the Himachal Pradesh Municipal Act, 1994, the municipalities may impose the following taxes and fees.

- (i) **Property Tax:** The imposition of House Tax is statutory binding upon the municipalities under the provision of section 65 (a) of H.P. Municipal Act, 1994 and section 86 of H.P. Municipal Corporation Act, 1994. House Tax between 7.5% to 12.5 % is being imposed by almost all the Municipalities in the State whereas the Municipal Corporation Shimla is charging upto 15% on residential properties and 17.25% on commercial properties.

In compliance to the recommendations of the 13<sup>th</sup> Finance Commission, the State Government has constituted the Property Tax Board with a specified work plan vide Notification No. UD-C(9)-1/2007 dated 28.3.2011, which is a recommending body for Urban Local Bodies on property Tax issues. The Board will assist all Municipalities in the State to review the existing Property Tax system and the assessment including unit area method & flexibility on rates.

- (ii) **Other Taxes, Tolls and Fees:** Subject to any general or special orders of the State Government in this behalf and to the rules, a municipality may, from time to time, impose in the whole or any part of the municipality any of the following taxes, tolls and fees:

- (i) a tax on profession, trades, callings and employments;
- (ii) a tax on vehicles, other than motor vehicles, plying for hire or kept within the municipal area ;
- (iii) a tax on animals used for riding, draught or burden kept for use within the municipal area, whether they are actually kept within or outside the municipal area ;
- (iv) a tax on dogs, kept within the municipal area ;
- (v) a show tax ;
- (vi) a toll on vehicles other than motor vehicles, and other conveyances entering the municipal area.
- (vii) a tax on boats moored within the municipal area ;
- (viii) a tax on the consumption of electricity at the rate of one paise for every unit of electricity consumed by any person within the limits of the municipal area ;
- (ix) a tax on advertisements other than advertisements published in the newspapers ;
- (x) a tax on buildings payable alongwith the application for sanction of the building plans ;
- (xi) a fee with regard to pilgrimages ;
- (xii) a fee with regard to drainage ;
- (xiii) a fee with regard to lighting ;
- (xiv) a fee with regard to scavenging ;
- (xv) a fee for cleaning of latrines and privies ;
- (xvi) a fee in the nature of costs for providing internal services under the scheme framed under section 205.
- (xvii) an education cess ;
- (xviii) a local rate on land revenue ;
- (xix) with the previous sanction of the State Government, any other tax, toll or fee which the State Legislature has power to impose in the State under the Constitution of India.

The rates of any tax, toll or fee under above taxes except that mentioned under item no. (viii) shall be determined by the municipality; provided

that such rates shall not exceed the maximum limits notified by the State Government from time to time.

6.19 Similarly, section 84 of Himachal Pradesh Municipal Corporation Act, 1994 empowers the Municipal Corporation to levy the following taxes:

- (i) taxes on buildings and land; and
- (ii) such other taxes, at such rates as the State Government may, by notification, in each case direct.

6.20 In addition to above, section 84(2) empowers the Municipal Corporation to levy the following taxes subject to the prior approval of the State Government:

- (i) a tax on profession, trades, callings and employment;
- (ii) a tax on vehicles other than motor vehicles and animals;
- (iii) a tax on the increase in urban land values caused by the execution of any development or improvement work;
- (iv) show tax;
- (v) tax on consumption of energy at a rate not exceeding 2 paise for every unit for electricity consumed by any person within the municipal area;
- (vi) sewerage tax on commercial buildings;
- (vii) any other tax that may be imposed under the provisions of the Himachal Pradesh Municipal Act, 1994 (13 of 1994).

Provided that no tax shall be imposed under this sub-section unless an opportunity has been given in the prescribed manner to the residents of the municipal area to file objections and the objections, if any, thus received have been considered.

## **2. Assigned Taxes/Fees.**

- (i) **Electricity Tax:** The Municipalities are imposing electricity tax @ 1 paisa per unit on consumption of electricity from the consumers whereas the Municipal Corporation, Shimla is imposing this tax @ 9 paisa per unit w.e.f. 1<sup>st</sup> April, 2012.
- (ii) **Cess on Liquor:** The cess @ Rs. 2.00 per bottle of liquor sold in municipal areas will be collected and transferred to the Urban Local Bodies by the Excise and Taxation Department.



- (iii) **Grants in Lieu of Octroi:** The State Government is providing development grants in lieu of abolition of Octroi to the Urban Local Bodies.

6.21 However, the devolution of financial powers to the Urban Local Bodies is a continuous process. As per the status reported by the Department of Urban Development, the Urban Local Bodies are also facing problems in imposition of certain taxes and levies. The Commission also observed that exemptions granted by the State Government on levy of certain urban taxes led to a considerable dip in the actual realization vis-à-vis the potential.

**(C) Powers of Urban Local Bodies to Recruit Employees and their Power as Disciplinary Authority.**

6.22 As per the provisions contained in section 306 of the Himachal Pradesh Municipal Act, 1994, the municipality may with the previous approval of the State Government or any other officer authorized in this behalf, appoint such officers and servants as it considers necessary for the efficient discharge of its duties. The qualifications, method of recruitment, salaries, leave, allowances and other conditions of service including disciplinary matter of such officers and servants shall be such as may be prescribed by the State Government.

6.23 The Himachal Pradesh Ministerial /Non-Ministerial, Municipal Level Services, Recruitment & Promotion and Other Conditions of Services Rules, 2005 notified by the Government vide Notification dated 29<sup>th</sup> July, 2005, empowers the Municipal Councils or Nagar Panchayats as Appointing Authority of the staff and the Executive Officer or Secretary is the Disciplinary Authority in respect of posts existing in Municipal level categories.

**Status of Devolution to Urban Local Bodies.**

6.24 Section 48 of the Himachal Pradesh Municipal Act, 1994 and section 42 of the Himachal Pradesh Municipal Corporation Act, 1994 provides that the State Government shall by notification endow the Municipalities/ Municipal Corporation with such powers and authorities as may be necessary from time to time to enable them to function as institutions of Local Self Government. In exercise of the

powers conferred under these sections, the State Government vide Notification No. LSG-A (2)3/94 dated 30<sup>th</sup> August, 1994 notified detailed functions to be performed by these Local Bodies (copy appended as Appendix-VII). The First State Finance Commission, Himachal Pradesh in Chapter XVIII of its reports submitted to the State Government shortlisted the notified functions and recommended to transfer the these functions alongwith resources The whole exercise was done way back in the year 1994 and over a period of time, the status of majority of the schemes must have undergone a change.

- 6.25 A study of the functions listed in the above referred notification reveals that majority of the functions pertain to the Department of Urban Development and only functions listed as Item No (iv), (v), (vi) and (xi) are the functions, where the transfer is to be made to the Urban Local Bodies by the Public Works, Irrigation and Public Health, Forest, Language and Culture and Education departments, respectively.
- 6.26 The Commission also made efforts to review the status of the functions assigned to the Urban Local Bodies by the State Government and initiatives taken by the concerned departments to make this delegation, a success. For this, the information in respect of following was requisitioned from the concerned departments:
- (i) Status of functions transferred to the Urban Local Bodies in compliance to the notification dated 30<sup>th</sup> August, 1994 notified by the Department of Urban Development.
  - (ii) Whether fiscal devolution has taken place to match the functional devolution? If yes, the details be given for the last five years i.e.2008-09 to 2012-13.
  - (iii) The status of functionaries transferred to these bodies with status of delegation made for related areas such as writing of confidential reports; leave sanction, disciplinary action etc.
  - (iv) Difficulties being faced by the line departments to make the system functional.
  - (v) Suggestions, if any to streamline and strengthen the existing process.

6.27 Despite all efforts, the Commission could get feedback not even from a single department on the above issues which show the non responsive approach of the line departments to empower and strengthen these institutions of self governance. However, as per the feedback received from the Department of Urban Development, the following functions / services have been transferred to the Urban Local Bodies by the concerned line departments:

Name of the Function/Service	Institution from which Transferred	Date of Transfer of function	Status of Transfer
Integrated Development of small and Medium Towns	Town and Country Planning Department to Urban Development Department	1995-96	Funds and functionaries under the given programmes/schemes are yet to be transferred to the ULBs by the concerned departments.
Slum Improvement Programme	Town and Country Planning Department to Urban Development Department	1999-2000	
Sewerage	I&PH Department to Urban Development Department	2008	

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## CHAPTER-VII

### RESOURCES OF THE PANCHAYATI RAJ INSTITUTIONS

- 7.1 The Himachal Pradesh Panchayati Raj Act, 1994, envisages resource raising powers by levying taxes, fees, cess etc. to the Gram Panchayats only. Whereas, no such powers have been given to the Zila Parishads and Panchayat Samitis under the Act. The three-tier Panchayati Raj system has been established in Himachal Pradesh after enactment of the Himachal Pradesh Panchayati Raj Act in 1994. The third tier introduced in the system was Zila Parishad which came in existence in the year 1994 and first elections to the Panchayati Raj Institutions were held in December, 1994 for all the three tiers. Till now, four general elections to these bodies have been held, the last election which was fourth in the series was held in two phases i.e. in December, 2010 and January 2011 for all the 3243 Gram Panchayats, 77 Panchayat Samitis and 12 Zila Parishads. The district wise distribution of Panchayat Samitis and Gram Panchayats alongwith number of villages, rural population, households etc. is given in the table below:

Table-7.1

#### District wise Distribution of Panchayat Samitis/ Gram Panchayats/Villages / Households and Rural Population

Sr. No.	Name of District	No of Panchayat Samities	No. of Gram Panchayats	No of Villages (2011)	No of House-holds (2011)	Rural Population (2011)	%age Distributio n of Rural Population
1	2	3	4	5	6	7	8
1.	Bilaspur	3	151	1061	80485	356827	5.78
2.	Chamba	7	283	1591	102460	482972	7.82
3.	Hamirpur	6	229	1725	105519	423338	6.85
4.	Kangra	15	760	3869	338887	1423794	23.06
5.	Kinnaur	3	65	660	19976	84121	1.36
6.	Kullu	5	204	326	94807	396512	6.43
7.	Lahual-Spiti	2	41	521	6674	31564	0.51
7.	Mandi	10	473	3338	219145	937140	15.17
9.	Shimla	10	363	3231	184362	612659	9.92
10.	Sirmour	6	228	976	98208	472690	7.65
11.	Solan	5	211	2544	122425	478173	7.74
12.	Una	5	235	848	110332	476260	7.71
TOTAL		77	3243	20690	1483280	6176050	100.00

Source: (i) Panchayati Raj Department, Himachal Pradesh.  
(ii) Census of India-2011.

7.2 To estimate of revenue accrual from tax, non-tax revenue and fees of the Panchayati Raj Institutions, the Commission collected information regarding receipts of these institutions on the designed questionnaires from all the three levels of Panchayati Raj Institutions. As per the status given under para 2.13 of Chapter-II, the Commission could get feedback only from 348 Gram Panchayats, 26 Panchayat Samitis and 10 Zila Parishads. On the basis of information received from these institutions, the Commission worked out the average receipt per institution from each source of revenue, taking into consideration the number of reporting institutions and made the estimates for the total receipts for each tier of PRIs, accordingly. The Commission also held meetings with the concerned departments which devolve funds to these institutions and wherever data gaps were found, the information was collected from the Department of Panchayati Raj and other concerned departments. Wherever, the data received from Panchayati Raj Institutions was inconsistent, the information published by the Department of Panchayati Raj in its Report on the Finances of Gram Panchayats in Himachal Pradesh (Year 2005-2006) was also consulted to check the growth trend on receipts over the years. The institution-wise status is discussed in the following paragraphs:

**A. GRAM PANCHAYATS.**

7.3 Among all the three tiers of Panchayati Raj Institutions, the Gram Panchayats have been empowered to levy taxes, fees, cess etc. As per the provisions under the Himachal Pradesh Panchayati Raj Act, 1994 and broad existing classification, the revenue receipts of the Gram Panchayats can be categorized as under:

- (I) Taxes that can be levied & collected by Gram Panchayats at their level.
- (II) Taxes that can be levied by the Gram Panchayats with prior approval of the State Government.
- (III) Assigned Taxes/Fees.
- (IV) Non Tax Revenue.
- (V) Other Fees and Levies

7.4 Tax income is a major contributor to the “own revenue” of Gram Panchayats. The Gram Panchayats directly collect house tax and income from export permits on some of minor forest produce but the income from other taxes viz. cess on liquor,

land revenue and tax on extraction and export of sand, stone, bajri and slate is devolved to Gram Panchayats after collection of the same by the concerned departments. As per the data received from the Gram Panchayats, and the other concerned departments such as Revenue, Excise and Taxation, Forest, Fisheries, Industries ( Geological Wing) etc, the actual receipts of the Gram Panchayats over the past five years from 2007-08 to 2011-12 and the projections made by the Commission for the award period 2012-13 to 2016-17 are discussed in the succeeding paragraphs:

## I. Taxes

### (i) Taxes that can be levied & collected by Gram Panchayats at their level.

#### House Tax/ Property Tax:

7.5 Section 100 (1) of the Himachal Pradesh Panchayati Raj Act, 1994 empowers the Gram Panchayat to levy property tax at such rates and in such manner as it may deem fit on residential and commercial buildings, in the Sabha area. As per the data collected from the Gram Panchayats, not even a single Gram Panchayat has reported receipt from Property tax. However, House Tax is the major tax which is being collected, by and large, by every Gram Panchayat. The State Government has fixed maximum rates for its collection vide notification No. PCH-HA(2)2/95-20381-680 dated 2<sup>nd</sup> November, 1999. The rates fixed are as under:

Sr. No	Particulars	Maximum rate of House Tax (Rs. Per Annum)
1.	Where the person is liable to house tax, own house having the total built up area upto 40 Sq. Mtrs.	10
2.	Where the person is liable to house tax, own house having the total built up area upto 40 to 100 Sq. Mtrs.	25
3.	Where the person is liable to house tax, own house having the total built up area above 100 Sq. Mtrs.	50

7.6 The data collected by the Commission reveals that House Tax was being collected by almost all the Gram Panchayats and it has now widely been accepted.

According to the data collected from the Gram Panchayats, the actual collection of House Tax for 2007-08 to 2011-12 remained as under:

**Table-7.2**  
**Actual Collection from House Tax**  
(Rs. in lakh)

Sr. No.	Year	Revenue from House Tax
1.	2007-08	190.39
2.	2008-09	210.14
3.	2009-10	241.86
4.	2010-11	262.42
5.	2011-12	322.62
<b>Annual Average Receipt</b>		<b>245.49</b>

- 7.7 The projections made by the Gram Panchayats for the period 2012-13 to 2016-17 showed an erratic trend. The Commission is of the view that the income from the House Tax is not going to increase as per the projections made by the Gram Panchayats, therefore, it decided to assume a growth of 5% per annum on the average annual receipt of the past five years and made the projections for the award period, accordingly

**Table-7.3**  
**Projected Revenue from House Tax**  
(Rs. in lakh)

Sr. No.	Year	Projected Revenue
1.	2012-13	257.76
2.	2013-14	270.65
3.	2014-15	284.18
4.	2015-16	298.39
5.	2016-17	313.31
<b>Total</b>		<b>1424.29</b>

- 7.8 Keeping in view the suggestions received from the representatives of the Gram Panchayats on the continuity of this tax, the Third State Finance Commission in its

report submitted to the State Government recommended that the taxes which are being paid by the people willingly and have come to stay should not be altered to the disadvantage of the Gram Panchayats as this would have negative effect on the resources of Gram Panchayats. The similar views were also placed before the Fourth State Finance Commission during block level meetings with the representatives of Panchayati Raj Institutions and Urban Local Bodies. Therefore, the Commission reiterates the recommendation made by the Third State Finance Commission for the consideration of the State Government.

**(ii) Taxes that can be levied by the Gram Panchayats with prior approval of the State Government.**

**Profession Tax/ Occupation Tax:**

- 7.9 As per the provisions made under the Himachal Pradesh Panchayati Raj Act, 1994, the Gram Panchayats, with the prior approval of the State Government, have been empowered to levy a tax on persons carrying on any profession, trade, calling and employment other than agriculture in the Sabha area; provided such tax has not been levied in the Sabha area by any other local authority under any law for the time being in force. As per the data collected from the Gram Panchayats, not even a single Gram Panchayat has imposed the profession tax in their of jurisdiction. However, a few Gram Panchayats are levying Occupation Tax. Out of the 348 Gram Panchayats, only four Gram Panchayats has levied this tax. The income from this tax is negligible, therefore the Commission decided not to take this income into account for forecasting the resources for the Gram Panchayats.

**Duty on Transfer of Property:**

- 7.10 Section 100 (2)(b) of the Himachal Pradesh Panchayati Raj Act, 1994 empowers the Gram Panchayats to levy a duty on transfer of property in the form of a surcharge on the duty levied under the Indian Stamp Act, 1899, in its application to Himachal Pradesh, on instruments of sale, gift and mortgage with possession of immovable property situated in the Sabha area at such rate as may be fixed by the Government not exceeding two percent on, as the case may be, the amount of the



consideration, the value of the property or the amount secured by the mortgage, as set forth in the instrument. The data collected from the Gram Panchayats revealed that not even a single Gram Panchayat has shown income from this source. The Commission discussed this matter with the Panchayati Raj Department. As per the feedback received from the department, the department has taken up the matter with the Revenue Department for necessary concurrence on the rate of surcharge to be fixed but the response from the Revenue Department is awaited. Therefore, the Commission has not assumed revenue from this source during the award period.

(iii) **Assigned Taxes/Fees.**

**Land Revenue:**

- 7.11 Gram Panchayats have been empowered to collect the land revenue from the land owners/right holders and Gram Panchayats use the collected revenue at their level. The revenue earned under this head is distributed between Gram Panchayats and lambardars in the ratio of 70:30, respectively. The Commission has decided to assess revenue under this head from the data collected from the Gram Panchayats. The actual land revenue for the years 2007-08 to 2011-12 remained as under:

**Table-7.4**  
**Actual Accrual from Land Revenue**

(Rs. in lakh)

Sr. No.	Year	Revenue Receipts
1.	2007-08	43.77
2.	2008-09	42.31
3.	2009-10	29.54
4.	2010-11	42.68
5.	2011-12	50.04
Average Annual Receipt		41.67

- 7.12 Land being a constant factor, the receipts from this source are not going to increase like other sources of revenue. The projections made by the Gram Panchayats from

this source of revenue for the forecast period was inconsistent, therefore, the Commission decided to take the average annual receipt for the last five years as base and assumed a growth of 1% per annum, by giving weightage to collection efficiency factor and projected the receipts from this source for the award period. The estimates made by the Commission for the period 2012-13 to 2016-17 are as under:

**Table-7.5**  
**Estimated Accrual from Land Revenue**

(Rs. in lakh)

Sr. No.	Year	Estimated Revenue
1.	2012-13	42.09
2.	2013-14	42.51
3.	2014-15	42.93
4.	2015-16	43.36
5.	2016-17	43.80
<b>Total</b>		<b>214.69</b>

**Cess on Liquor:**

- 7.13 One of the major sources of revenue of Gram Panchayats is the share in cess on liquor. The cess is charged at the rate of Rs. 2 per bottle, out of which Re.1 is retained by the Government and Re.1 is distributed in the ratio of 80:20 to Gram Panchayats where a liquor vend is functioning and where there is no liquor vend, respectively.
- 7.14 The methodology of collection of this cess is based on quarterly sale of liquor. The lessee on the basis of quarterly sale deposits cess in the State exchequer which is calculated at district level. The Assistant Excise and Taxation Commissioners raise the demand through Deputy Commissioner concerned with Excise and Taxation Commissioner for arranging releases from the Government. The budget allocated

by the Government is then disbursed to Gram Panchayats in consultation with the Deputy Commissioner by the Assistant Excise and Taxation Commissioner in the ratio of 80:20 as given in the above paragraph. In this process, the actual collection of a financial year is effectively transferred to the Gram Panchayats in the next financial year.

- 7.15 On the basis of above methodology, the Excise and Taxation department disbursed an amount of Rs. 1850.69 lakh during the last three years to the Gram Panchayats, the year wise details of which are as under:

**Table-7.6**

**Actual Revenue Transferred to Gram Panchayats as Cess on Liquor**

(Rs. in lakh)

Sr. No.	Year	Amount Disbursed
1.	2010-11	417.30
2.	2011-12	919.80
3.	2012-13	512.59

- 7.16 The Commission has kept in mind that the base for this tax is the consumption of liquor. The data received from the department of Excise and Taxation reveals that the consumption level of liquor in the State in the last 3-4 years has attained saturation level and therefore any further increase in terms of consumption of liquor during 2013-14 and onwards will be very slow. Himachal Pradesh already ranks 7<sup>th</sup> highest in the country in terms of annual per capita consumption of liquor as per survey conducted by the National Institute of Public Finance and Policy, New Delhi. As per the given estimates, the annual increase in excise revenue would not be more than 7% in future, that too mainly due to the increase in the rates of liquor.
- 7.17 Keeping the above facts in mind, the Commission decided to take the figure of 512.59 lakh of 2012-13 as the base for estimation of resources and assumed a

growth of 1% per annum on account of revenue accrual from this source for the remaining years of the award period. The estimates for the period of 2012-17 under cess on liquor thus work out to Rs. 2614.72 lakh with annual estimates as follows:

**Table-7.7**

**Projected Revenue from Cess on Liquor**

(Rs. in lakh)

Sr. No.	Year	Projected Revenue
1.	2012-13	512.59
2.	2013-14	517.72
3.	2014-15	522.89
4.	2015-16	528.12
5.	2016-17	533.40
<b>Total</b>		<b>2614.72</b>

- 7.18 The methodology of distribution of cess on liquor amongst Gram Panchayats is in the ratio of 80 percent where the vend is functioning and 20 per cent where there is no vend. Keeping in view the ill effects of consumption of liquor, the Third State Finance Commission in its report submitted to the State Government recommended that distribution of cess on liquor between the Panchayats should be on equitable basis in proportion to the population of the Panchayats instead of the ratio of 80:20, as this will overcome complications in assessment and distribution, and simplify the procedure and will also remove any perverse incentive for increased consumption of liquor. The Commission took note of the fact that this recommendation has not been implemented as yet. The Commission is of the view that the methodology being adopted by the State Government for distribution of cess on liquor doesn't require any major change / modification because the local bodies where the liquor vends exist deserve to be compensated more for the adverse social repercussions due to existence of vends in their area of jurisdiction.

However, the existing ratio of 80: 20 may be changed to 70:30, to discourage consumption of liquor in the State

**Tax on Extraction and Export of Sand, Stone, Bajri and Slates:**

7.19 The Government of Himachal Pradesh has allowed Gram Panchayats to levy tax on the extraction and export of sand, stone, bajri and slate to the maximum rate specified as given under:

- a) On extraction and export of sand, stone, bajri to be Rs.10 per truck and Rs. 5 per trolley;
- b) On slates to be Rs. 50 per truck.

7.20 The total revenue realization from this source over the last five years, as given by the Geological Wing of Department of Industries, was of the order of Rs. 497.57 lakh. The year-wise details of the same are given as under:

**Table-7.8**

**Revenue received from Extraction and Export of Sand, Stone, Bajri and Slates**

(Rs. in lakh)

Sr. No.	Year	Amount Received
1.	2007-08	79.70
2.	2008-09	126.52
3.	2009-10	100.24
4.	2010-11	102.64
5.	2011-12	89.47
<b>Total</b>		<b>498.57</b>

7.21 The revenue accrual of Rs. 92.55 lakh for the year 2012-13 has also been reported by the department. Keeping in view the concern expressed by the Hon'ble High Court of Himachal Pradesh in the past and directions given to the State Government to control and regulate unscientific mining in the State, the Commission has assumed a constant revenue accrual of Rs. 92.55 lakh per annum

during the forecast period 2012-17. The devolution to concerned Gram Panchayats on this account is made on year to year basis and there is no spill over to next financial year from this source of income.

**License for Fishing:**

- 7.22 The Department of Fisheries vide notification No. Fish-A(3)-1/97 dated 30<sup>th</sup> January, 2001 has conferred powers of Fisheries Officers to the members of Panchayati Raj Institutions and has empowered the following to issue Fishing License to anglers for sport fishing and to professional fisherman for general and trout water in their area of jurisdiction excluding lakes and reservoirs:

Gram Panchayat Pradhan	For issuance of Fishing license to anglers for sport fishing
Chairman or Vice Chairman of Block Samiti	For issuance of fishing license to professional fisherman for general and trout water

- 7.23 The revenue realized on this account is to be retained by the concerned Panchayati Raj Institution. These institutions have also been authorized to check illegal fishing in their area of jurisdiction. The data collected from the Gram Panchayats reveals that not even a single Gram Panchayat has shown income from this source of revenue. The Commission also collected the status report from the Department of Fisheries. As per the status submitted by the department, the powers given are neither being exercised by the Gram Panchayats nor by the Panchayat Samities. Therefore, the Commission has not assumed revenue from this source of income during the award period 2012-2017.

**Permit Fee on Export of Minor Forest Produce:**

- 7.24 For the collection of fee on minor forest produce, the Pradhan, Gram Panchayats were appointed as Forest Officers to carry out the purpose of Rule 11 of Himachal Pradesh Forest Produce Transit (Land Route) Rules, 1978 for the issuance of passes for transportation of minor forest produce collected from the forests in respect of following 38 items/species:

Sr. No.	Botanical Name of the Minor Forest Produce	Local Name of the item	Export Fee (Rs. per Quintal)
1	2	3	4
1.	<i>Alnslea aptera</i>	Sath Jalori	50/-
2.	<i>Plerorhiza kurroo</i>	Karoo	540/-
3.	<i>Jurinea macrocephala</i>	Dhoop	500/-
4.	<i>Angalica glauca</i>	Chora	125/-
5.	<i>Viola odorata</i>	Banafsha	2,250/-
6.	<i>Valeriann wallichii</i>	Mushk Bala	600/-
7.	<i>Thalietrum spp.</i>	Mamiri	335/-
7.	<i>Thymus sephylum</i>	Ban Ajwain	100/-
9.	<i>Morchella esculante</i>	Guchhi	10,000/-
10.	<i>Potentilla nepalensis</i>	Dori	40/-
11.	<i>Pistachla integerina</i>	Kakarsinghi	1,000/-
12.	<i>Polygonatum verticilliatum</i>	Salm Mishri	1,000/-
13.	<i>Salvia moorcroftiana</i>	Thuth	180/-
14.	<i>Baniam persicum</i>	Kala zira	2,000/- (if it is collected from forest)
15.	<i>Selinium vaginistrum</i>	Butkesh	400/-
16.	<i>Tinospora cordifolia</i>	Gloe	100/-
17.	<i>Orchis latifolia</i>	Salam Panja	6,000/-
17.	<i>Valeriana hardwighii</i>	Nihani	600/-
19.	<i>Acorus calamus</i>	Buch	130/-
20.	<i>Pinus wallichiana</i>	Kail cones	1,000/-
21.	<i>Adiantum lanulatum</i>	Dusgtuli	80/-
22.	Lichens	Chalora	225/-
23.	<i>Abies webbiana</i>	Taispatra	85/-
24.	<i>Hedychium acuminatum</i>	Kapper Kuchri	70/-

25.	Heracleum spp.	Patishan roots	25/-
26.	Corardiana heterophylla	Bichhu Buti	150/-
27.	Cedar rosette	Deodar Rossette	150/-
27.	Birch pine	Kush Cones	150/-
29.	Cehrella spp.	Bari phool	50/-
30.	Pyrus pashia	Kainth	30/-
31.	Colebrookea oppositifolia	Bindi phool	50/-
32.	Rhododendron spp.	Brass Phool	150/-
33.	Coleus aromaticus	Pthan Bail	30/-
34.	Lichens & Mosses	Green Mous ghass	250/-
35.	Hypericum patulum	Khaarera/Basanti	250/-
36.	Curcuma spp.	Ban Haldi	50/-
37.	Juniperus recurva	Bether Patta	100/-
38.	Pine Needles	-	

7.25 The above Rules stand repealed vide Notification No FFE-B-A (3)-2/2013 dated 27<sup>th</sup> November, 2013 and the new rules named as “Himachal Pradesh Forest Produce Transit (Land Route) Rules, 2013” have been framed. As per the newly framed rules, the powers to issue permits have been provided only to the Divisional Forest Officers. During the course of discussions with the Forest Department, it has come to the knowledge of the Commission that the State Government has decided to issue a separate notification for authorising Gram Panchayats Pradhans as Forest Officers for issuance of permits for transportation of minor forest produce collected from the forest.

7.26 The Third State Finance Commission assumed accrual of Rs. 35.00 lakh per annum for its award period from this source based on the revenue generated during the year 2006-07. Keeping in view the revised rates notified by the State Government vide above referred notification, , the Commission assumed a growth of 5% on the annual accrual projected by the Third State Finance Commission for



the year 2011-12 and estimated the annual accrual of Rs 36.75 lakh from this source, for the award period 2012 to 2017.

**Duty on Mobile Communications:**

7.27 In exercise of the powers vested under Himachal Pradesh Panchayati Raj Act, 1994, the Department of Panchayati Raj vide Notification No. PPH-HA(2)8/99 dated 9<sup>th</sup> November, 2006 has empowered the Gram Panchayats to realize mobile tower installation fee @ Rs. 4000/- per tower and the annual renewal fee @ Rs. 2000/- per tower in their area of jurisdiction. As per the data collected from the Department of Panchayati Raj, the district wise status of the mobile towers installed in the rural areas is as under:

**Table-7.9**

**District wise Status of the Mobile Towers installed in the Rural Areas**

<b>Sr. No.</b>	<b>District</b>	<b>No. of Mobile Towers Installed as on March, 2012</b>
1.	Bilaspur	91
2.	Chamba	149
3.	Hamirpur	113
4.	Kangra	416
5.	Kinnaur	74
6.	Kullu	230
7.	Lahaul & Spiti	20
7.	Mandi	208
9.	Shimla	248
10.	Sirmour	246
11.	Solan	240
12.	Una	112
	<b>Total</b>	<b>2147</b>

7.28 The data collected from the Gram Panchayats has not shown income from this source of revenue. Keeping in view the available data, the Commission decided to ignore the installation fee charged by the Gram Panchayats at the time of

installation of Mobile Towers, as these details were not available with the Department, but decided to project the receipts from this source on the basis of likely accrual of renewal fee from the installed mobile towers. The per annum accrual of renewal fee of 2147 installed towers works out to Rs. 42.94 lakh and the same revenue has been projected by the Commission for all the years of the award period.

#### **Miscellaneous Income:**

7.29 A large number of Gram Panchayats have shown income from other taxes under tax classification without indicating the name of the tax. Therefore, the Commission decided to consider the given receipts under miscellaneous income. The income for the year 2012-13 under this head works out to Rs 14.35 lakh and the same has been taken constant by the Commission for the remaining years of the award period.

7.30 The revenue forecast of Gram Panchayats from taxes for the period 2012-17 works out as under:

**Table-7.10**  
**Projected Revenue Receipts from Taxes for the period (2012-17)**  
(Rs in lakh)

Sr. No.	Year	House Tax	Land Revenue	Cess on Liquor	Ext. of Sand, stone, slate etc.	Minor Forest produce	Duty on Mobile Comm.	Misc. Income	Total
1	2012-13	257.76	42.09	512.59	92.55	36.75	42.94	14.35	999.03
2	2013-14	270.65	42.51	517.72	92.55	36.75	42.94	14.35	1017.47
3	2014-15	284.18	42.93	522.89	92.55	36.75	42.94	14.35	1036.59
4	2015-16	298.39	43.36	528.12	92.55	36.75	42.94	14.35	1056.46
5	2016-17	313.31	43.80	533.40	92.55	36.75	42.94	14.35	1077.10
<b>Total</b>		<b>1424.29</b>	<b>214.69</b>	<b>2614.72</b>	<b>462.75</b>	<b>183.75</b>	<b>214.70</b>	<b>71.75</b>	<b>5186.65</b>

#### **II Income from Fees**

7.31 The Gram Panchayats have also been empowered to levy fees in their of jurisdiction and the revenue from fees is retained by the Gram Panchayats. The revenue collected under this head hardly accounts for around eight percent of the

total receipts. The item wise details and estimation of receipts from fees is discussed as under:

**Teh-Bazari:**

- 7.32 The Government has fixed Teh-Bazari from the shopkeepers in the fairs at the rates as it may deem proper but not exceeding Rs. 30/- per sq. mtrs. per day. The data received from 348 Gram Panchayats revealed that from the period 2007-08 to 2011-12 only 20 Gram Panchayats have been having income from Teh-Bazari, the average annual income per Gram Panchayat which collects Teh-Bazari works out to Rs.9746/-. The income from Teh-Bazari is generated only by those Gram Panchayats which have locational advantage of organizing fairs and festivals in their respective areas. If the same ratio is adopted, then out of 3243 Gram Panchayats, only 186 Gram Panchayats would have been collecting Teh-Bazari having total collection of Rs. 17.13 lakh. The Commission has taken this income static for the forecast period. In the overall forecast, this item has been clubbed with parking fees. The estimated revenue for the forecast period on this account is as follows:-

**Table-7.11**

**Revenue Forecast from Teh-Bazari and Parking Fees.**

(Rs. in lakh)

Sl. No.	Year	Projected Revenue
1.	2.	3.
1	2012-13	30.98
2	2013-14	32.74
3	2014-15	34.35
4	2015-16	36.18
5	2016-17	38.13
<b>Total</b>		<b>172.38</b>

**Service Fee:**

7.33 The Gram Panchayats can levy service fee including fee on cleaning of streets, lighting of streets and sanitation at the rates as the Gram Panchayats may deem proper, but not exceeding Rs. 20/- per month from those households/shopkeepers/business establishments, who are being provided such facilities. As per the data collected from the Gram Panchayats, the revenue collection from this source remained as under:

**Table- 7.12**  
**Actual Revenue Collection from Service Fee.**

(Rs. in lakh)

Sr. No.	Year	Revenue Collected
1.	2.	3.
1.	2007-08	12.50
2.	2008-09	10.41
3.	2009-10	10.12
4.	2010-11	15.66
5.	2011-12	21.94
Total		70.63

7.34 Taking the receipts of the year 2011-12 i.e. Rs. 21.94 lakh as base, the Commission assumed a growth of 2% for forecasting the receipts from service fee for the award period 2012-17 with the intention to encourage resource mobilization efforts by Gram Panchayats from this source of revenue. The projected receipts from this source work out as under:

**Table- 7.13**  
**Projected Revenue Collection from Service Fee.**

(Rs. in lakh)

Sr. No.	Year	Projected Receipts
1.	2.	3.
1.	2012-13	22.38
2.	2013-14	22.83
3.	2014-15	23.28
4.	2015-16	23.75
5.	2016-17	24.22
<b>Total</b>		<b>116.46</b>

**Registration and Sale of Animals and holding of Cattle Fair:**

7.35 The Government has empowered Gram Panchayats to charge fee for registration of animals sold in the Sabha area at such rates as may be fixed by the Gram Panchayat subject to a maximum of 2 percent of the sale price. The data collected from the Gram Panchayats shows that the income from this source over the last five years i.e. 2007-08 to 2011-12 remained Rs. 21.71 lakh. The Gram Panchayats have also forecast the revenue accrual from this source for the period 2012-13 to 2016-17. The Commission decided to take the revenue projected by the Gram Panchayats for forecasting the receipts for the period 2012-17:

**Table- 7.14**  
**Revenue Forecast from Registration and Sale of Animals.**

(Rs. in lakh)

Sr. No.	Year	Projected Revenue
1.	2.	3.
1.	2012-13	6.34
2.	2013-14	7.55
3.	2014-15	9.60
4.	2015-16	11.00
5.	2016-17	11.56
<b>Total</b>		<b>46.05</b>

**Ration Card Fee:**

- 7.36 Ration Card fee is collected by almost each Gram Panchayat. As per the data collected from the Gram Panchayats, the revenue collection from this item for the period 2007-08 to 2011-12 comes to Rs. 68.59 lakh. Based on the fragmentation of existing households and the recent renewal of Ration Cards done or being done in the rural areas, the Commission decided to take the projections made by the Gram Panchayats from this source for the period 2012-17. The year-wise estimated revenue from this source is as under:

**Table- 7.15**  
**Revenue Forecast from Ration Card Fee**

(Rs. in lakh)

Sr. No.	Year	Projected Revenue
1.	2.	3.
1.	2012-13	30.53
2.	2013-14	36.28
3.	2014-15	19.48
4.	2015-16	15.25
5.	2016-17	15.23
Total		116.77

**Fee on Birth and Death Registration:**

- 7.37 The receipts under this head depend upon the incidence of births and deaths that take place in the concerned Gram Panchayat area. As per the data collected from the Gram Panchayats, the receipts from birth and death registration during 2007-12 remained as under:

**Table- 7.16**  
**Actual Receipts from Birth and Death Registration**  
**(Rs. in lakh)**

Sr. No.	Year	Revenue Receipts
1.	2.	3.
1.	2007-08	4.10
2.	2008-09	6.71
3.	2009-10	5.96
4.	2010-11	5.22
5.	2011-12	7.48
<b>Total</b>		<b>29.47</b>

7.38 The total receipt from birth and death registration for the period 2007-12 is Rs. 29.47 lakh. Due to the three pronged strategy of the State Government, providing intensive health care, improvement in literacy rates especially among the women and making family planning a people's movement, the rate of birth has been declining over time. Similarly, due to the better health facilities available in the State, life expectancy in the State has also increased. Keeping these factors in view, the Commission decided to take the revenue of the year 2011-12 as base and assumed a constant level of Rs. 7.48 lakh per annum, as revenue from this item over the forecast period.

#### **Marriage Registration Fee:**

7.39 The income under this head comprises of Marriage Registration Fee and donations made to the Gram Panchayats at the time of solemnization of marriages in the village. As per the data collected from the Gram Panchayats, average annual receipt from marriage registration fee is Rs. 2.65 lakh. The revenue forecast made by the Gram Panchayats for the period 2012-17 showed an erratic trend.

- 7.40 As per the Himachal Pradesh Marriage Registration Rules 2004, the Marriage Registration has been made compulsory by the State Government. Therefore, the Commission assumed a growth of 2% per annum on the annual average receipt of Rs. 2.65 lakh for forecasting the revenue from this source for the award period 2012-17. The year-wise estimated revenue from this source is as under:

**Table- 7.17**  
**Projected Revenue from Marriage Registration Fee**  
(Rs. in lakh)

Sr. No.	Year	Projected Revenue
1.	2.	3.
1.	2012-13	2.70
2.	2013-14	2.76
3.	2014-15	2.81
4.	2015-16	2.87
5.	2016-17	2.93
<b>Total</b>		<b>14.07</b>

**Income from Judicial Fee, Late Fee, Fines and Misc. Items:**

- 7.41 The income of Gram Panchayats from judicial fee, late fee, fine and other miscellaneous items being small such as water rate, has been clubbed together for estimation purposes. As per the data received from Gram Panchayats, the income of Gram Panchayats from these items for the years 2007-08 to 2011-12 works out to Rs. 61.70 lakh. The projections made by the Gram Panchayats have been taken into account for estimating the receipts under these items for the award period 2012-17. The year-wise revenue forecast is given in the following table:



Table- 7.18

## Revenue Forecast from Miscellaneous Fees/Items

(Rs. in lakh)

Sr. No.	Year	Projected Revenue
1.	2.	3.
1.	2012-13	11.93
2.	2013-14	13.78
3.	2014-15	19.94
4.	2015-16	21.43
5.	2016-17	23.57
<b>Total</b>		<b>90.65</b>

7.42 The revenue receipt of the Gram Panchayats from fees for the period 2012-17 works out as under:

Table- 7.19

## Projected Revenue Receipts from Fees for award period 2012-17

(Rs. in lakh)

Sr. No.	Year	Items							Total
		Teh-bazari	Service Fee	Reg. of Animals	Ration Card Fee	Birth/Death Certificate	Marriage Registration Fee	Misc.	
1	2	3	4	5	6	7	8	9	10
1	2012-13	30.98	22.38	6.34	30.53	7.48	2.70	11.93	112.34
2	2013-14	32.74	22.83	7.55	36.28	7.48	2.76	13.78	123.42
3	2014-15	34.35	23.28	9.60	19.48	7.48	2.81	19.94	116.94
4	2015-16	36.18	23.75	11.00	15.25	7.48	2.87	21.43	117.96
5	2016-17	38.13	24.22	11.56	15.23	7.48	2.93	23.57	123.12
<b>Total</b>		<b>172.38</b>	<b>116.46</b>	<b>46.05</b>	<b>116.77</b>	<b>37.40</b>	<b>14.07</b>	<b>90.65</b>	<b>593.78</b>

### III NON TAX INCOME:

7.43 The income of Gram Panchayats under non tax classification covers items like interest earned on bank deposits, alms given by local residents on certain auspicious occasions, auction of old office papers and sale of grass etc. and other miscellaneous income. It constitutes second largest component of own resources of Gram Panchayats. The item-wise details of which are discussed below:

#### Rent:

7.44 The rental income is one of the major incomes of the Gram Panchayats which have property available for rental purposes. The data collected from Gram Panchayats shows a total income of Rs. 299.98 lakh from rent over a period of five years i.e. 2007-08 to 2011-12. The Commission decided to take income of Rs. 76.97 lakh reported by the Gram Panchayats for the year 2011-12 as base and assumed a growth of 2% per annum from this source for the period 2012-17. The estimated details are given in the following table:

Table-7.20

#### Revenue Forecast from Rent

(Rs. in lakh)

Sr. No.	Year	Projected Revenue
1.	2.	3.
1.	2012-13	78.50
2.	2013-14	80.08
3.	2014-15	81.68
4.	2015-16	83.31
5.	2016-17	84.98
Total		408.55

**Alms:**

7.45 There is a tradition of giving alms for some community work after the solemnization of some auspicious event in a family. The receipt from this source has been reported by almost all the Gram Panchayats. As per the data collected from the Gram Panchayats, the average annual receipts from this source over the last five years i.e. from 2007-12 works out to Rs. 35.39 lakh. Since such events repeat at a fixed frequency, therefore, the Commission's decided to take average annual receipt of Rs 35.39 lakh as base and assumed a growth of 2% per annum for the forecast period. The projected revenue from this source is given in the table below:

**Table-7.21****Revenue Forecast from Alms****(Rs. in lakh)**

<b>Sr. No.</b>	<b>Year</b>	<b>Projected Income</b>
<b>1.</b>	<b>2.</b>	<b>3.</b>
1.	2012-13	36.10
2.	2013-14	36.82
3.	2014-15	37.56
4.	2015-16	38.31
5.	2016-17	39.07
<b>Total</b>		<b>187.86</b>

**Interest Income:**

7.46 Interest income is generated by almost all the Gram Panchayats and is one of the major components of income under non tax revenue receipts. As per the data collected from the Gram Panchayats, the income from interest for the year 2011-12 was 139.82 lakh. The Commission decided to take this income as base for making projections for the forecast period and assumed a growth of 2% per annum for

making forecast for the award period. The revenue forecast made from this source for the period 2012-17 is given in the table below:

**Table-7.22**  
**Projected Income from Interest on Deposits**

(Rs. in lakh)

Sr. No.	Year	Projected Income
1.	2.	3.
1.	2012-13	142.62
2.	2013-14	145.47
3.	2014-15	148.38
4.	2015-16	151.35
5.	2016-17	154.37
<b>Total</b>		<b>742.19</b>

**Miscellaneous:**

7.47 This head includes income from horticulture, income from auctions and other miscellaneous income. As per the data collected from the Gram Panchayats, the average annual receipt from all these sources works out to Rs. 84.37 lakh for the period 2007-12. The Commission assumed a growth of 5% on the annual average receipt of Rs. 84.37 lakh and made the forecast for the period 2012-17, accordingly. The estimated details are as under:

**Table-7.23****Revenue forecast from Miscellaneous Sources****(Rs. in lakh)**

<b>Sr. No.</b>	<b>Year</b>	<b>Projected Revenue</b>
<b>1.</b>	<b>2.</b>	<b>3.</b>
1.	2012-13	88.59
2.	2013-14	93.02
3.	2014-15	97.67
4.	2015-16	102.55
5.	2016-17	107.68
<b>Total</b>		<b>489.51</b>

- 7.48 The estimated non-tax revenue receipts of Gram Panchayats for the period 2012-17 are given in the table below:

**Table-7.24****Projected Receipts from Non- Tax Revenue for the Period (2007-2012)****(Rs. in lakh)**

<b>Sr. No.</b>	<b>Year</b>	<b>Rent</b>	<b>Alms</b>	<b>Interest</b>	<b>Misc.</b>	<b>Total</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1	2012-13	78.50	36.10	142.62	88.59	345.81
2	2013-14	80.08	36.82	145.47	93.02	355.39
3	2014-15	81.68	37.56	148.38	97.67	365.29
4	2015-16	83.31	38.31	151.35	102.55	375.52
5	2016-17	84.98	39.07	154.37	107.68	386.10
	<b>Total</b>	<b>408.55</b>	<b>187.86</b>	<b>742.19</b>	<b>489.51</b>	<b>1828.11</b>

#### IV SUM UP OF OWN RESOURCES OF GRAM PNCHAYATS:

7.49 The own revenue receipt of the Gram Panchayats from tax, fees and non-tax revenue, as discussed under section I to III above, are summed up in the following table:

**Table-7.25**

**Own Resource Income of Gram Panchayats for the period 2012-17**

(Rs. in lakh)

Sr. No	Year	Items			Total
		Taxes	Fees	Non Tax	
1	2	3	4	5	6
1.	2012-13	999.03	112.34	345.81	1457.18
2.	2013-14	1017.47	123.42	355.39	1496.28
3.	2014-15	1036.59	116.94	365.29	1518.82
4.	2015-16	1056.46	117.96	375.52	1549.94
5.	2016-17	1077.10	123.12	386.10	1586.32
Total		5186.65	593.78	1828.11	7608.54

#### B. PANCHAYAT SAMITIS.

7.50 As has been said earlier, the Panchayat Samitis and the Zila Parishads have not been empowered to levy taxes and fees, as per the provisions made under the Himachal Pradesh Panchayati Raj Act, 1994. However, these two tiers of Panchayati Raj Institutions derive income from sources like rent on properties, income from interest, income from auctions and income from other miscellaneous items. It, however, needs to be underlined that the revenue accrual from the given resources to these bodies is a very small. As per the data collected from the Panchayat Samitis, the actual accrual for the period 2007-08 to 2011-12 remained as under:

Table-7.26

## Non Tax Income of Panchayat Samitis for the period (2007-12)

(Rs. in lakh)

Sr. No.	Year	Rent	Alms.	Interest	Auction	Misc	Total
1	2	3	4	5	6	7	8
1	2007-08	18.43	0.41	7.19	1.77	5.84	33.64
2	2008-09	20.82	0.50	8.13	2.15	2.79	34.39
3	2009-10	15.00	0.50	12.00	2.72	4.22	34.44
4	2010-11	19.49	0.64	12.54	1.13	9.21	43.01
5	2011-12	24.15	0.50	19.14	1.40	3.68	48.87
<b>Total</b>		<b>97.89</b>	<b>2.55</b>	<b>59.00</b>	<b>9.17</b>	<b>25.74</b>	<b>194.35</b>

7.51 As may be seen from the above table, the total receipts of the Panchayat Samitis for the period 2007-08 to 2011-12 works out to Rs, 194.35 lakh and the average annual receipt per Panchayat Samiti works out to Rs. 50480, which is insignificant amount to be used at the block level. Therefore, the Commission decided to leave this income to the Panchayat Samitis for the preventive upkeep and maintenance of the physical assets owned by these bodies.

### C. ZILA PARISHADS.

7.52 The Commission also collected data regarding receipts of Zila Parishads. As per the data collected from the Zila Parishads, the actual accrual for the period 2007-08 to 2011-12 remained as under:

**Table-7.27**  
**Non Tax Income of Zila Parishads for the period (2007-12)**  
**( Rs. in lakh)**

Sr. No.	Year	Rent	Alms.	Interest	Misc	Total
1	2	3	4	5	7	8
1	2007-08	8.28	0.36	10.27	3.92	22.83
2	2008-09	10.94	0.00	13.25	4.33	28.52
3	2009-10	10.65	0.04	15.73	11.04	37.46
4	2010-11	16.50	0.00	18.82	3.25	38.57
5	2011-12	18.51	0.00	27.55	6.49	52.55
<b>Total</b>		<b>64.88</b>	<b>0.40</b>	<b>85.62</b>	<b>29.03</b>	<b>179.93</b>

7.53 The total receipts of the Zila Parishads for the period 2007-08 to 2011-12 works out to Rs. 179.93 lakh and the average annual receipt per Zila Parishad is less than Rs. 3.00 lakh. The non-tax revenue of Zila Parishads has not been taken into account in the aggregate receipts of Panchayati Raj Institutions. The Commission is of the opinion that this revenue be left to be utilized by the Zila Parishads for preventive upkeep and maintenance of the Zila Parishad Bhavans and the other assets created by these institutions at their level.

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## **CHAPTER - VIII**

### **FORECASTING THE COMMITTED EXPENDITURE OF PANCHAYATI RAJ INSTITUTIONS FOR THE PERIOD 2012-17**

- 8.1 Panchayati Raj Institutions have certain liability of committed expenditure to defray honorarium to elected representatives, remuneration to field level functionaries and office expenses for the day to day functioning of these institutions. The physical assets owned by the Panchayati Raj Institutions are increasing day by day with the time to time support given by the Central Finance Commissions as well as the State Finance Commissions. Therefore, the expenditure liability of Panchayati Raj Institutions has been broadly categorized as (a) Revenue Expenditure and (b) Capital Expenditure. The liability on account of both these components is being discussed in the following paragraphs:

#### **A. REVENUE EXPENDITURE:**

- 8.2 To work out the financial implications on account of revenue expenditure, the Commission has decided to adopt a normative approach for the functionaries provided to the Panchayati Raj Institutions and calculated the remuneration as per the revised rates approved by the State Government. For the honorarium to the elected representatives, the calculations are based on the revised rates notified by the State Government vide Notification No. PCH-HA (3) 20/95-Facilities dated 29<sup>th</sup> May, 2012 and for working out the expenditure liability of the other staff attached to the Gram Panchayats, the revised rates of remuneration has been considered by the Commission. The tier-wise detailed working of such committed revenue expenditure is discussed in the following paragraphs:

#### **I. GRAM PANCHAYATS :**

- 8.3 For forecasting the committed revenue liability of the Gram Panchayats, the Commission made assessment for different components, keeping in view the number of elected representatives of the Gram Panchayats and the other staff working at the Gram Panchayat level. The component wise committed liability of the Gram Panchayats and the projections made by the Commission for forecasting the revenue liabilities for the award period is discussed as under:

(a) **Honorarium to the Representatives of Gram Panchayats:**

- 8.4 To assess the level of committed expenditure on account of honorarium to elected representatives of Gram Panchayats, the Commission obtained the revised rates of honorarium notified by the State Government vide Notification No. PCH-HA (3)20/95-Facilities dated 29<sup>th</sup> May, 2012, to be effective from 1<sup>st</sup> April, 2012. The revised rates of honorarium are given in the following table:

**Table No. 8.1**

**Rate of Honorarium to the Representatives of Gram Panchayats**

Sr. No.	Category	Number of Elected Representatives	Rate of Honorarium (Rs. Per month)	
			Pre- revised	Revised
1.	Pradhan	3243	1200	1800
2.	Up-Pradhan	3243	1000	1500
3.	Member	19413	150 (per meeting to subject maximum two meetings in a month).	175 (per meeting to subject maximum two meetings in a month).

- 8.5 The Commission has worked out the annual liability for the year 2012-13 and 2013-14 based on above rates and has assumed a hike of 15% in the honorarium of the elected representatives of Gram Panchayats from the year 2014-15. The total liability on this account for the period 2012-17 works out to Rs. 11442.59 lakh. The State Government has also notified the rates of travelling allowance and dearness allowance to the elected representatives of the Panchayati Raj Institutions. During the block level meetings convened by the Commission with the representatives of Panchayati Raj Institutions, the issue of providing adequate amount as travelling allowance was raised by majority of the representatives. They advocated the cause on the ground that they have to attend the meetings organized at different levels and have to visit the block/district/head offices in connection with work pertaining to their respective institutions. The Commission considered their demand as reasonable and took cognizance of the existing provisions made by the Department

of Panchayati Raj in the budget for the year 2012-13 and decided to enhance the provision for TA/DA. The annual liability on this account for the Gram Panchayats works out to Rs. 194.58 lakh. The total liability on account of TA/DA for the forecast period in respect of Gram Panchayats would be Rs.972.90 lakh.

**(b) Panchayat Chowkidar:**

- 8.6 One Panchayat Chowkidar has been appointed in each Gram Panchayat. As per the revised rates notified by the State Government vide Notification No. PCH-HB (15)2/99-111 dated 7<sup>th</sup> September, 2012, the monthly remuneration of Panchayat Chowkidar has been revised from Rs. 1200/- to Rs. 1800/-, of which Rs. 1650/- is to be provided by the State Government and Rs. 150/- by the concerned Gram Panchayats. In addition, livery allowance @ Rs. 1680/- per annum is also provided to the Chowkidar, of which Rs. 840 is being paid as grant in aid by the State Government and remaining 50% is being borne by the concerned Gram Panchayat. The annual liability of providing honorarium and livery allowance to the Panchayat Chowkidar works out to Rs. 669.35 lakh. The Commission assumed a constant level of expenditure on this account for the award period 2012-17.

**Tailoring Teachers:**

- 8.7 Of the total 3243 Panchayats, Vocational Training Centers are functional in 2865 Gram Panchayats and 2212 tailoring teachers have been appointed for these vocational training centers. The State Government has decided that no such training center will be opened in newly created Gram Panchayats and the existing training centers will be rotated in the parent and the new Panchayat Areas. As the training from this trade provides an opportunity of self employment to the needy women to start economic activity at village level, at the same time attending their household activities, therefore, the Commission agrees for the continuation of this activity. The rate of remuneration of Tailoring Teachers has been revised from Rs. 1400/- to Rs. 1600/- by the State Government vide Notification No. PCH-HB (10)3/04-TT-II dated 8<sup>th</sup> June, 2012, to be effective from 1<sup>st</sup> April, 2012. The total annual liability on this account works out to Rs. 424.70 lakh. The Commission has assumed a constant level of remuneration for the remaining years of the forecast period.

**Office Expenses:**

- 8.8 For the smooth conduct of day to day business of the Gram Panchayats, these institutions need a reasonable provisioning for meeting the office expenses. To work out the financial implications on this account a provision of Rs. 286.25 lakh has been kept for the year 2012-13. Keeping in view, the inflationary trends, the Commission assumed a growth of 10 % per annum under this component over the forecast period and worked out the total liability of Rs.1747.56 lakh for the award period.
- 8.9 Based on expenditure forecast made on the above items in respect of the Gram Panchayats, the financial implications for the forecast period work out as follows:

Table-8.2

## Forecast of Revenue Expenditure for Gram Panchayats for 2012-2017

(Rs. in lakh)											
Sl. No	Year	Honorarium and TA/DA to the Pradhans				Remuneration		Livery to Chowkidars	Office Expenses	Total	
		Pradhans	Up Pradhans	Members	TA/DA	Chowkidars	Tailoring Teachers				
1	2	3	4	5	7	6	8	9	10	11	
1	2012-13	700.48	583.74	815.34	194.58	642.11	424.70	27.24	286.25	3674.44	
2	2013-14	700.48	583.74	815.34	194.58	642.11	424.70	27.24	314.87	3703.06	
3	2014-15	805.55	671.30	937.64	194.58	642.11	424.70	27.24	346.36	4049.48	
4	2015-16	805.55	671.30	937.64	194.58	642.11	424.70	27.24	380.99	4084.11	
5	2016-17	805.55	671.30	937.64	194.58	642.11	424.70	27.24	419.09	4122.21	
Total		3817.61	3181.38	4443.60	972.90	3210.55	2123.50	136.20	1747.56	19633.30	

- 8.10 The total committed liability for the Gram Panchayats on the items given in the Table 8.2 comes to Rs. 19633.30 lakh for the forecast period. The detailed working done by the Commission on this account is appended as **APPENDIX-VIII**.

## **II. PANCHAYAT SAMITIS:**

- 8.11 Panchayat Samiti is a middle level tier of the Panchayati Raj Institutions and there are 77 Panchayat Samitis in the State. The Panchayat Samitis have no staff of their own and the secretarial assistance is provided by the Executive Officer of the Panchayat Samitis, who also happen to be the Block Development Officers. Since, it has no staff of its own, the committed expenditure of the Panchayat Samitis mainly consists of (a) honorarium to Chairpersons, Vice Chairpersons and Members of the Panchayat Samitis, (b) salary and wages to functionaries placed at the disposal of the Panchayat Samiti such as Panchayat Sahayaks/Panchayat Secretary and (c) office expenses. The Panchayat Samiti has also been provided Junior Accountants as assisting functionaries, who though virtually function from the office of Block Development Officers, yet the financial liability on this account has been devolved to the Panchayat Samitis by the previous State Finance Commissions. The Commission decided to continue with the same practice.

- 8.12 The component-wise committed revenue expenditure liability of the Panchayat Samitis is discussed in the following paragraphs:

### **(a) Honorarium to the Representatives of the Panchayat Samitis :**

- 8.13 The following revised rates of honorarium to the Chairperson, Vice Chairperson and Member as notified by the State Government vide Notification dated 29<sup>th</sup> May, 2012 have been considered by the Commission to work out the liability on account of honorarium to the elected representatives of Panchayat Samitis:

**Table No. 8.3**

**Rate of Honorarium to the Representatives of Panchayat Samitis**

Sr. No.	Category	Number of Elected Representatives	Rate of Honorarium (Rs. per month)	
			Pre- revised	Revised
1.	Chairperson	77	1800	2500
2.	Vice-Chairperson	77	1500	2000
3.	Member	1528	1200	1800

8.14 The annual liability on account of honorarium to the elected representatives of the Panchayat Samitis for the year 2012-13 and 2013-14 has been worked out based on above given revised rates and a hike of 15% has been assumed in the honorarium of the elected representatives from the year 2014-15. The total liability on this account for the entire forecast period would be of Rs. 2025.40 lakh. As discussed under para 8.5, the Commission also decided to provide Rs. 7.59 lakh per annum to the Panchayat Samitis to meet out their travelling expenses.

**(b) Expenditure on the Functionaries:**

8.15 The State Government has decided to post either a Panchayat Secretary or a Panchayat Sahayak in each Gram Panchayat. As per the policy of the State Government, if there occurs a vacancy in the post of Panchayat Secretary, the same will be filled up by Panchayat Sahayak. At present 1258 posts of Panchayat Sahayaks exist in different Panchayat Samitis, working on contract basis on monthly remuneration of Rs. 5910/-. A hike of 3% Annual Increment has been assumed for the salary expenditure of contractual staff and impact of next Pay Commission has also been taken into account while working out the liability for the year 2016-17.

8.16 In addition to this, the salary expenditure of Panchayat Secretaries (re-designated from Panchayat Sahayaks) are also being charged to Panchayat Samitis. As per the policy of the State Government on regularization, after completion of six years of service, the Panchayat Sahayaks are being regularized and designated as Panchayat

Secretaries. The Commission assumed a growth in the salary expenditure of Panchayat Secretaries working on regular basis at the rate 7.23%, 8.45% and 30% for the years 2014-15, 2015-16 and 2016-17 taking into account the impact of Annual Increment, Dearness Allowance and the likely impact of the next Pay Commission during the year 2016-17. Taking into consideration the regularization factor during the award period, the expenditure liability of both these categories for the year 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 would be Rs. 2099.72 lakh, 2162.71 lakh, 5331.80 lakh, 5667.02 lakh and Rs. 7526.11 lakh, respectively.

- 8.17 At present, five Kanishath Lekhpals (Junior Accountants) are also working on contract basis under the establishment of different Panchayat Samitis on monthly remuneration of Rs. 7810/-. The Commission assumed a hike of 3% Annual Increment for the salary expenditure of Kanishath Lekhpals. After regularization, the salary burden of Kanishath Lekhpals would be transferred to the account of concerned Zila Parishads. Keeping this in view, the liability of this category for the year 2016-17 has been assumed as nil. Based on this methodology, the requirement of funds for the year 2012-13, 2013-14, 2014-15 and 2015-16 works out to Rs. 4.68 lakh, Rs. 4.82 lakh, Rs. 1.93 lakh and Rs. 1.00 lakh respectively. The Commission has also made provision of Rs. 19.92 lakh per annum to meet out the TA/DA requirements of the staff working with the Panchayat Samitis.

**(c) Office Expenses :**

- 8.18 In so far as the provision of office expenses in respect of Panchayat Samitis are concerned, the Commission decided to make a provision of Rs. 17.62 lakh for the year 2012-13. The Commission assumed a growth of 10% per annum, keeping in view the inflationary trends over the years and made the forecast for the award period, accordingly. The total expenditure liability on this account for the forecast period works out to Rs. 107.56 lakh.
- 8.19 As per the details of expenditure discussed above, the aggregate financial implications on account of revenue expenditure for the forecast period are summed up in the table given below:



**Table-8.4**  
**Forecast of Revenue Expenditure for Panchayat Samitis for 2012-2017**  
**(Rs. in lakh)**

Sl. No.	Year	Honorarium and TA/DA to Elected Representatives				Remunerations				Office Expenses	Total
		Chairpersons	Vice Chairpersons	Members	TA/DA to elected Representatives	Jr. Accountants (Contract)	Panchayat Secretaries		TA/DA to Staff		
							Regular	Contract			
1	2	3	4	5	6	7	8	9	10	11	12
1	2012-13	23.10	18.48	330.05	7.59	4.68	0.00	2099.72	19.92	17.62	2521.16
2	2013-14	23.10	18.48	330.05	7.59	4.82	0.00	2162.71	19.92	19.38	2586.05
3	2014-15	26.57	21.25	379.56	7.59	1.93	3899.76	1432.04	19.92	21.32	5809.94
	2015-16	26.57	21.25	379.56	7.59	1.00	4302.36	1364.66	19.92	23.45	6146.36
5	2016-17	26.57	21.25	379.56	7.59	0.00	5914.33	1611.78	19.92	25.79	8006.79
Total		125.91	100.71	1798.78	37.95	12.43	14116.45	8670.91	99.60	107.56	25070.30

8.20 As per the details given in the above table, the total committed revenue liability for the Panchayat Samitis thus comes to Rs. 25070.30 lakh for the award period. The detailed working done by the Commission on this account is appended as **APPENDIX-VIII**.

### **III. ZILA PARISHAD:**

8.21 Panchayati Raj system has been in existence in Himachal Pradesh in a statutory form since 1961. There used to be two tiers in the Panchayati Raj system in Himachal Pradesh – the Gram Panchayats and Panchayat Samitis. Pursuant to 73<sup>rd</sup> constitutional amendment and subsequent enactment of legislation in the State, a three tier Panchayati Raj system was established. The first election of Zila Parishads was held in December, 1995. Now this tier of Panchayati Raj system is well rooted and gained strength over the years.

8.22 There was no provision for the payment of honorarium to the elected representatives of the Zila Parishads up to 1996-97. As such no provision for the payment of honorarium was made in the report of First State Finance Commission. Over the years, like Gram Panchayats and Panchayat Samitis, the Zila Parishads

has acquired its own functionaries for the running its office. It also has three major components in the shape of committed revenue expenditure liabilities, namely (i) honorarium to Chairpersons, Vice Chairpersons and Members, (ii) expenditure on the functionaries and (iii) office expenditure.

**(a) Honorarium to the Elected Representatives :**

8.23 The rates of honorarium to Chairpersons, Vice Chairpersons and Members have been revised by the State Government with effect from 1.4.2012 vide Notification dated 29<sup>th</sup> May, 2012 alongwith the representatives of the other two tiers of Panchayati Raj Institutions. The revised rates of honorarium are given in the following Table:

**Table No. 8.5**  
**Rate of Honorarium to the Representatives of Zila Parishads**

Sr. No.	Category	Number of representatives	Rate of Honorarium (Rs. per month)	
			Pre- revised	Revised
1.	Chairperson	12	3500	5000
2.	Vice-Chairperson	12	2500	3500
3.	Member	227	1500	2000

8.24 The Commission worked out the financial liability for the year 2012-13 and 2013-14 considering the revised rates of honorarium notified by the State Government vide notification dated 1.4.2012 and a hike of 15% has been assumed in the honorarium of the elected representatives from the year 2014-15. The total liability on this account for the entire forecast period would be Rs. 363.63 lakh. Keeping in view the demand raised by the representative of Zila Parishads before the Commission in the block level meetings, the Commission decided to provide Rs. 27,833 per annum per Zila Parishad to meet out expenditure liability on account of TA/DA. The annual liability on this account works out to Rs. 3.34 lakh. The Commission assumed a constant level of expenditure under this component for the award period.

**(b) Expenditure on the Functionaries:**

8.25 Unlike Panchayat Samitis, which obtain entire secretarial support from the Block Development Officer's office, the Zila Parishad has its own set up and independent office. To assist the Zila Parishads in its functioning and the other two tiers of

Panchayati Raj Institutions, four Assistant Engineers (one regular and three on contract basis), 187 Junior Engineers (98 regular and 89 on contract basis), 10 Accountants and 12 Junior Scale Steno Graphers (2 regular and 10 on contract basis) have been engaged on the strength of Zila Parishads and are paid out from the devolutions recommended by the State Finance Commission to the Zila Parishads. A hike of 3% Annual Increment has been assumed for the salary expenditure of contractual staff and impact of next Pay Commission has also been taken into account while working out the expenditure liability for the year 2016-17. In case of regular staff, the Commission assumed a growth in the salary expenditure of this category at 6.50%, 7.23%, 8.45% and 30% for the years 2013-14, 2014-15, 2015-16 and 2016-17 taking into account the impact of Annual Increment, Dearness Allowance and the likely impact of the next Pay Commission during the year 2016-17. Taking into consideration the regularization factor, the total expenditure liability of the staff engaged on the strength of Zila Parishad for the years 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 works out to Rs. 416.52 lakh, Rs. 432.31 lakh, Rs. 596.68 lakh, Rs. 637.59 lakh and Rs. 750.09 lakh, respectively. A provision of Rs. 15.60 lakh per annum has also been recommended by the Commission for meeting the expenses on account of TA/DA to the staff engaged on the strength of Zila Parishads. To meet out the medical expenditure of regular staff, the Commission recommended a provision of Rs. 2.27 lakh for the year 2012-13 and assumed a growth of 10% per annum for the remaining years of the award period.

**(c) Office Expenses:**

8.26 The Zila Parishads have their own set up and independent offices at the district level. Keeping in view the staff strength working with the Zila Parishads, the Commission recommended Rs. 68.86 lakh for office expenses for the year 2012-13 and assumed a growth of 10% per annum over the remaining years of the award period.

8.27 As per the details of expenditure discussed above, the aggregate revenue expenditure liability for Zila Parishads for the forecast period is given in the following table:-

**Table No. 8.6**  
**Forecast of Revenue Expenditure for Zila Parishads for 2012-2017**

Sl. No.	Year	Honorarium and TA/DA to Elected Representatives					Remuneration / Allowances to Staff								Office Expenses	Total
		Chairpersons	Vice-Chairpersons	Members	TA/DA to Elected Representatives	Assistant Engineers		Junior Engineers		Accountants	Junior Scale Stenographers		Medical Allowance to Staff	TA/DA to Staff		
		3	4	5	6	Regular	Contract	Regular	Contract	11	12	13	14	15	16	17
1	2					7	8	9	10	11	12	13	14	15	16	17
1	2012-13	7.20	5.04	54.48	3.34	8.55	4.89	121.33	252.11	17.10	0.00	12.54	2.27	15.60	68.86	573.31
2	2013-14	7.20	5.04	54.48	3.34	9.00	5.04	127.68	259.67	18.00	0.00	12.92	2.50	15.60	75.75	596.22
3	2014-15	8.28	5.80	62.65	3.34	5.32	7.56	393.29	148.99	19.30	22.03	0.19	2.75	15.60	83.33	778.43
4	2015-16	8.28	5.80	62.65	3.34	5.77	7.79	433.15	146.06	20.93	23.89	0.00	3.03	15.60	91.66	827.95
5	2016-17	8.28	5.80	62.65	3.34	7.50	10.12	566.90	103.97	27.21	31.05	0.00	3.33	15.60	100.82	946.57
	<b>Total</b>	<b>39.24</b>	<b>27.48</b>	<b>296.91</b>	<b>16.70</b>	<b>36.14</b>	<b>35.40</b>	<b>1642.35</b>	<b>910.80</b>	<b>102.54</b>	<b>76.97</b>	<b>25.65</b>	<b>13.88</b>	<b>78.00</b>	<b>420.42</b>	<b>3722.48</b>

- 8.28 The total liability of committed expenditure for the Zila Parishads thus works out to Rs. 3722.48 lakh for the award period 2012-17. The detailed working done by the Commission on this account is appended as **APPENDIX-VIII**.

**IV. Sum up of the Revenue Expenditure for Panchayati Raj Institutions:**

- 8.29 As per the item wise details of the committed revenue expenditure worked for the three tiers of Panchayati Raj Institutions discussed under para 8.3 to 8.28, the total committed revenue expenditure has been summed up in the following table:-

**Table No. 8.7**  
**Consolidated Position of Committed Revenue Expenditure**

(Rs in lakh)					
Sr. No.	Year	Gram Panchayats	Panchayat Samitis	Zila Parishads	Total
1	2	3	4	5	6
1	2012-13	3674.44	2521.16	573.31	6768.91
2	2013-14	3703.06	2586.05	596.22	6885.33
3	2014-15	4049.48	5809.94	778.43	10637.84
4	2015-16	4084.11	6146.36	827.95	11058.42
5	2016-17	4122.21	8006.79	946.57	13075.58
	<b>Total</b>	<b>19633.30</b>	<b>25070.30</b>	<b>3722.48</b>	<b>48426.08</b>

- 8.30 Based on above, the total revenue expenditure for the forecast period 2012-17 for Gram Panchayats, Panchayat Samitis and Zila Parishads works out to Rs. 48426.08 lakh.

**V. COMPARATIVE POSITION OF THE RECOMMENDATIONS MADE BY THE FINANCE COMMISSIONS.**

- 8.31 The comparative position of the recommendations made by the first three State Finance Commissions on the committed expenditure the Panchayati Raj Institutions, in the nature of honorarium to the elected representative, expenditure on functionaries working with the Panchayati Raj Institutions and variable expenditure on office expenses devolved by the State Finance Commissions vis-a-vis the revenue expenditure proposed by the Fourth State Finance Commission is given in the table below:

Table No. 8.8

**Comparative Status of the Revenue Expenditure Recommended by the State Finance Commissions to the Panchayati Raj Institutions**

(Rs. in lakh)

Sr. No	State Finance Commission	Award Period	Tier-wise Devolution to Panchayati Raj Institutions			Total Devolution recommended
			Gram Panchayats	Panchayat Samitis	Zila Parishads	
1.	1 <sup>st</sup> SFC	1996-2001	1395.47	63.40	-	1458.87
2.	2 <sup>nd</sup> SFC	2002-2007	8416.10	1246.20	445.36	10107.66
3.	3 <sup>rd</sup> SFC	2007-2012	13283.77	1589.51	606.10	15479.38
4.	4 <sup>th</sup> SFC	2012-2017	19633.30	25070.30	3722.48	48426.08

8.32 The above status reveals that the committed expenditure levels have seen a progression over time. There is about three times increase in the revenue expenditure liability worked out by the Commission over the devolutions recommendations by the Third State Finance Commission, which is mainly attributed to hike in the honorarium of the elected representatives of Panchayati Raj Institutions provided by the State Government as well as assumed by the Commission from the year 2014-15, increase in remuneration of the staff working at the Gram Panchayat level, increase in the liability on account of wages and salaries, TA/DA, medical allowances to the functionaries and office expenditure for the day to day functioning of these institutions. In addition, the Commission has also taken into account the likely impact of next the Pay Commission on the salary and wages of the functionaries working with the Panchayati Raj Institutions during the year 2016-17.

## VI. CAPITAL EXPENDITURE

8.33 The capital expenditure needs of the Panchayati Raj Institutions were addressed for the award period of first two State Finance Commissions in a limited manner. The provision made during the First State Finance Commission period was Rs. 300 lakh for the twelve Zila Parishad buildings at the rate of Rs. 25 lakh per district.

During the award period of the Second State Finance Commission, a provision of Rs. 23 lakh was made for the infrastructural development of Gram Panchayats, leaving the onus and responsibility of the construction of Panchayat Ghars out of Centrally Sponsored Schemes/Central Finance Commission devolutions.

8.34 The Third State Finance Commission provided Rs. 4434.60 lakh for capital expenditure. This includes Rs. 1091.40 lakh for construction of 321 Panchayat Ghars, Rs. 2922.00 lakh for providing additional accommodation in 2922 old Gram Panchayats, Rs.41.20 lakh as infrastructural grants to 206 Gram Panchayats, Rs. 150.00 lakh for refurbishment of Panchayat Samitis offices and Rs 230.00 lakh for reconstruction of Panchayati Raj Training Institute, Baijnath.

8.35 Since, Panchayati Raj Institutions in the State are now well rooted institutions, so their needs in the form of physical infrastructure are also significant. The growing role of Panchayati Raj Institutions and their strengthening by way of functionaries and equipments has led to the demand for a well maintained accommodation with these institutions. The infrastructural needs of these institutions are discussed in the following paragraphs:

#### **A. Gram Panchayats:**

##### **Repair, Renovation and Maintenance of Gram Panchayat Buildings:**

8.36 The Department of Panchayati Raj in its memorandum submitted to the Commission made a request to provide Rs. 111.29 crore for reconstruction of 1100 Panchayat buildings which are in dilapidated condition and for up-gradation and maintenance of 1143 Gram Panchayat buildings. Later during the course of discussions with the Commission, the Department of Panchayati Raj has brought to the knowledge of the Commission that the State is getting funds under the Centrally Sponsored Scheme. "Rajiv Gandhi Panchayat Sashaktikaran Yojna" which is being implemented on 75:25 sharing basis. The State Government has to provide 25% share under this scheme. The construction and maintenance of Gram Panchayat buildings is one of the components of this scheme.

8.37 Besides, the State Government in its memorandum submitted to the Fourteenth Central Finance Commission has also made a request to provide Rs. 19.13 crore as

special purpose grant for repair, renovation and maintenance of buildings of Panchayati Raj Institutions. The Commission is of the view that the Panchayati Raj Institutions are receiving or will get adequate funds during the award period from the discussed sources for repair, renovation and maintenance of buildings; therefore, no funds have been recommended for this component during the award period.

**Annual Maintenance Contract /Up-gradation of Computer Hardware and Other Equipments:**

- 8.38 The Department of Panchayati Raj in its memorandum submitted to the Commission has submitted that presently all the Gram Panchayats and other two tiers of Panchayati Raj Institutions are well equipped with the technology under the e-Panchayat Programme but need funds for Annual Maintenance Contract and up-gradation of computer hardware installed in the first phase, as these are either non-functional or configuration of these need to be upgraded. This demand has also placed before the Commission by the representatives of Panchayati Raj Institutions in the block level meetings organized by the Commission with the elected representatives.
- 8.39 During discussions with the Finance Department, it has come to the knowledge of the Commission that the State Government has submitted a proposal to the Fourteenth Finance Commission to provide Rs 23.31 crore for replacement and up-gradation of the existing system including provision for Annual Maintenance Contract and providing funds for broadband connectivity in Panchayati Raj Institutions
- 8.40 In view of above, no funds are recommended by the Commission for Annual Maintenance Contract /up-gradation of computer hardware and other equipments during the award period and leave it to the next State Finance Commission to take a view on this requirement on the basis of recommendations made by Fourteenth Finance Commission.



## **B. Panchayat Samitis.**

- 8.41 The Panchayat Samitis are old institutions which over the years of constant use of buildings and furniture qualify for refurbishing by way of replacement/acquisition of furniture and special repairs to the existing Panchayat Samiti buildings. Keeping this in view, the Third State Finance Commission provided Rs. 1.50 crore for the year 2008-09, at the rate of Rs. 2.00 lakh per Panchayat Samiti, for replacement and purchase of furniture and repair of existing buildings.
- 8.42 During interaction with the Commission, the representative of Panchayat Samitis placed before the Commission that repair and maintenance of Panchayat Samiti buildings is a continuous process and repair of buildings once in five years becomes significant. The Commission considered this demand as reasonable and decided to provide Rs. 1.50 crore, at the rate of Rs. 1.95 lakh per Panchayat Samiti, for repair and maintenance of Panchayat Samiti buildings. The amount of Rs. 1.50 crore is proposed to be made available to these institutions in the year 2014-15

## **C. Zila Parishads :**

- 8.43 The Zila Parishads have already been provided their own accommodation during 1<sup>st</sup> State Finance Commission period. No funds were provided by the Third State Finance Commission for repair and maintenance of Zila Parishad buildings. As per the assessment made by the Commission under para 7.51 of Chapter-VII, the average annual non-tax revenue receipt per Zila Parishad is about 3.00 lakh. The non-tax revenue of Zila Parishads has not been taken into account in the aggregate receipts of Panchayati Raj Institutions by the Commission. The Commission took the view that this revenue be left to be utilized by the Zila Parishads, for preventive upkeep and maintenance of the Zila Parishads Bhavans and other assets created by these institutions at their level. Therefore, no additional funds are recommended for undertaking capital works by the Zila Parishads.

**VII. SUMMARY OF REVENUE AND CAPITAL EXPENDITURE FOR THE FORECAST PERIOD 2012-17**

8.44 The liability of the Panchayati Raj Institutions on account of revenue and capital requirements for the period 2012-17 is summarized in the following table:

**Table No. 8.9**

**SUMMARY OF REVENUE AND CAPITAL EXPENDITURE FOR THE FORECAST PERIOD 2012-17**

(Rs. In lakh)				
Sr. No.	Year	Revenue Expenditure	Capital Expenditure	Total Expenditure
1	2	3	4	5
1	2012-13	6768.91	0.00	6768.91
2	2013-14	6885.33	0.00	6885.33
3	2014-15	10637.84	150.00	10787.84
4	2015-16	11058.42	0.00	11058.42
5	2016-17	13075.58	0.00	13075.58
	<b>Total</b>	<b>48426.08</b>	<b>150.00</b>	<b>48576.08</b>

8.45 Based on above, the Commission recommends a total provision of Rs. 48576.08 lakh for revenue and capital expenses to be made for the period 2012-17.

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## **CHAPTER-IX**

### **FORECAST FOR THE PERFORMANCE OF STATUTORY AND DELEGATED FUNCTIONS BY PANCHAYATI RAJ INSTITUTIONS**

- 9.1 Different tiers of the Panchayati Raj Institutions have to perform certain statutory and delegated developmental functions as contained in Schedule-I and Schedule-II of the Himachal Pradesh Panchayati Raj Act, 1994. The implementation of these functions is primarily carried out by the Gram Panchayats, which execute some of the listed functions. But the Gram Panchayats are neither financially equipped nor suitably staffed to deal with all the assigned functions. The institutions of Zila Parishads and Panchayat Samitis, normally, have supervisory and coordinating roles to play.
- 9.2 To meet the financial liabilities for the execution of whatever functions are being performed, the Gram Panchayats utilize Panchayat fund and the grants devolved by the Union Finance Commissions and the State Finance Commissions for the performance of specific assignments. Some funds are also transferred to Gram Panchayats by different development departments for maintenance of assets pertaining to their departments. The State Government allocates certain funds at the disposal of Deputy Commissioners at the district level under decentralized planning for carrying out works of immediate need which are of unforeseen nature, the implementation of such minor works is carried out by the Gram Panchayats. The execution of works sanctioned by the District Rural Development Agency under various programmes is also undertaken by the Gram Panchayats, by and large.
- 9.3 The Commission collected information from the Gram Panchayats pertaining to their receipts from different sources and also sought information on estimated receipts for the period 2012-17 by imposition of new taxes and levies with the objective to study the additional resource mobilization efforts proposed at the Gram Panchayat level. The analyzed status indicates that the average estimated annual income from the proposed new taxes ranges from Rs. 12000/- to Rs. 16000/- per annum which shows that majority of the Gram Panchayats are reluctant to impose new taxes and fees in their area of jurisdiction.

- 9.4 The Third State Finance Commission also reviewed the efforts made by the Gram Panchayats towards resource mobilization and found that non- levy of statutorily assigned taxes and fees by the Gram Panchayats left limited funds with them for discharging the statutory, delegated development and maintenance functions at the local level. The Commission also feels that there is need to take initiatives by the Department Panchayati Raj to provide awareness to the elected representatives of the Panchayati Raj Institutions on the provisions contained under Himachal Pradesh Panchayati Raj Act, 1994 for raising resources at their level. As per the status report received from the Department Panchayati Raj, the initiatives on this account are yet to be taken by the Department.
- 9.5 The Commission had circulated different sets of questionnaires to all the three tiers of the Panchayati Raj Institutions which inter-alia sought information from these bodies on the devolution made by the Union Finance Commissions and State Finance Commissions. The data received from these bodies on other items was largely reliable while it was not so in respect of devolutions made by the Union and State Finance Commissions. The Commission found it appropriate to seek this data from the Panchayati Raj department. The Department of Panchayati Raj being the nodal department for all types of financial releases to Panchayati Raj Institutions is an authorized institution, the data supplied by it was considered relevant, accurate and in order.
- 9.6 The Commission had also sought information from the Panchayati Raj department on releases made to the Panchayati Raj Institutions other than Finance Commissions devolutions. As per the information received, no other funds are released to the Panchayati Raj Institutions through the Department of Panchayati Raj. In view of this, the Commission concluded that Department of Panchayati Raj had made no releases other than the Finance Commission devolutions to Panchayati Raj Institutions.
- 9.7 The district -wise status of devolutions made by the Panchayati Raj Department to Gram Panchayats, Panchayat Samitis and Zila Parishads for the period 2007-2012 are given in the following table:

Table No. 9.1

**District-wise Status of Devolutions made by the Central and State Finance Commissions to the Panchayati Raj Institutions during 2007-2012**

(Rs in lakh)

Sr. No	Name Of District	Gram Panchayats			Panchayat Samitis			Zila Prishads			Total Grants
		Union Finance Comm.	State Finance Comm.	Total	Union Finance Comm.	State Finance Comm.	Total	Union Finance Comm.	State Finance Comm.	Total	
1	Bilaspur	401.90	1136.87	1538.77	466.20	504.85	971.05	594.52	88.07	682.59	3192.41
2	Chamba	492.97	1523.65	2016.62	517.93	568.41	1086.34	675.84	109.50	785.34	3888.30
3	Hamirpur	505.36	1329.84	1835.20	524.04	599.55	1123.59	689.63	90.32	779.95	3738.74
4	Kangra	1686.58	2952.14	4638.72	1347.98	1108.39	2456.37	1186.76	151.72	1338.48	8433.57
5	Kinnaur	19.27	180.86	200.13	28.91	326.75	355.66	106.90	32.05	138.95	694.74
6	Kullu	469.44	1231.87	1701.30	495.80	520.73	1016.53	643.28	131.01	774.29	3492.12
7	Lahul / Spiti	8.90	101.02	109.92	13.38	45.01	58.39	50.84	19.70	70.54	238.85
8	Mandi	1100.90	2319.46	3420.36	940.23	858.69	1798.92	1375.06	126.33	1501.39	6720.67
9	Shimla	781.18	2302.18	3083.36	681.08	715.99	1397.07	948.28	170.47	1118.75	5599.18
10	Sirmaur	552.00	1774.65	2326.65	549.83	761.35	1311.18	726.17	123.44	849.61	4487.44
11	Solan	535.91	1190.85	1726.76	547.62	622.22	1169.84	728.58	94.35	822.93	3719.53
12	Una	532.59	1609.60	2142.19	547.98	503.67	1051.65	729.14	99.04	828.18	4022.02
Grant Total		7087.00	17652.99	24739.99	6660.97	7135.61	13796.58	8455.00	1236.00	9691.00	48227.57

9.8 The analysis of data given in the above table reveals that the Union Finance Commissions devolved funds to all the three tiers of Panchayati Raj Institutions. The award for the period 2007-08 to 2011-12 witnessed a visible hike given by the Union Finance Commissions as well as the State Finance Commission. The receipts for the period 2007-12 indicate the annual flow of Rs. 1.53 lakh per Gram Panchayat, Rs. 35.84 lakh per Panchayat Samiti and Rs. 161.52 lakh per Zila Parishad.

### Availability of Infrastructure and Maintenance of Assets by the Gram Panchayats:

9.9 In its effort to assess basic infrastructural availability in the sectors of Education, Health and Animal Husbandry, the questionnaire on Gram Panchayats contained specific items for the collection of this information. But the data received from the Gram Panchayats was found incomplete and inconsistent. The Commission has decided to obtain data on infrastructural availability from the Department of Economics and Statistics, Himachal Pradesh. The data supplied by the Department of Economics & Statistics pertaining to district-wise availability of basic institutions of different concerned departments is given in the following tables:

Table No 9.2

#### District- wise Availability of Basic Institutions (Rural & Urban)

Sr. No.	Name of District	No of Institutions (As on 31 <sup>st</sup> March, 2012)								
		Education				Health				
		Primary Schools	Middle Schools	High/ Sr. Secondary Schools	Total	Health Sub Centers	Dispensaries	Pry. Health Centers	Comm. Health Centers / RHCs	Total
1	2	3	4	5	9	10	11	12	13	15
1	Bilaspur	600	123	127	850	116	0	34	6	156
2	Chamba	1119	234	172	1525	176	0	42	7	225
3	Hamirpur	509	141	134	784	152	0	26	5	183
4	Kangra	1762	396	411	2569	438	0	80	14	532
5	Kinnaur	189	36	49	274	31	0	21	4	56
6	Kullu	753	128	109	990	99	0	17	5	121
7	Lahaul & Spiti	209	35	35	279	35	0	16	3	54
8	Mandi	1746	356	331	2433	311	0	62	12	385
9	Shimla	1623	346	307	2276	260	1	86	7	354
10	Sirmour	991	193	164	1348	145	3	36	3	187
11	Solan	765	163	145	1073	179	5	33	5	222
12	Una	505	118	142	765	134	1	19	5	159
	<b>Total</b>	<b>10771</b>	<b>2269</b>	<b>2126</b>	<b>15166</b>	<b>2076</b>	<b>10</b>	<b>472</b>	<b>76</b>	<b>2634</b>

Source: Department of Economics & Statistics, Himachal Pradesh, Shimla.

Table No 9.3

## District- wise Availability of Basic Institutions (Rural &amp; Urban)

Sr. No.	Name of District	No of Institutions (As on 31 <sup>st</sup> March, 2012)						
		Animal Husbandry				Ayurveda		
		Dispensaries	Hospitals / CVD	Polyclinic & Other Institutions	Total	Dispensaries	Hospitals	Total
1	2	3	4	5	9	11	12	15
1	Bilaspur	98	22	4	124	67	2	69
2	Chamba	163	36	10	209	101	2	103
3	Hamirpur	119	19	5	143	69	4	73
4	Kangra	336	65	13	414	227	6	233
5	Kinnaur	39	21	4	64	27	1	28
6	Kullu	89	18	3	110	64	2	66
7	Lahaul & Spiti	43	14	3	60	21	1	22
8	Mandi	267	41	10	318	163	2	165
9	Shimla	250	52	10	312	147	3	150
10	Sirmour	126	30	5	161	78	1	79
11	Solan	129	24	6	159	76	2	78
12	Una	104	19	6	129	69	3	72
	Total	1763	361	79	2203	1109	29	1138

Source: Department of Economics &amp; Statistics, Himachal Pradesh, Shimla.

- 9.10 The Himachal Pradesh Panchayati Raj Act, 1994 devolves functions of fifteen departments to the Panchayati Raj Institutions, therefore, it was considered necessary by the Commission to assess and ascertain the award of Union Finance Commissions for the maintenance of buildings. The Thirteenth Finance Commission has not provided budget for the maintenance of non residential buildings of Education, Health and Animal Husbandry departments. However, provisions have been made by the State Government in the annual budget for maintenance of non-residential buildings. Keeping in view the scarcity of resources at the Government level and its limitation to implement the Fiscal Responsibility and Budget Management Act, and the powers devolved by the departments to Gram Panchayats and as per Section 26 (1) of the Himachal Pradesh Panchayati Raj Act, 1994, the Commission recommends that for these social sector assets, the appropriate provision be made under normal budget by assessing the maintenance needs of these institutions and providing maintenance grants on normative basis for each type of institution. To work out maintenance provision for the assets in the sectors of Education, Health and Animal Husbandry, the Commission has decided to adopt the approach and methodology followed by the Third State Finance Commission and worked out the maintenance provisions, accordingly.
- 9.11 The institutions identified were in the sectors of Education, Health and Animal Husbandry which are required to be maintained by the Gram Panchayats. The number of these institutions as on 31<sup>st</sup> March, 2012 was 17998 consisting of 10771 Primary Schools, 2269 Middle Schools, 2076 Health Sub Centers, 10 Allopathic dispensaries, 1109 Ayurvedic dispensaries and 1763 dispensaries of Animal Husbandry department. The institution wise normative area for estimating devolutions for maintenance purpose has been taken 600, 800, 500, 500, 400 and 400 sq. feet, respectively. Going by these yardsticks, the total area for maintenance of these institutions comes to 10469600 sq. feet. Assuming a normative rate of Rs. 5 per sq. feet, the estimated preventive maintenance cost of these buildings comes to Rs. 523.48 lakh, which consists of Rs. 323.13 lakh for Primary Schools, Rs. 90.76 lakh for Middle Schools, Rs. 51.90 lakh for Health Sub Centers, Rs. 0.25 lakh for Allopathic Dispensaries, Rs. 22.18 lakh for Ayurvedic Dispensaries and Rs. 35.26 lakh for Animal Husbandry Dispensaries. As per the discussions held



with the Panchayati Raj Department , it has come to the knowledge of the Commission that only Education Department has transferred the assets pertaining to Primary Schools to the Gram Panchayat for maintenance purpose whereas and no other department has transferred their assets to Gram Panchayats for the maintenance. Keeping in view the existing status of delegation under section 26(1) of the Act, the Commission has decided to recommend Rs. 323.13 lakh to the Gram Panchayats for the year 2012-13, only for the maintenance of Primary Schools buildings and assumed 10% increase per annum to cater to the increased costs of raw materials for maintenance and increase in wages etc while making forecast for the remaining years of the award period (2012-17).

- 9.12 The Commission is of the view that the maintenance of Middle Schools, Health Sub Centers, Allopathic dispensaries, Ayurvedic dispensaries and Animal Husbandry dispensaries be handed over to the Gram Panchayats to comply with the provisions under the Act. In so far as maintenance provision of other departments is concerned, the same may continue to be with the departments but its devolution to Gram Panchayat be made gradually for carrying out maintenance activities to enhance the stake of Gram Panchayat in the basic infrastructure meant for local level service delivery.
- 9.13 To ensure targeted delivery of the budgetary provision for the assets, the Third State Finance Commission recommended making provision in the Demands for Grants of the Panchayati Raj Department by declaring Director Panchayati Raj as Head of the Department for the proper utilization of the maintenance funds by the Panchayati Raj Institutions. But as per the feedback received from the Department of Panchayati Raj, no such transfers have been made to the Demands for Grants by the concerned departments. Therefore, the Commission reiterates the recommendation made by the previous State Finance Commission to ensure proper utilization of the maintenance funds through the Department of Panchayati Raj.
- 9.14 As already discussed under para 3.12(1) of Chapter-III, the Panchayati Raj Department has no inventory of assets owned by the Panchayati Raj Institutions. The same should be prepared and continuously updated so that the quantification of resources needed for the upkeep and maintenance of assets could be done by the State Finance Commissions.

### **Statutory Functions of the Gram Panchayats:**

9.15 As per provision laid down under section (11) of the Himachal Pradesh Panchayati Raj Act, 1994, the Gram Panchayat shall perform the following functions specified in Schedule-1, which are as under:

- (1) Sanitation, conservancy and prevention and abatement of nuisance;
- (2) Construction, repair and maintenance of public wells, ponds, tanks and conventional/traditional sources of water;
- (3) Construction and maintenance of village paths, mule roads and rural roads, culverts, bridges and bunds which are not constructed or maintained by the Public Works Departments;
- (4) Construction, maintenance and cleaning of public streets, latrines, drains, tanks, wells and other public places;
- (5) Regulating the construction of buildings, latrines, urinals, drains and water closets;
- (6) Collection and disposal of refuse and earmarking places for dumping of refuse;
- (7) Filling of disused wells, in sanitary ponds, pools, ditches and pits and conversion of step wells into sanitary wells;
- (8) Lighting of village streets and other public places;
- (9) Removing of obstructions and projections in public streets or places and in sites not being private property or which are open to use of public, whether such sites are vested in the Panchayat or belong to the State Government;
- (10) Management of public land and management and development of village site, grazing lands and other lands vested in or under the control of the Gram Panchayat;
- (11) Maintenance of ancient and historical monuments other than those declared by or under law made by Parliament to be of national importance;
- (12) Maintenance of Gram Panchayat property;
- (13) Plantation and preservation of Panchayat Forests;

- (14) Regulating places for disposal of dead bodies, carcasses and other offensive matters;
- (15) Disposal of unclaimed corpses and carcasses;
- (16) Regulation of sale and preservation of meat;
- (17) Establishment and management of cattle ponds and maintenance of records relating to cattle;
- (18) Establishment, management and regulation of markets and fairs; and
- (19) Maintenance of records of births, deaths and marriages.

9.16 In addition to above, the Himachal Pradesh Panchayati Raj Act, 1994 and the rules made there under specifies following powers and functions to the Gram Panchayats:

- Gram Panchayats have been empowered to enquire and make report about misconduct of certain officials such as Peon, Bailiff, Constable, Head Constable, Chowkidar, Patrol of the Irrigation Department, Forest Guard, Patwari, Vaccinator, Canal Overseer, Game Watcher, Panchayat Secretary etc.
- Gram Panchayats have been empowered to hear and decide cases relating to minor offences under I.P.C. such as, the Vaccination Act, 1880, the Cattle Tress Pass Act, 1878, the Himachal Pradesh Juveniles (Prevention of Smoking Act), 1952 and the Public Gambling Act, 1867 and also to hear and decide applications for maintenance under section 125 of the Cr. P.C.
- Gram Sabhas have been empowered to approve the annual budget of the Gram Panchayat as well as to consider and take appropriate action in respect of the annual statement of accounts of the Gram Panchayat, report of the administration of the preceding financial year and the last audit note and the replies, if any, made thereto;

- Gram Sabhas have been empowered to approve plans, programmes and budget prepared by the Gram Panchayat for economic development and social justice and also to authorize, after being satisfied, issuance of utilization certificates of funds spent on the implementation of the plans, projects and programmes of the Gram Panchayat.
- Gram Sabhas have been empowered to constitute Vigilance Committees to supervise the Gram Panchayat works, schemes and other activities and to put reports concerning them in its meeting and shall also send a copy of the said report to the BDO.
- Developmental works costing up to Rs. 5.00 lakh will be executed by the Gram Panchayats,
- Gram Panchayats are authorized to accord administrative approval and expenditure sanction for the work costing up to Rs. 5.00 lakh for which technical sanction of Junior Engineer is required. However, for the work costing up to Rs. 1,50,000/- technical sanction of Takniki Sahayak is required. If the cost of work is more than Rs. 5.00 lakh and up to Rs. 10.00 lakh then administrative approval of Panchayat Samiti and technical sanction of Assistant Engineer is essential and in the case of works costing more than Rs. 10.00 lakh administrative approval of Zila Parishad and technical sanction of Executive Engineer is essential.
- With a view to achieve maximum participation in the meetings of the Gram Sabhas it has been made mandatory that every Gram Sabha shall hold four general meetings in each year on the predetermined days i.e. on 1<sup>st</sup> Sunday of January, April, July and 2<sup>nd</sup> October.
- There shall be constituted Up-Gram Sabha for each ward of the Gram Panchayat and all members of the Gram Sabha residing within the area of the ward shall be members of the Up-Gram Sabha.

- Panchayats at all the three levels have been empowered to constitute standing committees.
- Panchayats at all the three levels have been empowered to raise loans for creation of income generating assets without previous sanction of the Government if the project is assessed by the financial institutions as economically/financially viable. However the Gram Panchayat shall be required to obtain prior approval of the Gram Sabha for raising a loan.
- The Gram Panchayats have been empowered to protect public property such as sign boards, mile stones on public roads, paths, irrigation and water supply schemes, public taps, public wells, hand pumps, community centers, mahila mandal bhavans, school buildings, health institution buildings. In case of violation of the orders of the Gram Panchayats in the matter, the Gram Panchayat can also impose penalty up to Rs. 1000/- and in case of reoccurring breach, further penalty @ Rs. 10/- per day with maximum up to Rs. 5,000/- can be imposed.
- Panchayats have been authorized to levy taxes, fees, fines and cess.
- It has been made mandatory that the village level functionaries of the Agriculture, Animal Husbandry, Primary Education, Forest, Health and Family Welfare, Horticulture, Irrigation & Public health, Revenue and Welfare department shall attend the meetings of the Gram Sabha.
- Rates of various penalties and fines to be imposed by the Panchayats have been increased by the State Government to strengthen these institutions.

9.17 It is mandatory on the part of Gram Panchayats to perform statutory functions which are their responsibility since the inception of the institution of Gram Panchayats. The Commission collected data from the Gram Panchayats on expenditure incurred by these institutions for performing the statutory functions. The data supplied by the Gram Panchayats was found inconsistent and inflated due to wrong booking of expenditure of other heads under statutory functions. Since

the Gram Panchayats have very low resource base, therefore, the Commission decided to take Rs. 759.69 lakh, the provision recommended by the Third State Finance Commission for the year 2011-12, as base and assumed a growth of 5% for each year of the award period. The projected expenditure worked out by the Commission for performing statutory assigned functions by the Gram Panchayats for the period 2012-13 to 2016-17 is given in the table below:

**Table No. - 9.4**  
**Forecast of Provision for Statutory Functions during 2012-17**  
(Rs. in lakh)

Sr. No.	Year	Projected Expenditure
1	2012-13	797.67
2.	2013-14	837.56
3.	2014-15	879.44
4.	2015-16	923.41
5.	2016-17	969.58
Total		4407.66

- 9.18 As is evident from above table, the Commission recommends Rs. 4407.66 lakh to the Gram Panchayats for performing statutory functions over and above their own resources.

#### **Devolved Functions of the Gram Panchayats:**

- 9.19 With a view to strengthen democracy at the grass root level and as per the requirement of Article 243 of the Constitution of India to make the PRIs viable institutions of self governance, the State Government has devolved powers, functions and responsibilities relating to 15 departments, namely Agriculture, Animal Husbandry, Ayurveda, Education, Food & Supplies, Forest, Health & Family Welfare, Horticulture, Industries, Irrigation & Public Health, Public Works,

Revenue, Rural Development and Social & Women Welfare to the Panchayati Raj Institutions on 31<sup>st</sup> July, 1996 covering 26 subjects (except three subjects i.e. (a) Rural Electrification including Distribution of Electricity (b) Non-Conventional Energy Sources and (c) Adult and Non- Formal Education) as mentioned in the 11<sup>th</sup> Schedule of the Constitution. The Government has also delegated following powers to the Panchayati Raj Institutions:

- Powers and functions devolved to the PRIs mainly pertain to supervision, monitoring, reporting, planning and issuing contractual appointments.
- Gram Sabhas have been vested with the powers to select beneficiaries under the Indira Awas Yojna/ Rajiv Awas Yojna as per the guidelines of Govt. of India.
- Zila Parishads have been empowered to evaluate all the poverty alleviation programmes and coverage of women, SCs, STs and other BPL families in these programmes as per the guidelines issued by the Government of India.
- Chairpersons of Zila Parishads have been designated as the Chairpersons of the Governing Body of the respective District Rural Development Agencies.
- Gram Panchayats prepare micro-plans proposing development interventions that reflect the felt needs in their areas for improving rural connectivity, schooling, health and veterinary care facilities, drinking water, sanitation etc. indicating the order of priority. The micro plans are being approved by the Gram Sabha.
- Village level committees of the department to be integrated with the Standing Committees of the PRIs set up.
- The Gram Panchayats have been empowered to decide the location of institutions/facilities of public welfare such as:-
  - (i) Schools.
  - (ii) Anganwari Centers
  - (iii) Health Institutions
    - (a) Allopathic
    - (b) Ayurvedic

- (iv) Veterinary Institutions
  - (v) Fair Price Shops
  - (vi) Hand Pumps
  - (vii) Public Water Taps etc.
- Checking of physical attendance of grass root level functionaries such as Pump Operators, Helpers, Fitters, Linemen, Water Guards, Beldars of I & PH Department, Veterinary Assistants, employees attached with the Ayurvedic Health Centres, School Teachers, Male/Female Health Workers, Grass root level functionaries of Education Department, Anganwari Workers, Tailoring Teachers, Panchayat Sahayaks, Takniki Sahayaks and those functionaries which are appointed by the Panchayat. Apart from this, Panchayat Veterinary Assistants and Water Guards are appointed by the Gram Panchayat.
  - Pradhans and Up-Pradhans of Gram Panchayats have been empowered to issue fishing licence to the anglers for sport fishing and Chairpersons and Vice-Chairpersons of Panchayat Samitis for issuing licence to the professional fishermen for general and trout fishing and the money realised as licence fee is being retained by the concerned Panchayat as its revenue.
  - Primary School Buildings have been transferred to the Gram Panchayats and the maintenance/repair and control of Primary School buildings is the responsibility of the Gram Panchayats.
  - Zila Parishads and Panchayat Samitis have been empowered to supervise the duties and functions regarding revenue matters, to assist the revenue officials in identification of landless/houseless persons and formulation of policies for utilization of government land and giving no objection certificates for such land on lease at district and block level.
  - Pradhans have been empowered to issue Below Poverty Line certificates and non-employment certificates.



- 50% Reservation has been provided to women against the seats of Members and Chairpersons in the PRIs.
- Total devolution to Panchayats under the Nirmal Bharat Abhiyan has been done.
- Gram Sabha resolution has been made compulsory before granting of any area on money lease and installation of mineral based industry. The Gram Panchayats have also been given powers to issue permits for the personal bonafide use for extraction of sand, stone, bajri and slates.
- Cess on liquor is charged at the rate of Rs. 2/-per bottle, of which Re. 1/- is retained by the Government and Re.1/- is transferred to the Gram Panchayats for utilization in developmental activities.
- Gram Panchayats have been empowered to collect the land revenue from the land owners/right holders and Gram Panchayats will use the collected land revenues at their own level.
- Gram Panchayats are appointing and disciplinary authorities in respect of the employees of the PRIs such as Panchayat Sahayak, re-designated Panchayat Secretary, Takniki Sahayak, Junior Engineer, Assistant Engineer, Kanishtha Lekhapal, Junior Scale Stenographer, Tailoring Teachers, Panchayat Chowkidar etc.
- Judicial functions have been assigned to Gram Panchayats as per the provisions of the Himachal Pradesh Panchayati Raj Act, 1994.
- Funds in respect of the various schemes and programmes such as Mahatma Gandhi National Rural Employment Guarantee Act, Rajiv Awas Yojana, National Rural Livelihood Mission, Total Sanitation Campaign, Rajiv Gandhi Panchayat Sashaktikaran Abhiyan, Backward Region Grant Fund etc. are being provided through the Panchayats. The Panchayats are empowered to execute the developmental works at Panchayat level.

- The Department of Education, Animal Husbandry & Irrigation and Public Health have devolved powers to the Gram Panchayats for the appointment of Part Time Water Carriers, Panchayat Veterinary Assistants & Water Guards, respectively.
- It has also been decided by the State Government that in future all vacancies of employees occurring in the cadre of Panchayat Secretaries will be filled up through the PRIs but the recruitment of Panchayat Sahayaks will be done through the Himachal Pradesh Subordinate Staff Selection Board, to make it more competitive and transparent.

- 9.20 Section 11(2), 83(1) and 94(1) of the Himachal Pradesh Panchayati Raj Act, 1994 provides that the State Government may entrust functions to the Panchayati Raj Institutions. In exercise of the powers conferred under these sections, the State Government vide Notification No. PCH-HA (1)12/87-10206-406 dated 31<sup>st</sup> July, 1996 entrusted the powers, functions and responsibilities to the PRIs. The First State Finance Commission, Himachal Pradesh in Chapter XI of its reports submitted to the State Government culled out the functions which involved financial implications. The whole exercise was done way back in the year 1996 and over a period of time, the status of majority of the schemes had undergone a change.
- 9.21 The Third State Finance Commission also studied the level of financial and administrative powers devolved to these institutions alongwith executive orders delegating powers to Panchayati Raj Institutions. The department-wise status of devolution of powers and functions and proposed initiatives to be taken by the departments concerned, as discussed under para 6.5 and 6.6 under Chapter-6, reveals that delegation made/ proposed to be made to the Panchayati Raj Institutions was to monitor, supervise and coordinate for the activities of the different line departments.
- 9.22 To streamline and strengthen this process, the Department of Panchayati Raj vide notification No. PCH-HA(3)9/2006-18580-22180 dated 19<sup>th</sup> October, 2009 has notified the Activity Map proposing entrustment of 29 subjects to Gram Panchayat

or Panchayat Samiti or Zila Parishad, enabling them to discharge delegated/ assigned functions effectively and efficiently, to ensure effective delivery of services at the grass root level. But as per the feedback received from the Department of Panchayati Raj, the line departments are reluctant to transfer the funds and functionaries to the PRIs. In compliance to the devolution made under the Activity Mapping, no concrete efforts have been made by the line departments to empower the Panchayati Raj Institutions.

9.23 The Commission also made efforts to review the status of the functions assigned to the PRIs by the State Government and initiatives taken by the concerned departments to make this delegation, a success. As discussed under para 5.19 to 5.21 of Chapter-V, it was observed by the Commission that most of the departments have not implemented the notified Activity Map of proposed entrustment of 29 subjects to Panchayati Raj Institutions and those who have taken the initiative, most of them have not transferred funds and functionaries to these institutions.

9.24 To study the status of functions devolved to Panchayati Raj Institutions, the Commission also called for information on devolved functions from all the Gram Panchayats. The data supplied by the Gram Panchayats was inconsistent and seems to be an outcome of lack of understanding or wrong classification. During the block level meetings with the representatives of Panchayati Raj Institutions, it was also brought to the knowledge of the Commission that these institutions had not been entrusted any specific implementation functions from the departments concerned. Keeping this in view, the Commission has decided to repeat the stance of the previous three Commissions that funds should flow as the functions are effectively devolved to Panchayati Raj Institutions.

#### **Incentive Fund for Resource Raising:**

9.25 The Third State Finance Commission recommended Rs. 40.00 crore for the four years of the award period 2008-09 to 2011-12 as 'Incentive Fund for Resource Raising'. But as per the feedback received from the Department of Panchayati Raj, only two to three Gram Panchayats have availed this incentive during the award period of the Third State Finance Commission and no such proposal has been received from the Gram Panchayats during the year 2012-13 and 2013-14 (till

December, 2013) Keeping in view the spirit of the scheme for resource mobilisation, the Commission has decided to keep a provision Rs 1.00 crore per annum for a period of three years from 2014-15 to 2016-17. The total liability on this account works out to Rs. 3.00 crore.

#### Forecasting of Expenditure:

9.26 As per the analysis given above, the forecasting of expenditure for the period 2012-17 comes as under:

**Table No. 9.5**  
**Forecasting of Provisions for the Years 2012-17**

(Rs. in lakh)

Sr. No.	Items	Year					Total
		2012-13	2013-14	2014-15	2015-16	2016-17	
1	2	3	4	5	6	7	8
1.	Maintenance of Assets of Education Department (Pry. Schools)	323.13	355.44	390.99	430.09	473.09	1972.74
2.	Performance of Statutory Functions	797.67	837.56	879.44	923.41	969.58	4407.66
3.	Incentive Fund for Resource Raising	-	-	100.00	100.00	100.00	300.00
	<b>Total</b>	<b>1120.80</b>	<b>1193.00</b>	<b>1370.43</b>	<b>1453.50</b>	<b>1542.67</b>	<b>6680.40</b>

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## CHAPTER -X

### FORECASTING THE RESOURCES OF THE URBAN LOCAL BODIES

- 10.1 After the passing of the 74<sup>th</sup> amendment to the Constitution of India, the Urban Local Bodies have been entrusted with various constitutional, statutory and obligatory functions. The above mentioned amendment to the Constitution of India envisages ever increasing decentralization of administrative, legislative and financial functions to the Urban Local Bodies with progressive financial autonomy.
- 10.2 The Himachal Pradesh Municipal Act, 1994 and the Himachal Pradesh Municipal Corporation Act, 1994, envisages resource raising powers to the Urban Local Bodies by levying taxes, fees, cess etc. Under the Urban Local Governance structure, there are 50 Urban Local Bodies comprising one Municipal Corporation, 25 Municipal Councils and 24 Nagar Panchayats. The Urban Local Bodies at all the three levels have been empowered to levy taxes/ fees in their area of jurisdiction in accordance with the provisions laid under the Acts. In order to boost the resource mobilisation efforts through tax collection and to bring efficiency in coverage, the Government of Himachal Pradesh has made necessary amendments in section 86 of Himachal Pradesh Municipal Corporation Act, 1994 and under section 65 of Himachal Pradesh Municipal Act, 1994, which were notified in February, 2012 to give free hand to the Urban Local Bodies for imposing House Tax / Property Tax.
- 10.3 In its efforts to understand in depth the problems of municipal finances, the Commission had asked the Department of Urban Development as well as to the Municipal Corporation, Shimla to send their memorandums to the Commission. The Department of Urban Development submitted its memorandum to the Commission in August, 2012 whereas Municipal Corporation, Shimla submitted this in September, 2012. The assumptions made by the Department of Urban Development for forecasting the receipts of the Urban Local Bodies were also considered by the Commission while making forecast of revenue receipts.

10.4 Keeping in view the general framework and approach, the Commission decided to adopt a realistic approach in assessment of receipts. To estimate the revenue accrual from tax, non-tax revenue and fees of the Urban Local Bodies, the Commission collected comprehensive information regarding receipts of these institutions on the designed questionnaires from all the three levels of Urban Governance. The data collection specifically focused on the actual accrual for a period of five years from 2007-08 to 2011-12 so that a comparison could be made with the assumptions taken by the Third State Finance Commission against the actual collection. However, data on projected receipts was also sought for the award period to assess the growth trend of revenue receipts. As per the status given under para 2.13 of Chapter-II, the Commission could get feedback only from 24 institutions consisting of Municipal Corporation, Shimla, the only Municipal Corporation in the State, 11 Municipal Councils and 12 Nagar Panchayats. On the basis of information received from these institutions, the Commission worked out the average receipt per institution from each source of revenue, taking into consideration the number of reporting institutions and made the estimates for the total receipts of Municipal Councils and Nagar Panchayats, accordingly. The Commission also held meetings with the concerned departments like Excise and Taxation and Himachal Pradesh State Electricity Board Limited which devolve funds to these institutions and wherever data gaps were found, the information was collected from the Department of Urban Development and other concerned departments.

10.5 As per the provisions under the Himachal Pradesh Municipal Corporation Act, 1994, the Himachal Pradesh Municipal Act, 1994 and existing broad classification, the revenue receipts of the Urban Local Bodies can be broadly categorized as under:-

- (a) Own Revenue Receipts of Urban Local Bodies.
- (b) Income from Assigned Taxes.

**A. Own Revenue Receipts of Urban Local Bodies.**

10.6 The Urban Local Bodies drive their income from taxes, fees, non-tax revenue and other levies. The institution-wise status of revenue receipts of Urban Local Bodies is discussed in the following paragraphs:-

## I. MUNICIPAL CORPORATION

- 10.7 The Himachal Pradesh Municipal Corporation Act, 1994 empowers the Municipal Corporation to impose fees, tolls and user charges for the services provided by it at such rate and in such manner as may be determined by the Corporation from time to time. As per the data collected from the Municipal Corporation, Shimla, the income from tax and non tax revenue is the major contributor to the receipts of the Corporation. The Municipal Corporation is levying number of taxes and fees such as House Tax, Show Tax, Ground Tax, Water Tax, Sanitation Tax, Birth and Death Registration Fee, Marriage Registration Fee, Ration Card Fee etc. The non-tax revenue by the Corporation has been reported from sources like rent, income from property, interest, auction etc. The total receipts of the Municipal Corporation from both these sources for the period 2007-12 has been reported as Rs. 10980.47 lakh. The year-wise details of the actual receipts are discussed in the table below:

**Table-10.1**  
**Actual Revenue Receipts of Municipal Corporation from Tax and Non-Tax**  
**Revenue for the period 2007-12.**

(Rs. in lakh)

Sr. No.	Year	Own Revenue Receipts		Total
		Taxes/Fees	Non-Tax Revenue	
1.	2007-08	703.17	1270.78	1973.95
2.	2008-09	656.31	1190.02	1846.33
3.	2009-10	745.55	1476.59	2222.14
4.	2010-11	834.96	1468.86	2303.82
5.	2011-12	968.18	1666.05	2634.23
Total		3908.17	7072.30	10980.47

- 10.8 It is evident from the above table that the non-tax revenue receipts is the major contributor to the income of Municipal Corporation as 64.41% receipts of the Municipal Corporation are from non- tax revenue.

## II. MUNICIPAL COUNCILS

- 10.9 The Himachal Pradesh Municipal Act, 1994 empowers the Municipalities to levy taxes, fees, tolls and user charges for the services provided by them in their area of jurisdiction as per the provisions under the Act. The devolution made by the State Government to the Urban Local Bodies to levy, taxes and fees and cess have been discussed in detail by the Commission under para 6.16 to 6.20 of Chapter-VI. As per the data received from the Municipal Councils, the Municipal Councils are levying taxes such as House Tax, Show Tax, Ground Tax, Water Tax, Sanitation Tax, Tax on Advertisement etc and also levying fees such as Building Plan Fee, Trade/License Fee, License for dangerous and offensive tranches, Fee for Birth and Death Registration etc. The amount collected from these taxes and fees is retained by the Municipal Councils. The income of Municipal Councils under non-tax classification mainly accrues from items like rent, income from property, interest earned on bank deposits, auction, and income from forests, fairs and festivals etc. It constitutes the second largest component of own resources of Municipal Councils. As per the data collected from the Municipal Councils, the actual own receipts of the Municipal Councils from both these sources for the period 2007-12 are given in the following table:

**Table-10.2**  
**Actual Revenue Receipts of Municipal Councils from Tax and Non-Tax**  
**Revenue for the period 2007-12.**

(Rs. in lakh)

Sr. No.	Year	Own Revenue Receipts		Total Receipts
		Taxes and Fees	Non-Tax Revenue	
1.	2007-08	702.60	722.93	1425.53
2.	2008-09	864.28	772.30	1636.58
3.	2009-10	1096.27	800.75	1897.02
4.	2010-11	1049.35	829.48	1878.83
5.	2011-12	1220.03	821.84	2041.87
Total		4932.53	3947.30	8879.83



### III. NAGAR PANCHAYATS

10.10 This third level of urban governance also draws power to levy taxes and fees in their area of jurisdiction from the Himachal Pradesh Municipal Act, 1994. As per the data collected from the Nagar Panchayats, the Nagar Panchayats are levying almost all the taxes and fees which are the source of revenue of the Municipal Councils. Whereas few Nagar Panchayats are also getting revenue by charging Slaughter House Fee, Fee for providing No Objection Certificate for electrical connections. These local bodies also derive income from sources like rent on properties, income from interest, fairs and festivals, forest, auction and other miscellaneous items categorized under non-tax revenue receipts. As per the data received from the Nagar Panchayats, the actual own receipts of the Nagar Panchayats for the period 2007-12 are given in the table below:

**Table- 10.3**  
**Actual Revenue Receipts of Nagar Panchayats from Tax and Non-Tax**  
**Revenue for the period 2007-12.**

(Rs. in lakh)

Sr. No.	Year	Own Revenue Receipts		Total
		Taxes/Fees	Non-Tax Revenue	
1.	2007-08	261.82	136.61	398.43
2.	2008-09	313.71	176.37	490.08
3.	2009-10	313.78	187.55	501.33
4.	2010-11	353.12	212.68	565.80
5.	2011-12	352.08	224.09	576.17
Total		1594.51	937.30	2531.81

### SUM UP OF OWN RESOURCE INCOME OF URBAN LOCAL BODIES

10.11 The own revenue receipts of the Urban Local Bodies from tax, fees and non-tax revenue as discussed under Section-A are summed up in the following table:

Table-10.4

## Own Revenue Income of Urban Local Bodies for the period 2007-12

(Rs. in lakh)

Sr. No.	Year	Own Revenue Income			Total
		Municipal Corporation	Municipal Councils	Nagar Panchayats	
1.	2007-08	1973.95	1425.53	398.43	3797.91
2.	2008-09	1846.33	1636.58	490.08	3972.99
3.	2009-10	2222.14	1897.02	501.33	4620.49
4.	2010-11	2303.82	1878.83	565.80	4748.45
5.	2011-12	2634.23	2041.87	576.17	5252.27
Total		10980.47	8879.83	2531.81	22392.11

## B. Assigned Taxes/Fees to the Urban Local Bodies

## (i) Cess on Liquor :

10.12 One of the major sources of revenue of Urban Local Bodies is the share in cess on liquor. The cess is charged at the rate of Rs. 2 per bottle, out of which Re. 1 is retained by the Excise and Taxation Department and Re 1 is distributed in the ratio of 80:20 to the Urban Local Bodies where a liquor vend is functioning and where there is no liquor vend, respectively.

10.13 The methodology of collection of this cess is based on quarterly sale of liquor. The lessee on the basis of quarterly sale deposits cess in the State exchequer which is calculated at district level. The Assistant Excise and Taxation Commissioners raise the demand through Deputy Commissioner concerned with Excise and Taxation Commissioner for arranging releases from the Government. The budget allocated by the Government is then disbursed to Urban Local Bodies in consultation with the Deputy Commissioner by the Assistant Excise and Taxation Commissioner in the ratio of 80:20 as given in the above paragraph. In this process, the actual collection of a financial year is effectively transferred to the Urban Local Bodies in the next financial year.

- 10.14 On the basis of above methodology, the Excise and Taxation Department disbursed Rs.726.69 lakh to the Urban Local Bodies, during 2007-12. The year-wise detail of the amount disbursed to these bodies is given in the table below:

**Table-10.5**  
**Actual Revenue Transferred to Urban Local Bodies as Cess on Liquor for the**  
**Period 2007-12**

(Rs. in lakh)

Sr. No.	Year	Amount Disbursed
1.	2007-08	30.03
2.	2008-09	84.70
3.	2009-10	121.09
4.	2010-11	156.37
5.	2011-12	334.50
<b>Total</b>		<b>726.69</b>

(ii) **Electricity Tax:**

- 10.15 The Electricity Tax is being charged from the consumers by the Municipalities and the Municipal Corporation as per the provisions made under the Himachal Pradesh Municipal Act, 1994 and the Notifications made thereunder by the Department of Urban Development from time to time. These charges are levied on the electricity consumed by all the categories of consumers in the area of jurisdiction of the respective Urban Local Bodies. This tax is being collected by the Himachal Pradesh State Electricity Board Limited with the electricity tariff and the revenue realization on this account is transferred to the concerned Urban Local Bodies, accordingly. The Municipalities are imposing this tax @ 2 paise per unit whereas the Municipal Corporation Shimla is imposing this tax @ 10 paise per unit w.e.f. 1<sup>st</sup> April, 2012. As per the provisions made for levy of this tax, one paise per unit is retained by the Himachal Pradesh State Electricity Board Limited, as collection charges and the balance is disbursed to the concerned Urban Local Bodies. As per

the data collected from the Himachal Pradesh State Electricity Board Limited, the actual realization from this tax for the period 2007-12 remained Rs. 796.06 lakh with annual flow as given in the following table:

**Table-10.6**  
**Actual Revenue Realization from Electricity Tax for the period 2007-12**

(Rs. in lakh)

Sr. No.	Year	Actual Revenue Realization
1.	2007-08	147.18
2.	2008-09	155.14
3.	2009-10	143.85
4.	2010-11	173.56
5.	2011-12	176.33
<b>Total</b>		<b>796.06</b>

10.16 As per the details given under table 10.5 and 10.6, the total receipts from assigned revenue for the period 2007-12 remained as under:

**Table-10.7**  
**Actual Receipts from Assigned Revenue for the period 2007-12**

(Rs. in lakh)

Sr. No.	Year	Actual Receipts		Total
		Cess on Liquor	Electricity Tax	
1.	2007-08	30.03	147.18	177.21
2.	2008-09	84.70	155.14	239.84
3.	2009-10	121.09	143.85	264.94
4.	2010-11	156.37	173.56	329.93
5.	2011-12	334.50	176.33	510.83
<b>Total</b>		<b>726.69</b>	<b>796.06</b>	<b>1522.75</b>

## ACTUAL RECEIPTS OF THE URBAN LOCAL BODIES

10.17 As per the sources of income of Urban Local Bodies discussed under para 10.7 to 10.16, the actual receipts of the Urban Local Bodies for the period 2007-12 remained as under:

**Table-10.8**  
**Actual Receipts of Urban Local Bodies for the Period 2007-12**  
(Rs. in lakh)

Sr. No.	Year	Own Revenue Receipts	Assigned Revenue	Total
1.	2007-08	3797.91	177.21	3975.12
2.	2008-09	3972.99	239.84	4212.83
3.	2009-10	4620.49	264.94	4885.43
4.	2010-11	4748.45	329.93	5078.38
5.	2011-12	5252.27	510.83	5763.10
Total		22392.11	1522.75	23914.86

10.18 The data given in the above table reveals that the total receipt of the Urban Local Bodies for the period 2007-12 remained Rs. 23914.86 lakh comprising 93.63 percent receipts from own revenue income and the remaining from assigned revenue.

## FORECAST OF THE REVENUE RECEIPTS OF URBAN LOCAL BODIES FOR THE PERIOD 2012-17

10.19 The Commission decided to adopt a realistic approach in determining the base for projection of revenue receipts of the Urban Local Bodies. For this purpose the actual total receipts of the Municipal Corporation, Municipal Councils and the Nagar Panchayats for the period 2007-08 to 2011-12 were analyzed for determining the growth trend.

10.20 The Commission noted that the areas of revenue generation in case of the Urban Local Bodies were considerably regulated by the State Government. After examination, it was found that there always remains a gap between the actual

receipts from own resources and the projected receipts recommended by the State Finance Commissions. The Third State Finance Commission assumed a growth rate of 12.5 % per annum to forecast the revenue receipts of the Urban Local Bodies but the actual average annual growth of own receipts remained 8.57 % only. Keeping the past trend of growth in view, the Commission decided to give a marginal increase of about 1.50 % with the intention to encourage resource mobilization efforts by the Urban Local Bodies. The Commission also observed that exemptions granted by the State Government on levy of certain urban taxes led to a considerable dip in the actual realization vis-à-vis the potential.

- 10.21 The Department of Urban Development in its Memorandum submitted to the Commission has projected the receipts of the Urban Local Bodies with 5% annual increase for the award period of the Fourth State Finance Commission. Whereas the average annual growth of receipts of Urban Local Bodies from own revenue for this period remained 8.57 %. Therefore, the Commission decided to take the receipts of year 2011-12 as base figure and made the projections with 10 % annual increase for the award period 2012-17. Based on this, the revenue forecast of Urban Local Bodies from own revenue receipts for the period 2012-17 works out as under:

**Table-10.9**  
**Projected Receipts from Own Revenue for the Period 2012-17**  
(Rs. in lakh)

Sr. No	Year	Projected Receipts from Own Revenue			Total
		Municipal Corporation	Municipal Councils	Nagar Panchayats	
1	2012-13	2897.65	2246.06	633.79	5777.50
2	2013-14	3187.42	2470.66	697.17	6355.25
3	2014-15	3506.16	2717.73	766.88	6990.77
4	2015-16	3856.77	2989.50	843.57	7689.84
5	2016-17	4242.45	3288.45	927.93	8458.83
	<b>Total</b>	<b>17690.45</b>	<b>13712.40</b>	<b>3869.34</b>	<b>35272.19</b>

10.22 The Commission has kept in mind that the base for assessing the revenue from Cess of Liquor is consumption of liquor. As already discussed under para 7.16 of Chapter-VII, the data received from the department of Excise and Taxation reveals that the consumption of liquor in the State in the last three to four years has attained saturation level and therefore any further increase in terms of consumption of liquor during 2013-14 and onwards will be very slow. Keeping these facts in mind and also considering the ill effects of consumption of liquor, the Commission decided to take the revenue of Rs. 204.98 lakh disbursed by the Department of Excise and Taxation to the Urban Local Bodies for the year 2012-13 as base and assumed a growth of 1% per annum on account of revenue accrual from this source for the remaining years of the award period. The estimates for the period of 2012-17 under cess on liquor thus works out to Rs.1045.60 lakh with annual estimates as follows:

**Table-10.10**  
**Projected Revenue from Cess on Liquor for the period 2012-17**  
(Rs. in lakh)

Sr. No.	Year	Projected Revenue
1.	2012-13	204.98
2.	2013-14	207.03
3.	2014-15	209.10
4.	2015-16	211.19
5.	2016-17	213.30
<b>Total</b>		<b>1045.60</b>

10.23 As regards the revenue realization from Electricity Tax is concerned, the total revenue realization from Electricity Tax to the Urban Local Bodies for the period 2007-12 remained Rs. 796.06 lakh with an average annual growth of about 5.00%. While forecasting the revenue accrual from Electricity Tax for the forecast period 2012-17, the Commission decided to take the revenue realization of the year 2011-12 as base and assumed the same level of growth i.e. 5% per annum, considering

the growth trend of electricity consumption in the past. The estimated details are given in the following table:

**Table-10.11**  
**Revenue Forecast from Electricity Tax**

(Rs. in lakh)

Sr. No.	Year	Projected Revenue
1.	2012-13	185.15
2.	2013-14	194.40
3.	2014-15	204.12
4.	2015-16	214.33
5.	2016-17	225.05
<b>Total</b>		<b>1023.05</b>

10.24 Based on the projections made by the Commission for each component of revenue, the aggregate projected revenue receipts of the Urban Local Bodies for the period 2012-17 works out as under :

**Table-10.12**  
**Projected Revenue Receipts of the Urban Local Bodies for 2012-17**

(Rs. in lakh)

Sr. No.	Year	Projected Revenue			Total
		Own Revenue	Assigned Revenue		
			Cess on Liquor	Electricity Tax	
1.	2.	3.	4.	5.	6.
1.	2012-13	5777.50	204.98	185.15	6167.63
2.	2013-14	6355.25	207.03	194.40	6756.68
3.	2014-15	6990.77	209.10	204.12	7403.99
4.	2015-16	7689.84	211.19	214.33	8115.36
5.	2016-17	8458.83	213.30	225.05	8897.18
Total		35272.19	1045.60	1023.05	37340.84



## DEVELOPMENTAL GRANTS

- 10.25 The grants in lieu of octroi now named as the developmental grants also constitute the most significant and major resource transfer from the State Government to the Urban Local Bodies. The growth in the level of these grants would generally be understood to follow the same trends as in the case of sales tax or the value added tax.
- 10.26 The Third State Finance Commission assumed a growth in the level of 'Developmental Grants' as in case of sales tax or value added tax. The Commission decided to continue with the same criteria and has considered a growth of 11.36% in the receipts from sales tax or value added tax for the year 2012-13 and 2013-14 and thereafter assumed a growth of 12.50% for forecasting the revenue receipts from sales tax or value added tax for the remaining years of the award period. For forecasting the flow of funds under this component, the Commission decided to take Rs. 51.88 lakh, the 'Developmental Grants' recommended by the Third State Finance Commission for the year 2011-12, as base and made the projections for the award period, accordingly. Given this assumption, the figure for the forecast period works out as under:

**Table-10.13**  
**Projected Developmental Grants for Urban Local Bodies**  
(Rs. in erore)

Year	Amount Recommended
2012-13	57.77
2013-14	64.34
2014-15	72.38
2015-16	81.43
2016-17	91.60
<b>Total</b>	<b>367.52</b>

- 10.27 Taking the above two items of revenue accrual/transfer to the Urban Local Bodies, the aggregate receipts for the forecast period work out as under:

Table-10.14

**Total Revenue Receipts of the Urban Local Bodies for the Period 2012-17**  
(Rs. in crore)

Year	Developmental Grants	Revenue Receipts	Total
2012-13	57.77	61.68	119.45
2013-14	64.34	67.57	131.91
2014-15	72.38	74.04	146.42
2015-16	81.43	81.15	162.58
2016-17	91.60	88.97	180.57
<b>Total</b>	<b>367.52</b>	<b>373.41</b>	<b>740.93</b>

10.28 The Commission took the view to exclude the devolution to the Urban Local Bodies as recommended by the Union Finance Commissions on the receipt side, as was done on the expenditure side. These are purpose-specific and hence would be better treated as such rather than amalgamating these into general receipts.

10.29 On the question of expanding or enhancing the quality of the existing civic infrastructure, it is understood that sizeable resources would flow through the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for the Municipal Corporation Shimla. Some resource flows would also be available for other towns through the JNNURM. In addition to these, the State Government has also instituted the Rajiv Gandhi Urban Renewal Facility for selective up-gradation of civic infrastructure in certain critical areas. In addition to this Urban Infrastructure scheme for development of small and medium towns is also being implemented. All these resource flows should come handy to the Urban Local Bodies and meet their genuine developmental needs. In view of this, the Commission did not consider it necessary to make any recommendations on these areas/activities.

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## CHAPTER - XI

### FORECASTING THE COMMITTED EXPENDITURE OF THE URBAN LOCAL BODIES

11.1 Urban Local Bodies like Panchayati Raj Institutions, also have certain liability of committed expenditure to pay honorarium to elected representatives, salaries to functionaries working with these bodies and office expenses for the day to day functioning of these institutions. The physical assets owned by the Urban Local Bodies are increasing day by day with the time to time support given Union Finance Commissions and flow of funds under the Centrally Sponsored Schemes. Therefore, the expenditure liability of Urban Local Bodies has been broadly categorized as (a) Revenue Expenditure and (b) Capital Expenditure for the maintenance of civic infrastructure in the territorial jurisdiction of the individual local bodies. The liability on account of both these components is being discussed in the following paragraphs:

#### A. REVENUE EXPENDITURE:

11.2 Keeping in view the general framework and approach, the Commission decided to adopt a realistic approach in assessment of receipts and expenditure as this would help to strike a balance between the responsibilities and overall resource availability.

11.3 The Commission collected basic data from all the Urban Local Bodies in the State for assessing the committed expenditure of these local government institutions but could get response only from 24 Urban Local Bodies comprising Municipal Corporation, Shimla, 11 Municipal Councils and 12 Nagar Panchayats. It was possible for the Commission to gainfully utilize the data on receipts but the same could not be done on expenditure side. Therefore, the Commission decided to rely upon the annual financial liability worked out by the Urban Development Department in its memorandum submitted to the Commission vide letter No. UD-C (10)-1/2012 dated 13<sup>th</sup> August, 2012 and additional submission made vide endorsement No. UD-H(C) (10)-2/2011-17463-64 dated 10<sup>th</sup> October, 2012. Considering the submissions made by the department, the annual financial liability of committed revenue expenditure for the year 2011-12 works out as under:

(A) Municipal Corporation, Shimla

		Yearly Financial Liability (Rs in lakh)
(i)	Total Number of Sanctioned Posts- (1105)	2242.76
(ii)	Total Number of Daily Wagers & Contract Workers- (57)	34.40
(iii)	Honorarium to Mayor / Dy. Mayor /Councilors	9.08
(iv)	Office Expenses	150.00
(v)	Expenditure on Terminal Benefits Pension etc.	275.00
	<b>Total</b>	<b>2711.24</b>

(B) Municipal Councils

		Yearly Financial Liability (Rs in lakh)
(i)	Total Number of Sanctioned Posts- (1952)	3092.17
(ii)	Total Number of Daily Wagers & Contract Workers- (75)	22.67
(iii)	Honorarium to President/Vice-President/Members	50.14
(iv)	Office Expenses	250.00
(v)	Expenditure on Terminal Benefits Pension etc.	316.00
	<b>Total</b>	<b>3730.98</b>

(C) Nagar Panchayats

		Yearly Financial Liability (Rs in lakh)
(i)	Total Number of Sanctioned Posts- (547)	718.79
(ii)	Total Number of Daily Wagers & Contract Workers- (54)	13.53
(iii)	Honorarium to President/Vice-President/Members	29.84
(iv)	Office Expenses	115.00
(v)	Expenditure on Terminal Benefits Pension etc.	34.00
	<b>Total</b>	<b>911.16</b>

11.4 Keeping in view the staff position indicated as above, the annual committed revenue expenditure liability for the year 2011-12 works out to Rs. 7353.38 lakh. As per the status of vacancies submitted by the department, 467 posts in the Municipal Councils and 229 posts in the Nagar Panchayats are lying vacant. While analyzing the staff position working with the Urban Local Bodies, the Third State Finance Commission also observed that aggregate sanctioned strength of the staff has marginally declined, and all the Urban Local Bodies had hired daily waged and contractual staff over and above the sanctioned strength of staff and took the view in consultation with the Urban Development Department to make

expenditure provision for the sanctioned strength instead of the filled up positions. The issue of shortage of staff and filling up the vacancies, on priority was also raised before the Commission by the representatives of Urban Local Bodies in the block level meetings organized by the Commission with the representatives of Panchayati Raj Institutions and Urban Local Bodies. Keeping in view the critical scenario of the available staff, presented by the Urban Local Bodies, the Commission also decided to make provision for the sanctioned strength of staff instead of the filled up positions in the Urban Local Bodies.

- 11.5 The State Government has revised the rates of honorarium of the elected representatives of the Urban Local Bodies vide notification No. LSG-D (1)- 3/96-Loose dated 11<sup>th</sup> September, 2012 to be effective from 1<sup>st</sup> April, 2012. The liability on account of honorarium to the elected representatives of the Urban Local Bodies for the year 2012-13 and 2013-14 has been worked out on the basis of the existing rates and a growth of 15% has been assumed by the Commission from the year 2014-15 and the liability for the remaining three years of the award period has been worked out, accordingly.
- 11.6 The Commission assumed a growth in the salary of the regular staff working with Urban Local Bodies at 5.23%, 6.50%, 7.23%, 8.45% and 30% for the years 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 respectively, taking into account the impact of Annual Increment, Dearness Allowance and the likely impact of the next Pay Commission during the year 2016-17. Besides this, the impact of regularization of daily waged and contractual staff has also been taken into account. A hike of 3% Annual Increment has been assumed for the salary expenditure of contractual staff and impact of next Pay Commission has been taken into account from the year 2016-17 for this category, also.
- 11.7 Keeping in view the factor of inflation, a growth of 10% per annum has been assumed by the Commission for projecting the office expenses of Urban Local Bodies for the award period. This includes expenditure on account of travelling and dearness allowance for the elected representatives and the staff working with the local bodies. Based on above, the projected committed revenue expenditure for each level of Urban Local Bodies for the period 2012-17 is given in the following tables:

TABLE 11.1

Projected Revenue Expenditure of Municipal Corporation for the period 2012-17

(Rs. in lakh)

Sr. No.	Year	Items					Total
		Honorarium to Mayor / Deputy Mayor and Councilors	Salary Expenses		Office Expenses	Expenditure on Terminal Benefits, Pension etc.	
			Regular Staff	Daily Waged & Contract Workers			
1	2012-13	9.08	2360.06	34.40	150.00	275.00	2828.54
2	2013-14	9.08	2513.46	35.43	165.00	302.00	3024.97
3	2014-15	10.44	2695.18	30.78	181.50	347.00	3264.90
4	2015-16	10.44	2922.93	27.16	199.65	401.00	3561.18
5	2016-17	10.44	3799.80	23.54	219.62	481.00	4534.40
Total		49.48	14291.43	151.31	915.77	1806.00	17213.99

TABLE 11.2

Projected Revenue Expenditure of Municipal Councils for the period 2012-17

(Rs. in lakh)

Rs. in Lakhs

Sr. No.	Year	Items					Total.
		Honorarium to President/ Vice President /Members	Salary Expenses		Office Expenses	Expenditure on Terminal Benefits, Pension etc.	
			Regular Staff	Daily Waged & Contract Workers			
1	2012-13	50.14	3253.89	22.67	250.00	316.00	3892.70
2	2013-14	50.14	3465.39	23.35	275.00	347.00	4160.88
3	2014-15	57.66	3715.94	19.68	302.50	399.00	4494.78
4	2015-16	57.66	4029.94	8.69	332.75	479.00	4908.04
5	2016-17	57.66	5238.92	11.30	366.03	599.00	6272.91
Total		273.26	19704.08	85.69	1526.28	2140.00	23729.31

TABLE 11.3

## Projected Revenue Expenditure of Nagar Panchayats for the Period 2012-17

(Rs. in lakh)

Sr. No.	Year	Items					
		Honorarium to President / Vice President /Members	Salary Expenses		Office Expenses	Expenditure on Terminal Benefits, Pension etc.	Total
			Regular Staff	Daily Waged & Contract Workers			
1	2012-13	29.84	756.38	13.53	115.00	34.00	948.75
2	2013-14	29.84	805.55	13.94	126.50	36.00	1011.83
3	2014-15	34.32	863.79	9.22	139.15	41.00	1087.48
4	2015-16	34.32	936.78	7.23	153.07	51.00	1182.40
5	2016-17	34.32	1217.81	5.51	168.37	64.00	1490.01
Total		162.64	4580.31	49.43	702.09	226.00	5720.47

11.8 The detailed working which formed the basis for above projections is appended as **Appendix-IX**. On the basis of institution- wise committed revenue expenditure liability worked out under table 11.1 to 11.3, the provisions recommended by the Commission for the period 2012-17 for all the three levels of Urban Local Bodies are summed up in the table below:

Table 11.4

## Forecast of the Committed Revenue Expenditure of Urban Local Bodies for the period 2012-17

(Rs. in lakh)

Sr. No	Year	Municipal Corporation	Municipal Councils	Nagar Panchayats	Total
1	2012-13	2828.54	3892.70	948.75	7669.99
2	2013-14	3024.97	4160.88	1011.83	8197.68
3	2014-15	3264.90	4494.78	1087.48	8847.16
4	2015-16	3561.18	4908.04	1182.40	9651.62
5	2016-17	4534.40	6272.91	1490.01	12297.31
Total		17213.99	23729.31	5720.47	46663.76

**B. CAPITAL EXPENDITURE:**

11.9 The second important component of the committed expenditure is the maintenance of civic infrastructure by the various Urban Local Bodies. Although some elements of the maintenance expenditure of the capital assets are a part of the mandate of the delegated functions, but the Commission observed that the first two State Finance Commissions provided funds for the maintenance of roads/ streets, drains, public lighting and toilets and the Third State Finance Commission added the maintenance of the parks and the office buildings including the Town Halls of these local bodies in the list with a view that the parks were set up all over but were generally in a state of very poor upkeep. Similarly, the maintenance of office buildings and town halls also suffered in the face of a resource crunch being faced by these bodies.

11.10 The Commission sought data from the local bodies on expenditure incurred by these bodies on the maintenance of physical assets like landed property, shops, stalls, rest houses, parking areas and other commercial assets with other areas of maintenance expenditure. For this, the Commission took the view that there is no need to provide funds for the maintenance of such assets which could generate resources for their upkeep. The data was also sought from the Urban Local Bodies for the items like roads, streets, drains, sewerage schemes, public toilets, street lights, public parks and office buildings for which the maintenance provisions were felt necessary to be made. The data supplied by the local bodies was incomplete and inconsistent, therefore, the Commission decided to consider the status reported by the Urban Development Department on this account. The status of available infrastructure for which the maintenance provisions are to be made are given in the table below:



Table 11.5

## Status of Available Infrastructure with the Urban Local Bodies

Sr. No.	Items	Unit	Municipal Corporation	Municipal Councils	Nagar Panchayats	Total
1	Roads	Kms	92	335	241	668
2	Streets	Kms	84	530	322	936
3	Drains	Kms	122	819	367	1308
4	Public Toilets	Nos	154	466	180	800
5	Streets lights	Nos	7400	32862	8150	48412
6	Public Parks	Sq. m	12950	133862	13500	160312
7	Office buildings	Sq. m	1400	16563	4500	22463

- 11.11 For providing resources for maintenance of the above infrastructure, the Commission decided to use the normative unit costs taken by the Third State Finance Commission. Accordingly, the maintenance of roads for the first year of the forecast period would be provided @ Rs. 30,800 per kilometer followed by maintenance of streets @ Rs. 10,250 per kilometer, maintenance of drains @ Rs. 7,650 per kilometer length, maintenance of toilets @ Rs. 2,050 per unit and the maintenance of street lights @ of Rs. 300 per point. The maintenance of office buildings will be provided @ of Rs. 50 per sq. meter of area whereas the maintenance of parks will be provided for @ of Rs. 20 per sq. meter of the area. On the basis of these norms, the maintenance provision for the first year of the award period i.e. 2012-13 comes to Rs. 606.67 lakh. After providing an annual increase of 10% per annum to cater to the increased costs of inputs for maintenance and the increase in wages etc. the annual aggregate maintenance provision for the remaining years of the award period are recommended as follows:

**Table 11.6**  
**Recommended Maintenance Provisions for award period 2012-17**  
(Rs. in lakh)

Sr. No	Year	Maintenance Provision
1	2012-13	606.67
2	2013-14	667.34
3	2014-15	734.07
4	2015-16	807.48
5	2016-17	888.23
	<b>Total</b>	<b>3703.79</b>

11.12 The State Government is also providing Rs. 6.00 crore per annum to the Urban Local Bodies for the maintenance of roads in their area of jurisdiction. The State Government may continue with the existing provision.

11.13 The first two State Finance Commissions had assumed the resource availability under the Centrally Sponsored Schemes and the Central Finance Commission Grants on the receipt side and also making counter balancing provisions on the expenditure side. The Commission like the Third State Finance Commission took the view not to include these provisions on either side, as these provisions neutralize each other.

11.14 The Second State Finance Commission had made a special provision for liquidating the arrears in respect of street lighting charges payable by the Local Bodies to the Himachal Pradesh State Electricity Board as also for liquidating the arrears payable to the Irrigation & Public Health department for bulk water supply. While doing so, the Commission had laid down certain principles for raising the cost recovery from users to reach the full recovery of operation & maintenance charges.

11.15 The Third State Finance Commission after taking stock of the situation concluded that repetitive provision for liquidation of arrears would serve as an adverse incentive for these Urban Local Bodies who do not have such arrears and suggested either to entirely utilize the accrual on account of electricity tax for

payment of pending bills or to enhance the rate of tax from 2 paisa to 3 paisa.

11.16 The Urban Development Department brought to the knowledge of the Commission that street lighting arrears as on November, 2011 stood at Rs. 26.04 crore whereas the arrears of bulk water supply as on March, 2012 were of the order of Rs. 128.60 crore. Keeping in view the precarious scenario of pending arrears, the department made request to provide special grant to liquidate these arrears.

11.17 The Commission also discussed this matter with the Himachal Pradesh State Electricity Board Limited. As per the status reported by the Board on yearly revenue realization on account of electricity tax and actual transfers made to the Urban Local Bodies, the Commission inferred that against the actual realization of electricity tax up to the year 2011-12, only about 56% amount has been transferred or paid to the local bodies which indicates that the balance amount has been retained by the Board at its level to make adjustment of pending arrears.

11.18 After analyzing the status of arrears on account of street lighting, the Commission observed that the quality of street lighting, by and large, in the urban areas is satisfactory and the users could well afford to pay extra money for more improved supply of street lighting. Therefore, the Commission is of the view that the rate of electricity tax could be increased from the existing rate of 2 paisa per unit to a minimum 5 paisa per unit specifically in case of municipalities and the revenue generated on this account could be totally adjusted to liquidate the pending arrears on account of street lighting.

11.19 With regard to the recovery of drinking water supply, the Commission observed that the water rates are charged on the basis of actual consumption in urban areas whereas flat rates are payable in rural areas. However, few local bodies for example Municipal Corporation, Shimla have taken measures at their level to recover the cost of water supply from the consumers but these measures does not provide tangible relief in view the subsidized supply of water in the urban areas. Taking a view on the pending arrears, the Thirteenth Finance Commission has recommended the complete recovery of operation and maintenance costs of water supply. The Commission is also of the view that for the local bodies where the Irrigation and Public Health Department is the bulk supplier of drinking water to the local bodies, it should be ensured by the local bodies that the operation and

maintenance costs are fully recovered from the consumers. Therefore, the Commission did not consider it prudent to provide funds for liquidation of arrears, as this will be a disincentive to the local bodies who are efficiently managing the water supply of their level.

11.20 The Municipal Corporation, Shimla approached the Commission for the continuation of special grant of Rs. 3.00 crore per annum recommended by the Third State Finance Commission for providing civic amenities in the merged SADA areas. The Commission observed that the Third State Finance Commission recommended this grant considering the expansion in the population, housing and resultantly increased pressure on civic amenities due to the merger of SADA areas with the Municipal Corporation, Shimla. This dispensation was provided by the Third State Finance Commission as one time measure only but the continuation of the same arrangement for the next five years does not appear tenable. Therefore, the Commission is of the view that Municipal Corporation, Shimla should take steps to fully integrate these areas in the development plan of the Corporation so that the requirement of the merged areas could be taken care of under the single integrated development plan.

11.21 The Urban Development Department approached the Commission to recommend provision for the newly created Nagar Panchayat, Karsog, for the constitution of two more Nagar Panchayats, up-gradation of four existing Nagar Panchayats namely Sujanpur, Jawalamukhi, Dehra and Santoshgarh as Municipal Councils and up-gradation of five Municipal Councils as Municipal Corporation during the award period of the Fourth State Finance Commission. The Commission sought information from the department to provide institution-wise annual liability on account of proposed creation and up-gradation of Urban Local Bodies. In the absence of the desired details but keeping in view the committed revenue expenditure liability occurred or likely to occur during the forecast period, the Commission considered to recommend a lump sum provision of Rs. 2.00 crore per annum to meet out the proposed liability. These funds will be released by the State Government considering the creation and upgradation that take place during the award period.

11.22 The other demands raised by the Urban Development Department or the individual Local Bodies were carefully gone through and the Commission could not find sufficient merit in providing funds for such demands.

11.23 The total expenditure liability of the Urban Local Bodies for the period 2012-17 on various counts as elaborated is summed up in the following table:

**Table 11.7**

**Forecast of Expenditure Liability of Urban Local Bodies for the period 2012-17**

(Rs. in lakh)

Sr. No	Year	Revenue Expenditure	Maintenance Provision	Provision for Creation and Upgradation of ULBs	Total
1	2012-13	7669.99	606.67	200.00	8476.66
2	2013-14	8197.68	667.34	200.00	9065.02
3	2014-15	8847.16	734.07	200.00	9781.23
4	2015-16	9651.62	807.48	200.00	10659.10
5	2016-17	12297.31	888.23	200.00	13385.54
Total		46663.76	3703.79	1000.00	51367.55

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## CHAPTER-XII

### FORECAST FOR THE PERFORMANCE OF DELEGATED FUNCTIONS BY THE URBAN LOCAL BODIES

- 12.1 The Government of Himachal Pradesh has enacted three Acts for facilitating the administration of Urban Local Governments. These include Himachal Pradesh Municipal Services Act, 1994; Himachal Pradesh Municipal Act, 1994; and Himachal Pradesh Municipal Corporation Act, 1994. These acts bestow upon the Municipal Governments numerous additional functions which are in conformity with the 12<sup>th</sup> Schedule of the Constitution. Three specific functions which have been added to the list of earlier obligatory functions in the 12<sup>th</sup> Schedule in Article 243 W include urban planning including town planning; regulation of land use and construction of buildings; and planning for economic and social development. Needless to say, these functions call for enhanced capacity of the Urban Local Bodies for effective performance and regulation. These also call for some synergy and harmony in the various State Acts so that the local government institutions could also take on the responsibility of performing these functions.
- 12.2 Various sections of the relevant Acts for administering municipal bodies provide for a wide range of obligatory and discretionary functions. The Commission carefully considered the obligatory functions of the Municipal Corporation as laid down under Section 43 and delegated functions under Section 42 of Himachal Pradesh Municipal Corporation Act, 1994. The delegated functions for the Municipalities under Section 48 of Himachal Pradesh Municipal Act were also considered and assimilated for the purpose of determining the approach. The Commission took note of the fact that although the requisite delegated functions in respect of the Urban Local Bodies, i.e. the Municipal Corporation and the Municipalities were notified by the State Government through notifications issued in August, 1994 but majority of these bodies were not performing all these functions due to the non- transfer of funds and functionaries by the concerned departments. In some cases, costs of providing the services like street lighting and payments for bulk supply of drinking water had become overdue and the Urban Local Bodies neither had the resources to liquidate such arrears, nor did they have

any concern or commitment for raising user charges for provision of such highly subsidized services. To some extent, these bodies were also restrained or constrained by the State policies in pricing or providing these services. Some important functions assigned also involved sizeable resource transfer and administrative control of staff of various government departments which has not so far happened.

- 12.3 Since, the provisions under section 42(1) (a) & (b) of the Himachal Pradesh Municipal Corporation Act, 1994 and section 48(1) (i) & (ii) of the Himachal Pradesh Municipal Act, 1994 are identical, therefore, the State Government vide two separate Notifications No. LSG-A(2)-2/94 dated 30.08.1994 bestowed additional functions to the Urban Local Bodies in the State which have already been discussed in detail under Chapter-VI. The given status reveals that the Urban Local Bodies are not only providing civic services for the welfare of local people but also carry out the task of the Urban Planning and Development. The First State Finance Commission, Himachal Pradesh of its report submitted to the State Government shortlisted the notified functions and recommended to transfer these functions alongwith resources. These functions are reproduced as under:

**1. Planning for economic and social development:**

- (a) Formulation of schemes for upliftment of poor,
- (b) Implementation of poverty alleviation programmes.

**2. Roads and bridges:**

- (a) Construction and maintenance of public streets, lanes and bye lanes and pavements.

**3. Public health:**

- (a) Provision of drains and nullahs,
- (b) Provision of public latrines and urinals and their upkeep.

4. **Urban forestry, protection of the environment and promotion of ecological aspects;**
  - (a) Plantation, maintenance and preservation of ornamental and economic trees within the municipal areas,
  - (b) Establishment and maintenance of electric crematoria.
5. **Slum improvement and up-gradation:**
  - (a) Identification of slum areas, formulation of schemes for rehabilitation of the people living in slums,
6. **Urban Poverty Alleviation:**
  - (a) Identification of urban poor and the localities predominantly occupied by them,
  - (b) Formulation and execution of schemes for their upliftment.
7. **Provision of urban amenities and facilities such as parks, gardens, playgrounds, fitness centres or trails:**
  - (a) Provision of parks, gardens, playgrounds, fitness centres or trails and improvement of existing parks and gardens.
8. **Promotion of cultural, educational and aesthetics aspects:**
  - (a) Promotion and encouragement of cultural activities,
  - (b) Suggest remedial measures for improvement of education and educational institutions,
  - (c) Establishment and maintenance of libraries and reading rooms.
9. **Burial and burial grounds, crematoria, cremation grounds and electric crematoria:**
  - (a) Provision and maintenance of burial grounds, cremation grounds and to improve their surroundings and regulate their use,
  - (b) To establish and maintain electric crematoria.
10. **Cattle ponds, prevention of cruelty to animals:**
  - (a) Establishment and maintenance of cattle ponds,
  - (b) To prevent roaming of stray cattle.
11. **Vital Statistics including registration of births and deaths.**



12. **Public amenities including street lights, parking lots bus stops and public convenience:**
  - (a) Street lights,
  - (b) Bus stands, bus stops, rain shelters, loading and unloading points,
  - (c) Public amenities like public latrines, public baths, public paths, ponds, tanks and lakes,
  - (d) Serais, Dharamshala and night shelters,
  - (e) Ferries and boats.
13. **Establishment, maintenance, regulation and control of slaughter houses and tanneries.**

12.4 The Commission in the block level meetings held with the elected representatives of Panchayati Raj Institutions and Urban Local Bodies had the opportunity to discuss the status of performance of the functions assigned and delegated to the Urban Local Bodies by the State Government. The data collected on this account from the Urban Local Bodies was also analyzed and it was observed by the Commission that by and large, all the Urban Local Bodies attend to these functions and there is no specific provision for creation of basic infrastructure from the State Plan except through the transfers recommended by the State Finance Commissions. Some of the activities listed above like maintenance of certain basic infrastructure are taken care of through the provisions recommended by the State Finance Commissions. In view of these facts, the Commission came to this conclusion that appropriate provision for performance of these functions would be necessary.

12.5 The First State Finance Commission had made a per capita provision of Rs. 300 for performance of these functions. The Second State Finance Commission followed the same principle and made the provisions, accordingly. The basis for adoption of a per capita expenditure norm of Rs. 300 by the First State Finance Commission was its linkage to the per capita level of assistance under the scheme of environmental improvement of urban slums. Keeping in view the increase in the cost of inputs, the Third State Finance Commission decided to neutralize the inflation and assumed a 50 per cent mark up in the norms followed by the Second State Finance Commission. Accordingly, the Third State Finance Commission recommended Rs. 162.50 crore for the period 2007-12 for the performance of

delegated functions to the Urban Local Bodies. The Commission decided to take the provision of Rs. 35.10 crore recommended by the Third State Finance Commission for the year 2011-12, as base and assumed a growth of 10% per annum while making provision for the delegated functions for the period 2012-17. Based on this, the total liability for the forecast period works out to Rs. 235.72 crore with annual estimates as under:

**Table- 12.1**

**Forecast for the Performance of Delegated Functions for the period 2012-17**

(Rs. in crore)		
Sr. No	Year	Provision for the Delegated Functions
1.	2012-13	38.61
2.	2013-14	42.47
3.	2014-15	46.72
4.	2015-16	51.39
5.	2016-17	56.53
<b>Total</b>		<b>235.72</b>

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## CHAPTER-XIII

### SUMMARY OF RECOMMENDATIONS

- 13.1 The mandate of the Commission originates from the Constitution of India and therefore, the Commission has the responsibility to perform the judicious function of division of resources based on the responsibilities enjoined upon the local government system below the State level. The Commission has to ensure that while deliberating upon the sensitive issue of resource sharing, it does not lose the overall perspective of difficult situation of State finances and yet manages to strike a balance for performance of the statutorily assigned functions as also the ones delegated by the State Government to the local bodies. On meeting the gap in the resources and the committed expenditure of the local bodies, the Commission adopted a mix of tax sharing and gap filling grant approach.
- 13.2 A wide range of recommendations have been made by the Fourth State Finance Commission which deal with the fiscal transfers from the State government to the local government institutions at the Panchayati Raj and the Urban Local Government levels. It may be recalled that the Commission had given two Interim Reports, for the year 2012-13 and 2013-14, to the State Government on 31<sup>st</sup> January, 2012 and 12<sup>th</sup> March, 2013 respectively to meet the constitutional obligations and to provide continuity in fiscal transfers to the local bodies. The State Government had accepted the Interim Reports and implemented the recommendations of the Commission for the year 2012-13 and 2013-14, accordingly. The Panchayati Raj Institutions received a total gap filling grant of Rs. 5395.00 lakh during the year 2012-13 and are expected to receive Rs. 6383.45 lakh during the year 2013-14 to meet the obligations of committed expenditure, meet infrastructure requirements and for the performance of statutory and delegated functions. For the Urban Local Bodies, an amount of Rs. 5707.00 lakh and Rs. 6355.32 lakh was recommended to be devolved by way of developmental grants for the year 2012-13 and 2013-14 respectively. The Commission while making out the full report for the period 2012-13 to 2016-17 will take into cognizance these amounts and separately offset them from the overall recommendations.

## Finances of Panchayati Raj Institutions and Recommendations

13.3 The detailed working of the committed expenditure of the Panchayati Raj Institutions has been elaborated in Chapter VIII of this report. The detailed working of the resources of the Panchayati Raj Institutions is contained in Chapter-VII of the report and the expenditure requirements for performance of statutory functions and maintenance of assets of Primary School buildings, Middle School buildings, Health Sub-Center buildings, Allopathic Dispensary buildings, Ayurvedic Dispensary buildings and the Veterinary Dispensary buildings have been worked out in detail in Chapter-IX of the report. Chapter-VIII also contains recommendations made by the Commission with regard to the capital expenditure which it considered necessary to be provided, based on interaction it had with the Panchayati Raj department and elected representatives of Panchayati Raj Institutions at different levels. A summary of the revenue receipts, committed revenue expenditure and recommended capital expenditure for the Panchayati Raj Institutions for the year 2012-13, 2013-14 and the total forecast period of 2012-17 is given in the following table:

**Table-13.1**  
**Summary of Revenue Receipts and Expenditure for Panchayati Raj**  
**Institutions**

(Rs. in lakh)

Sr. No.	Items/Details	2012 -13	2013-14	2012-17
1.	Total Revenue Receipts of Gram Panchayats from their own sources and assigned revenue.	1457.18	1496.28	7608.54
2.	Total Committed Revenue Expenditure of the Panchayati Raj Institutions including office expenses.	6768.91	6885.33	48426.08

Sr. No.	Items/Details	2012 -13	2013-14	2012-17
3.	Capital Expenditure for Panchayati Raj Institutions for the repair and maintenance of Panchayat Samiti buildings (once in five years).	Nil	Nil	150.00
4.	Expenditure provision for maintenance of physical assets of various departments.	323.13	355.44	1972.74
5.	Expenditure provision for performance of statutory functions.	797.67	837.56	4407.66
6.	Incentive fund for resource raising.	Nil	Nil	300.00
7.	Total Recommended Expenditure provision for Panchayati Raj Institutions. (2+3+4+5+6)	7889.71	8078.33	55256.48
8.	Gap in available resources and recommended expenditure (7-1).	6432.53	6582.05	47647.94

13.4 The annual phasing of the receipts and total expenditure over the forecast period of 2012-13 to 2016-17 is indicated in the following table

Table-13.2

## Annual phasing of the Receipts and Expenditure of Panchayati Raj Institutions

(Rs. in lakh)

Sr. No.	Item/Details	2012-13	2013- 14	2014-15	2015-16	2016-17
1.	Total Revenue Receipts of Gram Panchayats from their own sources and assigned revenues.	1457.18	1496.28	1518.82	1549.94	1586.32
2.	Total Committed Revenue Expenditure of the Panchayati Raj Institutions including office expenses.	6768.91	6885.33	10637.84	11058.42	13075.58
3.	Capital Expenditure for Panchayati Raj Institutions for the repair and maintenance of Panchayat Samiti buildings (once in five years).	Nil	Nil	150.00	Nil	Nil
4.	Expenditure provision for maintenance of physical assets of various departments.	323.13	355.44	390.99	430.09	473.09
5.	Expenditure provision for performance of statutory functions.	797.67	837.46	879.44	923.41	969.58
6.	Incentive Fund for Resource raising.	Nil	Nil	100.00	100.00	100.00
7.	Total recommended Expenditure provision for Panchayati Raj Institutions. (2+3+4+5+6)	7889.71	8078.33	12158.27	12511.92	14618.25
8.	Gap in available resources and recommended expenditure. (7-1)	6432.53	6582.05	10639.45	10961.98	13031.93

- 13.5 As mentioned in the beginning of this Chapter, the Interim Reports had provided a gap filling grant amounting to Rs. 5395.00 lakh and Rs. 6383.45 lakh to the Panchayati Raj Institutions for the years 2012-13 and 2013-14, respectively. Against these recommendations in the Interim Reports, the revised gap in available resources, after taking into account the revision in the rates of honorarium to the elected representatives, revision in the levels of remuneration of the functionaries of the Panchayati Raj Institutions and enhancement provided in the TA/DA of the elected representatives, works out to Rs. 6432.53 lakh and Rs 6582.05 lakh for the year 2012-13 and 2013-14, respectively. Accordingly, the Commission recommends that the State Government may make a further provision of Rs. 1236.13 lakh (Rs. 1037.53 lakh for 2012-13 and Rs. 198.60 lakh for 2013-14) in the current financial year through the supplementary demands for grants to meet such committed expenditure.

#### **Finances of Urban Local Government Institutions and Recommendations**

- 13.6 The detailed working of the committed expenditure and expenditure on delegated functions for the Urban Local Bodies has been given in Chapter XI and XII whereas the estimates of the resources of the Urban Local Bodies are contained in Chapter X of the report. A summary of the revenue receipts and committed revenue expenditure along with the expenditure projections for maintenance and performance of delegated functions for the Urban Local Bodies for the year 2012-13, 2013-14 and the total forecast period of 2012-17 is given in the table below:

Table-13.3

## Summary of Revenue Receipts and Expenditure for Urban Local Bodies

(Rs. in lakh)

Sr. No.	Item/Details	2012-13	2013-14	2012-17
1.	Total Revenue Receipts of Urban Local Bodies from their own sources.	6167.63	6756.68	37340.84
2.	Developmental Grants (Grants in lieu of Octroi).	5777.00	6434.00	36752.00
3.	Total Receipts (1+2)	11944.63	13190.68	74092.84
4.	Total Committed Expenditure including office expenses.	7669.99	8197.68	46663.76
5.	Provision for Expenditure on maintenance of assets.	606.67	667.34	3703.79
6.	Expenditure provision for performance of Delegated Functions	3861.00	4247.00	23572.00
7.	Provision for Creation and Up-gradation of Urban Local Bodies.	200.00	200.00	1000.00
8.	Total Expenditure (4+5+6+7)	12337.66	13312.02	74939.55
9.	Gap(-)/ Surplus (+) (3-8)	(-) 393.03	(-)121.34	(-) 846.71



- 13.7 The annual phasing of the receipts and total expenditure over the forecast period of 2012-13 to 2016-17 is indicated in the following table:

**Table-13.4**  
**Annual phasing of the Receipts and Expenditure of Urban Local Bodies**  
(Rs. in lakh)

Sr. No.	Item/Details	2012-13	2013-14	2014-15	2015-16	2016-17
1.	Total Revenue Receipts of Urban Local Bodies from their own sources.	6167.63	6756.68	7403.99	8115.36	8897.18
2.	Developmental Grants (Grants in lieu of Octroi).	5777.00	6434.00	7238.00	8143.00	9160.00
3.	Total Receipts(1+2)	11944.63	13190.68	14641.99	16258.36	18057.18
4.	Total Committed Expenditure including office expenses.	7669.99	8197.68	8847.16	9651.62	12297.31
5.	Provision for Expenditure on maintenance of assets.	606.67	667.34	734.07	807.48	888.23
6.	Expenditure Provision for performance of Delegated Functions	3861.00	4247.00	4672.00	5139.00	5653.00
7.	Provision for Creation and Upgradation of Urban Local Bodies.	200.00	200.00	200.00	200.00	200.00
8.	Total Expenditure (4+5+6+7)	12337.66	13312.02	14453.23	15798.10	19038.54
9.	Gap(-)/Surplus(+)(3-8)	(-)393.03	(-)121.34	(+)188.76	(+)460.26	(-)981.36

- 13.8 The Commission in the Interim Reports for the year 2012-13 and 2013-14 had recommended a total transfer of Rs. 12062.32 lakh (Rs. 5707.00 lakh for the year 2012-13 and Rs. 6355.32 lakh for the year 2013-14) for the Urban Local Bodies. As against this, the above data indicate that the State Government may be required to provide a further grant of Rs. 663.05 lakh towards meeting the expenditure

commitments as detailed above. Accordingly, the Commission recommends that the State Government may make a further provision of Rs. 663.05 lakh (Rs. 463.03 lakh for the year 2012-13 and Rs. 200.02 lakh for the year 2013-14) in the current financial year through the supplementary demands for grants to meet such committed expenditure. For the remaining three years of the award period, the total transfers to the Urban Local Bodies by way of developmental grants (grants in lieu of Octroi) and gap-filling grants will be required as under:

**Table-13.5**  
**Total Transfers to Urban Local Bodies**

			(Rs. in lakh)
Year	Developmental Grants	Gap-filling Grants	Total Resource transfers
2014-15	7238.00	Nil	7238.00
2015-16	8143.00	Nil	8143.00
2016-17	9160.00	981.36	10141.36

13.9 It may be noted that the surplus in the overall finances of the Urban Local Bodies as brought out in Table-13.4 for the years 2014-2015 and 2015-16 has not been taken into account to be offset against the developmental grants. The Commission took such a view keeping the facts in mind that in case the Urban Local Bodies end up with a nominal surplus due to the projected effort of raising resources at their own level, such surplus may be left to be best utilized by the local bodies for improvement and up-gradation of civic service/ infrastructure.

13.10 The total resource transfer recommended by the Commission to the Panchayati Raj Institutions and Urban Local Bodies for the period 2012-17 are summed up as under :

**Table-13.6****Resource Transfers to Local Government Institutions for 2012-17****(Rs. in lakh)**

<b>Year</b>	<b>Panchayati Raj Institutions</b>	<b>Urban Local Bodies</b>	<b>Total</b>
2012-13	6432.53	6170.03	12602.56
2013-14	6582.05	6555.34	13137.39
2014-15	10639.45	7238.00	17877.45
2015-16	10961.98	8143.00	19104.98
2016-17	13031.93	10141.36	23173.29
<b>Total</b>	<b>47647.94</b>	<b>38247.73</b>	<b>85895.67</b>

13.11 While formulating the recommendations, the Commission has broadly followed the principles of equity, efficiency and owning responsibility. An effort has been made to strike a balance between the scarce resources and emerging responsibilities of local bodies in the context of 73<sup>rd</sup> and 74<sup>th</sup> amendment to the Constitution of India. During the course of its work, it was observed by the Commission that there are certain issues/areas where action is to be taken by the Centre Government. Therefore, the Commission decided to classify its recommendations under two broad categories (a) Recommendations for the Central Government (b) Recommendations for the State Government.

**A. Recommendations for the Central Government.**

1. By giving constitutional status to the Panchayati Raj Institutions and Urban Local Bodies, Local Governments have become a third stratum of governance, an integral part of the Indian federal polity. Article 280 has been amended adding two sub-clauses mandating the Union Finance Commission to recommend measures needed to augment the Consolidated Fund of a state to supplement the resources of the Panchayati Raj Institutions and Municipalities on the basis of the

recommendations made by the State Finance Commissions (SFCs). A natural corollary of this is that State Finance Commissions recommendations should precede the Union Finance Commission (UFCs). But given the diverse time frame of the establishment of the SFCs, strict synchronization with the UFCs has been virtually ruled out. Even so, it is important for each SFC to specify or suggest what it seems important to be considered by the UFC. For synchronization of the period of State Finance Commissions with the Union Finance Commission, there is need to make the amendment in Article 243 I (1) as recommended by the Thirteenth Finance Commission in its recommendations on State Finance Commissions. The Commission is of the view that the period of State Finance Commissions which are not synchronous with the period of Union Finance Commission may recommend the resource transfer to the local bodies on annual basis (as the case of plan holidays), as one time exercise, until and unless the period synchronizes with the Union Finance Commission. There is also a need for the standard framework that could guide the constitution and composition of State Finance Commissions.

2. A unit to support the State Finance Commissions may be set up at the National Institute of Rural Development (NIRD), Hyderabad. This unit could serve as a repository of State Finance Commission reports, fiscal data related to Local Governments, status reports of fiscal decentralization in other countries and documentation of best practices to strengthen the local governance system etc.

## **B. Recommendations for the State Government**

1. The Commission observed that section 144 of the Municipal Corporation Act, 1994 empowers the Corporation, in pursuance to any resolution passed by it, "borrow by way of debenture or otherwise on the security by any immovable property vested in it or proposed to be acquired by it or of all or any of the taxes, rates, cess, fees and charges authorized by or under this Act or from public financial institutions, any sum of money, which it require" . The Commission appreciates the effects made by the Urban Development Department to empower the Corporation to raise loans. But similar freedom needs to be provided to the Municipal Councils/Nagar Panchayats by making suitable amendment in the

Himachal Pradesh Municipal Act, 1994 so that these fund starved Urban Local Bodies can also resort to borrowing for economically viable income generating projects/assets, keeping in view their financial capacities.

2. Section 100 (2)(b) of the Himachal Pradesh Panchayati Raj Act, 1994 empowers the Gram Panchayats to levy a duty on transfer of property in the form of a surcharge on the duty levied under the Indian Stamp Act, 1899, in its application to Himachal Pradesh, on instruments of sale, gift and mortgage with possession of immovable property situated in the Sabha area at such rate as may be fixed by the Government not exceeding two percent on, as the case may be, the amount of the consideration, the value of the property or the amount secured by the mortgage, as set forth in the instrument. The Commission found that the rate of surcharge on duty on transfer of property is yet to be notified by the State Government therefore, the Commission is of the view that the rate of surcharge on duty on transfer of property be notified by the State Government, on priority to augment the resources of the Gram Panchayats.
3. The Commission has observed that the amounts that will be provided to the municipalities in lieu of octroi represent a extra charge on the finances of the state, necessarily reducing the funds available for expenditure on infrastructure. Considering that funds of a substantial order are required to meet the infrastructure upgrading needs in local body areas, it would be desirable to levy a new consumption based tax or cess in municipal areas. This tax or cess should be credited directly into the account of the municipality concerned, whereby it will provide much needed liquidity to the local body, and increase its capacity to provide proper civic services.
4. The Commission during its interaction with elected representative of Gram Panchayats has observed that the funds under various development schemes are transferred from the block offices to the concerned local bodies after deduction of the whole amount earmarked as contingent funds, based on the prescribed norms for different schemes. The Commission feels that certain amount of contingent funds should be allowed to be retained at the Gram Panchayat level for running their day to day work. For this, the Panchayati Raj Department should issue necessary orders/instructions for devolving powers to the Gram Panchayats to use atleast 0.1% of the sanctioned budget under development scheme(s).

5. After analyzing the status of arrears on account of street lighting, the Commission observed that the quality of street lighting, by and large, in the urban areas is satisfactory and the users could well afford to pay extra money for more improved supply of street lighting. Therefore, the Commission is of the view that the rate of electricity tax could be increased from the existing rate of 2 paise per unit to a minimum 5 paise per unit specifically in case of municipalities and the revenue generated on this account could be totally adjusted to liquidate the pending arrears on account of street lighting.
6. The Third State Finance Commission provided dispensation to the Municipal Corporation, Shimla for providing civic amenities in the merged SADA areas, as one time measure only. The continuation of the same arrangement for the next five years does not appear tenable to the Commission. Therefore, the Commission is of the view that Municipal Corporation, Shimla should take steps to fully integrate these areas in the development plan of the Corporation so that the requirement of the merged areas could be taken care of under the single integrated development plan.
7. The methodology of distribution of cess on liquor amongst local bodies is in the ratio of 80 percent where the vend is functioning and 20 per cent where there is no vend. Keeping in view the ill effects of consumption of liquor, the Third State Finance Commission in its report submitted to the State Government recommended that distribution of cess on liquor between the Panchayats should be on equitable basis in proportion to the population of the Panchayats instead of the ratio of 80:20, as this will overcome complications in assessment and distribution, and simplify the procedure and will also remove any perverse incentive for increased consumption of liquor. The Commission took note of the fact that this recommendation has not been implemented as yet. The Commission is of the view that the methodology being adopted by the State Government for distribution of cess on liquor doesn't require any major change / modification because the local bodies where the liquor vends exist deserve to be compensated more for the adverse social repercussions due to existence of vends in their area of jurisdiction. However, the existing ratio of 80: 20 may be changed to 70:30, to discourage consumption of liquor in the State.
8. The Commission during its course of work observed that the previous State Finance Commissions made significant recommendations to streamline and

facilitate the resource mobilization efforts by the local bodies and suggested criteria for resource sharing and its transfer to the local bodies from the consolidated fund of the state. While reviewing the status of action taken on these recommendations, it was observed by the Commission that action on certain significant recommendations is yet to be taken by the State Government. The details pertaining to the status of implementation of these recommendations have been discussed under Table 3.1. The Commission is of the view that action on the recommendations, which have been partially implemented or are yet to be implemented, be taken by the State Government, on priority.

9. While reviewing of the status of functions delegated to the local bodies, it has been observed by the Commission that most of the departments have not transferred funds, functions and functionaries as per the notifications made by the Panchayati Raj and Urban Development departments. Hence, the Commission is of the view that to meet the constitutional obligations and to empower local bodies, the State Government should constitute a High Powered Committee of Secretaries of the concerned line departments under the chairmanship of the Chief Secretary, Government of Himachal Pradesh. The Committee can oversee the entire process of delegation/ devolution of funds, functions and functionaries to the Panchayati Raj Institutions and Urban Local Bodies and to suggest remedial and corrective measures to strengthen the local governance system.
10. The Commission found that District Planning Committees have been constituted in all the districts for preparation and consolidation of district development plans. Local Bodies, as institutions of self governance have been empowered under the Acts to prepare plans for economic development and social justice and to implement the schemes relating thereto including those that are included in the Eleventh and Twelfth schedules of the Constitution. But the Commission observed that the District Planning Committees are fully functional only in two Backward Region Grant Fund (BRGF) districts viz. Chamba and Sirmaur and are preparing the draft development plans in compliance to the provisions of the Himachal Pradesh Panchayati Raj Act, 1994.

The Commission feels that efforts are required to be made by the State Government to replicate the experiences of Chamba and Sirmaur districts to the

other districts of the State so that objective enshrined under the Acts for empowerment of local bodies to prepare plans for economic development and social justice and to implement the schemes relating thereto, could be achieved. To provide more teeth to the District Planning Committees, the State Government may consider to merge the functions assigned to the District Planning, Development and 20 Point Programme Review Committees, constituted by the Planning Department, Himachal Pradesh with the functions of the District Planning Committees.

11. Preparation of proper inventory of the assets owned by the local bodies or delegated to be maintained by these bodies has been strongly emphasized by all the previous State Finance Commissions. This task was envisaged to be easy with the introduction of Priya Soft by the Panchayati Raj Department. It is the matter of concern that no action has been taken by the department for preparation of proper inventory of the assets. The Commission is the view that the assets created at the local bodies' level need to be inventorised, on priority. For this, Panchayati Raj department may consider the framework for classification suggested by the Commission under Chapter-III.
12. The State Finance Commissions are constitutional Bodies created to review the financial status/conditions of Panchayati Raj Institutions and Urban Local Bodies and to suggest measures for strengthening these bodies. Following the 73<sup>rd</sup> and 74<sup>th</sup> constitutional amendments as means of ensuring decentralization of governance in the country, articles 243(I) and 243 (Y) were structured to further the process, whereby State Finance Commissions are also responsible to recommend the issues like distribution of taxes, duties, tolls and fees between State and the local bodies and their allocation between the Panchayats and Municipalities. To undertake the assigned responsibility, the State Finance Commissions should emerge as strong, independent and efficient bodies. For this, the Commission feels that the timely constitution of the State Finance Commission, at least two years ahead of the start of the award period of the next Commission, is necessary to avoid interim projections usually made by the State Finance Commissions.
13. The continuity and the stability of the Chairperson and the Members of the State Finance Commission is also significant. Taking example of the Fourth State



Finance Commission, the composition of the Commission was modified time and again which is evident from the status discussed under para 1.10 to 1.13 of the report. The engagement of Chairperson and the members of the State Finance Commission in other responsible positions of the State Government also overburden them.

14. The Second and Third State Finance Commission strongly recommended for establishing a Permanent Institutional Arrangement. The need for supporting State Finance Commission with a permanent secretariat cannot be overlooked given the crucial role State Finance Commission plays in the overall system of fiscal devolution. It is also important to retain the institutional memory and the capacity to provide optimal level of support to State Finance Commission.

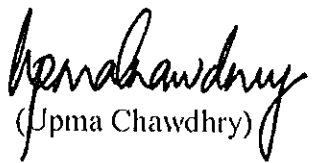
The Thirteenth Finance Commission also recommended that a permanent State Finance Commission Cell may be created in each State and all Members and Chairman should be on full time basis which can look in details of functioning of the local bodies and their problems of sustainability. It should also maintain good data base (time series) of local bodies related to finances, functions etc. It will also help in improving the credibility of information on the finances of local bodies. The Commission reiterates the need and recommends that a permanent secretariat for the State Finance Commission with adequate staff need to be created. Its function will include:

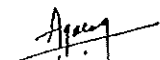
- i) To monitor the implementation of the recommendations of the State Finance Commissions (SFCs) and Union Finance Commissions (UFCs) and also to monitor the methodology for implementation of various recommendations so that the local level institutions develop a system which could be useful in the context of these bodies becoming effective in the overall design of decentralization.
- ii) To track timely release of UFC and SFC grants from the State Government.
- iii) To function as data base for local bodies finance, analysis of data will include studying the trends in actual receipts and expenditure of the local

bodies and identify the reasons for variations vis-à-vis the recommendations of the State Finance Commission.

- iv) To conduct studies and publish data on the finances of the Panchayati Raj Institutions and Urban Local Bodies and sharing with local bodies (through workshops and seminars), publishing the data on the website.
- v) To study and analyze the disparities in the levels of development at various level, as also the capabilities of raising resources.

  
(Kuldeep Kumar)  
Chairman

  
(Upma Chawdhry)  
Member

  
(Dr. Amandeep Garg)  
Member Secretary

Dated: the 20th January, 2014

Government of Himachal Pradesh  
Finance (IF) Department

No. Fin-IF(C)-A(3)4/2004      Dated, Shimla-171002, 20/06 May, 2011.

**"NOTIFICATION"**

In exercise of the powers conferred by section 98(1) of the Himachal Pradesh Panchayati Raj Act, 1994 (Act No.4 of 1994) read with Articles 243-I and 243-Y of the Constitution of India, the Governor, Himachal Pradesh, is pleased to constitute the Fourth H.P. State Finance Commission to review the financial position of the Panchayats and Municipalities and devolution of resources to these institutions and to appoint the following as its Chairman and Members with immediate effect. The Chairman and Members will look after this job in addition to their own work:-

- |  |                                  |
|--|----------------------------------|
| 1. Shri Dile Ram, MLA.                     | Chairman                         |
| 2. Shri S.K.B.S.Negi, Pr.Secretary (PR&RD) | Member (ex-officio)              |
| 3. Dr. S.K. Shad, Adviser (Planning)       | Member Secretary<br>(ex-officio) |

2. The Commission shall make recommendations to the Government as to:-

(g) the principles which should govern :-

- (iv) the distribution between the State and Panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the Government which may be divided between them and allocation between all levels of Panchayats/Municipalities of their respective shares of such proceeds;

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- (v) the determination of taxes, duties, tolls and fees which may be assigned to or appropriated by the Panchayats and Municipalities;
- (vi) the grants-in-aid to Panchayats/Municipalities from the consolidated fund of the State;
- (h) to suggest measures needed to improve the financial position of the Panchayats/Municipalities;
- (i) the Commission should make a normative assessment of needs based on the actual devolution of functions to each tier of the PRIs and an assessment of potential fiscal capacity based on the tax and non-tax resources available to PRIs in making any recommendations on devolving untied grants or share of State taxes to these bodies;
- (j) the Commission should make an assessment of recurring grants for specific schemes of the State Government relating to support for honorarium and expenses of elected representatives and employees of PRIs and suggest improvements in these schemes in order to promote the exercise of fiscal autonomy and responsibility by the PRIs.
- (k) the Commission should suggest appropriate ways to take forward the process of devolution of functions, funds and functionaries to the PRIs keeping in view the existing delivery system and the financial capacity of the State Government. It may make specific suggestions with regard to:-
  - support for pilots to hand over responsibility for delivery of primary education, primary health, water and sanitation and rural roads to appropriate levels of PRIs;

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changes in legislation and procedures necessary to enhance the tax and non tax capacity of the PRIs consistent with accepted principles of taxation at the local level;

strengthening of administrative capacity of PRIs by placing under their control relevant categories of employees either by way of recruitment at the level of relevant tiers of the PRIs or by seconding of existing State Government staff to them.

(I) any other matter referred to the Fourth H.P. State Finance Commission by the Government in the interest of sound finance of the Panchayats and Municipalities.

3. The Commission shall devise its own procedure and appoint such Advisers, Institutional Consultants as it may consider necessary. It may call for such information and take such evidence as it may consider necessary.

4. The Commission shall make its report available by the 31<sup>st</sup> December, 2011 covering a period of five years commencing from 1<sup>st</sup> April, 2012.

5. The Planning Department would be the nodal department for functioning of the Commission on the pattern of 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> State Finance Commissions.

By Order

Ajay Tyagi  
Pr. Secretary (Finance)  
to the Govt. of H.P.

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- 4 -

- 4 -

Endst. No. Fin-IF(C)-A(3)4/2004 Dated, Shimla-171002, 20<sup>th</sup> May, 2011.

Copy is forwarded for information and necessary action to:-

- ✓ 1. Shri Dile Ram, Hon'ble MLA of Nachan, Set No. 702, New Metropole Hostel, Shimla-171001.
2. Shri S.K.B.S.Negi, Pr. Secretary (PR & RD) to the GoHP, Shimla-2.
3. Dr. S.K.Shad, Adviser (Planning) Himachal Pradesh, Shimla-2.
4. All Administrative Secretaries to the Govt. of H.P.
5. The Pr. Secretary to Governor, Himachal Pradesh, Shimla-2.
6. The Secretary, GAD, to the GoHP, Shimla-2, w.r.t. his letter No. GAD-C(PA)-4-29/94-V dated 19<sup>th</sup> May, 2011.
7. The Secretary, HP, Vidhan Sabha, Shimla-4.
8. All Heads of Departments in H.P.
9. All the Deputy Commissioners in H.P.
10. The Deputy Controller, Printing & Stationery, H.P. Shimla-5 for publication in the extra ordinary Rajpatra.
11. The Director (PR & RD), Himachal Pradesh, Shimla-9.
12. The Director, Urban Local Bodies, H.P.
13. Guard File-50 copies.

Spl. Secretary (Finance)  
to the Govt. of H.P.

Government of Himachal Pradesh  
Finance (IF) Department.

No. Fin-IF(C)A(3)4/2011

Dated: 12-1-2012

Notification

In continuation of this department notification no. Fin-IF(C)A(3)4/2004 dated 20.5.2011 it is hereby notified that the tenure of 4<sup>th</sup> State Finance Commission will be upto 19.5.2012.

By order

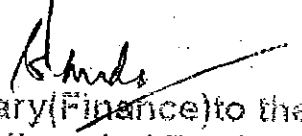
(Shrikant Baldi)  
Principal Secretary (Finance) to the  
Government of Himachal Pradesh

Endst No. As above

Dated 12-1-2012

Copy for information and necessary action to:-

1. The Chairman, 4<sup>th</sup> State Finance Commission.
2. Secretary, RD & PR to the Government of Himachal Pradesh
3. Member Secretary, 4<sup>th</sup> State Finance Commission.
4. All Administrative Secretaries to the Government of Himachal Pradesh.
5. All Heads of Departments in Himachal Pradesh.
6. All Deputy Commissioners in Himachal Pradesh.
7. The Deputy Controller, Printing & Stationery H.P. Shimla-5, for publication in extra ordinary Rajpatra.
8. The Principal Secretary to Governor, Himachal Pradesh Shimla-2.

  
Special Secretary (Finance) to the  
Government of Himachal Pradesh

10112  
25/6/2012

(120)

Government of Himachal Pradesh  
Finance (IF) Department.  
\*\*\*

No.Fin-IF(C)A(3)4/2011

Dated: 25.6.2012

Notification

In continuation of this department notification No. Fin-IF(C)A(3)4/2004 dated 20.5.2011 and further notification of even number dated 12.1.2012, the period of 4<sup>th</sup> State Finance Commission is hereby extended up to 30.6.2013.

By order

(Shrikant Baldi)  
Principal Secretary (Finance) to the  
Government of Himachal Pradesh.

Endst No. As above, dated: Shimla-171002

25.6.2012.

Copy for Information and necessary action to:-

1. The Chairman, 4<sup>th</sup> State Finance Commission.
2. The Secretary, RD & PR to the Government of H.P.
3. The Member secretary, 4<sup>th</sup> State Finance Commission.
4. All Administrative Secretaries to the Govt. of H.P.
5. All Heads of Departments in Himachal Pradesh
6. All Deputy Commissioners' in Himachal Pradesh
7. The Deputy Controller, Printing and Stationery H.P. Shimla-171005 for publication in extra ordinary Rajpatra.
8. The Principal Secretary to Governor, Himachal Pradesh Shimla-171002.

Special Secretary (Finance) to the  
Government of Himachal Pradesh



Government of Himachal Pradesh  
Finance ( IF ) Department

No. Fin-IF ( C ) A ( 3 ) 4/2011

Dated 8.12.2013

Notification

In continuation of this department notification No.Fin-IF ( C ) A ( 3 ) 4/2004 dated 20.5.2011 and further notifications of even number dated 12.1.2012 and 22.6.2012, the period of 4<sup>th</sup> State Finance Commission is hereby extended up to 31.12.2013.

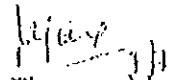
By order

( Shrikant Baldi )  
Principal Secretary ( Finance ) to the  
Government of Himachal Pradesh

Endst. No. As above, dated, Shimla-171002, 2013.

Copy for information and necessary action to:-

1. The Chairman, 4<sup>th</sup> State Finance Commission.
2. The Pr. Secretary ( RD & PR ) to the Govt. of HP
3. The Member Secretary, 4<sup>th</sup> State Finance Commission.
4. All Administrative Secretaries to the Govt. of HP
5. All Heads of Deptts. in Himachal Pradesh.
6. All Deputy Commissioners in Himachal Pradesh.
7. The Deputy Controller, Printing and Stationery Deptt. Himachal Pradesh Shimla 171005 for publication in extra ordinary Rajpatra.
8. The Pr. Secretary to Governor, Himachal Pradesh Shimla-171002.

  
Secretary ( Finance ) to the  
Government of Himachal Pradesh.

Government of Himachal Pradesh  
Finance (IF) Department

No.Fin-IF(C)A(3)-4/2011

Dated: 24.12.2013

Notification

In continuation of this department notification No.Fin-IF(C)A(3)-4/2011, dated:20.5.2011 and further notifications of even No. dated: 12.1.2012, 22.6.2013 and 8.7.2013, the period of 4<sup>th</sup> State Finance Commission is hereby extended up to 31.3.2014.

By order

Principal Secretary ( Finance ) to the  
Government of Himachal Pradesh

Endst. No. As above ,

Dated 24.12.2013

Copy for information and necessary action to:-

1. The Chairman, 4<sup>th</sup> State Finance Commission.
2. The Principal Secretary ( RD & PR) to the Govt. of HP
3. The Member Secretary, 4<sup>th</sup> State Finance Commission.
4. The Principal Secretary to Governor, Himachal Pradesh
5. All the Administrative Secretaries to the Govt. of HP
6. All the Heads of Departments in Himachal Pradesh
7. All the Deputy Commissioners in Himachal Pradesh
8. The Deputy Controller, Printing and Stationery Department H.P. for publication in extra ordinary Rajpatra.

*Nalin Mahajan*  
(Nalin Mahajan)  
OSD(Finance-IF) to the  
Government of Himachal Pradesh



**INTERIM REPORT**  
**OF**  
**HIMACHAL PRADESH**  
**FOURTH STATE FINANCE COMMISSION**  
**FOR**  
**2012-13**

FOURTH STATE FINANCE COMMISSION  
HIMACHAL PRADESH, SHIMLA-171002

## CHAPTER-I

### TERMS OF REFERENCE AND GENERAL FRAMEWORK

- 1.1. The 4<sup>TH</sup> State Finance Commission was constituted vide Himachal Pradesh Government Notification No. Fin.-IF (C) – A(3)4/2004 dated 20<sup>th</sup> May, 2011. The text of the notification is as follows:-

“In exercise of the powers conferred by section 98(1) of the Himachal Pradesh Panchayati Raj Act, 1994 (Act No. 4 of 1994) read with Article 243-I and 243-Y of the Constitution of India, the Governor, Himachal Pradesh, is pleased to constitute the 4th H.P. State Finance Commission to review the financial position of the Panchayats and Municipalities and devolution of resources to these institutions and to appoint the following as its Chairman and Members with immediate effect. The Chairman and Members will look after this job in addition to their own work:

- |   |                     |
|---|---------------------|
| 1. Shri Dile Ram, MLA                         | Chairman            |
| 2. Sh. S.K.B.S. Negi,<br>Pr. Secretary(PR&RD) | Member              |
| 3. Dr. S.K. Shad, Adviser (Planning)          | Member<br>Secretary |

The Commission shall make recommendations to the Government as to:

- (a) the principles which should govern-
- (i) the distribution between the State and Panchayats/Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the Government which may be divided between them and

allocation between the Panchayats/ Municipalities all levels of their respective share of such proceeds;

- (ii) the determination of taxes, duties, tolls and fees which may be assigned to or appropriated by the Panchayats and Municipalities;
- (iii) the grants-in-aid to Panchayats/ Municipalities from the Consolidated fund of the State;
- (b) to suggest measures needed to improve the Financial position of the Panchayats/ Municipalities;
- (c) the Commission should make a normative assessment of needs based on the actual devolution of functions to each tier of the PRIs/Municipalities in making any recommendations on devolving untied grants or share of State taxes to these bodies.
- (d) the Commission should make an assessment of recurring grants for specific schemes of the State Government relating to support for honorarium and expenses of elected representatives and employees of PRIs/Municipalities and suggest improvements in these schemes in order to promote the exercise of fiscal autonomy and responsibility by the PRIs/ Municipalities.
- (e) the Commission should suggest appropriate ways to take forward the process of devolution of functions, funds and functionaries to the PRIs/ Municipalities keeping in view the existing-delivery system and the financial capacity of the State Government. It may make specific suggestions with regard to:
  - support for pilots to hand over responsibility for delivery of primary education, primary health, water and sanitation and rural roads to appropriate levels of PRIs/ Municipalities;

- changes in legislation and procedures necessary to enhance the tax and non tax capacity of the PRIs/Municipalities consistent with accepted principles of taxation at the local level;
  - Strengthening of administrative capacity of PRIs/ Municipalities by placing under their control relevant categories of employees either by way of recruitment at the level of relevant tiers of the PRIs/Municipalities or by seconding of existing State Government staff to them.
- (f) any other matter referred to the 4th H.P. State Finance Commission by the Government in the interest of sound finances of the Panchayats and Municipalities.

The Commission shall devise its own procedure and may appoint such Advisors, Institutional Consultants, as it may consider necessary. It may call for such information and take such evidence as it may consider necessary.

The Commission shall make its report available by the 31<sup>st</sup> December, 2011, covering a period of five years commencing from 1<sup>st</sup> April, 2012.

The Planning Department would be the nodal department for functioning of the 4<sup>th</sup> State Finance Commission on the pattern of 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> State Finance Commissions".

1.2. The 1<sup>st</sup> and 11<sup>nd</sup> meetings of Fourth State Finance Commission was held on 31.5.2011 and 06.9.2011 in which terms of reference assigned to the Commission were carefully examined. The proceedings of the 1<sup>st</sup> and 11<sup>nd</sup> meetings are at **Annexure- "A" & "B"** respectively.

## CHAPTER II

### NEED AND CONSTRAINTS FOR AN INTERIM REPORT COVERING THE PERIOD OF 2012-13.

- 2.1 Thirteenth Finance Commission (2010-2015) Volume-I report has laid down vide Chapter-10: Local Bodies, Para 10.160 (v) that the State Government must prescribe through an Act the qualifications of persons eligible for appointment as members of the SFC consistent with Article 243 I (2) of the Constitution. It has further specified that passage of relevant Legislation and its notification will demonstrate compliance with this condition. The final notification prescribing the qualification for the members of the 4<sup>th</sup> State Finance Commission was issued in the month of April, 2011. Thirteenth Finance Commission has also laid down some other conditions to be fulfilled by the State Government. One of the reasons of delayed constitutions of Fourth HP State Finance Commission was time taken to fulfill the conditions laid down by the Thirteenth Finance Commission, GOI.
- 2.2 The issue of the preparation of the report of the Finance Commission was discussed in detail in the first meeting of the Commission held on 31.05.2011. The Commission was of the opinion that the constitution of 4<sup>th</sup> H.P. State Finance Commission has been delayed and preparation of report by 31<sup>st</sup> December, 2011 is very difficult because preparation of report involves number of processes such as collection of primary and secondary data/information from ULBs & PRIs, consultations/discussions with public representatives at different levels, etc. Therefore, it was decided that the only interim report of the Commission be submitted by 31<sup>st</sup> December, 2011 for budgeting for 2012-13.
- 2.3 The Commission discussed the creation of posts in the 4<sup>th</sup> State Finance Commission by the Finance Department in its meeting held on 06.09.2011. The Chairman observed that the constitution

of the Commission has already been delayed. Therefore, serious efforts are required to be made to accomplish the time bound task assigned to the Commission. He also suggested that due to the shortage of time, report may only be submitted in time if the State Government creates the minimum posts on the pattern of 3<sup>rd</sup> State Finance Commission. The Chairman was of the opinion that all pending matters may be taken urgently with the State Government to make the Commission functional. Accordingly, the matter for the creation of 4 posts of Statistical Assistant, 3 posts of Computers/Data Entry Operators and the other staff on the pattern of 3<sup>rd</sup> State Finance Commission was sent to the Finance Department. The Finance Department did not agree to provide the staff on the pattern of 3<sup>rd</sup> State Finance Commission, hence, the report was delayed.

- 2.4 The Fourth State Finance Commission was set up by the Government on 20<sup>th</sup> May, 2011. As a consequence of its setting up, the Member Secretary assumed charge with immediate effect and its Chairman assumed charge on 21.5.2011. The State Finance Commission was required to make available its interim report by 31<sup>st</sup> December, 2011. The secretarial and supporting technical staff of the Commission could not be engaged in time due to lengthy procedures and delayed approvals. In the absence of staff, coupled with the following reasons the Commission was constrained to consider putting in an Interim Report for the first year i.e. 2012-13:-

- (i) Since, all the posts created in the 4<sup>th</sup> State Finance Commission were required to be filled up on secondment basis, the vacancies were circulated to all the departments on 6<sup>th</sup> August, 2011 to invite applications. But no recommendations from the department were received despite best efforts. The notification for posting of secretarial staff from the Planning Department was issued by the Govt. on 7.1.2012. As such, the report of the 4<sup>th</sup> State Finance Commission was not possible to be submitted by 31.12.2011.



(ii) The Commission was required to make its report available for the period 2012-2017 starting from 1<sup>st</sup> April, 2012 but it was constituted in May, 2011 and actually became functional only in January 2012 after posting of staff from the Planning Department on secondment basis. Since the date for submission of interim report was 31<sup>st</sup> December, 2011, It could not be done in view of the prevailing circumstances.

(iii) The period covered by the report of the 3<sup>rd</sup> State Finance Commission comes to an end on 31-3-2012 and the period for the award of the 4<sup>th</sup> State Finance Commission begins from 01.04.2012, which necessitates an Interim Report for the first year. The full report, when made available to the government will internalize this award as well.

(iv) Generally, the State Finance Commission is given at least 25 months for the submission of its report. By this criterion it should have been constituted in November, 2009 to enable it to submit its report in November, 2011 giving about six months to the state Government for its examination and implementation in time.

2.5 Accordingly, the Commission decided to make over an Interim Report for 2012-13 to meet the Constitutional obligations and also for providing continuity. The following chapters outline the methodology, analysis on PRIs and Urban Local Bodies and the recommendations for the interim period of 2012-13 which would form an integral part of the overall recommendations of the Commission for 2012-2017 period.

## CHAPTER-III

### METHODOLOGY

- 3.1. As has been explained in chapter-II, the Fourth State Finance Commission will be required to submit an interim report in view of the circumstances narrated in the said chapter.
- 3.2. The Fourth State Finance Commission has outlined at point No.8 of Annexure-"A", the circumstances and its compulsions to submit the interim report of the Commission by 31<sup>st</sup> December, 2011.
- 3.3. The Fourth State Finance Commission has further reviewed the progress of filling up of the various posts for the smooth functioning of the Commission and observed at point No.4 of Annexure-"B" that report may only be submitted in time if the State Government creates the minimum posts on the basis of 3<sup>rd</sup> SFC.
- 3.4. The actual minimum functional posts for the Commission were filled-up in the month of January, 2012 vide Planning Department Notifications No. PLG.B(1)-1/2012 dated 7<sup>th</sup> January, 2012 and dated 12<sup>th</sup> January, 2012 vide which the officers and officials were deployed from the Planning Department (**Annexure-"C" & "D"**)
- 3.5. Although, Annexure-A to the Interim Report outlines the detailed methodology which the Commission would follow in firming up its full report for the period 2012-17, yet in view of the peculiar circumstances explained above, an Interim Report for the year 2012-13 has to follow a different approach.
- 3.6. For the purposes of the Interim Report for the first year of the five year award period, the Commission decided that it would extend the award of the last year of the Third State Finance Commission, i.e. 2011-12 into the year 2012-13 based on the 10% increase on the recommendation of 3<sup>rd</sup> State Finance Commission for the year 2011-12 so as to budget the same in the regular budget and ensure the timely availability of funds to PRIs & ULBs. The Planning Commission, Government of India has also taken the

assumption of 10 percent increase in the Normal Central Assistance of the State Governments for 2012-13. The annual inflation rate for 2011-12 is 9.13 percent as per the projections of the department of Economic & Statistics, Himachal Pradesh. Hence, the assumption of 10 per cent growth for 2012-13 for the grants to the PRIs & ULBs is justified.

## CHAPTER-IV

### FORECAST OF THE RECEIPTS AND EXPENDITURE OF THE PANCHAYATI RAJ BODIES FOR 2012-13

- 4.1 The 3<sup>rd</sup> State Finance Commission in its full report has estimated the following receipts and expenditure of Panchayati Raj Institutions for the year 2011-12:-

3<sup>rd</sup> SFC recommendations of the receipts and expenditure of Panchayati Raj Institutions for the year 2011-12.

(₹ in lakh)

Sl. No.	Item/Detail	2011-12
1.	Total Revenue Receipts of Gram Panchayats from their own sources and assigned revenues.	1463.03
2	Total Committed Revenue Expenditure of the Panchayati Raj Institutions including office expenses.	3172.86
3	Capital Expenditure for Panchayati Raj Institutions for construction of 321 new Gram Panchayat Bhawans and additional accommodation for all the old 2922 Gram Panchayats	730.50
4	Expenditure provision for maintenance of physical assets of various departments.	704.57
5	Expenditure provision for performance of statutory functions.	759.68
6	Incentive Fund for Resource raising	1000.00
7	Total recommended Expenditure provision of Panchayati Raj Institutions(2+3+4+5+6)	6367.61
8	Gap in available resources and recommended expenditure (7-1)	4904.58

- 4.2 Based on the recommendations of 3<sup>rd</sup> SFC for the last year of five year period i.e. 2011-12 and the methodology adopted by the 4<sup>th</sup> SFC for interim report, the following estimations and recommendations is made for the 1st year of the five year award period i.e. 2012-13:-

(₹ in lakh)

Sl. No.	Item/Detail	Estimation/Recommendation for 2012-13.
1.	Total Revenue Receipts of Gram Panchayats from their own sources and assigned revenues.	1609.00
2.	Total Committed Revenue Expenditure of the Panchayati Raj Institutions including office expenses.	3490.00
3.	Capital Expenditure for Panchayati Raj Institutions for construction of 321 new Gram Panchayat Bhawans and additional accommodation for all the old 2922 Gram Panchayats	804.00
4.	Expenditure provision for maintenance of physical assets of various departments.	775.00
5.	Expenditure provision for performance of statutory functions.	835.00
6.	Incentive Fund for Resource raising	1100.00
7.	Total recommended Expenditure provision of Panchayati Raj Institutions(2+3+4+5+6)	7004.00
8.	Gap in available resources and recommended expenditure (7-1)	5395.00

- 4.3 As per the 4.2 above the Fourth SFC recommends the resource transfer / award of ₹ 5395.00 lakh for the first year of the five year period i.e. for the year 2012-13 to the PRIs.

## CHAPTER-V

### FORECAST OF THE RECEIPTS AND EXPENDITURE OF THE URBAN LOCAL BODIES FOR 2012-13

- 5.1. The following receipts and expenditure of ULBs have been estimated by the 3<sup>rd</sup> SFC for the last year of the five year period i.e. for the year 2011-12:-

(₹ in lakh)

Sl. No.	Item/Detail	Estimation/ Re-commendation of 3 <sup>rd</sup> SFC for 2011-12.
1	Total Revenue Receipts of Urban Local Bodies from their own sources	6815.00
2	Developmental Grants (Grants in lieu of Octroi)	5188.00
3	<b>Total Receipts (1+2)</b>	<b>12003.00</b>
4	Total Committed Expenditure including Office Expenses	6370.00
5	Provision for Expenditure on maintenance of assets	727.00
6	Expenditure provision for performance of statutory and delegated functions	3510.00
7	One-time grants for inclusion of new areas in Shimla Municipal Corporation and provision of civic amenities in these areas	300.00
8	<b>Total Expenditure (4+5+6+7)</b>	<b>10907.00</b>
9	<b>Gap (-) / Surplus (+)</b>	<b>(+) 1096.00</b>

- 5.2. 3<sup>rd</sup> SFC has shown surplus in the table at point 5.1 above for the year 2011-12.
- 5.3. 3<sup>rd</sup> State Finance Commission has recommended the resource transfer/Award of ₹ 5188.00 lakh to Urban Local Bodies by way of Developmental Grants for the last year of five year period i.e. for the year 2011-12.
- 5.4. Therefore, the Fourth Finance Commission recommends the award/resource transfer of ₹ 5707.00 lakh to ULBs by way of Developmental Grants for the first year of five year period i.e. for the year 2012-13. Thus the State Government may make a provision of ₹ 5707.00 lakh to be devolved to the ULBs as "Developmental Grants" through the State Budget for 2012-13.

## CHAPTER-VI

### RESOURCE TRANSFER TO LOCAL GOVERNMENT INSTITUTIONS FOR 2012-13.

- 6.1 Through its interim reports, the Fourth SFC recommends the following resource Transfer/Award to the Local Government Institutions as mentioned in Chapter-IV & V also for the year 2012-13:-

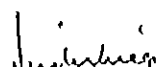
(Rs. in lakh)

Sr. No.	Institutions	Year	Resource Transfer Recommended
1.	Panchayati Raj Bodies	2012-13	5395.00
2.	Urban Local Bodies	2012-13	5707.00
<b>Total:-</b>		<b>2012-13</b>	<b>11102.00</b>

- 6.2 The State Government may make the above provisions in the concerned Demands for Grants through the State Budget for the year 2012-13.
- 6.3 The devolutions emerging out of the recommendations of the thirteenth Finance Commission may be budgeted by the State Government in accordance with the guidelines of utilization of such grants.



(Dile-Ram)  
Chairman



(S.K.B.S. Negi)  
Member



(Dr. S.K. Shad)  
Member Secretary





**SECOND**  
**INTERIM REPORT**  
**OF**  
**HIMACHAL PRADESH**  
**FOURTH STATE FINANCE COMMISSION**  
**FOR**  
**2013-14**

FOURTH STATE FINANCE COMMISSION  
HIMACHAL PRADESH, SHIMLA - 171002

## CHAPTER-I

### TERMS OF REFERENCE AND GENERAL FRAMEWORK

1.1. The Fourth State Finance Commission was constituted by the Himachal Pradesh Government vide Notification No. Fin.-IF (C) – A (3)4/2004 dated 20<sup>th</sup> May, 2011. The text of the notification is as follows:-

"In exercise of the powers conferred by section 98(1) of the Himachal Pradesh Panchayati Raj Act, 1994 (Act No. 4 of 1994) read with Article 243-I and 243-Y of the Constitution of India, the Governor, Himachal Pradesh, is pleased to constitute the 4<sup>th</sup> H.P. State Finance Commission to review the financial position of the Panchayats and Municipalities and devolution of resources to these institutions and to appoint the following as its Chairman and Members with immediate effect. The Chairman and Members will look after this job in addition to their own work:

- |  |                  |
|--|------------------|
| 1. Shri Dile Ram, MLA                          | Chairman         |
| 2. Sh. S.K.B.S. Negi,<br>Pr. Secretary (PR&RD) | Member           |
| 3. Dr. S.K. Shad, Adviser (Planning)           | Member Secretary |

The Commission shall make recommendations to the Government as to:

- (a) the principles which should govern-
  - (i) the distribution between the State and Panchayats / Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the Government which may be divided between them and allocation between the Panchayats/ Municipalities all levels of their respective share of such proceeds;
  - (ii) the determination of taxes, duties, tolls and fees which may be assigned to or appropriated by the Panchayats and Municipalities;

- (iii) the grants-in-aid to Panchayats/ Municipalities from the Consolidated fund of the State;
- (b) to suggest measures needed to improve the Financial position of the Panchayats/ Municipalities;
- (c) the Commission should make a normative assessment of needs based on the actual devolution of functions to each tier of the PRIs/Municipalities in making any recommendations on devolving untied grants or share of State taxes to these bodies.
- (d) the Commission should make an assessment of recurring grants for specific schemes of the State Government relating to support for honorarium and expenses of elected representatives and employees of PRIs/Municipalities and suggest improvements in these schemes in order to promote the exercise of fiscal autonomy and responsibility by the PRIs/ Municipalities.
- (e) the Commission should suggest appropriate ways to take forward the process of devolution of functions, funds and functionaries to the PRIs/ Municipalities keeping in view the existing-delivery system and the financial capacity of the State Government. It may make specific suggestions with regard to:
- support for pilots to hand over responsibility for delivery of primary education, primary health, water and sanitation and rural roads to appropriate levels of PRIs/ Municipalities;
  - changes in legislation and procedures necessary to enhance the tax and non tax capacity of the PRIs/Municipalities consistent with accepted principles of taxation at the local level;
  - Strengthening of administrative capacity of PRIs/ Municipalities by placing under their control relevant categories of employees either by way of recruitment at

the level of relevant tiers of the PRIs/Municipalities or by seconding of existing State Government staff to them.

- (f) any other matter referred to the 4<sup>th</sup> H.P. State Finance Commission by the Government in the interest of sound finances of the Panchayats and Municipalities.

The Commission shall devise its own procedure and may appoint such Advisors, Institutional Consultants, as it may consider necessary. It may call for such information and take such evidence as it may consider necessary.

The Commission shall make its report available by 31<sup>st</sup> December, 2011, covering a period of five years commencing from 1<sup>st</sup> April, 2012.

The Planning Department would be the nodal department for functioning of the 4<sup>th</sup> State Finance Commission on the pattern of 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> State Finance Commissions".

1.2. The First and Second meeting of Fourth State Finance Commission was held on 31<sup>st</sup> May, 2011 and 6<sup>th</sup> September, 2011 respectively, in which terms of reference assigned to the Commission were carefully examined and decision to start the survey work was taken. The proceedings of these meetings are at **Annexure-"A" & "B"** respectively.

1.3. It was not possible for the Commission to submit its report by 31<sup>st</sup> December, 2011 because preparation of report involves number of processes such as collection of primary and secondary data/information from Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), consultations/ discussions with public representatives at different levels, etc. To meet the constitutional obligations and for providing continuity, the Commission decided to give an Interim Report for the first year of the award period 2012-13.

1.4. The Third meeting of Fourth State Finance Commission was convened on 9<sup>th</sup> August, 2012 in which status of the survey work, status of meetings with the representatives of PRIs and ULBs, staffing position of the Secretariat of the Commission were reviewed. The proceedings of the this meeting are at **Annexure-"C"**.

1.5. After State Assembly Elections and formation of new Government in the State, Sh Dile Ram, resigned from the post of the Chairman, Fourth State Finance Commission and the State Government accepted his resignation vide notification No. Fin-IF(C)A(3)4/2011 dated 31<sup>st</sup> December, 2012. The services of Dr. S. K. Shad, Member Secretary, Fourth State Finance Commission were terminated vide Notification No. Fin-IF(C)A(3)4/2011 dated 31<sup>st</sup> December, 2012. The State Government vide notification No. Fin-IF (C)-A (3)4/2004 dated 26<sup>th</sup> February, 2013 has appointed the following as the Chairman and Members of the Fourth State Finance Commission:

- |  |                                |
|--|--------------------------------|
| 1. Sh. Sudripta Roy,<br>Chief Secretary      | Chairman                       |
| 2. Dr. A. R. Sihag,<br>Pr. Secretary (PR&RD) | Member (Ex- Officio)           |
| 3. Sh. Maneesh Garg<br>Adviser (Planning)    | Member Secretary (Ex- Officio) |

## CHAPTER II

### NEED AND CONSTRAINTS FOR A SECOND INTERIM REPORT COVERING THE PERIOD OF 2013-14

2.1 The Fourth State Finance Commission was constituted by the State Government on 20<sup>th</sup> May, 2011, its Member Secretary assumed charge with immediate effect and the Chairman assumed charge on 21<sup>st</sup> May, 2011. But the officers and the staff could not be appointed in time due to various official formalities. Despite best efforts, the Secretariat of the Commission could be made fully functional in May, 2012 only.

2.2 The questionnaires for collecting information from Panchayati Raj Institutions and Urban Local Bodies were prepared in time. The work to undertake survey for assessing the receipts and expenditure of the Panchayati Raj Institutions and Urban Local Bodies through Lok Mitra Kendras was assigned to the Department of Information Technology, Himachal Pradesh in the month of May, 2012.

The Commission held regular meetings with the Department of Information Technology to review the status of the survey work. The matter for providing support and cooperation to the staff of the Lok Mitra Kendras was taken up by the Commission with the Department of Panchayati Raj and Urban Development.

Keeping in view the status of data received through Lok Mitra Kendras, the Commission also started the process of data collection at its own level in the month of September, 2012 by sending the designed questionnaires to the Gram Panchayats, by post (to whom the Questionnaires were not circulated through Lok Mitra Kendras), mailing the copy of the schedules to the District Panchayat Officers/Block Development Officers for expediting information in respect of Zila Parishads/Panchayat Samities. The same process was followed for the Urban Local Bodies also.

The institution-wise status of data received by the Commission as on 31<sup>st</sup> December, 2012 is as under:

Sr. No	Name of Institution	Total Institutions	Information received through LMKs	Information directly received by the Commission	Total receipts
<b>A. Panchayati Raj Institutions.</b>					
1.	Gram Panchayat	3243	88	60	148
2.	Panchayat Samiti	77	-	20	20
3.	Zila Parishad	12	-	4	4
<b>B. Urban Local Bodies</b>					
1.	Municipal Corporation	1	-	1	1
2.	MCs/ Nagar Panchayats	50	-	8	8

The Commission held block-level meetings with the representatives of PRIs and ULBs of Mandi, Hamirpur, Kangra, Shimla, Solan, Kinnaur and Kullu districts to obtain views and suggestions from the representatives of these bodies to strengthen the local governance system. In these meetings training was also imparted to the representatives to give information on the receipts and expenditure pertaining to their local bodies as per the questionnaires designed by the Commission. But the response from PRIs and ULBs remained very slow.

With the received information it was not possible for the Commission to make assessment of receipts and expenditure of the PRIs and ULBs for the award period of the Fourth State Finance Commission.

2.4 The Commission could not gear up its activities of data collection and interaction with the concerned departments due to the State Assembly Elections and imposition of Code of Conduct in the State from 4<sup>th</sup> October, 2012 to 27<sup>th</sup> December, 2012.

2.4 Accordingly, the Commission has decided to give an Interim Report for the period 2013-14 to meet the constitutional obligations and for providing continuity. The following chapters outline the methodology, analysis on Panchayati Raj Institutions and Urban Local Bodies and the recommendations for the interim period of 2013-14 which would form an integral part of the overall recommendations of the Commission for the period 2012-2017.

## CHAPTER-III

### METHODOLOGY

3.1. As has been explained in Chapter-II, the Fourth State Finance Commission is constrained to submit an interim report in view of the circumstances narrated in the said chapter.

3.2 To ensure the timely availability of funds to the PRIs and ULBs for the period 2012-13, the Commission in its First Interim Report gave 10% increase on the award recommended by the Third State Finance Commission for the period 2011-12 for PRIs and 10% increase in Development Grants to Urban Local Bodies.

3.3 The Department of Panchayati Raj in its memorandum submitted to the Commission vide letter No. PCH-HC(10)12/2005-4<sup>th</sup>SFC-51889 dated 14<sup>th</sup> September, 2012 has projected the revenue receipts of Gram Panchayats and revenue expenditure of the Panchayati Raj Institutions for the period 2012-13 to 2016-17 on the basis of revised rates of honorarium and remuneration to the elected representatives and the other staff of PRIs. The Commission decided to consider the projections made by the Department of Panchayati Raj on revenue receipts and revenue expenditure of PRIs for recommending award for the period 2013-14. In the absence of desired data from PRIs on maintenance of assets and for performing statutorily assigned functions, the Commission decided to continue with the existing provision made for the period 2012-13.

3.4 The Department of Urban Development, Himachal Pradesh in its memorandum submitted to the Commission vide letter No.UD-C (10)-1/2012 dated 13<sup>th</sup> August, 2012 and additional submission made vide endorsement No. UD-H(C) (10)-2/2011-17463-64 dated 11<sup>th</sup> October, 2012 has submitted the projected revenue receipts and annual revenue expenditure of the Urban Local Bodies. In the absence of desired data from the Urban Local Bodies, the Commission decided to base its estimates on the projections made by the Department.

3.5 The Planning Commission, Government of India has also taken the assumption of 10% increase in the Normal Central Assistance of the



State Governments for 2012-13. The annual inflation rate for 2011-12 is 8.9 % as per the estimates of the Department of Economic & Statistics, Himachal Pradesh. Hence, the assumption of 10 per cent growth for recommending grants on other components such as maintenance of assets and performing statutory and delegated functions, to the ULBs for 2013-14 is justified.

## CHAPTER-IV

### FORECAST OF THE RECEIPTS AND EXPENDITURE OF THE PANCHAYATI RAJ INSTITUTIONS FOR 2013-14

4.1 Panchayati Raj Institutions have certain liability of committed expenditure to defray honorarium to elected representatives, honorarium to field level functionaries and office expenses for day to day functioning of these institutions. To work out the financial implications on this account, the Commission decided to consider the projections made by the Department of Panchayati Raj, Government of Himachal Pradesh in its Memorandum submitted to the Commission vide letter No.PCH-HC(10)12/2005-4<sup>th</sup>SFC-51889 dated 14<sup>th</sup> September, 2012.

4.2 Total revenue of the Gram Panchayats from taxes, fees and non-tax revenue for the year 2013-14 has been taken as Rs. 2711.88 lakh as per the projections made by the Department of Panchayati Raj in its memorandum submitted to the Commission.

4.3 The Department of Panchayati Raj has proposed reconstruction of 1100 Gram Panchayat buildings and up-gradation and maintenance of 1143 Gram Panchayat buildings and has requested to provide 111.29 crore during the award period of the Fourth State Finance Commission. During the discussions with the Commission, the Department has brought to the knowledge of the Commission that it has also submitted a project proposal to the Ministry of Rural Development and Panchayati Raj, Government of India under the Centrally Sponsored Scheme "Rajiv Gandhi Panchayat Sashaktikaran Yojana". The construction and maintenance of Gram Panchayat buildings is one of the components of this scheme. The Commission feels that the proposed reconstruction and upgradation is necessary and therefore decided to keep a provision of Rs. 1.00 crore for the year 2013-14, for the time being.

4.4 The State Government vide notification No.PCH-H(1)12/87-10406-606 dated 31<sup>st</sup> July 1996 has assigned functions of various departments to the Panchayati Raj Institutions. The responsibility of maintaining the assets of departments like Education, Health, Animal

Husbandry, and Ayurveda has been assigned to the PRIs. As mentioned in Chapter-II of the report that the required data is yet to be received from Panchayati Raj Institutions and the Commission is not in a position to make assessment of the assets of other departments being maintained by the Gram Panchayats. The Commission decided to continue with the existing provision made for the period 2012-13.

4.5 It is mandatory on the part of Panchayati Raj Institutions to perform statutory functions as prescribed under section 11, 81 and 92 of the Himachal Pradesh Panchayati Raj Act, 1994 for Gram Panchayats, Panchayat Samities and Zila Parishads, respectively. But in the absence of desired data from the PRIs, here also the Commission decided to continue with the existing provision made for the period 2012-13.

4.6 The Third State Finance Commission recommended Rs. 40.00 crore for the four years of the award period 2008-09 to 2011-12 as 'Incentive Fund for Resource Raising'. But as per the feedback received from the Department of Panchayati Raj, only two to three Gram Panchayats have availed this incentive during the award period of the Third State Finance Commission. Therefore, the Department has suggested to divert a part of these funds under "Atal Aadarsh Gram Panchayat Puruskar Yojana" Keeping in view the spirit of the scheme for resource mobilisation, the Commission decided to provide Rs.5.00 crore for the period 2013-14 and take a view on the suggestion given by the Department in the final report.

4.7 Based on the methodology discussed in para 4.1 to 4.6 of this chapter, the estimation and recommendations made by the Commission for the second year of the award period i.e. 2013-14 are given in the Table on the next page :

		(Rs in lakh)
Sl. No.	Item/Detail	Estimation/ Recommendation for 2013-14
<b>A</b>	<b>Revenue Receipts</b>	
	Receipts of Gram Panchayats from their own sources and assigned revenues.	2711.88
<b>B</b>	<b>Revenue Expenditure</b>	
	Total Committed Expenditure including office Expenses (Appendix-I)	6885.33
<b>C</b>	<b>Deficit (-) / Surplus (+) in Revenue Receipts and Revenue Expenditure</b>	<b>(-) 4173.45</b>
<b>D</b>	<b>Other Areas of Expenditure</b>	<b>2210.00</b>
1.	Capital Expenditure for reconstruction and maintenance of Gram Panchayat Buildings.	100.00
2.	Expenditure provision for maintenance of physical assets of various departments i.e. Education, Health, Animal Husbandry, Ayurveda etc.	775.00
3.	Expenditure provision for Performance of Statutory Functions as per Section 11, 81 and 92 of the Himachal Pradesh Panchayati Raj Act, 1994.	835.00
4.	Incentive Fund for Resource Raising	500.00
<b>E</b>	<b>Total Requirement of Funds (C+D)</b>	<b>6383.45</b>
<b>F</b>	<b>Total Resource Transfer recommended for Panchayati Raj Institutions</b>	<b>6383.45</b>

4.8 The Fourth State Finance Commission recommends the resource transfer / award of Rs. 6383.45 lakh to the Panchayati Raj Institutions for the second year of the award period i.e. 2013-14. The tier-wise details on account of revenue expenditure is appended as Appendix-I

## CHAPTER-V

### FORECAST OF THE RECEIPTS AND EXPENDITURE OF THE URBAN LOCAL BODIES FOR 2013-14

5.1. As discussed in Chapter-II of the report, the Department of Urban Development in its memorandum submitted to the Commission has projected the receipts of the Urban Local Bodies with 5% annual increase for the award period. The Third State Finance Commission has assumed a growth of 10% on the projected receipts of ULBs. Hence, the Commission decided to consider the projections made by the Department for 2011-12 as base figure and made projections for the year 2013-14 with 7% annual increase with the intention to encourage resource mobilization efforts by the Urban Local Bodies.

5.2. In the absence of data from Urban Local Bodies, the Commission decided to project the revenue expenditure for 2013-14, on the basis of submissions made by the Department.

5.3. Third State Finance Commission had shown a surplus of Rs. 10.96 crore for the last year of the award period 2011-12 and recommended the resource transfer/award of Rs. 5188.00 lakh to Urban Local Bodies by way of 'Developmental Grants' for the given period. Therefore, the Fourth State Finance Commission in its First Interim Report for the period 2012-13 recommended 10% increase on 'Development Grants' only and recommended transfer of Rs. 5707.00 lakh to these Bodies.

5.4. The Third State Finance Commission presumed growth in the level of 'Development Grants' as in the case of sales tax or value added tax. The Commission decided to continue with this criterion for the period 2013-14 and recommends 11.36% growth in these grants, as per the projections made by the Finance Department.

5.5. For maintenance of assets and for performing statutorily assigned and delegated functions, the Commission decided to provide 10% increase over the funds recommended for the period 2012-13.

5.6 Section 43 to the Himachal Pradesh Municipal Corporation Act., 1994 provides obligatory functions of the Corporation. Implementation of schemes pertaining to construction and maintenance of roads falling under its area of jurisdiction is one of the obligatory functions of the Municipal Corporation. The State Government has earmarked annual budget of Rs. 6.00 crore to the Municipal Corporation, Shimla for the year 2012-13 under Budget Head : 3054-04-105-04-SOON, for maintenance of roads. The Commission recommends continuing this provision for the period 2013-14.

5.7 Based on above, the receipts and expenditure of Urban Local Bodies estimated by the Commission for the year 2013-14 are given in the Table below:

(Rs. in lakh)		
Sl. No	Item/Detail	Estimation/ Recommendation for 2013-14.
<b>A.</b>	<b>Receipts</b>	
1.	Receipts of Urban Local Bodies from their own sources	6452.66
2.	Developmental Grants (Grants in lieu of Octroi)	6355.32
	<b>Total Receipts</b>	<b>12807.98</b>
<b>B.</b>	<b>Expenditure</b>	
1.	Total Committed Expenditure including office Expenses (as per details in Appendix – II)	7635.38
2.	Provision for Expenditure on maintenance of assets	799.70
3.	Provision for Expenditure for performance of statutory and delegated functions	3861.00
	<b>Total Expenditure</b>	<b>12296.08</b>
<b>C.</b>	<b>Surplus/ Deficit (A-B)</b>	<b>(+) 511.90</b>
<b>D.</b>	<b>Grant to Municipal Corporation, Shimla for maintenance of roads</b>	<b>600.00</b>

5.7 Since there would be a surplus of Rs. 511.90 lakh with the Urban Local Bodies during the year 2013-14, therefore the Commission recommends transfer of Rs.6355.32 lakh only, as Development Grants for the period 2013-14. It also recommends continuing the provision of Rs. 600.00 lakh by the State Government to Municipal Corporation Shimla for maintenance of roads during the year 2013-14.

## CHAPTER-VI

### RESOURCE TRANSFER TO LOCAL GOVERNMENT INSTITUTIONS FOR 2013-14

6.1 On the basis of details worked out in Chapter-IV & V, the Fourth State Finance Commission recommends the following resource transfer/award to the Local Government Institutions for the year 2013-14:

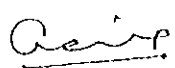
(Rs. in lakh)

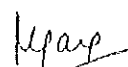
Sr. No.	Institutions	Year	Resource Transfer Recommended
1.	Panchayati Raj Bodies	2013-14	6383.45
2.	Urban Local Bodies	2013-14	6355.32
Total:-		2013-14	12738.77

6.2 The State Government may make the above provisions in the concerned Demands for Grants through the State Budget for the year 2013-14.

6.3 The devolutions emerging out of the recommendations of the Thirteenth Finance Commission may be budgeted by the State Government in accordance with the guidelines for utilization of such grants.

  
(Sudripta Roy)  
Chairman

  
(Dr. A.R. Sihag)  
Member

  
(Maneesh Garg)  
Member Secretary

**APPENDIX-I**

**RESOURCE TRANSFER ON ACCOUNT OF REVENUE EXPENDITURE TO  
PANCHAYATI RAJ INSTITUTION FOR FINANCIAL YEAR 2013-14**

INSTITUTIONS/ ITEMS		BUDGET RECOMMENDED (RS. IN LAKH)
<b>1. GRAM PANCHAYATS</b>		
<b>HONORARIUM/ REMUNERATION</b>	PRADHAN	700.48
	UP-PRADHAN	583.74
	MEMBER	815.34
	PANCHAYAT CHOWKIDAR	
	(i) Remuneration	
	(a) Govt. Grant	642.11
	(ii) Livery Allowance(once a year)	
	(a) Govt. Grant	27.24
	TAILORING TEACHAERS	
	(i) Remuneration	424.70
<b>TA/DA</b>	PRADHAN	194.58
<b>OFFICE EXPENDITURE</b>	GRAM PANCHAYAT	314.87
<b>SUB-TOTAL-1</b>		<b>3703.06</b>

<b>2. PANCHAYAT SAMITIS</b>		
<b>HONORARIUM</b>	CHAIRMAN	23.10
	VICE CHAIRMAN	18.48
	MEMBER	330.05
<b>TA/DA</b>	CHAIRMAN	7.59
	VICE CHAIRMAN	
	MEMBER	
<b>REMUNERATION</b>	KANSHIT LEKHAPAL (Contract)	4.82
	RE-DESIGNATED AS PANCHAYAT SECRETARY (Contract)	1167.07
	PANCHAYAT SAHAYAK (Contract)	995.64
<b>TA/DA</b>	RE-DESIGNATED PANCHAYAT SECRETARY	19.92
	PANCHAYAT SAHAYAK	
<b>OFFICE EXPENDITURE</b>		19.38
<b>SUB-TOTAL-2</b>		<b>2586.05</b>



3. ZILA PARISHAD		
HONORARIUM	CHAIRMAN	7.20
	VICE CHAIRMAN	5.04
	MEMBER	54.48
TA/DA	CHARIMAN	3.34
	VICE CHAIRMAN	
	MEMBER	
REMUNERATION	ASSISTANT ENGINEER (Regular)	9.00
	ASSISTANT ENGINEER (Contract)	5.04
	JUNIOR ENGINEER(Regular)	127.68
	JUNIOR ENGINEER (Contract)	259.67
	ACCOUNTANT (Regular)	18.00
	JUNIOUR SCALE STENOGRAPHER (Contract)	12.92
MEDICAL	ASSISTANT ENGINEER (Regular)	1.00
	JUNIOR ENGINEER(Regular)	1.50
TA/DA	ASSISTANT ENGINEER (Regular)	15.60
	ASSISTANT ENGINEER (Contract)	
	JUNIOR ENGINEER(Regular)	
	JUNIOR ENGINEER(Contract)	
OFFICE EXPENDITURE		75.75
SUB-TOTAL-3		596.22
GRAND TOTAL		6885.33

**APPENDIX-II**

**RESOURCE TRANSFER ON ACCOUNT OF REVENUE EXPENDITURE TO  
URBAN LOCAL BODIES FOR FINANCIAL YEAR 2013-14**

(RS. IN LAKH)

INSTITUTIONS / ITEMS		BUDGET RECOMMENDED (RS IN LAKH)
<b>1. MUNICIPAL CORPORATION, SHIMLA</b>		
HONORARIUM	MAYOR / DY. MAYOR /COUNCILORS	9.08
SALARY EXPENSES	REGULAR STAFF	2242.76
	DAILY WAGERS & CONTRACT WORKERS	34.40
OFFICE EXPENSES		150.00
EXPENDITURE ON TERMINAL BENEFITS, PENSION ETC.		275.00
<b>SUB-TOTAL-I</b>		<b>2711.24</b>

INSTITUTIONS / ITEMS		BUDGET RECOMMENDED (RS IN LAKH)
<b>2. MUNICIPAL COUNCILS</b>		
HONORARIUM	PRESIDENT/VICE- PRESIDENT/MEMBERS	50.14
SALARY EXPENSES	REGULAR STAFF	2992.08
	DAILY WAGERS & CONTRACT WORKERS	
	(a) Liability on account of regularization of daily waged/contract workers during the year 2013-14 (75)	100.09
	(b) Liability of daily wagers & contract workers (38)	22.67
OFFICE EXPENSES		250.00
EXPENDITURE ON TERMINAL BENEFITS, PENSION ETC.		316.00
<b>SUB-TOTAL-II</b>		<b>3730.98</b>

INSTITUTIONS / ITEMS		BUDGET RECOMMENDED (RS IN LAKH)
<b>3. NAGAR PANCHAYATS</b>		
<b>HONORARIUM</b>	PRESIDENT/VICE- PRESIDENT/MEMBERS	29.84
<b>SALARY EXPENSES</b>	REGULAR STAFF	664.68
	DAILY WAGERS & CONTRACT WORKERS	
	(c) Liability on account of regularization of daily waged workers during the year 2013-14 (41)	54.11
	(d) Liability of Daily Wagers & contract workers (23)	13.53
<b>OFFICE EXPENSES</b>		115.00
<b>EXPENDITURE ON TERMINAL BENEFITS PENSION ETC.</b>		316.00
<b>SUB-TOTAL-II</b>		<b>1193.16</b>
<b>GRAND TOTAL</b>		<b>7635.38</b>



*Fourth State Finance Commission  
Government of Himachal Pradesh*

**CORRIGENDUM**

In the Second Interim Report of Himachal Pradesh Fourth State Finance Commission for 2013-14, the words "Municipal Corporation, Shimla" in Chapter-V be substituted by words "Urban Local Bodies" under the following paras:-

- i) Para 5.6, sixth line (page-13)
- ii) Sr. No. D of table given under para 5.7 (page-13)
- iii) Para 5.8, second last line (page-14)

*May*  
Member Secretary,  
Fourth State Finance Commission,  
Himachal Pradesh, Shimla-2.

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No. SFC(B)3-1/2011-Interim Report. dated Shimla-2 the 17<sup>th</sup> May, 2013

Copy for favour of information and necessary action is forwarded to:-

1. The Additional Chief Secretary (UD) to the Government of Himachal Pradesh Shimla-171002.
2. The Pr. Secretary (Panchayati Raj) to the Government of Himachal Pradesh Shimla-171002.
3. The Secretary (Finance)-cum-Director (IF) to the Government of Himachal Pradesh Shimla-171002.
4. The Director, Urban Development Department, Talland, Shimla-171002.
5. The Director, Panchayati Raj, SDA Complex, Kasumpti, Shimla-171009.

*May*  
Member Secretary, 17/5  
Fourth State Finance Commission,  
Himachal Pradesh, Shimla-2.

Minutes of the 1<sup>st</sup> Meeting of HP Fourth State Finance Commission held under the Chairmanship of Shri Dile Ram, Hon'ble Chairman, SFC on 31-05-2011 at 12-30 PM in his Office Chamber, Room No. 207, Eilerslie Building, HP Secretariat, Shimla-2.

The following attended the meeting:-

- i. Shri S.K.B.S. Negi, Pr. Secretary (PR & RD) to the GoHP-cum-Member, 4<sup>th</sup> SFC.
- ii. Dr. S.K.Shad, Adviser (Planning)-cum-Member Secretary, 4<sup>th</sup> SFC.

2. The Member Secretary, 4<sup>th</sup> SFC gave the brief account of the functions of the 3<sup>rd</sup> and 4<sup>th</sup> SFCs. He informed that the State Government has constituted the 4<sup>th</sup> HP State Finance Commission vide Notification No. Fin.IF(C)-A(3)4/2004 dated 20<sup>th</sup> May, 2011. He gave a brief account of the terms and conditions of the 4<sup>th</sup> SFC. The Member Secretary, SFC impressed upon two important and urgent issues; first, creation of required posts; and second, budget provisions for the smooth working of the Commission. He made it clear that these two issues required immediate attention of the State Government so that Commission may be in a position to discharge the functions assigned to it.

3. After detailed discussion, following decisions were taken:-

The creation of following posts of various categories have been approved on the analogy of the 3<sup>rd</sup> HP State Finance Commission:-



a) For the Office of Chairman:

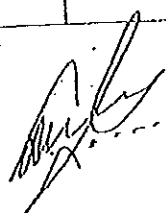
Sl.No	Name of Post	No. of Post	Mode of recruitment
1.	2.	3.	4.
1.	Private Secretary	1	Deployment from HP Secretariat
2.	Personal Assistant	1	Deployment
3.	Driver	1	Deployment from HP Secretariat
4.	Jamadar	1	Deployment from HP Secretariat
5.	Peon	1	Deployment from HP Secretariat
6.	Part time sweeper	1	Deployment from HP Secretariat

b) For the Office of State Finance Commission:

Sl. No.	Name of Post	No. of Post	Mode of recruitment
1.	2.	3.	4.
1.	Joint Secretary / Jt. Director (officers holding the post of Deputy Director in the Planning/E&S/ other Departments having minimum Master's degree in Economics/ Statistics / Commerce/ Math).	1	Deployment / secondment from Planning Department.
2.	Deputy Directors (officers holding the post of Research Officer in the Planning / E&S / other Departments having minimum Master's degree in Economics/Statistics/Commerce/ Math).	2	Deployment / secondment from Planning Department.

Sl. No.	Name of Post	No. of Post	Mode of recruitment
1.	2.	3.	4.
3.	Research Officers (officers holding the Post of Assistant Research Officer in the Planning/ E&S / other Departments having minimum Master's degree in Economics/ Statistics/Commerce/ Math).	2	Deployment from Planning Department.
4.	Statistical Assistant /Research Assistant.	4	Deployment/ Contract.
5.	Superintendent Grade-II/ SO from SAS.	1	Deployment from Planning Department.
6.	Sr. Assistant.	1	Deployment/ surplus pool/Contract.
7.	Clerks.	2	Deployment/ surplus pool/ Contract.
8.	Data Entry /Computer Operator.	3	Contract.
9.	Jr. Scale Steno.	2	Deployment/ Contract.
10	Peon.	3	Deployment/ surplus pool/ Contract.
11	Driver.	1	Deployment/ surplus pool/ Contract.

2



4. The Commission discussed the proposal for the post of Joint Secretary cum Joint Director in SFC and the names of Deputy Directors working in the Planning Department were discussed. The Commission approved that Sh. Arjun Singh Chauhan, Deputy Director who is presently looking after the work of SFC in the Planning Department will continue to look after the work of Joint Secretary cum Joint Director in the SFC. The matter for the Govt. approval in this regard may be sent separately.

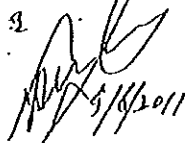
5. Requirement of budget for the office of the 4<sup>th</sup> HP State Finance Commission for the year 2011-12:

The provisions as per the following detail have been approved under different SOEs of MH-2070-105-02 Non-Plan for the year 2011-12 immediately to start the work of the 4<sup>th</sup> HP State Finance Commission:

S.N.	SOE	(₹ In lakh)
i.	Salaries	60.00
ii.	Office expenses	8.00
iii.	Medical expenses	4.00
iv.	Travel expenses	4.00
v.	Wages	3.00
vi.	Motor Vehicles	8.00
vii.	Rent rate taxes	1.00
viii.	Professional services	7.00
ix.	Advertising & Publicity	1.00
<u>Total</u>		<u>96.00</u>

6. The Commission approved that a Government order declaring the Member Secretary as Head of the Department for the 4<sup>th</sup> State Finance Commission may be issued urgently.

7. It was approved in the meeting that Commission would study the models of State Finance Commission of different States like Karnataka, Kerala, Gujarat, Maharashtra and Andhra Pradesh where State Finance Commissions are already working.

3  
  
 5/8/2011

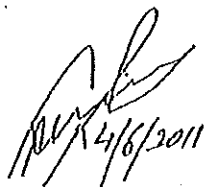


8. The Commission was of the opinion that the constitution of 4<sup>th</sup> HP State Finance Commission has been delayed and preparation of report by 31<sup>st</sup> December, 2011 is very difficult because preparation of reports involves number of processes such as collection of primary and secondary data/information from ULBs & PRIs, consultations / discussions with public representatives at different levels, etc. Therefore, it was decided that the interim report of the Commission be submitted by 31<sup>st</sup> December, 2011.

9. It has also been decided that the concerned departments like Panchayati Raj, Rural Development, IPH, Health, Animal Husbandry, Agriculture, etc. will be asked to submit the ATR on the recommendations of 3<sup>rd</sup> HP SFC. The meetings under the Chairmanship of Hon'ble Chairman, SFC, with concerned Heads of Department to review the implementation of the recommendations of 3<sup>rd</sup> SFC will be convened.

10. The Commission decided to undertake the survey of PRIs and ULBs to ascertain the income and expenditure status of PRIs and ULBs to assess the budgetary gaps of these institutions.

11. The meeting ended with a vote of thanks to and from the chair.

  
4/6/2011

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Minutes of the 2<sup>nd</sup> Meeting of HP Fourth State Finance Commission held under the Chairmanship of Shri Dile Ram, Hon'ble Chairman, SFC on 06-09-2011 at 2.30 PM in his Office Chamber, Room No. 207, Ellerslie Building, HP Secretariat, Shimla-2.

The following attended the meeting:-

- i. Shri S.K.B.S. Negi, Pr. Secretary (PR & RD) to the GoHP-cum-Member, 4<sup>th</sup> SFC.
- ii. Dr. S.K.Shad, Adviser (Planning) – cum - Member Secretary, 4<sup>th</sup> SFC.

2. The Member Secretary, 4<sup>th</sup> SFC gave the brief account of decisions taken by the Government with regard to the smooth functioning of State Finance Commission. He informed that State Government has allocated the budget of ₹ 65.37 lakh under various SOEs for the Commission for current financial year vide letter No. Fin.-IF(C) A(3)4/2011 dated 21-7-2011. The Member Secretary also apprised that Government has created only 12 posts vide above mentioned letter dated 30-7-2011 for the 4<sup>th</sup> SFC against the demand of 28 posts.

3. He informed that the Commission has requested all the Administrative Departments, HODs, MDs, Divisional Commissioners, Deputy Commissioners and Secretary HPERC Shimla vide letter dated 6<sup>th</sup> August, 2011 to forward the names of interested officers/officials to the Commission for filling up the created posts on secondment basis. But only three applications, two for the post of Sr. Assistant (one from retired official) and another for Junior Scale Stenographer (as an advance copy), have been received in the Commission and no application has been received for any other post.

4. The Chairman observed that the constitution of the Commission has already been delayed. Therefore, serious efforts are required to be made to accomplish the time bound task assigned to the Commission. He also suggested that due to the shortage of time report may only be submitted in time if the State Government creates the minimum posts on the basis of 3<sup>rd</sup> SFC. The Chairman was of the opinion that all pending matters may be taken urgently with the State Government to make the Commission functional.

5. After detailed discussions on the agenda points, the following decisions were taken by the Commission:-

i) It was decided that the matter to create four posts of Statistical Assistant, three posts of Computer/Data Entry Operator and one post of PA to the Hon'ble Chairman, 4<sup>th</sup> SFC may be taken up with Finance Department immediately.

ii) The Commission has received only three applications (two for Sr. Assistant and one advance copy for Jr. Scale Stenographer). Being a time bound assignment given to the State Finance Commission, the various posts required to be filled up may be advertised in the news paper and applications from suitable in service and retired government servants may be invited.

iii) In case the desired staff is not available on secondment, the personnel from Planning Department may be deployed in 4<sup>th</sup> State Finance

Commission with additional financial incentive. Such personnel will perform the duties in the 4<sup>th</sup> SFC in addition to their normal duties in the Planning Department.

iv) Item no. "8. Procedure and Powers of the Commission" of THE FINANCE COMMISSION (MISCELLANEOUS PROVISIONS) ACT, 1951 as circulated by the Ministry of Panchayati Raj Deptt., Govt. of India vide letter No. 38012/3/TFC/2008 dated 27<sup>th</sup> April, 2011 was approved for adoption by the Commission for its working.

v) The recommendations of the 3<sup>rd</sup> SFC in respect of ULBs were reviewed. The 3<sup>rd</sup> SFC recommended the transfer of ₹ 22302.00 lakh to ULBs (2007-08 to 2011-12). But as per the information received from Director (ULB) HP, an amount of ₹ 21205.05 lakh was actually released by the State Government to ULBs during 2007-08 to 2011-12 and there is a gap of ₹ 1096.95 lakh. It was decided by the Commission that the State Government may be asked to restore this shortfall immediately. Director, ULB, HP Shimla may take necessary action for the restoration and inform the SFC about the final outcome.

vi) The Finance Department has given the information of transfer of funds to PRIs and ULBs including the transfers recommended by 12<sup>th</sup> / 13<sup>th</sup> Finance Commission and 3<sup>rd</sup> State Finance Commission. The Commission decided that the Finance Department



may be requested to supply the information separately of transfer of funds recommended by 12<sup>th</sup> / 13<sup>th</sup> FC and 3<sup>rd</sup> SFC and actual transfer of funds to PRIs and ULBs by the GoHP from 2007-08 to 2011-12.

vii) The information from Panchayati Raj Department has not been received. It was decided that the Director (PR) may be conveyed the displeasure of the Commission and may be requested to supply the information immediately.

viii) The specimen of the car flag for Chairman, 4<sup>th</sup> SFC was approved on the pattern of the flag of State Election Commissioner, HP. The white character in Hindi (Devnagri) with silk thread embroidery on dark green cloth was approved. It was decided that the flag specimen will be sent to GAD for approval.

ix) As per point no. 3 of the Finance (IF) Department Notification No. Fin-IF(C)-A(3)4/2004 dated 20<sup>th</sup> May, 2011 vide which 4<sup>th</sup> SFC has been constituted, the appointment of Adviser/Consultants were approved. It was decided that Adviser/Consultants should have worked minimum as a class-I officer in the State/Central Government and should possess minimum Post Graduate Degree (Economics/ Commerce/Statistics) with minimum of five to six years experience in financial matters, data collection, analysis and report writing.

6. The meeting ended with a vote of thanks to and from the chair.

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**Minutes of the third meeting of the 4<sup>th</sup> State Finance Commission, Himachal Pradesh held on 9<sup>th</sup> August, 2012.**

The third meeting of the Fourth State Finance Commission, Himachal Pradesh was held on 9<sup>th</sup> August, 2012 at 11.00 A.M. under the Chairmanship of Sh. Dile Ram, Hon'ble Chairman, State Finance Commission. The meeting was attended by the following:

1. Sh. S.K.B.S. Negi,  
Pr. Secretary (PR& RD), to the GoHP-cum-  
Member, State Finance Commission.
2. Dr. S.K. Shad,  
Member Secretary, State Finance Commission

At the outset, the Member Secretary welcomed the Hon'ble Chairman and the Member of the Commission. Thereafter the agenda for the meeting was placed before the Commission. The item-wise discussions remained as under:

1. **Review of the status of Survey work:** The Member Secretary apprised the Commission that the work to undertake survey through Lok Mitra Kendras for assessment of the receipts and expenditure of the Panchayati Raj Institutions and Urban Local Bodies was assigned to the Department of Information Technology on 2<sup>nd</sup> May, 2012 for submitting complete data after getting it collected through Lok Mitra Kendras within one month. Further extension upto 10<sup>th</sup> August, 2012 was provided for completing this task keeping in view the problems being faced by the Lok Mitra Kendras for collecting data from Panchayati Raj Institutions. The matter for providing support and cooperation to the staff of the Lok Mitra Kendras was invariably taken up by the Commission with the Department of Panchayati Raj and Urban Development. He further informed that the Deputy Manager from the Department of Information and Technology in a meeting held on 6<sup>th</sup> August, 2012 under the Chairmanship of Member Secretary apprised that the forms prescribed by the Commission have been delivered to 811 Gram Panchayats, 13 Panchayat Samities and 22 Municipal Councils/ Nagar Panchayats, so far and out of these only four Gram Panchayats have sent the filled forms to the Lok Mitra Kendras.



The Commission expressed concern over the pace of progress of data collection and decided that the Pr. Secretary (Panchayati Raj) to the Government of Himachal Pradesh will send a demi-official letter to all the Deputy Commissioners for necessary directions to the Gram Panchayat Pardhans and Secretaries for furnishing requisite data, on priority. To facilitate the process, the Department of Information and Technology will provide an authorisation letter to the representatives of Lok Mitra Kendras with reference to the letter to be issued by the Department of Panchayati Raj to the Panchayat Secretaries.

Keeping in view the reported status, the Commission decided to extend the time period for this survey through Lok Mitra Kendras for two months. It was decided that the survey work should be expedited through field visits by all the Members of the Commission as this will help to educate and sensitize the representatives of Panchayati Raj Institutions and Urban Local Bodies for early response. It was also decided to organize more meetings with the PRIs and ULBs; at least in every district of the State, for seeking feedback regarding the functioning of these institutions.

**2. Non- receipts of Memorandums from the concerned Departments.**

The Member Secretary brought to the notice of the Commission that the detailed memorandums were invited from the department of Panchayati Raj, Urban Development, Finance and Economics & Statistics on the terms of reference giving feedback on the present status, implementation of statutory and delegated functions, position of finances and present status of development of the economy. The desired memorandums have been submitted only by the Department of Economics and Statistics and Urban Development whereas responses are awaited from other departments

Considering the significance of requisitioned details, it was decided that the concerned departments may be asked to submit the desired memorandums within one month. Thereafter, the Commission will hold meetings with the concerned departments to firm up its views on the issues presented by the departments before the Commission.

**3. Meetings with the representatives of the associations of PRIs and ULBs.**

The Member Secretary informed that the Commission had its' first round of meetings with the representatives of PRIs and ULBs at block level (Gohar, Sundernagar, Hamirpur and Dehra) in the month of May, 2012. The focus of discussions mainly revolved round the problems related to the implementation of MNREGA, hike in the honorarium to the representatives of Local Bodies, capacity building of the elected representatives, inadequate infrastructure with the local bodies. No feedback was given by the representatives on implementation of statutorily assigned/ delegated functions by the State Government, reasons for non- performing, suggestions to strengthen the existing system and potential to improve their income.

The Member Secretary further apprised that the Central Government has issued guidelines to all the State Finance Commissions for making assessment



of revenue and expenditure, procedure for transfer of grants to the local bodies and for adopting best practices suggested by the 12<sup>th</sup> Central Finance Commission. The perceptions of the Government of India need to be incorporated while making recommendations by the Commission.

In view of above it was decided that the Commission will hold meetings with representatives of the associations of PRIs and ULBs to seek constructive feedback on the issues discussed above.

#### 4. Deployment of Staff by the Planning Department.

The Member Secretary apprised the Commission that the following eight posts have been sanctioned by the State Government for the Secretariat of the Commission vide Notification No. Fin-IF(C) A(3)4/2011 dated 23<sup>rd</sup> July, 2011:

Deputy Director	1
Research Officer	2
Sr. Assistant	1
Clerk	1
Jr. Scale Steno	1
Peons	2

All efforts were made by the Commission to seek staff from other departments, on secondment basis. But due to the non-receipt of applications from other departments, majority of the staff was deployed from the Planning Department. Presently, all officers and officials working in the State Finance Commission are sitting in the Planning Department. It has come to the knowledge of the Commission that the Planning Department has moved a proposal to the State Government to withdraw the staff of the Planning Department who have been given additional charge of the State Finance Commission. The Commission is a temporary body and creation of additional posts as well as filling vacant posts from other departments of secondment basis at this stage will adversely affect the working of the Commission.

After detailed discussions it was decided that the Hon'ble Chairman will take up the matter with the Chief Secretary, Government of Himachal Pradesh for necessary directions to the Planning Department to continue with the existing system and to the Finance Department for allowing honorarium to the staff with additional charge, for which the Commission has already taken up the matter with State Government. It was also decided that the vacant posts of the Commission be filled up through outsourcing basis, as now the independent office of the Member Secretary of the Finance Commission has also started functioning.





5. Pending issues of the Commission with the State Government.

The Member Secretary placed before the Commission the status of issues pending with the State Government, which need to be processed, on priority for the smooth functioning of the Commission. The details of these are as under:

Sr. No	Issue	Letter No. and date	Action to be taken by the Deptt.	Remarks
1.	Budget provision for providing employers' share of EPF in respect of peons working in the Commission, on secondment basis.	No. SFC(B)2-1/2011 dated 29.5.2012.	Institutional Finance	Awaited.
2.	Permission to purchase a laptop for Member Secretary, SFC.	No. SFC(B)2-1/2011 dated 29.5.2012.	Institutional Finance	Awaited.
3.	Providing administrative approval and financial sanction of Rs. 27,350/- for making payment of additional amount to M/s Mohindra & Mohindra due to enhancement in excise duty by the Union Government.	No. SFC(G)3-1/2011 dated 20-7-2012.	Institutional Finance	Awaited
4.	Terms and Conditions of re-employment of Sh. J.C. Mishra, Sr. Assistant working in the Commission	No. SFC(B)2-1/2011 dated 20-7-2012.	Institutional Finance	Awaited.
5.	Terms & Conditions of re-employment of Member Secretary, 4 <sup>th</sup> State Finance Commission	No. SFC(B)3-1/2012 dated 03.08.2012.	Institutional Finance	Awaited.
6.	Peon from surplus pool viz Lekh Raj Beldar of PWD has not been relieved by the Department	No. SFC(B)2-1/2011 dated 31-7-2012.	PWD	Awaited
7.	Proposal to provide honorarium to the staff of the Planning Department with additional charge of SFC.	Letter No. SFC (B) 2-1/2011 dated 07/5/2012 & 6 <sup>th</sup> July, 2012.	Institutional Finance	Awaited

After item-wise review, the Commission expressed its displeasure over the inordinate delay made by the Administrative Department (Institutional Finance) in disposing of these matters and decided to take up these matters with the concerned Secretaries for getting it processed, on priority.

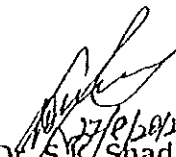
6. **Placing of Vehicle No. HP 07 A-641 in the Common Pool of the Planning Department.**

The Member Secretary apprised the Commission that the Vehicle No. HP 07 A-641 was purchased by Third State Finance Commission and later kept with the Planning Department, being Nodal Department of the State Finance Commissions, temporarily till the constitution of the next Finance Commission. With the establishment of the Secretariat of the Commission, this vehicle was transferred to the Secretariat of the Fourth State Finance Commission. But the Planning Department vide Office Order No. PLG (G) 1-1/2001 Dated 17<sup>th</sup> July, 2012 placed this Vehicle in the Common Pool of the Planning Department without the approval of the Hon'ble Chairman, with the direction to use the vehicles, on requisition basis. With the joining of the independent Member Secretary, Fourth State Finance Commission, the vehicle was attached with the Member Secretary being the Head of Department of the Commission. The Deputy Director (Admn.), Planning Department called for explanation and issued orders to the driver of the Commission to deposit the logbook and keys with him without any authority.

The undesirable and illegal orders of the Adviser (Planning) and Mr. Basu Sood, Deputy Director (Admn.) were viewed seriously by the Commission and it was decided that the Hon'ble Chairman will take up this matter with the Chief Secretary, Government of Himachal Pradesh, for administrative action against these officers for disrupting the functioning of the Commission.

Considering the time bound assignment given to the Commission, the Commission approved to hire taxis for field trainings and other meetings with the representatives of PRIs and ULBs, for the other officers of the Commission.

The meeting ended with a vote of thanks to and from the Chair.

  
(Dr. S.K. Shad)  
Member Secretary,  
4<sup>th</sup> State Finance Commission  
Himachal Pradesh, Shimla-2.

## ग्राम पंचायत के वर्तमान वित्तीय साधन व अन्य आंकड़े भाग (क)-सामान्य सूचना

1. पंचायत का नाम -----
2. पंचायत समिति का नाम जिसके क्षेत्र में पंचायत आती है-----
3. जिला-----
4. पंचायत के अन्तर्गत पड़ने वाले गांवों की संख्या -----

पंचायत के कुछ आधारभूत आंकड़े :-

- (i) पंचायत का क्षेत्रफल-----हैक्टेयर
- (ii) पंचायत की जनसंख्या: पुरुष महिलाएं कुल
 

(क) 2001			
(ख) 2011			
- (iii) दिसम्बर 2011 में ग्राम पंचायत में कुल वार्डों की संख्या-----

### भाग (ख) पंचायत की सम्पति

1. ग्राम पंचायत की अपनी सम्पति का विवरण :
  - (i) ग्राम पंचायत के स्वामित्व में कुल भूमि -----हैक्टेयर
  - (ii) कुल भूमि में से :
 

(1) बगीचा		
(2) घासनी		
(3) अन्य कृषि योग्य जमीन		
  - (iii) पंचायत के स्वामित्व में अन्य स्थाई सम्पति :
    - (1) कार्यालय भवन
 

(अ) क्षेत्रफल		
(ब) संख्या		
    - (2) दुकानें :
 

(अ) क्षेत्रफल		
(ब) संख्या		
    - (3) कोई अन्य स्थाई सम्पति जैसे सराय इत्यादि, विवरण दें
 

(अ) क्षेत्रफल		
(ब) संख्या		
  - (iv) ग्राम पंचायत में कोई महत्वपूर्ण तीर्थ स्थल हो तो उसका विवरण दें -----
  - (v) ग्राम पंचायत में यदि हर वर्ष महत्वपूर्ण मेला लगता हो तो उसका विवरण दें -----

ग्राम पंचायत में आधारभूत संरचना

(vi) (1) शिक्षण संस्थान

नाम एवं संख्या

(क) प्राथमिक पाठशालाएं

1.  
2.

(ख) माध्यमिक पाठशालाएं

1.  
2.

(ग) उच्च पाठशालाएं

1.  
2.

(घ) वरिष्ठ माध्यमिक पाठशालाएं

1.  
2.

(इ) अन्य शिक्षण संस्थान, यदि हों  
(विवरण दें)

1.  
2.  
3.

(2) (क) क्या शिक्षण संस्थानों में भवन/कमरे  
पर्याप्त मात्रा में उपलब्ध हैं ?

हां/नहीं

(ख) यदि नहीं तो शिक्षण संस्थानवार  
भवन/कमरों की आवश्यकता का  
विवरण दें :

(1) प्राथमिक पाठशालाएं

-----

(2) माध्यमिक पाठशालाएं

-----

(3) उच्च पाठशालाएं

-----

(4) वरिष्ठ माध्यमिक पाठशालाएं

-----

(5) अन्य शिक्षण संस्थान (विवरण)

1.-----  
2.-----

(vii) स्वास्थ्य संस्थाएं

नाम एवं संख्या

(1) ऐलोपैथी

(क) स्वास्थ्य उप-केन्द्र

1.-----  
2.-----

(ख) औषधालय

1.-----  
2.-----

(ग) प्राथमिक स्वास्थ्य केन्द्र

1.  
2.

(घ) सामुदायिक चिकित्सालय

1.  
2.

(इ) अन्य ऐलोपैथी संस्थाएं, यदि हों विवरण दें

1.  
2.

- (2) आयुर्वेदा :
- (क) औषधालय 1.  
2.
- (ख) अस्पताल 1.  
2.
- (3) अन्य स्वास्थ्य संस्थाएं, युनानी, होम्योपैथी  
इत्यादि, यदि हों, विवरण दें । 1.  
2.
- (4) (क) क्या स्वास्थ्य संस्थाओं में भवन/कमरे  
पर्याप्त मात्रा में उपलब्ध हैं ? हां/नहीं
- (ख) यदि नहीं तो भवन/कमरों का  
विवरण दें :
1. ऐलोपैथी औषधालय -----
2. आयुर्वेदा औषधालय -----
3. अन्य स्वास्थ्य संस्थाएं जिनका ऊपर  
{(ख(1) व (2)) में विवरण न हो 1.-----  
2.-----
- (viii) (1) पशुपालन संस्थाएं : नाम एवं संख्या
- (क) पशु अस्पताल 1.  
2.
- (ख) पशु चिकित्सालय 1.  
2.
- (ग) कृत्रिम गर्भाधान केन्द्र 1.  
2.
- (ix) क्या पंचायत भवन उपलब्ध है ? हां/नहीं
- (x) (क) अन्य आधारभूत संस्थाएं, यदि  
हों तो उनके नाम व संख्या  
सम्बन्धी विवरण दें । 1.  
2.

### भाग (ग)--वित्तीय साधन सम्बन्धी सूचना

1. ग्राम पंचायत द्वारा बैंक या डाकघर में जमा राशि (रुपये)  
31 मार्च, 2012 तक ।
2. पंचायत की विभिन्न साधनों से आय एवं  
संभावित आय का विवरण ।

आय / प्राप्ति का विवरण	वर्ष					वर्ष				
	वास्तविक आय					संभावित आय				
	2007- 08	08-09	09-10	10-11	11-12	2012 -13	13- 14	14- 15	15- 16	16- 17
	1	2	3	4	5	6	7	8	9	10
1. ग्राम पंचायत द्वारा लगाए कर/शुल्क या उपकर :										
(क) कर :										
(i) गृह कर										
(ii) व्यवसाय व्यापार आजीविका और नियोजन (कृषि छोड़कर) पर कर										
(iii) भू-राजस्व										
(iv) शराब की बिक्री पर उप-कर										
(v) रेत, पत्थर, बजरी व स्लेट निकालने तथा निर्यात करने पर कर										
(vi) लघु वन उत्पाद के निर्यात के लिए परमिट शुल्क										
(vii) स्टाम्प शुल्क										
(viii) सामुदायिक कार्यों के लिये विशेष कर /सेवा										
(ix) स्थानीय रेट										
(x) कोई अन्य कर /उपकर तथा शुल्क  1.----- 2.----- 3.-----										
कुल										

(रूपयों में)

आय / प्राप्ति का विवरण	वर्ष					वर्ष				
	वास्तविक आय					सम्भावित आय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
2. ग्राम पंचायत की फीसों/जुर्मानों से आय										
(i) मेले में दुकानदारों से तहबाजारी										
(ii) सेवा फीस (गलियों की सफाई, प्रकाश तथा स्वच्छता के लिये)										
iii) पंचायत क्षेत्र में बेचे गये पशुओं के रजिस्ट्रीकरण के लिये फीस										
iv) जल रेट (अगर पानी की आपूर्ति ग्राम पंचायत द्वारा की जाती है)										
v) राशन कार्ड फीस										
vi) प्रमाण-पत्र (जन्म/मृत्यु) फीस										
(vii) शादी पंजीकरण फीस										
viii) विलम्ब फीस समयानुसार पंजीकरण न करवाने की स्थिति में)										
(ix) जुर्माना/ अर्थदण्ड अन्य 1.----- 2.----- 3.-----										
कुल										
3. पंचायत की गैर कर आय :										
(i) किराया										
(ii) दान										
(iii) ब्याज										
(iv) घास की नीलामी										
(v) ढीचे से आय										
(vi) खनिजों से रायल्टी										
(vii) कोई अन्य (विवरण दें ) 1.----- 2.----- 3.-----										
कुल										

आय /प्राप्ति का विवरण	वर्ष					वर्ष				
	वास्तविक आय					सम्भावित आय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
4. अनुदान :										
(i) राज्य सरकार से										
क) राज्य स्कीमों के अन्तर्गत										
ख) राज्य वित्तायोग अनुदान										
ग) अन्य										
(ii) केन्द्र सरकार से										
क) केन्द्रीय प्रायोजित स्कीमों के अन्तर्गत										
ख) केन्द्रीय वित्तायोग अनुदान										
ग) अन्य										
(iii) किसी अन्य स्रोत से (वर्णन करें)										
5. स्थानीय जिला नियोजन, विकास में जन-सहयोग, सांसद क्षेत्र स्थानीय विकास निधि योजना, विधायक क्षेत्र विकास निधि योजना, आई. आर.डी.पी./एस.जे.आर. वार्ड., ई.ए.एस.ए जे. जी.एस.वार्ड./डी.पी.ए. पी./आई.डबल्यू.डी.पी. इत्यादि स्कीमों के अन्तर्गत, वित्तीय प्राप्ति ।										
कुल (1 - 5)										



भाग (घ)--ग्राम पंचायतों के वास्तविक एवं सम्भावित व्यय सम्बन्धित सूचना

व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-03	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
1. प्रतिबद्ध दायित्वों पर व्यय :										
(i) प्रधान/उप-प्रधान को मानदेय										
(ii) चौकीदार को मानदेय/भत्ता										
(iii) बैठकों में भाग लेने वाले सदस्यों को भत्ता										
(iv) कार्यालय व्यय										
(v) सिलाई अध्यापिकाओं के मानदेय										
(vi) पंचायत सहायकों को मानदेय										
(vii) चौकीदार के लिए बर्दी										
(viii) अन्य व्यय(विवरण दें) (i)----- (ii)----- (iii)-----										
कुल योग										

2. हि.प्र. पंचायती राज अधिनियम, 1994 की धारा 11(1) के अन्तर्गत संविधिक (Statutorily) रूप से सौंपे गये कार्यों जिन्हें हिमाचल प्रदेश पंचायती राज संशोधन अधिनियम, 2001(2001 का अधिनियम संख्यांक 22) द्वारा संशोधित किया गया है, में से जिन कार्यों का कार्यभार ग्राम पंचायत द्वारा सम्भाला गया है, उन कार्यों पर हुए वास्तविक तथा सम्भावित व्यय का ब्यौरा अगले पृष्ठ पर दी गई तालिका में दें ।

(रूपयों में)

मद/व्यय विवरण	का	वर्ष					वर्ष				
		वास्तविक व्यय					सम्भावित व्यय				
		2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
		1	2	3	4	5	6		8	9	10
1. स्वच्छता, सफाई और न्यूसेन्स का निवारण और उसका उपशमन।											
2. सार्वजनिक कुओं, टैंकों और तालाबों परम्परागत पारम्परिक जल के स्रोतों का सन्निर्माण, मरम्मत और अनुरक्षण।											
3. ग्राम पथों, खचरों के लिए सड़कों, और ग्रामीण सड़कों पुलियों, पुलों, बांधों जो लोक निर्माण विभाग द्वारा निर्मित तथा पोषित न हों, का उपयोगिता के सन्निर्माण, और अनुरक्षण।											
4. सार्वजनिक मार्गों, शौचालयों, नालियों, तालाबों, कुंओं तथा अन्य सार्वजनिक स्थानों का सन्निर्माण, अनुरक्षण और इनकी सफाई।											
5. भवनों, शौचालयों, मूत्रालयों, नालियों तथा फल्श शौचालयों के सन्निर्माण का विनियमन।											
6. कचरा इकट्ठा करना और व्ययन करना कचरा क्षेपण के लिए स्थानों का पृथक रक्षण।											
7. उपयोग न लाये जाने वाले कुंओं, अखच्छ, तालाबों, खाईयों या गड्ढों को भरना और सीढ़ीदार कुंओं (बावड़ियों) को स्वच्छ कुंओं में परिवर्तित करना।											
8. ग्राम मार्गों और अन्य सार्वजनिक स्थानों पर प्रकाश की व्यवस्था करना।											

मद/व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6		8	9	10
9. सार्वजनिक मार्गों या स्थानों और उन स्थलों में, जो निजी सम्पत्ति न हों या जो सार्वजनिक उपयोग के लिए खुले हों, चाहे ऐसे स्थल पंचायत में निहित हों या राज्य सरकार के हों, बाधाओं तथा आगे निकले हुए भाग को हटाना ।										
10. सार्वजनिक भूमि का प्रबन्ध और ग्राम पंचायत में निहित या उसके नियन्त्रणाधीन ग्राम स्थल, चरागाहों तथा अन्य भूमियों का प्रबन्ध और विकास;										
11. संसद द्वारा बनाई गई विधि द्वारा या उसके अधीन राष्ट्रीय महत्व के घोषित किए गए विभिन्न प्राचीन तथा ऐतिहासिक स्मारकों का अनुरक्षण ।										
12. ग्राम पंचायत की सम्पत्ति का अनुरक्षण ।										
13. वृक्षारोपण तथा पंचायत वनों का संरक्षण ।										
14. शवों, पशु-शवों और अन्य घृणोत्पादक पदार्थों के व्ययन के लिये स्थानों का विनियमन ।										
15. लावारिस शवों और पशु शवों का व्ययन ।										
16. मांस के विक्रय तथा परीक्षण का विनियमन ।										
17. कांजी-हाउस की स्थापना और प्रबन्ध तथा पशुओं से सम्बन्धित अभिलेखों का रखा जाना ।										
18. बाजारों और मेलों की स्थापना, प्रबन्ध तथा विनियमन ।										
19. जन्म मृत्यु और विवाहों के अभिलेखों का रखा जाना ।										
कुल व्यय-2										

3. राज्य सरकार द्वारा जारी की गई अधिसूचना संख्या पी.सी.एच.-एच. (1)12/87-10406-606, दिनांक 31 जुलाई, 1996 द्वारा सौंपे गए कार्य जिन्हें प्रथम राज्य वित्तायोग ने छंटित (short listed) कर अपनी रिपोर्ट के अध्याय-XI में वर्णित किया है, में से जिन कार्यों का कार्यभार ग्राम पंचायत द्वारा सम्भाला गया है, उन कार्यों पर किए गए वास्तविक एवं सम्भावित व्यय का ब्यौरा नीचे दी गई तालिका में दें:

(रुपयों में)

मद/व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
<b>A. Agriculture Deptt.</b>										
1. Schemes, relating to soil and water conservation (subsidy portion).										
2. Biogas development (subsidy portion)										
3. Crop protection-subsidy on pesticides.										
<b>B. Animal Husbandry Department</b>										
4. Feed and Fodder Development scheme (subsidy and demonstrations).										
5. Construction and maintenance of Veterinary dispensary buildings.										
<b>C. Ayurveda and Homeopathy Department</b>										
6. Construction and maintenance of buildings of ISM dispensaries and staff quarters.										
7. Construction and maintenance of buildings attached to ISM dispensaries.										
<b>D. Education Deptt.</b>										
8.. Maintenance of Primary School buildings.										
9. Supply and distribution of material and equipment to the Middle Schools.										
10. Maintenance of High School buildings and related infrastructure.										

मद/व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
<b>E. Fisheries Deptt.</b>										
11. Renovation of existing community ponds and construction of new community ponds.										
12. Maintenance and control of community ponds.										
13. Sanction of subsidy for Govt./FFDA schemes for repair/renovation and construction of ponds.										
<b>F. Forest Department.</b>										
14. Execution of Micro plans under the "other afforestation schemes".										
15. Taking over management and responsibility of assets created under the above schemes.										
<b>G. Health and Family Welfare Department.</b>										
16. Construction and maintenance of Health sub-centre buildings and staff quarters.										
<b>H. Horticulture Deptt.</b>										
17. Organisation of campaigns, fairs, meets, exhibitions, seminars etc.										
18. Organisation of farmers training camps, study tours, seminar etc.										

मद/व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
19. Organising horticultural inputs distribution system. (other than fungicides and pesticides)										
<b>I. Irrigation and Public Health Department.</b>										
20 Routine maintenance of hand pumps.										
21. Routine maintenance of drinking water and irrigation schemes which have been executed at a cost of Rs. One lakh and below.										
22. Prevention and control of water pollution.										
<b>J. Public Works Department :</b>										
23. Identification, construction and maintenance of village paths, culverts and lanes.										
24. Construction and maintenance of small foot bridges upto 10 mtr. span on nallahs/streams on village paths.										
25. Construction and maintenance of buildings belonging to Gram Panchayats, Panchayat Samitis and Zila Parishads.										
26. Identification, construction and maintenance of Mule roads.										

मद/व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
27. Construction and maintenance of Jhullas across rivers/streams on village paths or mule paths.										
28. Maintenance and running of boats and ferries.										
<b>Rural Development Department :</b>										
29. Ownership and maintenance of community assets viz. Panchayat Ghars, Community Centres, Mahila/Yuvak Mandal Bhavans and IRDP stalls etc.										
30. Maintenance of the assets created under JRY/IJRY/ EAS/ VMJS/ MPLAD/ MLALAD/ LDP/ IRDP/SGSY/JGSY/IWDP/DPAP etc.										
31. Implementation of the State and Central Rural sanitation programmes.										
32. Implementation of National Programme of improved Chullahs.										
33. Programme implementation of IRDP, JRY, IJRY TRYSEM, DWCRA, EAS, MJS, MPLAD, MLALAD, LDP, IRDP, SGSY, JGSY/IWDP/DPAP etc.										

मद/व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
L. Social and Women Welfare Department : 34. Construction of Anganwari Centres.										
35. Publicity component of the enforcement of PCR Act.										
36. Implementation of the Schemes relating to improvement of Harijan Bastis.										
Any other (Please specify) 1. 2. 3. 4.										
व्यय (मद-3)										
कुल व्यय (मद 1 एवं 3)										

#### भाग (इ)-आय सम्बन्धित सुझाव/सम्भावनाएं

1. हि.प्र. पंचायती राज अधिनियम, 1994 की धारा 100 से 103 के अन्तर्गत ग्राम पंचायतों द्वारा उद्ग्रहित किए जाने वाले करों, फीसों और शुल्कों का विवरण दिया गया है। क्या इन करों और फीसों के अतिरिक्त भी ग्राम पंचायत अपने क्षेत्र में अन्य नए करों/फीसों को प्रस्तावित करना चाहती है जिससे ग्राम पंचायत के वित्तीय संसाधनों/आय में वृद्धि हो सके।

2. यदि हां तो इस प्रकार के करों/फीसों का विवरण प्रस्तावित दरों तथा वार्षिक सम्भावित आय सहित दें।

प्रस्तावित नए कर/फीस	दर प्रतिशत / रुपये में	संभावित आय/वर्ष				
		2012-13	13-14	14-15	15-16	16-17
1.	2.	3.	4.	5.	6.	7.
(क) कर :						
1						
2						
3						
(ख) फीस :						
1						
2						
3						
कुल आय :						



भाग (च)--ग्राम पंचायत को सौंपे गये कार्यों को निपटाने सम्बन्धी कठिनाईयां/सुझाव

1. ग्राम पंचायत को संविधिक रूप से सौंपे गए निम्नलिखित कार्यों में से जिन कार्यों का कार्यभार ग्राम पंचायत द्वारा अभी तक नहीं संभाला गया है इसके लिये प्रत्येक स्कीम के सामने उचित कारण/कारणों के अन्तर्गत सही (✓) का निशान लगाएं।

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	ग्राम पंचायत के पास इसके लिये समुचित साधन नहीं हैं	स्थानीय लोगों का सहयोग नहीं है	ग्राम पंचायत इन कार्यों का कार्यभार संभालने में असक्षम है	अन्य, विवरण दें
1.	2.	3.	4.	5.	6.
1.स्वच्छता, सफाई और न्यूसेन्स का निवारण और उसका उपशमन					
2.सार्वजनिक कुओं, तालाबों और टैंकों तथा परम्परागत पारम्परिक जल के स्रोतों का सन्निर्माण, मरम्मत और अनुरक्षण					
3.ग्राम पथों,खच्चरों के लिए सड़को और ग्रामीण सड़कों, पुलियों, पुलों और बांधों, जो लोक निर्माण विभाग द्वारा निर्मित तथा पोषित न हों, का सन्निर्माण और अनुरक्षण					
4.सार्वजनिक मार्गों, शौचालयों, नालियों, टैंकों, कुओं तथा अन्य सार्वजनिक स्थानों का सन्निर्माण अनुरक्षण और इनकी सफाई					
5.भवनों, शौचालयों, मूत्रालयों, नालियों, तथा फलश शौचालयों के सन्निर्माण का विनियमन।					
6.कचरा इकट्ठा करना और व्ययन करना तथा कचरा क्षेपण के लिए स्थानों का पृथक् रक्षण					
7.उपयोग न लाये जाने वाले कुओं, अस्वच्छ तालाबों,पोखरों, खाईयों तथा गड्ढों को भरना और सीढ़ीदार कुओं (बावड़ियों) को स्वच्छ कुओं में परिवर्तित करना					
8.ग्राम मार्गों और अन्य सार्वजनिक स्थानों पर प्रकाश की व्यवस्था करना					
9.सार्वजनिक मार्गों, या स्थानों और उन स्थलों में, जो निजी सम्पत्ति न हो या जो सार्वजनिक उपयोग के लिए खुले हों, चाहे ऐसे स्थल पंचायत में निहित हों या राज्य सरकार के हों, बाधाओं तथा आगे निकले हुए भाग को हटाना					
10.सार्वजनिक भूमि का प्रबन्ध और ग्राम पंचायत में निहित या उसके नियन्त्रणाधीन ग्राम स्थल, चरागाहों तथा अन्य भूमियों का प्रबन्ध और विकास					

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	ग्राम पंचायत के पास इसके लिये समुचित साधन नहीं हैं	स्थानीय लोगों का सहयोग नहीं है	ग्राम पंचायत इन कार्यों का कार्यभार संभालने में असक्षम है	अन्य, विवरण दें
1.	2.	3.	4.	5.	6.
11.संसद द्वारा बनाई गई विधि द्वारा या उसके अधीन राष्ट्रीय महत्व के घोषित किए गए प्राचीन तथा ऐतिहासिक स्मारकों का अनुरक्षण					
12.ग्राम पंचायत की सम्पत्ति का अनुरक्षण					
13.वृक्षारोपण तथा पंचायत वनों का संरक्षण।					
14.शर्बों, पशु-शर्बों और अन्य घृणोत्पादक पदार्थों के व्ययन के लिये स्थानों का विनियमन					
15.लावारिस शर्बों और पशु शर्बों का व्ययन					
16.मांस के विक्रय तथा परीक्षण का विनियमन					
17.कांजी-हाउस की स्थापना और प्रबन्ध तथा पशुओं से सम्बन्धित अभिलेखों का रखा जाना।					
18.बाजारों और मेलों की स्थापना प्रबन्ध तथा विनियमन और					
19.जन्म-मृत्यु और विवाहों के अभिलेखों का रखा जाना					

2. ग्राम पंचायत को राज्य सरकार द्वारा सौंपे गए निम्नलिखित कार्यों में से जिन कार्यों का कार्यभार अभी तक ग्राम पंचायत द्वारा नहीं संभाला गया है इसके लिये प्रत्येक स्कीम/कार्य के सामने उचित कारण/कारणों के अर्न्तगत सही (✓) का निशान लगाएं।

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	कार्यों के लिये प्रदान की गई धनराशि समुचित नहीं है	स्थानीय लोगों का सहयोग नहीं है	संबंधित विभागों का सहयोग नहीं है।	तकनीकी सहायता का अभाव है	अन्य, विवरण दें
	1	2	3	4	5	6
<b>A. Agriculture Deptt.</b>						
1. Schemes, relating to soil and water conservation (subsidy portion).						
2. Biogas development (subsidy portion)						
3. Crop protection-subsidy on pesticides.						

कार्यों का नाम	सैंपे गये कार्यों की जानकारी नहीं है	कार्यों के लिये प्रदान की गई धनराशि समुचित नहीं है	स्थानीय लोगों का सहयोग नहीं है	संबंधित विभागों का सहयोग नहीं है।	तकनीकी सहायता का अभाव है	अन्य, विवरण दें
	1	2	3	4	5	6
<b>B. Animal Husbandry Department</b>						
4. Feed and Fodder Development scheme (subsidy and demonstrations).						
5. Construction and maintenance of Veterinary dispensary buildings.						
<b>C. Ayurveda and Homeopathy Department</b>						
6. Construction and maintenance of buildings of ISM dispensaries and staff quarters.						
7. Construction and maintenance of buildings attached to ISM dispensaries.						
<b>D. Education Deptt.</b>						
8. Maintenance of Primary School buildings.						
9. Supply and distribution of material and equipment to the Middle Schools.						
10. Maintenance of High School buildings and related infrastructure.						
<b>E. Fisheries Deptt.</b>						
11. Renovation of existing community ponds and construction of new community ponds.						

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	कार्यों के लिये प्रदान की गई धनराशि समुचित नहीं है	स्थानीय लोगों का सहयोग नहीं है	संबंधित विभागों का सहयोग नहीं है।	तकनीकी सहायता का अभाव है	अन्य, विवरण दें
	1	2	3	4	5	6
12. Maintenance and control of community ponds.						
13. Sanction of subsidy for Govt./FFDA schemes for repair/renovation and construction of ponds.						
<b>F. Forest Department.</b> 14. Execution of Micro plans under the "other afforestation schemes".						
15. Taking over management and responsibility of assets created under the above schemes.						
<b>G. Health and Family Welfare Department.</b> 16. Construction and maintenance of Health sub-centre buildings and staff quarters.						
<b>H. Horticulture Deptt.</b> 17. Organisation of campaigns, fairs, meets, exhibitions, seminars etc.						
18. Organisation of farmers training camps, study tours, seminar etc.						
19. Organising horticultural inputs distribution system. (other than fungicides and pesticides)						

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	कार्यों के लिये प्रदान की गई धनराशि समुचित नहीं है	स्थानीय लोगों का सहयोग नहीं है	संबंधित विभागों का सहयोग नहीं है।	तकनीकी सहायता का अभाव है	अन्य, विवरण दें
	1	2	3	4	5	6
<b>I. Irrigation and Public Health Department.</b>						
20. Routine maintenance of hand pumps.						
21. Routine maintenance of drinking water and irrigation schemes which have been executed at a cost of Rs. One lakh and below.						
22. Prevention and control of water pollution.						
<b>J. Public Works Department :</b>						
23. Identification, construction and maintenance of village paths, culverts and lanes.						
24. Construction and maintenance of small foot bridges upto 10 mtr. span on nallahs/streams on village paths.						
25. Construction and maintenance of buildings belonging to Gram Panchayats, Panchayat Samitis and Zila Parishads.						
26. Identification, construction and maintenance of Mule roads.						
27. Construction and maintenance of Jhullas across rivers/streams on village paths or mule paths.						
28. Maintenance and running of boats and ferries.						

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	कार्यों के लिये प्रदान की गई धनराशि समुचित नहीं है	स्थानीय लोगों का सहयोग नहीं है	संबंधित विभागों का सहयोग नहीं है।	तकनीकी सहायता का अभाव है	अन्य, विवरण दें
	1	2	3	4	5	6
<b>K. Rural Development Department :</b>						
29. Ownership and maintenance of community assets viz. Panchayat Ghars, Community Centres, Mahila/Yuvak Mandal Bhawans and IRDP stalls etc.						
30. Maintenance of the assets created under JRY/IJRY/ EAS / VMJS/ MPLAD/ MLALAD/ LDP/ IRDP/SGSY / JGSY / IWDP /DPAP etc.						
31. Implementation of the State and Central Rural sanitation programmes.						
32. Implementation of National Programme of improved Chullahs.						
33. Programme implementation of IRDP, JRY, IJRY TRYSEM, DWCRA, EAS, MJS, MPLAD, MLALAD, LDP, IRDP, SGSY, JGSY/ IWDP /DPAP etc.						
<b>L. Social and Women Welfare Department :</b>						
34. Construction of Anganwari Centres.						
35. Publicity component of the enforcement of PCR Act.						

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	कार्यों के लिये प्रदान की गई धनराशि समुचित नहीं है	स्थानीय लोगों का सहयोग नहीं है	संबंधित विभागों का सहयोग नहीं है।	तकनीकी सहायता का अभाव है	अन्य, विवरण दें
	1	2	3	4	5	6
36. Implementation of the Schemes relating to improvement of Harijan Bastis.						
Any other (Please specify) 1. 2. 3. 4.						

1. इन कठिनाईयों के समाधान के लिये तथा राज्य सरकार द्वारा सौंपे गये कार्यों के उचित कार्यान्वयन हेतु आवश्यक सुझाव देने की कृपा करें।

(1)  
(2)  
(3)

2. क्या ग्राम पंचायत ने राज्य सरकार द्वारा सौंपे गए कार्यों के उचित कार्यान्वयन हेतु अपने स्तर पर कोई कार्य योजना तैयार की है ?

हां/नहीं

3. यदि हां, तो क्या इस कार्य योजना को अनुमोदन एवं आगामी आवश्यक कार्यवाही हेतु पंचायत समिति को भेजा गया है ?  
हां/नहीं

4. क्या ग्राम पंचायत हि.प्र. पंचायती राज अधिनियम, 1994 की धारा 11(1) के अन्तर्गत संविधिक रूप से सौंपे गये कार्यों जिन्हें हिमाचल प्रदेश पंचायती राज संशोधन अधिनियम 2001 (अधिनियम संख्यांक 22) द्वारा संशोधित किया गया है एवं हि.प्र. पंचायती राज विभाग की अधिसूचना संख्या पी.सी.एच. -एच.सी. (1)12/87-10406-606 दिनांक 31 जुलाई, 1997 की अधिसूचना द्वारा सौंपे कार्यों के अलावा कोई अन्य कार्य निपटाने में अपने को सक्षम समझती है ?

हां/नहीं

5. यदि हां, तो कृपया विवरण संलग्न करें।

## पंचायत समिति के वर्तमान वित्तीय साधन व अन्य आंकड़े

### भाग (क)- सामान्य सूचना

- 1 पंचायत समिति का नाम.....
- 2 जिला.....
- 3 पंचायत समिति के क्षेत्र में पड़ने वाली ग्राम पंचायतों की संख्या:.....
- 4 पंचायत समिति के आधारभूत आंकड़े:-
 

				वर्ग किलोमीटर
		पुरुष	महिला	कुल
(1) पंचायत समिति का क्षेत्रफल.....				
(2) पंचायत समिति की जनसंख्या:				
क	2001	.....	.....	.....
ख	2011	.....	.....	.....
- (3) दिसम्बर 2011 में पंचायत समिति में कुल वार्डों की संख्या .....
- 5 2011 की जनगणना के अनुसार पंचायत समिति क्षेत्र में कुल परिवारों की संख्या: .....
- 6 पंचायत समिति की अपनी सम्पत्ति का विवरण:
 

क	पंचायत समिति के स्वामित्व में कुल भूमि	..... हैक्टेयर
ख	कुल भूमि में से:	
1	बागीचा	..... हैक्टेयर
2	घासनी	..... हैक्टेयर
3	कृषि योग्य भूमि	..... हैक्टेयर
4	अन्य विवरण दें	
	1	..... हैक्टेयर
	2	..... हैक्टेयर
ग	पंचायत समिति के स्वामित्व में अन्य स्थाई सम्पत्ति:	
1	कार्यालय भवन	
	i) संख्या	.....
	ii) क्षेत्रफल	..... वर्ग मी०
2	दुकानें	
	i) संख्या	.....
	ii) क्षेत्रफल	..... वर्ग मी०
3	कोई अन्य सम्पत्ति जैसे सराय इत्यादि, विवरण दें:	
	i) संख्या	.....
	ii) क्षेत्रफल	..... वर्ग मी०



- 7 पंचायत समिति के क्षेत्र में कोई महत्वपूर्ण तीर्थ .....  
स्थल हो, तो उसका विवरण दें। .....
- 8 पंचायत समिति में यदि हर वर्ष कोई महत्वपूर्ण .....  
मेला लगता हो, तो उसका विवरण दें। .....

### भाग (ख)-वित्तीय साधन व व्यय सम्बन्धी सूचना

- 1 पंचायत समिति द्वारा बैंक या डाकघर में  
जमा राशि (रुपये) 31 मार्च, 2012 तक
- 2 पंचायत समिति की विभिन्न साधनों से  
वास्तविक/ सम्भावित आय का विवरण:

(रुपयों में)

मद/आय/ प्राप्ति का विवरण	वर्ष					वर्ष				
	वास्तविक आय					सम्भावित आय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
1. पंचायत समिति की गैर-कर आय										
1 किराया										
2. धन										
3 ब्याज										
4 घास की नीलामी										
5 बागीचे से आय										
6 कोई अन्य										
कुल गैर-कर आय										
2. अनुदान: (केन्द्रीय एवं राज्य वित्तायोग के अतिरिक्त)										
1. राज्य सरकार से										
क) राज्य स्कीमों के अन्तर्गत										
ख) राज्य वित्तायोग अनुदान										
ग) अन्य										
2. केन्द्र सरकार से										
क) केन्द्रीय प्रायोजित स्कीमों के अन्तर्गत										
ख) केन्द्रीय वित्तायोग अनुदान										
ग) अन्य										

3. किसी अन्य स्रोत से (वर्णन करें)										
4. स्थानीय जिला नियोजन, विकास में ज्ज सहयोग, स्थानीय क्षेत्र विधायक निधि योजना/सांसद, क्षेत्र विकास निधि योजना डी.पी.ए.पी./आई.डब्ल्यू डी.पी./एस.जे.आर. वाई/इ.ए.एस./जे.जी. एस.वाई/ आई.आर.डी. पी./इत्यादि स्कीमों के अन्तर्गत वित्तीय प्राप्ति।										
कुल प्राप्तियां (1 से 4)										

3. पंचायत समिति के वास्तविक व्यय एवं सम्भावित व्यय का विवरण:-

(रूपयों में)

व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
1. प्रतिवृद्ध दायित्वों पर व्यय:										
1. अध्यक्ष / उपाध्यक्ष को मानदेय/ भत्ता										
2. बैठक में भाग लेने वाले सदस्यों को भत्ता										
3. कार्यालय व्यय										
4. कनिष्ठ अभियन्ता का मानदेय										
5. कनिष्ठ लेखाकार का मानदेय										
6. अन्य व्यय विवरण दें)										
योग (1 से 6)										

2. पंचायत समिति को हिमाचल प्रदेश पंचायती राज अधिनियम, 1994 की धारा (81) के अन्तर्गत संविधिक रूप से सौंपे गए कार्यों में से जिन कार्यों का कार्यभार पंचायत समिति द्वारा सम्भाला गया है, उन कार्यों पर किए गए वास्तविक एवं सम्भावित व्यय का ब्यौरा अगले पृष्ठ पर दी गई तालिका में दें ।

व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
पंचायत समिति के कृत्य (धारा 81 के अन्तर्गत)										
क एकीकृत ग्रामीण विकास, कृषि, सामाजिक वानिकी, पशुपालन और मछली पालन, स्वास्थ्य और स्वच्छता, प्रौढ़ शिक्षा, संचार और निर्माण, सहकारिता, कुटीर उपोग, महिला, युवा और शिशु कल्याण, अशक्त और निराश्रितों का कल्याण, पिछड़े वर्गों का कल्याण, परिवार नियोजन और खेलकूद और ग्रामीण नियोजन प्रोग्राम;										
ख) अग्नि, बाढ़, सूखा, भूकम्प, दुर्भिक्ष, टिड्डीदल, महामारी और अन्य प्राकृतिक विपत्तियों द्वारा जनित कष्टों की दशा में आपात राहत की व्यवस्था;										
ग स्थानीय तीर्थ यात्राओं और त्यौहारों से सम्बन्धित इन्तजाम;										
घ सार्वजनिक नौपाटों का प्रवर्ध;										
ङ सार्वजनिक मण्डियों, मेलों और प्रदर्शनियों का प्रवर्ध; और										
च राज्य सरकार व जिला परिषद के अनुमोदन से कोई अन्य कृत्य।										
कुल योग-2										

3. पंचायत समिति को राज्य सरकार द्वारा अधिसूचना सं० पी० सी०एच०-एच०सी०/१/१२/८७-१०४०६-६०६ दिनांक ३१.७.१९९७ के माध्यम से सौंपे गए कार्यों जिन्हें हि० प्र० प्रथम वित्तायोग की रिपोर्ट के अध्याय-IX में छंटित (short listed) किया गया है, में से जिन कार्यों का कार्यभार पंचायत समिति द्वारा सम्भाला गया है, उन कार्यों पर किए गए वास्तविक एवं सम्भावित व्यय का ब्यौरा नीचे दी गई तालिका में दें :

(रुपयों में)

मद/व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	२००७-०८	०८-०९	०९-१०	१०-११	११-१२	२०१२-१३	१३-१४	१४-१५	१५-१६	१६-१७
	१	२	३	४	५	६	७	८	९	१०
<b>A. Agriculture Deptt.</b>										
1. Schemes, relating to soil and water conservation (subsidy portion).										
2. Biogas development (subsidy portion)										
3. Crop protection-subsidy on pesticides.										
<b>B. Animal Husbandry Department</b>										
4. Feed and Fodder Development scheme (subsidy and demonstrations).										
5. Construction and maintenance of Veterinary dispensary buildings.										
<b>C. Ayurveda and Homeopathy Department</b>										
6. Construction and maintenance of buildings of ISM dispensaries and staff quarters.										
7. Construction and maintenance of buildings attached to ISM dispensaries.										
<b>D. Education Deptt.</b>										
8. Maintenance of Primary School buildings.										
9. Supply and distribution of material and equipment to the Middle Schools.										
10. Maintenance of High School buildings and related infrastructure.										
<b>E. Fisheries Deptt.</b>										
11. Renovation of existing community ponds and construction of new community ponds.										

गठ/व्यय का विवरण	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
12. Maintenance and control of community ponds.										
13. Sanction of subsidy for Govt/FFDA schemes for repair/renovation and construction of ponds.										
<b>F. Forest Department.</b>										
14. Execution of Micro plans under the "other afforestation schemes".										
15. Taking over management and responsibility of assets created under the above schemes.										
<b>G. Health and Family Welfare Department.</b>										
16. Construction and maintenance of Health sub-centre buildings and staff quarters.										
<b>H. Horticulture Deptt.</b>										
17. Organisation of campaigns, fairs, meets, exhibitions, seminars etc.										
17. Organisation of farmers training camps, study tours, seminar etc.										
18. Organising horticultural inputs distribution system. (other than fungicides and pesticides)										
<b>I. Irrigation and Public Health Department.</b>										
19. Routine maintenance of hand pumps.										
20. Routine maintenance of drinking water and irrigation schemes which have been executed at a cost of Rs. One lakh and below.										
21. Prevention and control of water pollution.										
<b>J. Public Works Department :</b>										
23. Identification, construction and maintenance of village paths, culverts and lanes.										
24. Construction and maintenance of small foot bridges upto 10 mtr. span on nallahs/streams on village paths.										
25. Construction and maintenance of buildings belonging to Gram Panchayats, Panchayat Samitis and Zila Parishads.										
26. Identification, construction and maintenance of Mule roads.										
27. Construction and maintenance of Jhullas across rivers/streams on village paths or mule paths.										

[illegible]

## भाग (ग)-वित्तीय संसाधनों का अनुमान

1. क्या पंचायत समिति द्वारा वर्तमान

हां/ नहीं

स्थिति में भाग ख में कम संख्या 2  
पर वर्णित आय के साधनों के अतिरिक्त  
किसी अन्य साधन से आय प्राप्त करना  
चाहती है ?

2. यदि हां, तो इस प्रकार के साधनों का  
विवरण वार्षिक आय एवं सम्भावित आय  
सहित दें।

(रुपयों में)

प्रस्तावित आय के साधनों का ब्यौरा	प्रस्तावित दर	सम्भावित आय/ वर्ष				
		2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6	7
1.						
2.						
2.						
3.						
4.						
5.						
कुल आय						

भाग (घ)-पंचायत समिति को सौंपे गये कार्यों को निपटाने सम्बन्धी कठिनाईयां/सुझाव

- पंचायत समिति को हिमाचल प्रदेश पंचायती राज अधिनियम 1994 की धारा 81 के अन्तर्गत  
संवैधिक रूप से सौंपे गए कार्यों में से जिन कार्यों का कार्यभार पंचायत समिति द्वारा अभी  
तक नहीं सम्भाला गया है इसके लिए नीचे दिए गए कारणों में से उचित कारण/कारणों के अन्तर्गत  
सही (✓) का निशान लगाएं।

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है।	पंचायत समिति के पास इनके लिए समुचित संसाधन नहीं है।	स्थानीय लोगों का सहयोग नहीं है।	पंचायत समिति इन कार्यों का कार्य-भार सम्भालने में सक्षम नहीं है।	अन्य, विवरण दें
1	2	3	4	5	6
क एकीकृत ग्रामीण विकास, कृषि, सामाजिक वानिकी, पशुपालन और मछली पालन, स्वास्थ्य और स्वच्छता, प्रौढ़ शिक्षा, संचार और लोक निर्माण, सहकारिता, कुटीर उद्योग, महिला, युवा और शिशु कल्याण, अशक्त और निराश्रितों का कल्याण, पिछड़े वर्गों का कल्याण, परिवार नियोजन और खेलकूद और ग्रामीण नियोजन प्रोग्राम					
ख) अग्नि, बाढ़, सूखा, भूकम्प, दुर्भिक्ष, टिड्डीदल, महामारी और अन्य प्राकृतिक विपत्तियों द्वारा जनित कष्टों की दशा में आपात राहत की व्यवस्था;					
ग स्थानीय तीर्थ यात्राओं और त्यौहारों से सम्बन्धित इन्तजाम;					
घ सार्वजनिक नौघाटों का प्रबन्ध;					
ड सार्वजनिक मण्डियों, मेलों और प्रदर्शनियों का प्रबन्ध; और					
च राज्य सरकार व जिला परिषद के अनुमोदन से कोई अन्य कृत्य।					



2. पंचायत समिति को सरकार द्वारा सौंपे गये कार्यों में से जिन कार्यों का कार्यभार अभी तक पंचायत समिति द्वारा नहीं सम्भाला गया है, इसके लिए नीचे दिए गए कारणों में से उचित कारण/कारणों के अन्तर्गत सही (✓) का निशान लगाएं ।

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है।	पंचायत समिति के पास इनके लिए समुचित संसाधन नहीं है।	स्थानीय लोगों का सहयोग नहीं है।	पंचायत समिति इन कार्यों का कार्य-भार सम्भालने में सक्षम नहीं है।	अन्य, विवरण दें
1	2	3	4	5	6
<b>A. Agriculture Deptt.</b>					
1. Schemes, relating to soil and water conservation (subsidy portion).					
2. Biogas development (subsidy portion)					
3. Crop protection-subsidy on pesticides.					
<b>B. Animal Husbandry Department</b>					
4. Feed and Fodder Development scheme (subsidy and demonstrations).					
5. Construction and maintenance of Veterinary dispensary buildings.					
<b>C. Ayurveda and Homeopathy Department</b>					
6. Construction and maintenance of buildings of ISM dispensaries and staff quarters.					
7. Construction and maintenance of buildings attached to ISM dispensaries.					
<b>D. Education Deptt.</b>					
8. Maintenance of Primary School buildings.					
9. Supply and distribution of material and equipment to the Middle Schools.					

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है।	पंचायत समिति के पास इनके लिए समुचित संसाधन नहीं है।	स्थानीय लोगों का सहयोग नहीं है।	पंचायत समिति इन कार्यों का कार्य-भार सम्भालने में सक्षम नहीं है।	अन्य, विवरण दें
1	2	3	4	5	6
10. Maintenance of High School buildings and related infrastructure.					
<b>E. Fisheries Deptt.</b>					
11. Renovation of existing community ponds and construction of new community ponds.					
12. Maintenance and control of community ponds.					
13. Sanction of subsidy for Govt./FFDA schemes for repair/renovation and construction of ponds.					
<b>F. Forest Department.</b>					
14. Execution of Micro plans under the "other afforestation schemes".					
15. Taking over management and responsibility of assets created under the above schemes.					
<b>G. Health and Family Welfare Department.</b>					
16. Construction and maintenance of Health sub-centre buildings and staff quarters.					
<b>H. Horticulture Deptt.</b>					
17. Organisation of campaigns, fairs, meets, exhibitions, seminars etc.					
18. Organisation of farmers training camps, study tours, seminar etc.					

कार्यों का नाम	खोपे गये कार्यों की जानकारी नहीं है।	पंचायत समिति के पास इनके लिए समुचित संसाधन नहीं है।	स्थानीय लोगों का सहयोग नहीं है।	पंचायत समिति इन कार्यों का कार्य-भार सम्भालने में सक्षम नहीं है।	अन्य, विवरण दें
1	2	3	4	5	6
19. Organising horticultural inputs distribution system. (other than fungicides and pesticides)					
<b>I. Irrigation and Public Health Department.</b>					
Routine maintenance of hand pumps.					
20. Routine maintenance of drinking water and irrigation schemes which have been executed at a cost of Rs. One lakh and below.					
21. Prevention and control of water pollution.					
<b>J. Public Works Department :</b>					
22. Identification, construction and maintenance of village paths, culverts and lanes.					
24. Construction and maintenance of small foot bridges upto 10 mtr. span on nallahs/streams on village paths.					
25. Construction and maintenance of buildings belonging to Gram Panchayats, Panchayat Samitis and Zila Parishads.					
26. Identification, construction and maintenance of Mule roads.					

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है।	पंचायत समिति के पास इनके लिए समुचित संसाधन नहीं है।	स्थानीय लोगों का सहयोग नहीं है।	पंचायत समिति इन कार्यों का कार्य-भार सम्भालने में सक्षम नहीं है।	अन्य, विवरण दें
1	2	3	4	5	6
27. Construction and maintenance of Jhullas across rivers/streams on village paths or mule paths.					
28. Maintenance and running of boats and ferries.					
<b>K. Rural Development Department :</b>					
29. Ownership and maintenance of community assets viz. Panchayat Ghars, Community Centres, Mahila/Yuvak Mandal Bhawans and IRDP stalls etc.					
30. Maintenance of the assets created under JRY/IJRY/ EAS/VMJS/ MPLAD/MLALAD/ LDP/ IRDP /SGSY /JGSY/ IWDP /DPAP etc.					
31. Implementation of the State and Central Rural sanitation programmes.					
32. Implementation of National Programme of improved Chullahs.					
33. Programme implementation of IRDP, JRY, IJRY TRYSEM,DWCRA, EAS,MJS, MPLAD, LALAD, LDP, IRDP, SGSY, JGSY/ IWDP / DPAP etc.					

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है।	पंचायत समिति के पास इनके लिए समुचित संसाधन नहीं है।	स्थानीय लोगों का सहयोग नहीं है।	पंचायत समिति इन कार्यों का कार्य-भार सम्भालने में सक्षम नहीं है।	अन्य, विवरण दें
1	2	3	4	5	6
L. Social and Women Welfare Department :					
34. Construction of Anganwari Centres.					
35. Publicity component of the enforcement of PCR Act.					
36. Implementation of the Schemes relating to improvement of Harijan Bastis.					
Any other (Please specify)					
1.					
2.					
3.					
4.					

3. क्या पंचायत समिति को अपने कार्य क्षेत्र में पड़ने वाली ग्राम पंचायतों से राज्य सरकार द्वारा सौंपे गये कार्यों के अन्तर्गत, कार्य योजनाएं प्राप्त हो रही हैं ? हाँ/नहीं
4. यदि हां, तो क्या पंचायत समिति द्वारा ग्राम पंचायतों से प्राप्त योजनाओं को समेकित करके जिला परिषद को भेजा गया है ? हाँ/नहीं
5. यदि नहीं, तो कारण बताएं ।
6. राज्य सरकार की विकेन्द्रीकरण सम्बन्धी नीति के सुदृढीकरण करने के लिए आवश्यक सुझाव भी दें ।

**ज़िला परिषद के वर्तमान वित्तीय साधन व अन्य आंकड़े**  
**भाग (क)--सामान्य सूचना**

1. ज़िला परिषद का नाम -----
2. ज़िला-----
3. ज़िला परिषद के अन्तर्गत पड़ने वाली पंचायत समितियों की संख्या-----
4. ज़िला परिषद के कुछ आधारभूत आंकड़े :-
  - (i) ज़िला परिषद का क्षेत्रफल -----वर्ग किलोमीटर
  - (ii) ज़िला परिषद की जनसंख्या:
 

	पुरुष	महिलाएं	कुल
(क) 2001	-----	-----	-----
(ख) 2011	-----	-----	-----
  - (iii) दिसम्बर 2011 में ज़िला परिषद में कुल वार्डों की संख्या-----
5. ज़िला परिषद की अपनी सम्पति का विवरण :
  - (क) ज़िला परिषद के स्वामित्व में कुल भूमि -----हैक्टेयर
  - (ख) कुल भूमि में से :
    1. बगीचा ----- हैक्टेयर
    2. घासनी ----- हैक्टेयर
    3. कृषि योग्य भूमि ----- हैक्टेयर
    4. अन्य (विवरण दें) ----- हैक्टेयर
  - (ग) ज़िला परिषद के स्वामित्व में अन्य स्थाई सम्पति :
    - (i) कार्यालय भवन
      - (अ) क्षेत्रफल -----वर्गमीटर
      - (ब) संख्या -----
    - (ii) कोई अन्य स्थाई सम्पति जैसे दुकानें, सराय इत्यादि विवरण दें ।
      - (अ) क्षेत्रफल -----वर्गमीटर
      - (ब) संख्या -----
  - (6) ज़िला परिषद में कोई महत्वपूर्ण तीर्थ स्थल हो, तो उसका विवरण दें । -----
  - (7) ज़िला परिषद में यदि हर वर्ष महत्वपूर्ण मेला लगता हो, तो उसका विवरण दें । -----

भाग (ख) वित्तीय साधन व व्यय सम्बन्धी सूचना

1. जिला परिषद के वित्तीय एवं सम्भावित आय सम्बन्धी सूचना

1. जिला परिषद द्वारा बैंक या डाकघर में जमा राशि (रुपये) 31 मार्च 2012 तक

2. जिला परिषद को विभिन्न साधनों से आय का विवरण :

(रुपयों में)

जिला परिषद का व्यय	वर्ष					वर्ष				
	वास्तविक आय					सम्भावित आय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
1. जिला परिषद की गैर कर आय :										
1. किराया										
2. धन										
3. ब्याज										
4. अन्य आय मदवार विवरण दें										
1.										
2.										
3.										
कुल गैर कर आय										
2. अनुदान										
1. राज्य सरकार से :										
(क) राज्य स्कीमों के अन्तर्गत ।										
(ख) राज्य वित्तायोग अनुदान										
(ग) अन्य										
2. केन्द्र सरकार से										
क) केन्द्रीय प्रायोजित स्कीमों के अन्तर्गत										
(ख) केन्द्रीय वित्तायोग अनुदान										
(ग) अन्य										
3. किसी अन्य स्रोत से										
कुल अनुदान										
3. स्थानीय जिला नियोजन, विकास में जन-सहयोग, सांसद क्षेत्र स्थानीय विकास निधि योजना, विधायक क्षेत्र विकास निधि योजना, आई.आर.डी.पी., एस.जे. आर.वाई., ई.ए.एस., जे.जी.एस.वाई., डी.पी.ए.पी., आई.डब्ल्यू.डी.पी. इत्यादि स्कीमों के अन्तर्गत वित्तीय प्राप्ति ।										
कुल प्राप्तियां (1 से 3 )										

2. जिला परिषद के वास्तविक एवं सम्भावित व्यय का विवरण :

(रूपयों में)

जिला परिषद का व्यय	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
1. प्रतिबद्ध दायित्वों पर व्यय :										
1. अध्यक्ष/उपाध्यक्ष को मानदेय/भत्ता										
2. बैठक में भाग लेने वाले सदस्यों को भत्ता										
3. कार्यालय व्यय										
4. सहायक अभियन्ता का मानदेय ।										
5. निजी सहायक को मानदेय										
6. अन्य व्यय (विवरण दें)										
योग 1 से 6										

2. जिला परिषद को हि.प्र. पंचायती राज अधिनियम, 1994 की धारा 92 के अन्तर्गत सौंपे गए कार्यों पर व्यय- स्कीम-वार ब्यौरा नीचे दी गई तालिका में दें।

जिला परिषद का व्यय	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
1. जिले में पंचायत समितियों और ग्राम पंचायतों का नियन्त्रण समन्वय और मार्गदर्शन करना,										
2. पंचायत समिति योजनाओं का समन्वय और संगठन करना;										
3. विशेष प्रयोजनों के लिए पंचायत समितियों से प्राप्त अनुदान मांगों का समन्वय करना और उन्हें राज्य सरकार को प्रेषित करना;										
4. जिले में दो या उससे अधिक पंचायत समितियों के क्षेत्र में पड़ने वाली सांझी योजनाओं, परियोजनाओं, स्कीमों या अन्य संकर्मों के निष्पादन को सुनिश्चित करना;										
5. राज्य सरकार को विकास क्रियाकलापों, सामाजिक वानिकी, परिवार कल्याण असमर्थ निराश्रितों, महिला, युवा तथा शिशु कल्याण और खेलकूद के बारे में परामर्श देना;										
6. ऐसी अन्य शक्तियों और कृत्यों का प्रयोग और पालन करना जो राज्य सरकार इसे प्रदत्त करे या सौंपे;										
7. दो या अधिक समीपस्थ, जिलों की जिला परिषदें संयुक्त रूप से ऐसे निबन्धों और शर्तों के अधीन जो आपस में करार पाई जाएं, विकास स्कीमों का जिम्मा ले सकेगी और कार्यान्वयन कर सकेगी ।										
कुल योग:										



3. जिला परिषद को राज्य सरकार द्वारा जारी अधिसूचना सं. पी.एच.-एस. सी.(1)/12/87-10405-606 दिनांक 31-7-97 के माध्यम से सौंपे गए कार्यों व जिन्हें प्रथम हि.प्र. वित्तायोग की रिपोर्ट के अध्याय-XI में छंटित (shortlisted) किया गया है, पर व्यय-स्कीम-वार ब्यौरा नीचे दी गई तालिका में दें ।

जिला परिषद का व्यय	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
<b>A. Agriculture Deptt:</b> 1. Schemes relating to soil and water conservation (subsidy portion) 2. Biogas development (subsidy portion) 3. Crop protection- subsidy on pesticides.										
<b>B. Animal Husbandry Department :</b> 4. Feed and Fodder Development scheme (subsidies and demonstrations). 5. Construction and maintenance of Veterinary dispensary buildings.										
<b>C. Ayurveda and Homeopathy Department</b> 6. Construction and maintenance of buildings of ISM dispensaries and staff quarters. 7. Construction and maintenance of buildings attached to ISM dispensaries.										
<b>D. Education Deptt.</b> 8. Maintenance of Primary School buildings. 9. Supply and distribution of material and equipment to the Middle Schools. 10. Maintenance of High School buildings and related infrastructure.										
<b>E. Fisheries Deptt.</b> 11. Renovation of existing community ponds and construction of new community ponds. 12. Maintenance and control of community ponds. 13. Sanction of subsidy for Govt./FFDA schemes for repair/renovation and construction of ponds.										
<b>F. Forest Department.</b> 11. Execution of Micro plans under the "other afforestation schemes". 12. Taking over management and responsibility of assets created under the above schemes.										
<b>G. Health and Family Welfare Department.</b> 16. Construction and maintenance of Health sub-centre buildings and staff quarters.										

ज़िला परिषद का व्यय	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
<b>H. Horticulture Deptt.</b> 17. Organisation of campaigns, fairs, meets, exhibitions, seminars etc. 18. Organisation of farmers training camps, study tours, seminar etc. 19. Organising horticultural inputs distribution system. (other than fungicides and pesticides)										
<b>I. Irrigation and Public Health Department.</b> 20. Routine maintenance of hand pumps. 21. Routine maintenance of drinking water and irrigation schemes which have been executed at a cost of Rs. One lakh and below. 22. Prevention and control of water pollution.										
<b>J. Public Works Department :</b> 23. Identification, construction and maintenance of village paths, culverts and lanes. 24. Construction and maintenance of small foot bridges upto 10 mtr. span on nallahs/streams on village paths. 25. Construction and maintenance of buildings belonging to Gram Panchayats, Panchayat Samitis and Zila Parishads. 26. Identification, construction and maintenance of Mule roads. 27. Construction and maintenance of Jhullas across rivers/streams on village paths or mule paths. 28. Maintenance and running of boats and ferries.										
<b>K. Rural Development Department :</b> 29. Ownership and maintenance of community assets viz, Panchayat Ghars, Community Centres, Mahila/Yuvak Mandal Bhawans and IRDP stalls etc. 30. Maintenance of the assets created under JRY/ IJRY/ EAS/ VMJS/ MPLAD/ MLALAD LDP /IRDP /SGSY/ JGSY/IWDP/DPAP etc. 31. Implementation of the State and Central Rural sanitation programmes. 32. Implementation of National programme of improved Chullahs. 33. Programme implementation of IRDP/JRY/IJRY/TRYSEM/ DWCRA/EAS/VMJS/MPLAD/ LDP/IRDP/SGSY/JGSY/IWDP/ DPAP etc.										

ज़िला परिषद का व्यय	वर्ष					वर्ष				
	वास्तविक व्यय					सम्भावित व्यय				
	2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
	1	2	3	4	5	6	7	8	9	10
L. Social and Women Welfare Department: 34. Construction of Anganwari Centres. 35. Publicity component of the enforcement of PCR Act. 36. Implementation of the schemes relating to improvement of Harijan Bastis.										
Any other please specify 1. 2. 3.										
कुल व्यय (4)										
4. रख-रखाव संबंधी व्यय।										
5. अन्य व्यय (विवरण दें)										
कुल व्यय (1 से 5)										

भाग-(ग) जिला परिषद को सौंपे गए कार्यों के कार्यान्वयन सम्बन्धी कठिनाईयां एवं सुझाव

1. जिला परिषद को हि.प्र. पंचायती राज अधिनियम, 1994 के नियम (92) के अन्तर्गत संविधिक रूप से सौंपे गए कार्यों में से जिन कार्यों का कार्यभार जिला परिषद द्वारा अभी तक नहीं संभाला गया है, इसके लिए नीचे दिए गए कारणों में से उचित कारण/कारणों के अन्तर्गत सही (✓) का निशान लगाएं।

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	जिला परिषद के पास इसके लिये समुचित साधन नहीं हैं	स्थानीय लोगों का सहयोग नहीं है	जिला परिषद इन कार्यों का कार्यभार संभालने में असक्षम है	अन्य, विवरण दें
1.	2.	3.	4.	5.	6.
1. जिले में पंचायत समितियों और ग्राम पंचायतों का नियंत्रण, समन्वय और मार्गदर्शन करना।					
2. पंचायत समिति योजनाओं का समन्वय और संगठन करना;					
3. विशेष प्रयोजनों के लिए पंचायत समितियों से प्राप्त अनुदान मांगों का समन्वय करना और उन्हें राज्य सरकार को प्रेषित करना।					
4. जिले में दो या उससे अधिक पंचायत समितियों के क्षेत्र में पड़ने वाली सांझी योजनाओं, परियोजनाओं, स्कीमों या अन्य संकर्मों के निष्पादन को					

सुनिश्चित करना;					
5. राज्य सरकार को विकास क्रियाकलापों, सामाजिक वानिकी, परिवार कल्याण, असमर्थ निराश्रितों, महिला और युवा तथा शिशु कल्याण और खेलकूद के बारे में परामर्श देना;					
6. ऐसी अन्य शक्तियों और कृत्यों का प्रयोग और पालन करना जो राज्य सरकार इसे प्रदत्त करे या सौंपे;					
7. दो या अधिक समीपस्थ ? जिलों की जिला परिषदें संयुक्त रूप से ऐसे निबन्धनों और शर्तों के अधीन जो आपस में करार पाई जाएं, विकास स्कीमों का जिम्मा ले सकेंगी और कार्यान्वयन कर सकेंगी ।					

2. जिला परिषद को राज्य सरकार द्वारा जारी की गई अधिसूचना संख्या पी.सी.एच.-एच.ए.(1) 12/87-10405-606, दिनांक 31 जुलाई, 1997 के माध्यम से सौंपे गए कार्य, जिन्हें प्रथम राज्य वित्तायोग ने अपनी रिपोर्ट के अध्याय-XI में छंटित (shortlisted) किया है, में से जिन कार्यों का कार्यभार अभी तक जिला परिषद द्वारा नहीं संभाला गया है, इसके लिए नीचे दिए गए कारणों में से उचित कारण/कारणों के अन्तर्गत सही (✓) का निशान लगाएं ।

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	जिला परिषद के पास इसके लिये समुचित साधन नहीं हैं	स्थानीय लोगों का सहयोग नहीं है	जिला परिषद इन कार्यों का कार्यभार संभालने में असक्षम है	तकनीकी सहायता का अभाव है	अन्य, विवरण दें
	1	2	3	4	5	6
<b>A. Agriculture Deptt.</b>						
1. Schemes, relating to soil and water conservation (subsidy portion).						
2. Biogas development (subsidy portion)						
3. Crop protection-subsidy on pesticides.						
<b>B. Animal Husbandry Department</b>						
4. Feed and Fodder Development scheme (subsidy and demonstrations).						

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	ज़िला परिषद के पास इसके लिये समुचित साधन नहीं हैं	स्थानीय लोगों का सहयोग नहीं है	ज़िला परिषद इन कार्यों का कार्यभार संभालने में असक्षम है	तकनीकी सहायता का अभाव है	अन्य, विवरण दें
	1	2	3	4	5	6
5. Construction and maintenance of Veterinary dispensary buildings.						
<b>C. Ayurveda and Homeopathy Department</b>						
6. Construction and maintenance of buildings of ISM dispensaries and staff quarters.						
7 Construction and maintenance of buildings attached to ISM dispensaries.						
<b>D. Education Deptt.</b>						
8.. Maintenance of Primary School buildings.						
9. Supply and distribution of material and equipment to the Middle Schools.						
10. Maintenance of High School buildings and related infrastructure.						
<b>E. Fisheries Deptt.</b>						
11. Renovation of existing community ponds and construction of new community ponds.						
12. Maintenance and control of community ponds.						
13. Sanction of subsidy for Govt./FFDA schemes for repair/renovation and construction of ponds.						
<b>F. Forest Department.</b>						
14. Execution of Micro plans under the "other afforestation schemes".						
15. Taking over management and responsibility of assets created under the above schemes.						
<b>G. Health and Family Welfare Department.</b>						
16. Construction and maintenance of Health sub-centre buildings and staff quarters.						

कार्यो का नाम	सौंपे गये कार्यो की जानकारी नहीं है	ज़िला परिषद के पास इसके लिये समुचित साधन नहीं हैं	स्थानीय लोगों का सहयोग नहीं है	ज़िला परिषद इन कार्यो का कार्यभार संभालने में असक्षम है	तकनीकी सहायता का अभाव है	अन्य, विवरण दे
	1	2	3	4	5	6
<b>H. Horticulture Deptt.</b>						
17. Organisation of campaigns, fairs, meets, exhibitions, seminars etc.						
18. Organisation of farmers training camps, study tours, seminar etc.						
19. Organising horticultural inputs distribution system. (other than fungicides and pesticides)						
<b>I. Irrigation and Public Health Department.</b>						
20. Routine maintenance of hand pumps.						
21. Routine maintenance of drinking water and irrigation schemes which have been executed at a cost of Rs. One lakh and below.						
22. Prevention and control of water pollution.						
<b>J. Public Works Department :</b>						
23. Identification, construction and maintenance of village paths, culverts and lanes.						
24. Construction and maintenance of small foot bridges upto 10 mtr. span on nullahs/streams on village paths.						
25. Construction and maintenance of buildings belonging to Gram Panchayats, Panchayat Samitis and Zila Parishads.						
26. Identification, construction and maintenance of Mule roads.						

कार्यों का नाम	सौंपे गये कार्यों की जानकारी नहीं है	ज़िला परिषद के पास इसके लिये समुचित साधन नहीं हैं	स्थानीय लोगों का सहयोग नहीं है	ज़िला परिषद इन कार्यों का कार्यभार संभालने में असक्षम है	तकनीकी सहायता का अभाव है	अन्य, विवरण दें
	1	2	3	4	5	6
27. Construction and maintenance of Jhullas across rivers/streams on village paths or mule paths.						
28. Maintenance and running of boats and ferries.						
<b>K. Rural Development Department :</b>						
29. Ownership and maintenance of community assets viz. Panchayat Ghars, Community Centres, Mahila/Yuvak Mandal Bhawans and IRDP stalls etc.						
30. Maintenance of the assets created under JRY/IJRY/ EAS/VMJS/ MPLAD/MLALAD/ LDP/ IRDP /SGSY /JGSY/ IWDP /DPAP etc.						
31. Implementation of the State and Central Rural sanitation programmes.						
32. Implementation of National Programme of improved Chullahs.						
33. Programme implementation of IRDP, JRY, IJRY TRYSEM, DWCRA, EAS, MJS, MPLAD, MLALAD, LDP, IRDP, SGSY, JGSY/ IWDP / DPAP etc.						

कार्य का नाम	सौंपे गये कार्यों की जानकारी नहीं है	जिला परिषद के पास इसके लिये समुचित साधन नहीं हैं	स्थानीय लोगों का सहयोग नहीं है	जिला परिषद इन कार्यों का कार्यभार संभालने में असक्षम है	तकनीकी सहायता का अभाव है	अन्य, विवरण दें
	1	2	3	4	5	6
L. Social and Women Welfare Department :						
34. Construction of Anganwari Centres.						
35. Publicity component of the enforcement of PCR Act.						
36. Implementation of the Schemes relating to improvement of Harijan Bastis.						
Any other (Please specify) 1. 2. 3. 4.						

3. क्या जिला परिषद को अपने कार्य क्षेत्र में पड़ने वाली पंचायत समितियों से राज्य सरकार द्वारा सौंपे गए कार्यों के अन्तर्गत कार्य योजनाएं प्राप्त हो रही हैं ?

हां/नहीं

4. यदि हां, तो क्या जिला परिषद द्वारा पंचायत समितियों से प्राप्त कार्य योजना को अनुमोदित कर, समेकित कार्य योजना को सम्बन्धित जिला अधिकारी को भेजा गया है ?

हां/नहीं

5. यदि नहीं, तो कारण बताएं ।

6. सरकार की विकेन्द्रीकरण सम्बन्धी नीति के सुदृढ़ीकरण के लिए अपने सुझाव दें ।



नगर परिषद/नगर पंचायत के वर्तमान वित्तीय साधन व अन्य आंकड़े  
भाग (क) सामान्य सूचना

1. नगर परिषद/नगर पंचायत का नाम .....
2. जिला जिसके क्षेत्र में परिषद/पंचायत आती है .....
3. नगर परिषद/नगर पंचायत के अन्तर्गत पड़ने वाले  
वार्डों की संख्या : .....
  
4. नगर परिषद/नगर पंचायत के कुछ आधारभूत आंकड़े:-
  - (i) नगर परिषद /नगर पंचायत का कुल क्षेत्रफल (हैक्टेयर) .....
  - (ii) आबादी वाला क्षेत्र (हैक्टेयर) .....
  - (iii) वन क्षेत्र (हैक्टेयर) .....
  - (iv) नगर परिषद / नगर पंचायत की जनसंख्या:
 

(क)	1991	.....
(ख)	2001	.....
(ग)	2011	.....
  
5. नगर परिषद/नगर पंचायत की अपनी सम्पत्ति का विवरण :-
  - (क)नगर परिषद/नगर पंचायत के स्वामित्व में कुल भूमि (हैक्टेयर).....
  - (ख)कुल भूमि में से:
    1. राज्य सरकार द्वारा नगर परिषद/नगर पंचायत को दी गई भूमि (हैक्टेयर).....
    2. दान में मिली भूमि (हैक्टेयर).....
    3. नगर परिषद/नगर पंचायत द्वारा कय की गई भूमि (हैक्टेयर).....
  - (ग)नगर परिषद/नगर पंचायत के स्वामित्व में अन्य स्थाई सम्पत्ति:
    1. कार्यालय भवन (वर्गमीटर).....
 

(क) क्षेत्रफल	.....
(ख) संख्या	.....
    2. सार्वजनिक स्थल अथवा टाउन हाल : .....
 

(क) क्षेत्रफल (वर्गमीटर)	.....
(ख) संख्या	.....
    3. दुकानें : .....
 

(क) क्षेत्रफल (वर्गमीटर)	.....
(ख) संख्या	.....
    4. मण्डियां : .....
 

(क) क्षेत्रफल (वर्गमीटर)	.....
(ख) संख्या	.....
    5. पार्क : .....
 

(क) क्षेत्रफल (वर्गमीटर)	.....
(ख) संख्या	.....

6. विश्राम गृह :  
 (क) क्षेत्रफल (वर्गमीटर) .....  
 (ख) संख्या .....
7. कोई अन्य स्थाई सम्पति (विवरण दें) जैसे :  
 स्टाल  
 संग्रहालय  
 लाइब्रेरी  
 अन्य
8. नगर परिषद/नगर पंचायत में कोई महत्वपूर्ण तीर्थ स्थल हो तो उसका विवरण दें  
 (क) तीर्थ स्थल का नाम .....  
 (ख) औसतन शामिल दर्शनार्थी (प्रतिवर्ष) .....  
 (ग) कुल वार्षिक चढ़त .....  
 (घ) स्वामित्व  
 (i) स्थानीय निकाय .....  
 (ii) निजी स्वामित्व .....  
 (iii) ट्रस्ट स्वामित्व .....  
 (iv) सरकारी स्वामित्व .....
9. नगर परिषद/नगर पंचायत में यदि हर वर्ष महत्वपूर्ण मेला लगता हो तो उसका विवरण दें  
 (क) मेले का नाम .....  
 (ख) वर्ष के किस महीने में मेला लगता है .....  
 (ग) औसतन शामिल जनसमूह .....  
 (घ) मेले से कुल आय .....
10. नगर परिषद/नगर पंचायत के क्षेत्र में अथवा नगर परिषद/नगर पंचायत के नियन्त्रण में नागरिक सुविधायें (वर्ष 2011-12 के अन्त तक)  
 (i) सड़कें/रास्ते  
 (क) बड़े वाहन योग्य (किलोमीटर) .....  
 (ख) छोटे वाहन योग्य (किलोमीटर) .....  
 (ग) पैदल रास्ता (किलोमीटर) .....  
 (ii) पेयजल स्कीमें (किलोलीटर क्षमता) .....  
 (iii) मल निकासी स्कीमें (किलोलीटर क्षमता) .....  
 (iv) मार्ग प्रकाश लाईट संख्या बोल्टेज  
 .....  
 (v) सार्वजनिक शौचालयों /मूत्रालयों की संख्या .....  
 (vi) स्वास्थ्य सुविधाएं (विवरण दें) .....  
 (vii) कोई अन्य सुविधाएं (विवरण दें) .....  
 भाग (ख) वित्तीय साधन सम्बन्धी सूचना
1. नगर परिषद/नगर पंचायत द्वारा बैंक, डाकघर में 31 मार्च, 2012 तक जमा राशि (रुपये) .....
2. नगर परिषद/नगर पंचायत की विभिन्न साधनों से वास्तविक वार्षिक आय का विवरण:

मद का नाम	कर लगाने की तिथि	कर लगाने की दर	वास्तविक आय				
			2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6	7	8
I. कर/ पथकर/ शुल्कों से आय							
1. नगर परिषद/नगर पंचायत द्वारा लगाये कर/शुल्क (विवरण अनुबन्ध क-1 पर दें)							
2. नगर परिषद/नगर पंचायत द्वारा लगाये गये पथकर करों से कुल आय-I							
II गैर कर आय							
(i) किराया							
(ii) सम्पत्ति से अन्य आय							
(iii) दान							
(iv) ब्याज							
(v) ऋण							
(vi) मेले से आय, तीर्थ स्थलों से आय ।							
(vii) किसी चीज की नीलामी से आय ।							
(viii) वन सम्पदा से आय							
(ix) रजिस्ट्रेशन फीस							
(x) अन्य							
कुल गैर कर आय-II							
III अनुदान							
(i) राज्य सरकार से :							
(क) विभिन्न जिलों में मल निकासी व्यवस्था के निर्माण हेतु							
(ख) अन्य							
(ग) राज्य वित्तायोग अनुदान							
(ii) केन्द्र सरकार से							
(क) केन्द्र प्रायोजित स्कीमों के लिए							
(i) जवाहर लाल नेहरू अर्बन रिन्यूएबल मिशन							
(ii) जे.एन.एन.यू.आर.एम. के अन्तर्गत एकीकृत आवास एवं गन्दी बस्तियों के सुधार का कार्यक्रम ।							

मद का नाम	कर लगाने की तिथि	कर लगाने की दर	वास्तविक आय				
			2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6	7	8
(iii) स्वर्ण जयन्ती शहरी रोजगार योजना ।							
(iv)राजीव गांधी आवास योजना के अन्तर्गत रलम फी सिटी प्लानिंग स्कीम ।							
(v) छोटे एवं मध्यम शहरों के विकास के लिये शहरी इन्फ्रास्ट्रक्चर स्कीम ।							
vi) अन्य स्कीमों जिसके लिये केन्द्र सरकार से अनुदान प्राप्त हुआ है ।							
(ख) केन्द्रीय वित्तायोग अनुदान							
III कुल अनुदान							
कुल आय I+II+III							

3. नगर परिषद/नगर पंचायत के विभिन्न साधनों से सम्भावित वार्षिक आय का विवरण

मद का नाम	कर लगाने की तिथि	कर लगाने की दर	सम्भावित आय				
			2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6	7	8
I. कर/ पथकर/ शुल्कों से आय							
1.नगर परिषद/नगर पंचायत द्वारा लगाये कर/शुल्क (विवरण अनुबन्ध क-2 पर दें)							
2.नगर परिषद/नगर पंचायत द्वारा लगाये गये पथकर							
करों से कुल आय-I							
II गैर कर आय							
(i) किराया							
(ii) सम्पत्ति से अन्य आय							
(iii) दान							
(iv) ब्याज							
(v) ऋण							
(vi) मेले से आय, तीर्थ स्थलों से आय ।							
(vii) किसी चीज की नीलामी से आय ।							
(viii) वन सम्पदा से आय							
(ix) रजिस्ट्रेशन फीस							
(x) अन्य							
कुल गैर कर आय-II							
III अनुदान							
(i) राज्य सरकार से :							

मद का नाम	कर लगाने की तिथि	कर लगाने की दर	सम्भावित आय				
			2012-3	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6	7	8
(क) विभिन्न जिलों में मल निकासी व्यवस्था के निर्माण हेतु							
(ख) अन्य							
(ग) राज्य वित्तायोग अनुदान							
(ii) केन्द्र सरकार से							
(क) केन्द्र प्रायोजित स्कीमों के लिए							
(i) जवाहर लाल नेहरू अर्बन रिन्यूएबल मिशन							
(ii) जे.एन.एन.यू.आर.एम. के अन्तर्गत एकीकृत आवास एवं गन्दी बस्तियों के सुधार का कार्यक्रम ।							
(iii) स्वर्ण जयन्ती शहरी रोजगार योजना ।							
(iv) राजीव गांधी आवास योजना के अन्तर्गत स्लम फ्री सिटी प्लानिंग स्कीम।							
(v) छोटे एवं मध्यम शहरों के विकास के लिये शहरी इन्फ्रास्ट्रक्चर स्कीम ।							
vi) अन्य स्कीमों जिसके लिये केन्द्र सरकार से अनुदान प्राप्त हुआ है ।							
(ख) केन्द्रीय वित्तायोग अनुदान							
III कुल अनुदान							
कुल आय I+II+III							

#### 4. नगर परिषद / नगर पंचायत का वार्षिक व्यय का विवरण

मद	वास्तविक व्यय				
	2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6
I. प्रतिबद्ध दायित्व/ प्रशासनिक कार्यों पर व्यय					
1. अध्यक्ष/ उपाध्यक्ष को मानदेय/भत्ता					
2. बैठक में भाग लेने वाले सदस्यों पर व्यय					
3. कार्यालय व्यय					
(क) स्टाफ के वेतन पर					

मद	वास्तविक व्यय				
	2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6
(ख) अन्य व्यय					
4.अन्य व्यय(राहत कार्यों इत्यादि पर) ।					
योग : (I)					
* नगर परिषद/नगर पंचायत में कार्यरत कर्मचारियों का ब्यौरा अनुबन्ध ' ख ' पर दे ।					
II- नगर परिषद/नगर पंचायत को हिमाचल प्रदेश नगर परिषद अधिनियम 1994 की धारा 48 के अन्तर्गत जारी अधिसूचना संख्या: एस0एल0जी0-ए(2)2/94 दिनांक 30.08.1994 के अधीन/संवैधिक रूप से सौंपे गए कार्यक्रमलाप जिन्हें प्रथम राज्य वित्तायोग ने अपनी रिपोर्ट के अध्याय- XVII छंटित (shortlisted) किया है के अन्तर्गत कुल व्यय को नीचे दर्शाएं तथा स्कीमवार ब्यौरा अनुबन्ध ' ग ' पर दें)					
योग : (II)					
III. विकासात्मक कार्यों पर व्यय					
(I.) जिसके लिये राज्य सरकार द्वारा अनुदान दिया गया है					
(क) विभिन्न जिलों में मल निकासी व्यवस्था के निर्माण हेतु					
(ख) अन्य					
(II.) जिनके लिये केन्द्र सरकार से अनुदान/धन राशि प्राप्त हुई है					
(क) केन्द्र प्रायोजित स्कीमों के लिए :					
(i) जवाहर लाल नेहरू अर्बन रिनुएबल मिशन					
(ii) जे.एन.एन.यू.आर. एम. के अन्तर्गत एकीकृत आवास एवं गन्दी बस्तियों के सुधार का कार्यक्रम ।					
iii) स्वर्ण जयन्ती शहरी रोजगार योजना ।					
iv)राजीव गांधी आवास योजना के अन्तर्गत रलम फ्री सिटी प्लानिंग स्कीम ।					
(v) छोटे एवं मध्यम शहरों के विकास के लिये शहरी इन्फ्रास्ट्रक्चर स्कीम ।					
(vi) अन्य स्कीमों जिसके लिये केन्द्र सरकार से अनुदान प्राप्त हुआ है ।					
मद	वास्तविक व्यय				
	2007-08	2008-09	2009-10	2010-11	2011-12

1	2	3	4	5	6
योग : (III)					
IV अन्य कार्य					
V. गैर विकासात्मक कार्यो पर व्यय					
VI. रख-रखाव सम्बन्धी व्यय (ब्यौरा अनुबन्ध (घ) पर दें) ।					
VII. अन्य व्यय					
कुल व्यय(I to VII)					

5. नगर परिषद / नगर पंचायत के संभावित व्यय का विवरण

मद	संभावित व्यय				
	2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6
I. प्रतिबद्ध दायित्व/ प्रशासनिक कार्यो पर व्यय					
1. अध्यक्ष/ उपाध्यक्ष को मानदेय/भत्ता					
2. बैठक में भाग लेने वाले सदस्यों पर व्यय					
3.कार्यालय व्यय					
(क) स्टाफ के वेतन पर					
(ख) अन्य व्यय					
4.अन्य व्यय(साहत कार्यो इत्यादि पर) ।					
योग : (I)					
* नगर परिषद/नगर पंचायत में कार्यरत कर्मचारियों का ब्यौरा अनुबन्ध 'ख' पर दे ।					
II नगर परिषद/नगर पंचायत को हिमाचल प्रदेश नगर परिषद अधिनियम 1994 की धारा 48 के अन्तर्गत जारी अधिसूचना संख्या: एस0एल0जी0-ए(2)2/94 दिनांक 30.08.1994 के अधीन/संविधिक रूप से रॉपे गए कार्यकलाप जिन्हें प्रथम राज्य वित्तायोग ने अपनी रिपोर्ट के अध्याय- XVII छंटित (shortlisted) किया है के अन्तर्गत कुल व्यय को नीचे दर्शाएं तथा स्कीमवार ब्यौरा अनुबन्ध 'ग' पर दें)					
योग : (II)					

मद	संभावित व्यय				
	2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6
III. विकासात्मक कार्यो पर व्यय					
(I.) जिसके लिये राज्य सरकार द्वारा अनुदान दिया गया है					
(क) विभिन्न जिलों में मल निकासी व्यवस्था के निर्माण हेतु					
(ख) अन्य					
(II.) जिनके लिये केन्द्र सरकार से अनुदान/धन राशि प्राप्त हुई है					
(क) केन्द्र प्रायोजित स्कीमों के लिए :					
(i) जवाहर लाल नेहरू अर्बन रिनुएबल मिशन					
(ii) जे.एन.एन.यू.आर. एम. के अन्तर्गत एकीकृत आवास एवं गन्दी बस्तियों के सुधार का कार्यक्रम ।					
iii) स्वर्ण जयन्ती शहरी रोजगार योजना ।					
iv) राजीव गांधी आवास योजना के अन्तर्गत एलम फी सिटी प्लानिंग स्कीम ।					
(v) छोटे एवं मध्यम शहरों के विकास के लिये शहरी इन्फ्रास्ट्रक्चर स्कीम ।					
(vi) अन्य स्कीमों जिसके लिये केन्द्र सरकार से अनुदान प्राप्त हुआ है ।					
योग : (III)					
IV अन्य कार्य					
V. गैर विकासात्मक कार्यो पर व्यय					
VI. रखा-रखाव सम्बन्धी व्यय (ब्यौरा अनुबन्ध (घ) पर दें) ।					
VII. अन्य व्यय					
कुल व्यय(I to VII)					



6. राज्य सरकार द्वारा सौंपे गए कार्यों में से जिन कार्यों का कार्यभार नगर परिषद/नगर पंचायत द्वारा अभी तक नहीं सम्भाला गया है उसके लिए सही कारण/कारणों पर अनुबन्ध-घ-1 पर सही (✓) का निशान लगाएं ।
7. इन कठिनाईयों के समाधान के लिए तथा राज्य सरकार द्वारा सौंपे गये कार्यों के उचित कार्यान्वयन हेतु आवश्यक सुझाव देने की कृपा करें ।
- 1.
  - 2.
  - 3.

**Actual income of Municipal Council/Nagar Panchayat from  
Taxes/ fees during last 5 years.**

Sr No	Name of Tax/Fee	Date of imposition	Rate of Tax/Fee	Collection during (Rs. In Lakh)				
				2007-08	2008-09	2009-10	2010-11	2011-12
1.	House Tax							
2.	Show tax							
3.	Dog License Fee							
4.	Building Plan Fee							
5.	Tax on the Consumption of Electricity							
6.	Sale of Liquor							
7.	Fine on domestic animals found stray							
8.	Animal tax							
9.	Trade/License Fee							
10.	License for dangerous and offensive traches							
11.	GroundTax							
12.	Water Tax							
13.	Sanitation Tax							
14.	Copying Fee							
15.	Tehbazar Fee/Rehari License Fee							
16.	Fee for DC&BC							
17.	Slaughter House Fee							
18.	Food License Fee							
19.	Cattle Pond Fee							
20.	Tax on Advertisement other than published in newspapers							
21.	Library Membership Fee							
22.	Fine and Penalty							
23.	Others							

भरने वाले के हस्ताक्षर  
कार्यालय मोहर

**Estimated income of Municipal Council/Nagar Panchayat from  
Taxes/ fees during next 5 years.**

Sr No	Name of Tax/Fee	Date of imposition	Rate of Tax/Fee	Collection during (Rs. In Lakh)				
				2012-13	2013-14	2014-15	2015-16	2016-17
1.	House Tax							
2.	Show tax							
3.	Dog License Fee							
4.	Building Plan Fee							
5.	Tax on the Consumption of Electricity							
6.	Sale of Liquor							
7.	Fine on domestic animals found stray							
8.	Animal tax							
9.	Trade/License Fee							
10.	License for dangerous and offensive traches							
11.	GroundTax							
12.	Water Tax							
13.	Sanitation Tax							
14.	Copying Fee							
15.	Tehbazar Fee/Rehari License Fee							
16.	Fee for DC&BC							
17.	Slaughter House Fee							
18.	Food License Fee							
19.	Cattle Pond Fee							
20.	Tax on Advertisement other than published in newspapers							
21.	Library Membership Fee							
22.	Fine and Penalty							
23.	Others							

भरने वाले के हस्ताक्षर  
कार्यालय मोहर

Staff position in /Municipal Council/Nagar Panchayat as on 31.03.2012

Sr. No.	Name of Category	Pay scale	Total Sanctioned posts	No. of posts Filled-in	No. of Vacant posts.	Reasons of Vacancy
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
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22.						
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24.						
25.						
26.						
27.						
28.						
29.						
30.						

भरने वाले के हस्ताक्षर

कार्यालय मोहर

## Expenditure on Developmental Activities

Name of works/ Schemes/ Activities	₹ Actual					₹ Proposed				
	2007-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
1. Planning for economic and social development										
a) Formulation of schemes for upliftment of poor.										
(b) Implementation of poverty alleviation programmes.										
2. Roads & bridges:										
(a) Construction and maintenance of public streets, lanes and bylanes and pavements.										
3. Public Health:										
(a) Provision of drains and nullahs										
(b) Provision of public latrines & urinals and their upkeep.										
4. Urban forestry, protection of environment and promotion of ecological aspects:										
(a) Plantation maintenance and preservation of ornamental & economic trees within the Municipal areas.										
(b) Establishment and maintenance of electric crematoria.										
5. Slum improvement and up gradation:										
a) Identification of slum areas, formulation of schemes for rehabilitation of the people living in slums										
6. Urban poverty alleviation:										
a) Identification of urban poor and the localities predominantly occupied by them.										
b) Formulation and execution of schemes for their upliftment										
7. Provision of urban amenities and facilities such as parks, gardens, playgrounds, fitness centre										
a) Provision of parks, gardens, playgrounds, fitness centers or trails and improvement of existing parks and gardens.										

### Expenditure on Developmental Activities

Name of works/ Schemes/ Activities	₹ Actual					₹ Proposed				
	2007-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
8. Promotion of cultural, educational and aesthetic aspects;										
a) Promotion and encouragement of cultural activities										
b) Suggest remedial measures for improvement of education and educational institutions..										
c) Establishment and maintenance of libraries & reading rooms										
9. Burial; and burial grounds, crematoria, cremation grounds and electric crematoria;										
a) Provision and maintenance of burial grounds. Cremation grounds and to improve their surroundings and regulate their use.										
b) To establishment and maintain electric crematoria.										
10. Cattle ponds, prevention of cruelty to animals:										
a) Establishment and maintenance of cattle ponds.										
b) To prevent roaming of stray cattle.										
11. Vital Statistic including registration of births and deaths.										
12. Public amenities including street lights, parking lots, bus stops and public conveniences:										
(a) Street lights.										
(b) Bus stands, bus stops, rain shelters, loading and unloading points.										
(c) Public amenities like public latrines, public baths, public paths, ponds, tanks and lakes.										
(d) Serais, Dharmshalas and night shelters										
(e) Ferries and boats.										
13. Establishment, maintenance, regulation and control of slaughter houses and tanneries.										
14. Any other (please specify).										

भरने वाले के हस्ताक्षर  
कार्यालय मोहर

**Expenditure Incurred on Maintenance of Activities**

(Rs. in lakh)

Sr. No.	Name of Activity	Actual					Proposed				
		2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
1.	Roads/Streets										
2.	Drains										
3.	Street Lighting										
4.	Public Toilets										
5.	Parks										
6.	Office Building (MC IND)										
7.	Town Hall										
8.	Crematorium										
9.	Ponds/Wells										
10.	Plantation/Gar dens										
11.	Others (i) (ii) (iii)										

## Problems being faced in implementing the Assigned Functions

राज्य सरकार द्वारा सौंपे गए कार्य	नगर परिषद /नगर पंचायत के पास समुचित साधन नहीं हैं ।	नगर परिषद/नगर पंचायत के पास तकनीकी सहायता का अभाव है ।	नगर परिषद/नगर पंचायत इन कार्यों का कार्यभार सम्भालने में सक्षम नहीं है	स्थानीय लोगों का सहयोग नहीं है ।	अन्य विवरण दें
1. Planning for economic and social development					
a)Formulation of schemes for upliftment of poor.					
(b)Implementation of poverty alleviation programmes.					
2. Roads & bridges:					
(a) Construction and maintenance of public streets, lanes and bylanes and pavements.					
3. Public Health:					
(a)Provision of drains and nullahs					
(b) Provision of public latrines & urinals and their upkeep.					
4.Urban forestry, protection of environment and promotion of ecological aspects:					
(a)Plantation maintenance and preservation of ornamental & economic trees within the municipal areas.					
(b) Establishment and maintenance of electric crematoria.					
5. Slum improvement and up gradation:					
a) Identification of slum areas, formulation of schemes for rehabilitation of the people living in slums					
6. Urban poverty alleviation:					
(a) Identification of urban poor and the localities predominantly occupied by them.					
b) Formulation and execution of schemes for their upliftment					
7. Provision of urban amenities and facilities such as parks, gardens, playgrounds, fitness centre					
a) Provision of parks, gardens, playgrounds, fitness centers or trails and improvement of existing parks and gardens.					
8. Promotion of cultural, educational and aesthetic aspects;					



राज्य सरकार द्वारा सौंपे गए कार्य	नगर परिषद /नगर पंचायत के पास समुचित साधन नहीं हैं ।	नगर परिषद/नगर पंचायत के पास तकनीकी सहायता का अभाव है ।	नगर परिषद/नगर पंचायत इन कार्यों का कार्यभार सम्भालने में सक्षम नहीं है	स्थानीय लोगों का सहयोग नहीं है ।	अन्य विवरण दें
a)Promotion and encouragement of cultural activities					
b) Suggest remedial measures for improvement of education and educational institutions.					
c)Establishment and maintenance of libraries & reading rooms					
9. Burial; and burial grounds, crematoria, cremation grounds and electric crematoria;					
a) Provision and maintenance of burial grounds. Cremation grounds and to improve their surroundings and regulate their use.					
b) To establishment and maintain electric crematoria.					
10. Cattle ponds, prevention of cruelty to animals:					
a)Establishment and maintenance of cattle ponds.					
b) To prevent roaming of stray cattle.					
11. Vital Statistic including registration of births and deaths.					
12. Public amenities including street lights, parking lots, bus stops and public conveniences:					
(a) Street lights.					
(b) Bus stands, bus stops, rain shelters, loading and unloading points.					
(c) Public amenities like public latrines, public baths, public paths, ponds, tanks and lakes.					
(d) Serais, Dharmshalas and night shelters					
(e)Ferries and boats.					
13. Establishment, maintenance, regulation and control of slaughter houses and tanneries.					
14. Any other (please specify).					

भरने वाले के हस्ताक्षर  
कार्यालय मोहर

**नगर निगम के वर्तमान वित्तीय साधन व अन्य आंकड़े**  
**भाग (क) सामान्य सूचना**

1. नगर निगम का नाम .....
2. जिला जिसके क्षेत्र में नगर निगम आती है .....
3. नगर निगम के अन्तर्गत पड़ने वाले वार्डों की संख्या :.....
4. नगर निगम के कुछ आधारभूत आंकड़े:-
  - (i) नगर निगम का कुल क्षेत्रफल (हैक्टेयर) .....
  - (ii) आबादी वाला क्षेत्र (हैक्टेयर) .....
  - (iii) वन क्षेत्र (हैक्टेयर) .....
  - (iv) नगर निगम की जनसंख्या:
    - (क) 1991 .....
    - (ख) 2001 .....
    - (ग) 2011 .....
5. नगर निगम की अपनी सम्पत्ति का विवरण :-
  - (क) नगर निगम के स्वामित्व में कुल भूमि (हैक्टेयर).....
  - (ख) कुल भूमि में से:
    1. राज्य सरकार द्वारा नगर निगम को दी गई भूमि (हैक्टेयर) .....
    2. दान में मिली भूमि (हैक्टेयर) .....
    3. नगर निगम द्वारा कय की गई भूमि (हैक्टेयर) .....
  - (ग) नगर निगम के स्वामित्व में अन्य स्थाई सम्पत्ति:
    1. कार्यालय भवन (वर्गमीटर) .....
      - (क) क्षेत्रफल .....
      - (ख) संख्या .....
    2. सार्वजनिक स्थल अथवा टाउन हाल : .....
      - (क) क्षेत्रफल (वर्गमीटर) .....
      - (ख) संख्या .....
    3. दुकानें : .....
      - (क) क्षेत्रफल (वर्गमीटर) .....
      - (ख) संख्या .....
    4. मण्डियां : .....
      - (क) क्षेत्रफल (वर्गमीटर) .....
      - (ख) संख्या .....

5. पार्क :  
 (क) क्षेत्रफल (वर्गमीटर) .....  
 (ख) संख्या .....
6. विश्राम गृह :  
 (क) क्षेत्रफल (वर्गमीटर) .....  
 (ख) संख्या .....
7. कोई अन्य स्थाई सम्पति (विवरण दें) जैसे :  
 स्थल  
 संग्रहालय  
 लाईब्रेरी  
 अन्य
8. नगर निगम में कोई महत्वपूर्ण तीर्थ स्थल हो तो उसका विवरण दें  
 (क) तीर्थ स्थल का नाम .....  
 (ख) औसतन शामिल दर्शनार्थी (प्रतिवर्ष) .....  
 (ग) कुल वार्षिक चढ़त .....  
 (घ) स्वामित्व  
 (i) स्थानीय निकाय .....  
 (ii) निजी स्वामित्व .....  
 (iii) ट्रस्ट स्वामित्व .....  
 (iv) सरकारी स्वामित्व .....
9. नगर निगम में यदि हर वर्ष महत्वपूर्ण मेला लगता हो तो उसका विवरण दें  
 (क) मेले का नाम .....  
 (ख) वर्ष के किस महीने में मेला लगता है .....  
 (ग) औसतन शामिल जनसमूह .....  
 (घ) मेले से कुल आय .....
10. नगर निगम के नियन्त्रण में नागरिक सुविधायें (वर्ष 2011-12 के अन्त तक)  
 (i) सड़कें/रास्ते  
 (क) बड़े वाहन योग्य (किलोमीटर) .....  
 (ख) छोटे वाहन योग्य (किलोमीटर) .....  
 (ग) पैदल रास्ता (किलोमीटर) .....  
 (ii) पेयजल स्कीमें (किलोलीटर क्षमता) .....  
 (iii) मल निकासी स्कीमें (किलोलीटर क्षमता) .....  
 (iv) मार्ग प्रकाश लाईट संख्या बोल्डेज  
 .....  
 (v) सार्वजनिक शौचालयों /मूत्रालयों की संख्या .....  
 (vi) स्वास्थ्य सुविधाएं (विवरण दें) .....  
 (vii) कोई अन्य सुविधाएं (विवरण दें) .....

**भाग (ख) वित्तीय साधन सम्बन्धी सूचना**

1. नगर निगम द्वारा बैंक, डाकघर  
में 31 मार्च, 2012 तक जमा राशि (रूपये) .....

2. नगर निगम की विभिन्न साधनों से वास्तविक वार्षिक आय का विवरण:

मद का नाम	कर लगाने की तिथि	कर लगाने की दर	वास्तविक आय				
			2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6	7	8
<b>I. कर/ पथकर/ शुल्कों से आय</b>							
1. नगर निगम द्वारा लगाये कर/शुल्क (विवरण अनुबन्ध क-1 पर दें)							
2. नगर निगम द्वारा लगाये गये पथकर							
करों से कुल आय-I							
<b>II गैर कर आय</b>							
(i) किराया							
(ii) सम्पत्ति से अन्य आय							
(iii) दान							
(iv) ब्याज							
(v) ऋण							
(vi) मेले से आय, तीर्थ स्थलों से आय ।							
(vii) किसी चीज की नीलामी से आय ।							
(viii) वन सम्पदा से आय							
(ix) रजिस्ट्रेशन फीस							
(x) अन्य							
कुल गैर कर आय-II							
<b>III अनुदान</b>							
(i) राज्य सरकार से :							
(क) विभिन्न जिलों में मल निकासी व्यवस्था के निर्माण हेतु							
(ख) राज्य वित्तायोग अनुदान							
(ग) अन्य							
(ii) केन्द्र सरकार से							
(क) केन्द्र प्रायोजित स्कीमों के लिए							
(i) जवाहर लाल नेहरू अर्थ रियुएबल मिशन							
(ii) जे.एन.एन.यू.आर.एम. के अन्तर्गत एकीकृत आवास एवं गन्दी बस्तियों के सुधार का कार्यक्रम ।							

मद का नाम	कर लगाने की तिथि	कर लगाने की दर	वास्तविक आय				
			2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6	7	8
(iii) स्वर्ण जयन्ती शहरी रोजगार योजना ।							
(iv) राजीव गांधी आवास योजना के अन्तर्गत स्लम फी सिटी प्लानिंग स्कीम ।							
(v) छोटे एवं मध्यम शहरों के विकास के लिये शहरी इन्फ्रास्ट्रक्चर स्कीम ।							
(vi) अन्य स्कीमों जिसके लिये केन्द्र सरकार से अनुदान प्राप्त हुआ है ।							
(ख) केन्द्रीय वित्तायोग अनुदान							
III कुल अनुदान							
कुल आय I+II+III							

### 3. नगर निगम के विभिन्न साधनों से सम्भावित वार्षिक आय का विवरण

मद का नाम	कर लगाने की तिथि	कर लगाने की दर	सम्भावित आय				
			2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6	7	8
I. कर/ पथकर/ शुल्कों से आय							
1. नगर निगम द्वारा लगाये कर/शुल्क (विवरण अनुबन्ध क-2 पर दें)							
2. नगर निगम द्वारा लगाये गये पथकर							
करों से कुल आय-I							
II गैर कर आय							
(i) किराया							
(ii) सम्पत्ति से अन्य आय							
(iii) दान							
(iv) ब्याज							
(v) ऋण							
(vi) मेले से आय, तीर्थ स्थलों से आय ।							
(vii) किसी चीज की नीलामी से आय ।							
(viii) वन सम्पदा से आय							
(ix) रजिस्ट्रेशन फीस							
(x) अन्य							
कुल गैर कर आय-II							
III अनुदान							
(i) राज्य सरकार से :							

मद का नाम	कर लगाने की तिथि	कर लगाने की दर	सम्भावित आय				
			2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6	7	8
(क) विभिन्न जिलों में मल निकासी व्यवस्था के निर्माण हेतु							
(ख) राज्य वित्तायोग अनुदान							
(ग) अन्य							
(ii) केन्द्र सरकार से							
(क) केन्द्र प्रायोजित स्कीमों के लिए							
(i) जवाहर लाल नेहरू अर्बन रिनुएबल मिशन							
(ii) जे.एन.एन.यू.आर.एम. के अन्तर्गत एकीकृत आवास एवं गन्दी बरितियों के सुधार का कार्यक्रम ।							
(iii) स्वर्ण जयन्ती शहरी रोजगार योजना ।							
(iv) राजीव गांधी आवास योजना के अन्तर्गत स्लम फ्री सिटी प्लानिंग स्कीम ।							
(v) छोटे एवं मध्यम शहरों के विकास के लिये शहरी इन्फ्रास्ट्रक्चर स्कीम ।							
(vi) अन्य स्कीमों जिसके लिये केन्द्र सरकार से अनुदान प्राप्त हुआ है ।							
(ख) केन्द्रीय वित्तायोग अनुदान							
III कुल अनुदान							
कुल आय I+II+III							

#### 4. नगर निगम का वास्तविक व्यय का विवरण

मद	वास्तविक व्यय				
	2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6
I. प्रतिबद्ध दायित्व/प्रशासनिक कार्यों पर व्यय					
1. अध्यक्ष/ उपाध्यक्ष को मानदेय/भत्ता					
2. बैठक में भाग लेने वाले सदस्यों पर व्यय					
3. कार्यालय व्यय					
(क) स्टाफ के वेतन पर					

मद	वास्तविक व्यय				
	2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6
(ख) अन्य व्यय					
4.अन्य व्यय(राहत कार्यों इत्यादि पर) ।					
योग : (I)					
* नगर निगम में कार्यरत कर्मचारियों का ब्यौरा अनुबन्ध ' ख ' पर दे ।					
II- नगर निगम को हिमाचल प्रदेश नगर निगम अधिनियम 1994 की धारा 48 के अन्तर्गत जारी अधिसूचना संख्या: एस0एल0जी0-ए(2)2/94 दिनांक 30.08.1994 के अधीन/संवैधिक रूप से सौंपे गए कार्यकलाप जिन्हें प्रथम राज्य वित्तायोग ने अपनी रिपोर्ट के अध्याय- XVII छंटित (shortlisted) किया है के अन्तर्गत कुल व्यय को नीचे दर्शाएं तथा स्कीमवार ब्यौरा अनुबन्ध ' ग ' पर दें)					
योग : (II)					
III. विकासात्मक कार्यों पर व्यय					
(I.) जिसके लिये राज्य सरकार द्वारा अनुदान दिया गया है					
(क) विभिन्न जिलों में मल निकासी व्यवस्था के निर्माण हेतु					
(ख) अन्य					
(II.) जिनके लिये केन्द्र सरकार से अनुदान/धन राशि प्राप्त हुई है					
(क) केन्द्र प्रायोजित स्कीमों के लिए :					
(i) जवाहर लाल नेहरू अर्बन रिबुएबल मिशन					
(ii) जे.एन.एन.यू.आर. एम. के अन्तर्गत एकीकृत आवास एवं गन्दी बरितियों के सुधार का कार्यक्रम ।					
iii) स्वर्ण जयन्ती शहरी रोजगार योजना ।					
iv)राजीव गांधी आवास योजना के अन्तर्गत स्लम फ्री सिटी प्लानिंग स्कीम ।					
(v) छोटे एवं मध्यम शहरों के विकास के लिये शहरी इन्फ्रास्ट्रक्चर स्कीम ।					
(vi) अन्य स्कीमों जिसके लिये केन्द्र सरकार से अनुदान प्राप्त हुआ है ।					

मद	वास्तविक व्यय				
	2007-08	2008-09	2009-10	2010-11	2011-12
1	2	3	4	5	6
योग : (III)					
IV अन्य कार्य					
V. गैर विकासात्मक कार्यों पर व्यय					
VI. रख-रखाव सम्बन्धी व्यय (ब्यौरा अनुबन्ध (घ) पर दें) ।					
VII. अन्य व्यय					
कुल व्यय(1 to VII)					

5. नगर निगम के संभावित व्यय का विवरण

मद	संभावित व्यय				
	2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6
I. प्रतिबद्ध दायित्व/ प्रशासनिक कार्यों पर व्यय					
1. अध्यक्ष/ उपाध्यक्ष को मानदेय/भत्ता					
2. बैठक में भाग लेने वाले सदस्यों पर व्यय					
3.कार्यालय व्यय					
(क) स्टाफ के वेतन पर					
(ख) अन्य व्यय					
4.अन्य व्यय(राहत कार्यों इत्यादि पर) ।					
योग : (I)					
* नगर निगम में कार्यरत कर्मचारियों का ब्यौरा अनुबन्ध 'ख' पर दे ।					
II नगर निगम को हिमाचल प्रदेश नगर निगम अधिनियम 1994 की धारा 48 के अन्तर्गत जारी अधिसूचना संख्या: एस0एल0जी0-ए(2)2/94 दिनांक 30.08.1994 के अधीन/संविधिक रूप से सौंपे गए कार्यकलाप जिन्हें प्रथम राज्य वित्तायोग ने अपनी रिपोर्ट के अध्याय- XVII छंटित (shortlisted) किया है के अन्तर्गत कुल व्यय को नीचे दर्शाएं तथा स्कीमवार ब्यौरा अनुबन्ध 'ग' पर दें)					
योग : (II)					



मद	संभावित व्यय				
	2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6
III. विकासात्मक कार्यों पर व्यय					
(I.) जिसके लिये राज्य सरकार द्वारा अनुदान दिया गया है					
(क) विभिन्न जिलों में मल निकासी व्यवस्था के निर्माण हेतु					
(ख) अन्य					
(II.) जिनके लिये केन्द्र सरकार से अनुदान/धन सहायता प्राप्त हुई है					
(क) केन्द्र प्रायोजित स्कीमों के लिए :					
(i) जवाहर लाल नेहरू अर्बन रिनुएबल मिशन					
(ii) जे.एन.एन.यू.आर. एम. के अन्तर्गत एकीकृत आवास एवं गन्दी बरितियों के सुधार का कार्यक्रम ।					
iii) स्वर्ण जयन्ती शहरी रोजगार योजना ।					
iv) राजीव गांधी आवास योजना के अन्तर्गत रत्नम फी सिटी प्लानिंग स्कीम ।					
(v) छोटे एवं मध्यम शहरों के विकास के लिये शहरी इन्फ्रास्ट्रक्चर स्कीम ।					
(vi) अन्य स्कीमों जिसके लिये केन्द्र सरकार से अनुदान प्राप्त हुआ है ।					
योग : (III)					
IV अन्य कार्य					
V. गैर विकासात्मक कार्यों पर व्यय					
VI. रखा-रखाव सम्बन्धी व्यय (ब्यौरा अनुबन्ध (घ) पर दें) ।					
VII. अन्य व्यय					
कुल व्यय(1 to VII)					

6. राज्य सरकार द्वारा सौंपे गए कार्यों में से जिन कार्यों का कार्यभार नगर निगम द्वारा अभी तक नहीं सम्भाला गया है उसके लिए सही कारण/कारणों पर अनुबन्ध-घ-1 पर सही (✓) का निशान लगाएं ।

7. इन कठिनाईयों के समाधान के लिए तथा राज्य सरकार द्वारा सौंपे गये कार्यों के उचित कार्यान्वयन हेतु आवश्यक सुझाव देने की कृपा करें ।

- 1.
- 2.
- 3.

**Actual income of Municipal Corporation from  
Taxes/ fees during last 5 years.**

Sr No	Name of Tax/Fee	Date of imposition	Rate of Tax/Fee	Collection during (Rs. In Lakh)				
				2007-08	2008-09	2009-10	2010-11	2011-12
1.	House Tax							
2.	Show tax							
3.	Dog License Fee							
4.	Building Plan Fee							
5.	Tax on the consumption of Electricity							
6.	Sale of Liquor							
7.	Fine on domestic animals found stray							
8.	Animal tax							
9.	Trade/License Fee							
10.	License for dangerous and offensive traches							
11.	GroundTax							
12.	Water Tax							
13.	Sanitation Tax							
14.	Copying Fee							
15.	Tehbazar Fee/Rehari License Fee							
16.	Fee for DC&BC							
17.	Slaughter House Fee							
18.	Food License Fee							
19.	Cattle Pond Fee							
20.	Tax on Advertisement other than published in newspapers							
21.	Library Membership Fee							
22.	Fine and Penalty							
23.	Others							

भरने वाले के हस्ताक्षर  
कार्यालय मोहर

**Estimated income of Municipal Corporation from  
Taxes/ fees during next 5 years.**

Sr. No.	Name of Tax/Fee	Date of imposition	Rate of Tax/Fee	Collection during (Rs. In Lakh)				
				2012-13	2013-14	2014-15	2015-16	2016-17
1	2	3	4	5	6	7	8	9
1.	House Tax							
2.	Show tax							
3.	Dog License Fee							
4.	Building Plan Fee							
5.	Tax on the Consumption of Electricity							
6.	Sale of Liquor							
7.	Fine on domestic animals found stray							
8.	Animal tax							
9.	Trade/License Fee							
10.	License for dangerous and offensive traches							
11.	GroundTax							
12.	Water Tax							
13.	Sanitation Tax							
14.	Copying Fee							
15.	Tehbazar Fee/Rehari License Fee							
16.	Fee for DC&BC							
17.	Slaughter House Fee							
18.	Food License Fee							
19.	Cattle Pond Fee							
20.	Tax on Advertisement other than published in newspapers							
21.	Library Membership Fee							
22.	Fine and Penalty							
23.	Others							

भरने वाले के हस्ताक्षर  
कार्यालय मोहर

Staff position in Municipal Corporation as on 31.03.2012

Sr. No.	Name of Category	Pay scale	Total Sanctioned posts	No. of posts Filled-in	No. of Vacant posts.	Reasons of Vacancy
1.						
2.						
3.						
4.						
5.						
6.						
7.						
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9.						
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29.						
30.						

भरने वाले के हस्ताक्षर

कार्यालय मोहर

## Expenditure on Developmental Activities

Name of works/ Schemes/ Activities	₹ Actual					₹ Proposed				
	2007-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
1. Planning for economic and social development										
a) Formulation of schemes for upliftment of poor.										
(b) Implementation of poverty alleviation programmes.										
2. Roads & bridges:										
(a) Construction and maintenance of public streets, lanes and bylanes and pavements.										
3. Public Health:										
(a) Provision of drains and nullahs										
(b) Provision of public latrines & urinals and their upkeep.										
4. Urban forestry, protection of environment and promotion of ecological aspects:										
(a) Plantation maintenance and preservation of ornamental & economic trees within the municipal areas.										
(b) Establishment and maintenance of electric crematoria.										
5. Slum improvement and up gradation:										
a) Identification of slum areas, formulation of schemes for rehabilitation of the people living in slums										
6. Urban poverty alleviation:										
a) Identification of urban poor and the localities predominantly occupied by them.										
b) Formulation and execution of schemes for their upliftment										
7. Provision of urban amenities and facilities such as parks, gardens, playgrounds, fitness centre										

## Expenditure on Developmental Activities

Name of work/ scheme/activities	₹ Actual					₹ Proposed				
	2007-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
a) Provision of parks, gardens, playgrounds, fitness centers or trails and improvement of existing parks and gardens.										
8. Promotion of cultural, educational and aesthetic aspects;										
a)Promotion and encouragement of cultural activities										
b) Suggest remedial measures for improvement of education and educational institutions..										
c)Establishment and maintenance of libraries & reading rooms										
9. Burial; and burial grounds, crematoria, cremation grounds and electric crematoria;										
a) Provision and maintenance of burial grounds. Cremation grounds and to improve their surroundings and regulate their use.										
b) To establishment and maintain electric crematoria.										
10. Cattle ponds, prevention of cruelty to animals:										
a)Establishment and maintance of cattle ponds.										
b) To prevent roaming of stray cattle.										
11. Vital Statistic including registration of births and deaths.										
12. Public amenities including street lights, parking lots, bus stops and public conveniences:										
(a) Street lights.										
(b) Bus stands, bus stops, rain shelters, loading and unloading points.										
(c) Public amenities like public latrines, public baths, public paths, ponds, tanks and lakes.										
(d) Serais, Dharmshalas and night shelters										
(e)Ferries and boats.										
13. Establishment, maintenance, regulation and control of slaughter houses and tanneries.										
14. Any other (please specify).										

भरने वाले के हस्ताक्षर  
कार्यालय मोहर

Expenditure Incurred on Maintenance of Activities

(Rs. in lakh)

Sr. No.	Name of Activity	Actual					Proposed				
		2007-08	08-09	09-10	10-11	11-12	2012-13	13-14	14-15	15-16	16-17
1.	Roads/Streets										
2.	Drains										
3.	Street Lighting										
4.	Public Toilets										
5.	Parks										
6.	Office Building (MC IND)										
7.	Town Hall										
8.	Crematorium										
9.	Ponds/Wells										
10.	Plantation/Gar dens										
11.	Others (i) (ii) (iii)										



## Problems being faced in implementing the Assigned Functions

राज्य सरकार द्वारा सौंपे गए कार्य	नगर निगम के पास समुचित साधन नहीं हैं ।	नगर निगम के पास तकनीकी सहायता का अभाव है ।	नगर निगम इन कार्यों का कार्यभार सम्भालने में सक्षम नहीं है	स्थानीय लोगों का सहयोग नहीं है ।	अन्य विवरण दें
1. Planning for economic and social development					
a) Formulation of schemes for upliftment of poor.					
(b) Implementation of poverty alleviation programmes.					
2. Roads & bridges:					
(a) Construction and maintenance of public streets, lanes and bylanes and pavements.					
3. Public Health:					
(a) Provision of drains and nullahs					
(b) Provision of public latrines & urinals and their upkeep.					
4. Urban forestry, protection of environment and promotion of ecological aspects:					
(a) Plantation maintenance and preservation of ornamental & economic trees within the municipal areas.					
(b) Establishment and maintenance of electric crematoria.					
5. Slum improvement and up gradation:					
a) Identification of slum areas, formulation of schemes for rehabilitation of the people living in slums					
6. Urban poverty alleviation:					
(a) Identification of urban poor and the localities predominantly occupied by them.					

राज्य सरकार द्वारा सौंपे गए कार्य	नगर निगम के पास समुचित साधन नहीं हैं ।	नगर निगम के पास तकनीकी सहायता का अभाव है ।	नगर निगम इन कार्यों का कार्यभार सम्भालने में सक्षम नहीं है	स्थानीय लोगों का सहयोग नहीं है ।	अन्य कारण यदि कोई हो तो विवरण दें
b) Formulation and execution of schemes for their upliftment					
7. Provision of urban amenities and facilities such as parks, gardens, playgrounds, fitness centre					
a) Provision of parks, gardens, playgrounds, fitness centers or trails and improvement of existing parks and gardens.					
8. Promotion of cultural, educational and aesthetic aspects;					
a) Promotion and encouragement of cultural activities					
b) Suggest remedial measures for improvement of education and educational institutions.					
c) Establishment and maintenance of libraries & reading rooms					
9. Burial; and burial grounds, crematoria, cremation grounds and electric crematoria;					
a) Provision and maintenance of burial grounds. Cremation grounds and to improve their surroundings and regulate their use.					
b) To establishment and maintain electric crematoria.					
10. Cattle ponds, prevention of cruelty to animals:					
a) Establishment and maintenance of cattle ponds.					
b) To prevent roaming of stray cattle.					

राज्य सरकार द्वारा सौंपे गए कार्य	नगर निगम के पास समुचित साधन नहीं हैं ।	नगर निगम के पास तकनीकी सहायता का अभाव है ।	नगर निगम इन कार्यों का कार्यभार सम्भालने में सक्षम नहीं है	स्थानीय लोगों का सहयोग नहीं है ।	अन्य कारण यदि कोई हो तो विवरण दें
11. Vital Statistic including registration of births and deaths.					
12. Public amenities including street lights, parking lots, bus stops and public conveniences:					
(a) Street lights.					
(b) Bus stands, bus stops, rain shelters, loading and unloading points.					
(c) Public amenities like public latrines, public baths, public paths, ponds, tanks and lakes.					
(d) Serais, Dharmshalas and night shelters					
(e) Ferries and boats.					
13. Establishment, maintenance, regulation and control of slaughter houses and tanneries.					
14. Any other (please specify).					

भरने वाले के हस्ताक्षर  
कार्यालय मोहर

Govt. of Himachal Pradesh  
Deptt. of Panchayati Raj

No. PCH-HA(1)12/87-10206-406 Dated Shimla-2, July 31, 1996

**NOTIFICATION**

In exercise of powers conferred under section 11(2), 83(1) and 94(1) of Himachal Pradesh Panchayati Raj Act, 1994 (4 of 1994), the Governor, Himachal Pradesh is pleased to entrust the powers, functions and responsibilities upon the Panchayati Raj Institutions in Himachal Pradesh, as per the enclosed Annexure.

By Order,  
Financial Commissioner-cum-Secretary,  
(Panchayati Raj) to the Govt. of HP.

Endst. No. PCH-HA(1)12/8710206-406 dated Shimla-2, July 31, 1996.

Copy to:-

- The Secretary to the Hon'ble Governor, HP, Shimla-2.
- The Secretary, HP Vidhan Sabha, Shimla-4.
- The Private Secretary to the Hon'ble C.M., HP
- All the Private Secretaries of Cabinet Ministers, State Ministers, Chief Parliamentary Secretary & Parliamentary Secretary in Himachal Pradesh.
- Private Secretary to the Chief Secretaries, HP.
- All the Administrative Secretaries, HP.
- All the Heads of the Departments, HP.
- All the Deputy Commissioners in HP.
- All the Chairman, Zila Parishad in HP.
- All the Chief Executive Officers, Zila Parishads in HP.
- All the Distt. Panchayat Officers in HP.
- All the S.D.O. (C) in HP.
- All the Chairman/Executive Officers, Panchayat Samitis, HP.
- The Controller, Printing & Stationary, H.P. Shimla-171005, for immediate publication in Extra ordinary Rajpatra. He is requested to supply 300 (three hundred) copies of the Rajpatra to the Department.

Sd/-  
Director-cum-Addl. Secretary,  
(Panchayati Raj) to the Govt. of HP.

**Devolution of Powers Notified vide No.PCH-HA(1)12/87- dated 31.7.1996**

**AGRICULTURE DEPARTMENT**

<b>Zila Parishad</b>	<b>Panchayat Samiti</b>	<b>Gram Panchayat</b>
<p><b>A. Preparation of Agriculture Production Plan :</b></p> <p>1. To approve agriculture production plan for the Block and consolidate the same at -district level in consultation with the Deputy Director, Agriculture &amp; District Agriculture officer of the district.</p> <p><b>B. Arrangements for Agriculture Inputs:</b></p> <p>2. To consolidate demand of inputs and ensure timely supply to the Blocks/Panchayats.</p> <p><b>C. Agriculture Extension &amp; Training:</b></p> <p>3. Monitoring and supervision of agriculture extension activities.</p> <p><b>D. Soil and Water Conservation :</b></p> <p>4. Resource allocation to Panchayat Samitis for execution of approved schemes and monitoring and execution performance vis-a-vis resources utilization.</p> <p><b>E. Biogas Development:</b></p> <p>5. Resource allocation and performance monitoring.</p> <p><b>F. Crop Protection :</b></p> <p>6. To consolidate the demand from Panchayat Samitis conveyed to the department and obtain the pesticide from department and further distribute to the Panchayat Samitis. Performance monitoring and closer surveillance over spread of diseases/epidemics and reporting to the district/State Headquarters for immediate control measures.</p>	<p>1. To consolidate and prepare agriculture production plan in consultation with the Assistant Development Officer at Block level for submission to the Zila Parishad for approval.</p> <p>2. To consolidate demand received from Panchayats and submit to the Zila Parishad.</p> <p>3. Monitoring and supervision of Agriculture extension activities.</p> <p>4. Approval of schemes received from Panchayats within resource allocation to be made by the Zila Parishad. Monitoring of execution of approved schemes.</p> <p>5. Execution of approved cases under technical guidance of the staff of the Department. Performance monitoring.</p> <p>6. To arrange supply of pesticides as per requirement through Zila Parishad and distribute through Sale Centres. To ensure closer surveillance of spread of diseases and timely ties with the Zila Parishad/State Headquarters for control measures. Performance monitoring.</p>	<p>1. To prepare agriculture production plan for the Panchayat in consultation with the extension staff for submission to the Panchayat Samiti for approval.</p> <p>2. To assess demand of inputs for timely submission to the Panchayat Samiti for arrangements.</p> <p>3. To conduct demonstrations on improved technology and training of farmers through extension functionaries of the department for the concerned Panchayats.</p> <p>4. Identification of schemes in consultation with the concerned local staff of the department for Samiti for approval. Approved schemes shall be executed by Panchayat under technical guidance of the staff of the department. The Panchayats shall prepared cropping plans in command areas of irrigation schemes in consultation with the staff of the department for implementation.</p> <p>5. Identification of beneficiaries and submission of proposal to the Panchayat Samiti for approval under guidance of the technical staff of the Department.</p> <p>6. To organise crop protection and pest management campaigns under technical guidance of extension functionaries of the department. To assess pesticides requirement and place demand to the Panchayat Samiti for arrangement of supply/distribution of pesticides under technical guidance of the agriculture staff. To ensure closer surveillance of diseases/epidemics and report to the Samiti/Zila Parishad /State headquarters for immediate control measures.</p>

ANIMAL HUSBANDRY DEPARTMENT.		
Zila Parishad	Panchayat Samiti	Gram Panchayat
<ol style="list-style-type: none"> <li>1. Planning of animal husbandry programmes in the district.</li> <li>2. Monitoring of contagious diseases and popularisation of preventive measures.</li> <li>3. Implementation of feed and fodder development schemes at district level after approval of the State Government.</li> <li>4. Supervision of functioning and construction and maintenance of veterinary dispensary building in rural areas in the district.</li> </ol>	<ol style="list-style-type: none"> <li>1. Construction and maintenance of veterinary dispensary buildings in rural areas in the district.</li> <li>2. Conduct of animal fairs, exhibitions, calf-fallies, livestock shows and mild competitions.</li> <li>3. Co-ordination in respect of policy planning of animal husbandry programme at block level.</li> <li>4. Making recommendations for holding of animal health/sterility camps</li> </ol>	<ol style="list-style-type: none"> <li>1. Supervision of milk collection centre/ societies.</li> <li>2. Identification and recommendation of beneficiaries for animal husbandry programme.</li> <li>3. Periodical supervision and inspection of veterinary dispensary artificial insemination centres in the village and recommend the remedial measures.</li> <li>4. To promote the formation of milk/wool/poultry co-operative societies.</li> <li>5. To report outbreak of epidemics diseases amongst livestock/poultry to the nearest veterinary institution and Block level functionary of the department.</li> </ol>
AYURVEDA & HOMEOPATHY DEPARTMENT		
Zila Parishad	Panchayat Samiti	Gram Panchayat
<ol style="list-style-type: none"> <li>1. Supervision of the functioning, Construction and maintenance of the hospitals of Indian System of Medicine, including the District Hospitals.</li> <li>2. Ensure that Ayurvedic &amp; Homeopathic doctors and staff reside at the places of postings at Hospitals.</li> </ol>	<ol style="list-style-type: none"> <li>1. Construction and maintenance of building of ISM dispensaries.</li> <li>2. Organising free medical camps under ISM dispensaries.</li> <li>3. Construction and maintenance of buildings attached to ISM dispensaries.</li> <li>4. Ensure that the Ayurvedic staff reside at the places of postings at ISM dispensaries.</li> </ol>	<ol style="list-style-type: none"> <li>1. Formation of Dispensaries Welfare Advisory Committees with representatives of Panchayats, Pharmacist and A.N.M./E.H.W. of Ayurveda Department, Panchayat Members, N.G.O.s etc. to oversee the services provided by each dispensary, improvement thereof and ensure that the Ayurvedic staff reside at the places of postings. The Committee shall be chaired by the Pradhan of Gram Panchayat.</li> <li>2. Up-keep and maintenance of ISM dispensaries and quarters.</li> <li>3. Organising school health check-up programmes and medical and family welfare camps.</li> </ol>

Education Department		
Zila Parishad	Panchayat Samiti	Gram Panchayat
<ol style="list-style-type: none"> <li>1. To assess the requirement of High School teachers, equipment etc. in the district and plan for them.</li> <li>2. Supervision and monitoring of the quality of education services.</li> <li>3. Campaign for full enrolment and reduction of drop-outs.</li> <li>4. Assessment of requirement for hostels of target group students and plan for them.</li> <li>5. Supervision of distribution of high school uniforms, books etc. for target group students.</li> <li>6. Vigilance on regular attendance of 10+2 teachers and non-teaching staff and students and reporting to the concerned authorities.</li> </ol>	<ol style="list-style-type: none"> <li>1. To supervise the functioning of the middle schools.</li> <li>2. Supply and distribution of material and equipments to the middle schools.</li> <li>3. To assess the drop-out position and initiate appropriate action to reduce it.</li> <li>4. Distribution of middle school uniform, books and other materials to the target group students.</li> <li>5. Assist in the maintenance of hostels of middle schools.</li> <li>6. Maintenance of high school buildings and related infrastructure.</li> <li>7. Vigilance on regular attendance of middle/high school teachers and non-teaching staff and students and reporting to the concerned authorities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Ensure full enrolment of school-age children in primary schools.</li> <li>2. Maintenance of primary school buildings, play grounds etc.</li> <li>3. Vigilance on regular attendance of primary school teachers and non-teaching staff and students reporting to the concerned authorities.</li> <li>4. Assist primary schools in the distribution of study material to the target group students.</li> <li>5. Supervision of mid-day meal scheme.</li> </ol>
Fisheries Department		
Zila Parishad	Panchayat Samiti	Gram Panchayat
<ol style="list-style-type: none"> <li>1. Sanction of subsidy as per approved Government/F.F.D.A norms for repair and construction of ponds under F.F.D.A Schemes upto Rs. 40,000/- and Rs. 1,00,000/- respectively for maximum of 5 hectares water body subject to completion of all codal formalities and physical verification by officials of F.F.D.A. The physical verification by officials of F.F.D.A. amount will be released by the concerned F.F.D.A.</li> <li>2. Power to impose and realise penalty from poachers indulging in illegal fishing from Fish Sanctuaries and other protected water bodies duly notified under the Fisheries Act.</li> <li>3. Protection, conservation and development of other protected waters duly notified under the Fisheries Act.</li> <li>4. Promotion and development of Fish Culture Programme.</li> <li>5. Procurement and supply of fish seed/ fry with the assistance of the Department.</li> </ol>	<ol style="list-style-type: none"> <li>1. Sanction of subsidy as per approved Government/F.F.D.A. norms for repair and construction of ponds under F.F.D.A. scheme upto Rs. 24,000/- and Rs. 80,000/- respectively upto the maximum of 3 hectares water body subject to completion of all codal formalities and physical verification by officials of F.F.D.A. The amount will be released by the concerned F.F.D.A.</li> <li>2. Identification of fish farmers for training in Fish Culture and arranging their training with the assistance of Department of Fisheries.</li> <li>3. Collection of demand and distribution of seedlings to the fish farmers.</li> <li>4. Promotion and development of Fish Culture Programme.</li> <li>5. Providing marketing assistance in disposal of fish produce within the Panchayat Samiti area by organizing co-operative societies for marketing.</li> </ol>	<ol style="list-style-type: none"> <li>1. Sanction of subsidy as per approved Government/F.F.D.A. norms for repair and construction of ponds under F.F.D.A. scheme upto Rs. 8,000/- and Rs. 20,000/- respectively upto the maximum of one hectares water body subject to completion of all codal formalities and physical verification by officials of F.F.D.A. The amount will be released by the concerned F.F.D.A.</li> <li>2. Identification for sites for construction of community ponds.</li> <li>3. Renovation of existing community ponds and construction of new community ponds.</li> <li>4. Right to lease community ponds to the beneficiaries and realization of lease money.</li> <li>5. Maintenance and control of community ponds.</li> <li>6. Conservation of aquatic fauna of rivers and streams within the jurisdiction of Gram Panchayat.</li> <li>7. Power to impose and realize fines from the poachers indulging in illegal fishing in the rivers and streams falling within the jurisdiction of Gram Panchayat.</li> </ol>

Food & Supplies Department		
Zila Parishad	Panchayat Samiti	Gram Panchayat
<ol style="list-style-type: none"> <li>1. To recommend the opening of fair price shops/godowns.</li> <li>2. To review the availability of essential commodities in its jurisdiction and assess demand of commodities depending upon the net of the local area.</li> </ol>	<ol style="list-style-type: none"> <li>1. Supervision and monitoring of movement and availability of essential commodities and review of the public distribution system in the Panchayat Samiti area.</li> <li>2. To assess coverage of consumers by Fair Price Shop, especially of weaker sections.</li> <li>3. To plan and taken steps for the elimination of bogus ration cards.</li> <li>4. To plan/review and recommend the opening of fair price shops in its jurisdiction.</li> <li>5. To coordinate schemes of Public Distribution System with other welfare schemes.</li> <li>6. To send reports and returns about Public Distribution System to Zila Parishad.</li> <li>7. To disseminate information about consumer protection/welfare.</li> </ol>	<ol style="list-style-type: none"> <li>1. To supervise the functioning of Fair Price Shops under the jurisdiction of the Panchayats in the interest of the consumers.</li> <li>2. To discharge duties as grievance redressal agency and issue directives to Fair Price Shops when required.</li> <li>3. Preparation and issue of ration cards.</li> <li>4. Elimination of bogus ration cards.</li> <li>5. To decide the location of Fair Price Shops.</li> <li>6. To arrange for the running of a Fair Price Shop where required by mobilizing local resources/finances.</li> <li>7. Assist Panchayat Samiti in preparing plan of action to Link Public Distribution System with J.R.Y., I.R.D.P., I.C.D.S., D.W.C.R.A., mid day meals scheme etc.</li> </ol>



Zila Parishad	Panchayat Samiti	Gram Panchayat
<p><b>A. Other Afforestation Scheme :</b></p> <ol style="list-style-type: none"> <li>1. Finalization of micro plans proposed by Panchayat Samitis in consultation with D.F.O concerned and approval thereof.</li> <li>2. Submission of Annual Plan of operation to Forest Department and allotment of funds from Forest Department of Zila Parishads for further allocation of budget to Panchayat Samitis/Gram Panchayats.</li> <li>3. Fixing of targets thereof as per approved micro plans.</li> <li>4. Monitoring/evaluation of activities.</li> <li>5. Resolving disputes, if any regarding benefit sharing and monitoring thereof.</li> <li>6. Monitoring of the execution of the action plans.</li> <li>7. Forest Fires:</li> <li>8. Co-ordination/supervision and monitoring thereof.</li> <li>9. To recommend to Forest Department action against major defaulters such as suspension of T.D. rights as per the Forest Settlement.</li> <li>10. To monitor the forest fire cases and recommend awards for the Panchayats and individuals doing exemplary work. The award amount will be paid through Forest Department.</li> <li>11. Minor Forest Produce:</li> <li>12. To popularize the concept of MFP plantations and returns thereof.</li> <li>13. Encroachment Cases:</li> <li>14. To liaison with the with the Forest Department for settlement.</li> <li>15. Illicit Felling/Poaching :</li> <li>16. To educate masses against illicit felling and poaching, monitoring of offences of illicit felling/poaching.</li> <li>17. Other functions :</li> </ol>	<p><b>FOREST DEPARTMENT</b></p> <ol style="list-style-type: none"> <li>1. Formulation of Plans in respect of lands identified by the Gram Panchayats in co-ordination with concerned Range Officers. This will also include organizing nursery raising.</li> <li>2. To ensure the execution of micro plans through Gram Panchayats as per the physical/financial targets fixed.</li> <li>3. Submission of consolidated accounts and reports to Zila Parishad.</li> <li>4. Ensuring management/protection responsibilities of Gram Panchayats.</li> <li>5. To act as a facilitator and ensure benefit sharing.</li> <li>6. Approval of the action plan.</li> <li>7. To issue direction to Gram Panchayats regarding different measures to be adopted for its prevention.</li> <li>8. To recommend action against major and habitual defaulters and to report concerned authorities of the Department.</li> <li>9. To send consolidated reports.</li> <li>10. To monitor the cases of over exploitation and submit recommendations to Forest Department for its regulation.</li> <li>11. To send the consolidated monthly report to Range Officer for action.</li> <li>12. To send the consolidated report to range officer for action.</li> <li>13. To supervise afforestation, plantation and nursery works within their area and report to the concerned Forest Officer.</li> <li>14. Supervision of soil conservation work of the Forest Department.</li> <li>15. To supervise the protection of wild life.</li> </ol>	<ol style="list-style-type: none"> <li>1. To identify village common lands, other community and non forest lands for development of village wood lots in consultation with the local forest guards/Block officers. This will also include location of site, species to be planted and details of such areas which need maintenance.</li> <li>2. Execution of micro plans by Gram Panchayat.</li> <li>3. Submission of monthly accounts and physical and financial reports to Panchayat Samities.</li> <li>4. Taking over of management/ responsibilities of assets created, which include maintenance and protection of these assets.</li> <li>5. Benefit sharing out of the assets so created as per the policy of the Government.</li> <li>6. Proposal on the nature of investment of the benefits so accrued as above for developmental activities and execution thereof.</li> <li>7. To enlist the co-operation of the local people to protect forest from fires and to help Forest Department in extinguishing forest fires by constituting Fire Protection Committee.</li> <li>8. To report the defaulters who do not co-operate in extinguishing fires.</li> <li>9. To submit periodical reports.</li> <li>10. To assess the availability of minor forest produce and report any incidence of its misuse.</li> <li>11. To prevent and report the encroachment cases to DFO concerned.</li> <li>12. To prevent and report the cases of illicit felling/poaching to the DFO concerned and take cognizance of patrolling of Forest Guards in their jurisdiction.</li> <li>13. To supervise afforestation. Plantation and nursery works within their area and report to the concerned Forest Officer.</li> <li>14. Supervision of soil conservation work of the Forest Department.</li> <li>15. To supervise the protection of wild life.</li> </ol>

# HEALTH & FAMILY WELFARE DEPARTMENT

Zila Parishad	Panchayat Samiti	Gram Panchayat
<p>1. Formation of Health &amp; Family Welfare Advisory Committee to oversee the functioning of C.H.Cs and Rural Hospitals, improvement thereof and ensure that all the functionaries of these institutions are residing at the places of posting. However, the functioning of Zonal Hospitals, District Hospitals and referral Hospitals are excluded from the purview of the Committee. The chairman of the Zila Parishad and its members shall be Medical Superintendents of these hospitals, B.M.Os and Zila Parishad members.</p> <p>2. The Committee shall devise strategy to boost IEC campaign in respect of control measures for all communicable diseases like T.B., Leprosy, AIDS etc. as well as all other National Programmes.</p> <p>3. Planning of Family Welfare, immunization and health education camps for the community.</p>	<p>1. Construction and maintenance of Health Sub-Centers and staff quarter.</p> <p>2. Construction and maintenance of Community latrines in the Samiti areas with the help of local Panchayat.</p> <p>3. Organise health and family welfare camps and exhibitions in Melas in order to promote awareness of National Health Programmes.</p> <p>4. Take all effective measures with the help of health functionaries to control epidemics in their areas.</p> <p>5. Formation of Health &amp; Family Welfare Advisory Committees for all health institutions upto the level of C.D. &amp; P.H.C. comprising of B.M.O, Samiti members, N.G.O. representatives, Male/Female supervisors etc. to oversee the functioning of the Health institutions, improvement thereof and ensure that all the functionaries of C.D. and P.H.C are residing at the place of posting. The Committee shall be chaired by Chairman of the Panchayat Samiti.</p>	<p>1. Formation of Health &amp; Family Welfare Advisory Committee for sub-centres consisting of Panchayat members, opinion leaders, trained birth attendant Male/Female Health Workers, NGO representatives etc. to oversee the functioning of each health institutions improvement thereof and ensure that the functionaries of the sub-centers are residing at the place of posting. The Committee shall be chaired by the Pradhan of the Gram Panchayat in whose area institution falls.</p> <p>2. Sanitation, clearing of roads, drains, chlorination of wells/bowlies and destruction of stray dogs and their disposal.</p> <p>3. Organising School health check up programmes.</p> <p>4. Helping the D.D.T. spray team during the season.</p> <p>5. Motivating the community for adopting family planning methods/immunization etc. and organising the camps.</p> <p>6. Reporting the outbreak of Gastroenteritis and any other epidemic and starting containment measures with the help of Health Committees.</p> <p>7. Registration of births and deaths.</p> <p>8. Construction and maintenance of village drains and disposal of wastes.</p>

## HORTICULTURE DEPARTMENT.

Zila Parishad	Panchayat Samiti	Gram Panchayat
<ol style="list-style-type: none"> <li>1. Review and monitoring of all the functions and activities in respect of Horticulture entrusted to Panchayat Samitis.</li> <li>2. Maintaining co-ordination and liaison with the department of Horticulture in respect of all the Horticulture Development Programmes.</li> <li>3. Organizing campaigns, fairs, meets, exhibitions, seminars etc.</li> <li>4. Co-ordination and monitoring of procurement and distribution of packing material for horticulture produce.</li> <li>5. Co-ordination and monitoring of procurement of fruits under Marker Intervention Schemes/support price.</li> </ol>	<ol style="list-style-type: none"> <li>1. Review, monitoring and supervision of all functions and activities in respect of horticulture entrusted to Gram Panchayat.</li> <li>2. Organizing horticultural inputs distribution system (other than fungicides/pesticides).</li> <li>3. Organizing farmers training camps, study tours, seminars etc.</li> <li>4. Organizing of demonstrations on improved varieties/technology/ package</li> <li>5. conducting Village-wise horticultural census.</li> <li>6. Preparation of action plan for each watershed.</li> <li>7. Supervise the procurement and distribution of plants by the Block Agency.</li> </ol>	<ol style="list-style-type: none"> <li>1. Identification and selection of beneficiaries for different horticultural subsidy schemes for small &amp; marginal farmers.</li> <li>2. Promotion of farmers clubs and horticultural producers co-operative societies.</li> <li>3. Supervising collection centers for fruits under Market Intervention scheme (MIS)/support price scheme.</li> </ol>

# INDUSTRIES DEPARTMENT.

Zila Parishad	Panchayat Samiti	Gram Panchayat
<p>1. The District Action Plan of the Department as per the discussion with Panchayat Samiti will be presented to Zila Parishad by the General Manager, District Industries Centers, for approval before he submits to Director of Industries.</p> <p>2. The General Manager, District Industries Centre, will send a list of cases which have been recommended to various banks every month. He will also furnish information with regard to the status of past cases which had already been recommended. The respective Banks will send a list of defaulters to Zila Parishad every month for monitoring. The General Manager, D.I.C., will provide similar information with regard to departmental loans.</p> <p>3. The Zila Parishad will collect the information with regard to skills available, the list of interested persons who are interested to acquire the skills as per the requirements of the industrial units, prioritize the same and send to the Department of Industries for organizing the skill development training programmes.</p> <p>4. Zila Parishad will collect the information with regard to the conducting of Industrial Awareness/Entrepreneurship Development Programme and target group viz SC/ST, Women, Ex-servicemen, general categories etc. for which the programmes are proposed. Zila Parishad will then priorities and send the same to the Department of Industries along with their recommendations for conducting the programmes.</p>	<p>1. The draft of District Action Plan of the Department as prepared by the General Manager, District Industries Centers, will be discussed with the Panchayat Samiti in which the Lead Bank Officer will be associated.</p> <p>2. The General Manager, District Industries Centre will endorse a copy of the letter to the concerned Panchayat Samiti vide which a recommendation is made to any Bank for grant of industrial loan to the Industrial units.</p> <p>3. The Department of Industries will bring to the notice of the concerned Panchayat Samiti the manpower skill requirements of the proposed industry to be set up in the areas. The Panchayat Samiti will provide information with regard to availability of skills in that area. In case the particular type of skill is not available, the Panchayat Samiti will bring to the notice of the Zila Parishad the list of the persons interested to acquire the requisite skill.</p> <p>4. Panchayat Samiti shall identify the locations in their respective area of operation where there is a potential of conducting Industrial Awareness Programmes/ Entrepreneurship Development Programmes. The target groups for which these programmes are proposed will be sent to the Zila Parishad.</p> <p>5. Identification and selection of artisans/ beneficiaries for Prime Minister Rozgar Yojna (P.M.R.Y.), Rural Industries Plan (RIP)/Rural Artisans Plan (RAP) at Block level. Chairman Panchayat Samiti, may nominate one member for identification/selection of P.M.R.Y. and Extension Officer (Industries) of the Block shall be made Member-secretary of the Selection Committee. As regards credit facilities for industry, Service &amp; Business sector under P.M.R.Y., the cases are prepared/processed by D.I.C. headed by the General Manager.</p> <p>6. (1) The Panchayat Samiti will consider the recommendation in respect of Seticular activities of the Gram Panchayat and will take final decision keeping in view the budget position.</p> <p>(2) At the same time it can <i>sub-initiate</i> proposals</p>	<p>1. The General Manager, District Industries Centers, will endorse a copy of letter to the concerned Gram Panchayat vide which a recommendation is made to any Bank for grant of industrial units.</p> <p>2. Gram Panchayat will identify suitable place of land for establishing mulberry/farm/ nurseries and chowd centers and recommend to the Panchayat Samiti for taking appropriate decision.</p> <p>3. Gram Panchayat can forward proposal for setting up Industrial Areas/Estates in case sufficient chunk of land is available in the Panchayat.</p>

<p>5. Training under Prime Minister Rozgar Yojna (PMRY) for the beneficiaries in whose favour loan is sanctioned for setting up of self employment ventures under Industry, Service &amp; Business sectors is arranged by the General Manager D.I.C. at the District Sub-Division and Block level as per guidelines/instructions of Development Commissioner (S.S.I.) New Delhi. Member(s) nominated by Chairman, Zila Parishad/Panchayat Samiti can be included in the District Task Force Committee.</p>	<p>for setting up of sub-centers in any Panchayat under its jurisdiction.</p> <p>(3) It will look after the marketing of cocoons.</p> <p>(4) The concerned Divisional Sericulture Officer will implement the decisions of the Panchayat Samitis subject to the availability of funds under the schemes.</p>	
<p>6. -</p> <p>7(1) Zila Parishad will consider the proposals forwarded by Panchayat Samitis and take a decision as it may deem fit.</p> <p>(2) Zila Parishad can also <i>suo moto</i> identify land for such purposes after taking views, if it considers necessary, of the respective Panchayats/Panchayat Samitis.</p> <p>(3) After the Zila Parishad has considered, identified the land and approved the proposal, the same will be submitted with its recommendations through the General Manager, D.I.C. to the Director of Industries for further action.</p> <p>8. At present prospective entrepreneurs after registration and approval of their project, apply for the allotment of plot/land in the Industrial Area to the General Manager, District Industries Centre. The Plot allotment Committee at the District level under the chairmanship of General Manager, D.I.C., after consideration of all the applications for allotment of plots/land make the allotment to the entrepreneurs, depending upon the project and availability of plots/land, keeping in view the allotment policy in view. One member of the Zila Parishad will be nominated on the Plot Allotment Committee.</p>	<p>7(1) Panchayat Samiti will examine the proposals submitted by the Gram Panchayats of their areas and take appropriate action before forwarding the recommendations to the Zila Parishad.</p> <p>(2) The Panchayat Samiti concerned may also, of its own, identify land for establishing Industrial Areas/Estates within their jurisdiction and submit the proposal to Zila Parishad for decision.</p>	

IRRIGATION & PUBLIC HEALTH DEPARTMENT.		
Zila Parishad	Panchayat Samiti	Gram Panchayat
<ol style="list-style-type: none"> <li>1. Identification of potential schemes including water harvesting covering more than one block.</li> <li>2. To bring to the notice of appropriate authority of the I.P.H. Department the cases of gross misutilization of funds, corrupt practices etc. by the staff of the Departments, Contractors and Sub-Contractors while executing various schemes.</li> </ol>	<ol style="list-style-type: none"> <li>1. Prevention and control of water pollution.</li> <li>2. Identification of potential schemes including water harvesting covering more than one Panchayat.</li> <li>3. To bring to the notice of appropriate authority of the I.P.H. Department the cases of gross misutilization of funds, corrupt practices etc. by the staff of the Department, contractors and Sub-Contractors while executing various schemes.</li> </ol>	<ol style="list-style-type: none"> <li>1. Routine maintenance of hand pumps staff to be provided by the Department.</li> <li>2. Routine maintenance of drinking water, and irrigation schemes which have been executed at a cost of one lakh and below.</li> <li>3. Prevention and control of water pollution.</li> <li>4. Identification of potential schemes within Gram Panchayat area.</li> <li>5. Information regarding functioning and condition of water supply schemes will be given by the Panchayat to the prescribed authority.</li> <li>6. To bring to the notice of appropriate authority of the I.P.H. Department the cases of gross misutilization of funds, corrupt practices etc. by the staff of the Department, contractors and Sub-Contractors while executing various schemes.</li> </ol>
PUBLIC WORKS DEPARTMENT.		
Zila Parishad	Panchayat Samiti	Gram Panchayat
<ol style="list-style-type: none"> <li>1. Identification of village link roads, mule roads, village paths, culverts and foot bridges upto 10 mtrs. span on these roads and paths.</li> <li>2. Supervision of execution of works by Panchayat Samitis like construction of mule roads, culverts and foot bridges upto 10 mtrs. span on these paths and roads.</li> <li>3. Construction and maintenance of building belonging to Zila Parishad.</li> <li>4. Supervision of construction of buildings belonging to Panchayat Samitis and Gram Panchayats.</li> <li>5. Construction/ maintenance of Jullas across rivers/ streams on village paths mule paths covering more than two blocks.</li> <li>5. To bring to the notice of appropriate authority of the Public Works Department the cases of gross misutilization of funds, corrupt practices etc., by the staff of the Department contractors and sub-contractors while executing various schemes.</li> <li>6. Maintenance and running of boats and ferries.</li> </ol>	<ol style="list-style-type: none"> <li>1. Identification, construction and maintenance of mule roads and identification of village link roads.</li> <li>2. Construction and maintenance of buildings belonging to Panchayat Samitis.</li> <li>3. Maintenance of those rural roads which may be transferred by P.W.D. to Panchayat Raj Institutions.</li> <li>4. Construction and maintenance of Jullas across rivers/streams on village path/mule paths within its area.</li> <li>5. Supervision of construction of buildings by Gram Panchayats.</li> <li>6. Supervision of construction of village paths, culverts and village lanes.</li> <li>7. Supervision of construction of small foot bridges upto 10 mtrs. span falling on village paths/mule paths over nullahs and khads.</li> <li>8. To bring to the notice of appropriate authority of the Public Works Department the cases of gross misutilization of funds, corrupt practices etc., by the staff of department contractors and sub-contractors while executing various schemes.</li> </ol>	<ol style="list-style-type: none"> <li>1. Identification of village link roads.</li> <li>2. Identification, construction and maintenance of village paths, culverts and lanes.</li> <li>3. Construction and maintenance of small foot bridges upto 10 metres span on Nullahs/streams falling on village paths.</li> <li>4. Construction and maintenance of buildings belonging to the Gram Panchayats.</li> <li>5. To bring to the notice of appropriate authority of the Public Works Department, the cases of gross misutilization of funds, corrupt practices etc. by the staff of Department contractors and sub-contractors while executing various schemes.</li> </ol>

Revenue Department

Revenue Department		
Zila Parishad	Panchayat Samiti	Gram Panchayat
<p>1. To supervise the duties and functions at block level, regarding revenue matters.</p> <p>2. To assist the revenue officials in identification of landless/houseless persons and formulation of policies, for utilization of Government land on lease at District level.</p>	<p>1. To supervise the work entrusted in revenue matters to Panchayats and formulate policy at block level for removal of encroachments on Government land at block level.</p> <p>2. To assist the revenue officials in identification of landless/houseless person for utilization of Government land and giving no objection certificate for giving such land on lease at block level.</p>	<p>1. Prevention of encroachments on village common land and the management of which is entrusted to the Panchayat.</p> <p>2. Parwaris will paste his monthly working chart on the notice board of parwahana indicating the working days he will visit the Panchayat areas. Any departure will be reported to the Gram Panchayat concerned.</p> <p>3. To ensure that all eligible kisans are issued Kisan Pass Books and the same are updated regularly.</p> <p>4. If any Kisan faces difficulty in getting a copy of any revenue record he can apply to the Panchayat who will direct the concerned parwaris to issue the requisite copy of the revenue record through Panchayat within seven days.</p> <p>5. The Parwaris Mohal shall place a copy of the records of rights like Jamabandi and Wazb-ul-urz at the Panchayat Headquarters for the perusal of the general public.</p> <p>6. Helping administration in providing relief in natural calamities.</p> <p>7. Removal of encroachments on public property and land.</p> <p>8. To ensure protection of boundary pillars and impose suitable punishment in case of destruction or defacement.</p> <p>9. Maintenance of essential statistics relating to the Panchayat.</p> <p>Implementation of Land Ceiling Measures:</p> <p>1. Assist in identification of potential surplus land owner/their total land in the Gram Panchayat area.</p> <p>2. Assistance to the legal machinery in conduct of legal proceedings.</p> <p>3. Assistance in identification of families/individuals needing allotment of land.</p> <p>4. Assistance in organizing land raising measure for individual allottees or groups of them.</p> <p>Implementation of Tenancy measures:</p> <p>1. Assistance in identification of tenancy (including share tenancy) status, open as well as clandestine.</p> <p>2. Assistance to the legal machinery in its task of securing as well as regularising tenancy rights, or conferring ownership rights, as the case may be.</p> <p>3. Towards this end creation of public opinion, marshalling of documentary and non-documentary evidences, particularly on issue of</p>
<p>3. Co-ordination with the legally constituted machinery in all stages of its work and rendering of necessary assistance to it either directly or through the PS and/or GP, as the case may be.</p> <p>4. Creation of public opinion for facilitating the work of land ceiling as well as other elements of land reforms.</p>	<p>3. Assistance to the legal machinery in conduct of legal proceedings (e.g. publication of notice in the entire area, identification of land in different GP areas etc.).</p> <p>4. Co-ordination of the work as between the GPs.</p>	

		possession and use of the lands concerned.
<p>5. Periodic monitoring of the work in the entire ZP areas and advising /instructing PSs and GPs on matter relating to implementation and monitoring.</p>	<p>5. Compilation of GP-wise data on land reforms measures and monitoring progress of such measures for the PS area. Assisting the ZP in monitoring for ZP area.</p> <p>6. Report regarding wrong change in revenue entries, malpractices, tempering of records and issue of wrong certificate and not issuing certificate in genuine case to reported to SDO(C) of the area</p>	<p>Land Consolidation :</p> <ol style="list-style-type: none"> <li>1. Securing active and continuing involvement of inhabitants of local area in different stages of the operation as set out in the law e.g. accordance approval to the draft plan.</li> <li>2. Towards this end assistance to the machinery in compilation of un- documented date on issues different gradation of land rights, status of common land and other common property etc.</li> <li>3. Assistance to the legal machinery in ensuring that after consolidation, possession of assigned plots/holdings actually accord with the implemented scheme of consolidation.</li> <li>4. Gram Sabha is authorized to pass resolution to undertake the consolidation operation.</li> </ol> <p>Participation in updating and Maintenance of Land Records:</p> <ol style="list-style-type: none"> <li>1. Assisting in continuous updating of data relating to use season wise of agricultural land or assistance in doing so to the designated machinery where it has been separately constituted.</li> <li>2. Assist in periodic updating of data relating to the actual status of village commons that is pasture wasteland, water reservoirs waterways, roads, embankments etc.</li> <li>3. Assistance to the legal machinery in the updating of land records(record of rights) and mutation proceedings.</li> </ol> <p>Protection and Maintenance of Village Common :</p> <ol style="list-style-type: none"> <li>1. Primary responsibility for keeping common property of local nature in good condition. Keeping watch over them so that they are not encroached upon or converted to uses not in the interest of community.</li> <li>2. Identify encroachment as well as conversion of illegal or wrong uses of commons and bring these notice of the appropriate authority for remedial action.</li> <li>3. Provision of assistance in and collection of evidence towards the conduct of the proceedings by such authority.</li> <li>4. Creation of public opinion in favour of use of soil only in consonance with its properties, gradients etc.</li> </ol>



RURAL DEVELOPMENT DEPARTMENT.		
Zila Parishad	Panchayat Samiti	Gram Panchayat
<ol style="list-style-type: none"> <li>1. Evaluation of all poverty alleviation programmes and the coverage of women, SC, ST &amp; other IRDP beneficiaries in these programmes.</li> <li>2. Developing marketing infrastructure/marketing network/ tie up arrangements for the products in Rural Areas.</li> <li>3. Ensuring the focus of development programmes on environment and natural resources development.</li> <li>4. Monitoring loan and subsidy disbursement in co-ordination with Banks and other Financial Institutions in Rural Development Programmes.</li> <li>5. Wide publicity of watershed guidelines amongst people of the concerned areas.</li> <li>6. Identification of local viable technologies.</li> </ol>	<ol style="list-style-type: none"> <li>1. To ensure that the funds provided by the DRDA to the Gram Panchayats are utilised as per the prescribed guidelines within its jurisdiction.</li> <li>2. Organizing training/awareness camps for IRDP beneficiaries.</li> <li>3. Coordinating with Banks and other Financial Institutions for release of subsidy and loans.</li> <li>4. Monitoring the distribution of Vikas Patrikas and Credit Books to the beneficiaries.</li> <li>5. Monitoring the use of assets and schemes under IRDP etc.</li> <li>6. To help Banks and other Financial Institutions for recovery of loans.</li> <li>7. To oversee the implementation of various insurance schemes for rural poor.</li> <li>8. To monitor and co-ordinate supply of food grains to the Gram Panchayats under IRY/IAS.</li> <li>9. To supervise the implementation of IAY, GKY, RSP and CRSP there will be an implementation Committee under the Chairmanship of Chairman Panchayat Samiti, S.D.O. (C), BDO concerned and some Panchayat Samiti members would be members of this Committee. The Committee will also look into the complaints regarding wrong selection of beneficiaries under these schemes.</li> <li>10. Prevention of misuse of community assets of the Panchayat Samiti.</li> <li>11. Organise auction of produce from community assets of Panchayat Samiti.</li> <li>12. Supervision and monitoring of Central/State Rural Sanitation Programmes executed by the Gram Panchayats.</li> <li>13. Development and maintenance of places for Fairs/Mandis/weekly markets at Panchayat Samiti level.</li> </ol>	<ol style="list-style-type: none"> <li>1. Identification and selection of beneficiaries for IRDP/TRYSEM/DWCRA.</li> <li>2. Supervise the implementation of IRDP/DWCRA/TRYSEM schemes</li> <li>3. Ownership and maintenance of the community assets viz. Panchayat Ghats, community Centres, Mahila/Yuvak Mandal Bhavans and IRDP stalls etc.</li> <li>4. Assisting Banks and other financial Institutions in the recovery of loans.</li> <li>5. Helping IRDP beneficiaries to procure raw material and marketing of products.</li> <li>6. Preparing village plan for works under IRY/IDDRY/EAS and their implementation.</li> <li>7. Obtaining technical personnel of the concerned department.</li> <li>8. Identification of beneficiaries under employment generation programmes.</li> <li>9. Distribution of foodgrains under IRY/IDRY/EAS.</li> <li>10. Maintenance of assets created under IRY/IDRY/EAS.</li> <li>11. Selection of beneficiaries under IAY &amp; GKY.</li> <li>12. Implementation of Central &amp; State Rural Sanitation Programme.</li> <li>13. Reporting against misuse of assets/subsidy and loans to the concerned department.</li> <li>14. Motivation and formation of village level use groups for the watershed programmes.</li> <li>15. Help the PIAs and other agencies in the implementation of the Watershed Development programme.</li> <li>16. Development and maintenance of places for village fairs/markets.</li> <li>17. Organize a auction of produce from community assets of Gram Panchayat.</li> <li>18. Helping in identification and selection of NSAP beneficiaries in consultation with the Health &amp; Social &amp; Women Welfare Departments.</li> <li>19. Implementation of National Programme of improved Chulabs.</li> <li>20. Maintenance of cremation grounds and grave yards.</li> </ol>

# SOCIAL AND WOMEN'S WELFARE DEPARTMENT.

Zila Parishad		Panchayat Samiti	Gram Panchayat
<b>A. Integrated Child Development Services:</b> 1. Monitoring the function of the scheme in the district.		1. To guide and assist the project staff working in the Panchayat Samiti area. 2. Construction of Anganwadi Centres in the Gram Panchayats. Funds to be transferred. 3. Provide infrastructure facilities and other logistic support to facilitate implementation of the programme.	1. Assist in collection of beneficiaries centres and management of Anganwadi Centres except Nutrition Transfer of staff (Anganwadi worker/Helpers). 2. Identification of disabled persons/leprosy patients and co-ordination with the Block and Zila Parishad for their rehabilitation.
<b>B. Welfare of disabled:</b> 2. Inspection Supervision and Monitoring of the Voluntary Organizations in the District receiving grant-in-aid from the Ministry of Welfare, Govt. of India, for rehabilitation of the persons with disabilities. 3. Identification and promotion of Voluntary Organizations for assisting the disabled persons/leprosy patients, with grant-in-aid from the Ministry of Welfare.			
4. Organize Support Meet and cultural programme for people with disabilities.			
<b>C. Welfare of aged:</b> 5. Identifying the destitute aged persons and helping them in taking shelter with the voluntary organization which receives grant-in-aid from the Ministry of Welfare/State Government for running and maintaining old age homes.		5. Co-ordination with the Zila Parishad.	3. Co-ordination with the Panchayat Samiti.
<b>D. Drug abuse prevention:</b> 6. Building awareness and educating people about ill effects of the drug abuse. 7. Identify and promote voluntary organizations to deal with the drug addicts through a well rounded up programme of motivation counseling treatment and follow up social reintegration of cured drug addicts, transfer of funds from camps.		6. Co-ordinate with the Zila Parishad.	4. Co-ordinate with the Panchayat Samiti.
<b>E. Juvenile Justice Administration:</b> 8. Inspection of homes for the juvenile delinquents.		7. Co-ordination with the Zila Parishad for above functions.	5. Co-ordinate with the Panchayat Samiti for above functions.
<b>Eradication of untouchability:</b> 9. Co-ordination with the District officials in implementation of provisions of P.O.R. Act, 1995. 10. Celebration of 'Removal of Untouchability week'.		8. Survey of untouchability prone areas, selection of Gram Panchayats doing best work in the area of removal of untouchability for giving awards, organizing camps to create awareness about the	6. Identification of discriminatory practices against Scheduled Castes with special reference to :- (a) accessibility to common drinking water places. (b) accessibility to common drinking water sources.

on 2 <sup>nd</sup> October every Transfer of funds.	provision of the PCR Act, 1955. Transfer of funds. 6. Co-ordinate with the Zila Parishad.	(c) use of separate utensils in village tea stalls. (d) Refusal to offer services by barber and washer man. (e) taking marriage procession(bare). The concerned Gram Panchayat should ensure that no such discriminatory practices exist in the village, and if they are found, adequate steps be taken under the provisions of the PCR Act, 1955 for preventing it.
G. Curbing Atrocity against SCs/STs : 11. Co-ordination in the implementation of Schedules Castes and Scheduled Tribes (Prevention of Atrocity) Act, 1989.	9. Organising camps for creating awareness among people about the provisions of the Act. Transfer of funds.	7. Dispensing monetary relief to the victims of the atrocity at the prescribed rates. Funds as and when demanded.
H. Liberation and Rehabilitation of Scavengers : 12. Identification and verification of the applicants under liberation of scavengers.		
I. Improvement of Harijan Basties:	10. To prepare estimate for pavements, streets, drains, electric point etc. and forward it to Zila Parishad. 11. Scrutiny/sanctions of proposals received from the Gram Panchayat upto Rs. 25,000/- 12. Scrutiny/sanction of proposals received from Gram Panchayats upto Rs. 25,000/- for construction/repair of pavement, drains water at reservoirs etc. Sanction upto Rs. 25,000/-. Transfer of funds.	8. To forward proposals to the Panchayat Samiti for preparing estimates. An execution of works under the scheme upto Rs. 25,000/-. Transfer of funds.
K. Non-Governmental Organizations : 13. Monitoring, supervision and inspection of Non-Governmental Organizations receiving grant-in-aid from the Ministry of Welfare/Human Resource Development & State Government for the welfare programmes. 14. Inspection of Institutions aided by the State Government Indian Council for Child Welfare and State Social Welfare Advisory Board such as Crèches and Angan waris.		

Government of Himachal Pradesh,  
Department of Panchayati Raj.

File No. PCH-HA(3)9/2006-18580-22180 Shimla-171009, dated the 19 October, 2009

Notification

Whereas the Eleventh Schedule of the Constitution of India provides the list of 29 such subject which are required to be entrusted to the appropriate level of Panchayati Raj Institutions for preparation of plans and implementation.

Therefore, the Governor of Himachal Pradesh is pleased to notify the Activity Map proposing entrustment of those 29 subjects to Gram Panchayat or Panchayat Samiti or Zila Parishad, as the case may be, as per enclosed Annexure-A with immediate effect.

Principal Secretary (Panchayati Raj) to the  
Government of Himachal Pradesh.

File No. PCH-HA(3)9/2006-18580-22180 Shimla-171009, dated the 19 October, 2009

Copy for information and necessary action is forwarded to:-

1. Secretary to Her Excellency the Governor, Himachal Pradesh, Shimla-171 002.
2. Private Secretary to the Hon'ble Chief Minister, Himachal Pradesh.
3. Private Secretaries to the Hon'ble Speaker/Deputy Speaker in Himachal Pradesh.
4. Private Secretaries to all the Ministers/Chief Parliamentary Secretaries/Parliamentary Secretaries in Himachal Pradesh.
5. All the Administrative Secretaries/Heads of Departments in Himachal Pradesh.
6. All Chairpersons and Vice Chairpersons of Zila Parishads/Panchayat Samitis in HP.
7. All the Pradhans of Gram Panchayat in Himachal Pradesh.
8. All the Deputy Commissioners in Himachal Pradesh.
9. All the Chief Executive Officers of Zila Parishads in Himachal Pradesh.
10. All the District Panchayat Officers-cum-Secretary, Zila Parishads, Himachal Pradesh.
11. All the Block Development Officers-cum-Executive Officers of Panchayat Samitis in Himachal Pradesh.
12. Controller, IIP Printing Press, Shimla-171005, for publication in Rajpatra (Extraordinary).

Principal Secretary (Panchayati Raj) to the  
Government of Himachal Pradesh.

**Annexure-A****Activity Mapping****1. Agriculture, including agricultural extension.****I. Devolution of functions.**

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

**2. Details of activities devolved pertaining to the functions**

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
1. USE OF FUNGICIDE TO CONTROL DISEASE IN CROP PLANTS		PANCHAYAT SAMITI DEPENDENT UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT	GRAM PANCHAYAT DEPENDENT UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT.
2. USE OF PESTICIDE TO CONTROL INSECT PESTS IN CROP PLANTS		PANCHAYAT SAMITI DEPENDENT UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT	GRAM PANCHAYAT DEPENDENT UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT.
3. RODENT CONTROL		PANCHAYAT SAMITI DEPENDENT UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT	GRAM PANCHAYAT DEPENDENT UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT.
4. WEED CONTROL		PANCHAYAT SAMITI DEPENDENT UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT	GRAM PANCHAYAT DEPENDENT UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT.
5. STORED GRAINS PESTS		PANCHAYAT SAMITI DEPENDENT UPON THE SCALE OF SCHEME AS	GRAM PANCHAYAT DEPENDENT UPON THE SCALE OF SCHEME AS PER

CONTROL		PER GUIDELINES OF THE STATE GOVERNMENT	GUIDELINES OF THE STATE GOVERNMENT.
6. KNEMATODE CONTROL		PANCHAYAT SAMITI DEPENDING UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT	GRAM PANCHAYAT DEPENDING UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT.
7. PESTICIDE TESTING	UNDER THE PURVIEW OF THE STATE GOVERNMENT		
8. SOIL TREATMENT FOR BACTERIAL SMELL? CONTROL		PANCHAYAT SAMITI DEPENDING UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT	GRAM PANCHAYAT DEPENDING UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT.
9. 100% SEED TREATMENT IN THE STATE		PANCHAYAT SAMITI DEPENDING UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT	GRAM PANCHAYAT DEPENDING UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT.
10. CONTROL OF PORCUPINES			GRAM PANCHAYAT AS PER GUIDELINES OF THE STATE GOVERNMENT.
11. MANAOEMENT OF FOUNDATION SEEDS AT LPS DISTRICT KEYLONG & BREEDER SEED AT STATE POTATO DEVELOPMENT STATIONS			GRAM PANCHAYAT AS PER GUIDELINES OF THE STATE GOVERNMENT.
12. AGRICULTURAL MARKETING		PANCHAYAT SAMITI AS PER GUIDELINES OF THE STATE GOVERNMENT	
13. RAT CONTROL	ZILA PARISHAD DEPENDING UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT	PANCHAYAT SAMITI DEPENDING UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT	GRAM PANCHAYAT DEPENDING UPON THE SCALE OF SCHEME AS PER GUIDELINES OF THE STATE GOVERNMENT.
14. ISSUING OF MANUFACTURER LICENSES OF PESTICIDES	UNDER THE PURVIEW OF THE STATE GOVERNMENT		
15. ISSUING OF STATE LICENSES FOR PESTICIDES	UNDER THE PURVIEW OF THE STATE GOVERNMENT		
16. COLLECTION OF INSECTICIDE SAMPLES	UNDER THE PURVIEW OF THE STATE GOVERNMENT		

17. ORGANIZATION OF TRAINING CAMPS	UNDER THE PURVIEW OF THE STATE GOVERNMENT
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3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year   

(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	PS	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
SUBJECT MATTER SPECIALIST (EX Official)	√				√				√
AGRICULTURAL DEVELOPMENT OFFICER (Ex Official)		√			√				√
AGRICULTURAL EXTENSION OFFICIAL (Ex Official)		√		√				√	
Beldar (Ex Official)		√		√				√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
SUBJECT MATTER SPECIALIST (EX Official)	√		√			√	√	
AGRICULTURAL DEVELOPMENT OFFICER (Ex Official)	√		√			√	√	
AGRICULTURAL EXTENSION OFFICIAL (Ex Official)	√		√			√	√	
Beldar (Ex Official)	√		√			√	√	



## Activity Mapping

### 2. Land Improvement, Implementation of land reforms, land consolidation and soil conservation.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94; Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
<b><u>Soil conservation</u></b>			
1. Flow Irrigation scheme.		Panchayat Samiti as per guidelines of the State Government	
2. Selection of water area and formation of farmer committee for watershed development		Panchayat Samiti as per guidelines of the State Government depending upon the scale of the scheme.	Gram Panchayat as per guidelines of the State Government depending upon the scale of the scheme.
3. Registration of WSMC under Societies Act, 1880.		Panchayat Samiti as per guidelines of the State Government depending upon the scale of the scheme.	Gram Panchayat as per guidelines of the State Government depending upon the scale of the scheme.
4. Water treatment.			Gram Panchayat as per guidelines of the State Government.
5. Training Camps.			Gram Panchayat as per guidelines of the State Government.
6. Podder Development			Gram Panchayat as per guidelines of the State Government.

7. Raising Nursery Marketing of Produce.		Panchayat Samiti as per guidelines of the State Government depending upon the scale of the scheme.	Gram Panchayat as per guidelines of the State Government depending upon the scale of the scheme.
8. National Organic Farming Project and Demonstration Training.			Gram Panchayat as per guidelines of the State Government.
9. Exposure visit within and outside State.		Panchayat Samiti as per guidelines of the State Government depending upon the scale of the scheme.	Gram Panchayat as per guidelines of the State Government depending upon the scale of the scheme.

3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year   

(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	GP	AP	BP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Activity Mapping

### 3. Minor irrigation, water management and watershed development.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
RIGHT/OWNERSHIP OF TRADITIONAL WATER SOURCE.			Right/ownership of traditional water sources is under the control of Gram Panchayat.
ALLOCATION OF WATER (NOC) A TRADITIONAL			Allocation of traditional water (NOC) is the function of Gram Panchayat.
MAINTAINENCE OF DIRECTORY OF SOURCES A TRADITIONAL (QUALITY AND QUANTITY) B SURFACE (QUALITY AND QUANTITY)	Subject matter is under the purview of State Government		
PROTECTION OF WATER SOURCES AND CONTROL OF POLLUTION	Zila Parishad depending up on the scale of scheme as per guidelines of the State Government.	Panchayat Samiti depending up on the scale of scheme as per guidelines of the State Government.	Gram Panchayat depending upon the scale of scheme as per guidelines of the State Government.
DEMAND ARTICULATION			Demand articulation is the function of Gram Panchayat.
NORMS/STANDARDS, SPECIFICATION/ADVISORY ROLE	Subject matter is under the purview of State Government		
PROJECT PLANNING	Zila Parishad depending up	Panchayat Samiti	Gram Panchayat

POLICY FORMULATION	on the scale of scheme as per guidelines of the State Government.	depending up on the scale of scheme as per guidelines of the State Government.	depending upon the scale of scheme as per guidelines of the State Government.
IDENTIFICATION OF SOURCE/SELECTION OF SOURCE	Zila Parishad depending up on the scale of scheme..	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
SURVEY INVESTIGATION/ SELECTION OF TECHNOLOGY	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	
PREPARATION OF DPR AND COST ESTIMATES		Panchayat Samiti as per guidelines of the State Government.	
PROJECT APPROVAL			
1 ADMINSTRATIVE APPROVAL/ EXPENDITURE SANCTION	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	
2 TECHNICAL	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	
PROJECT PLAN AND EXECUTION	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	
NOC AND LAND AQUISITION	Zila Parishad depending up on the scale of scheme as per guidelines of the State Government.	Panchayat Samiti depending up on the scale of scheme as per guidelines of the State Government.	Gram Panchayat depending upon the scale of scheme as per guidelines of the State Government.
PROCUREMENT OF MATERIAL	Shortlisting of supplier is the function of Zila Parishad		
A SHORTLISTING OF SUPPLIER			
B APPROVAL OF RATES	Approval of rates is the function of Zila Parishad.		
C PLACEMENT OF SUPPLY ORDER	Placement of supply order is the function of Zila Parishad depending upon the scale of the scheme.	Placement of supply order is the function of Panchayat Samiti depending upon the scale of the scheme.	Placement of supply order is the function of Gram Panchayat depending upon the scale of the scheme.
D PAYMENT		Payment is the function of Panchayat Samiti depending upon the scale of the scheme	Placement of supply order is the function of Gram Panchayat depending upon the scale of the scheme

EXECUTION OF WORK			Source development is the function of Gram Panchayat.
1 SOURCE DEVELOPMENT			
2 TREATMENTS		Treatment is the function of Panchayat Samiti depending upon the scale of the scheme.	Treatment is the function of Gram Panchayat depending upon the scale of the scheme.
3 CIVIL WORKSS	Civil Works is the function of Zila Parishad depending upon the scale of the scheme.	Treatment is the function of Panchayat Samiti depending upon the scale of the scheme.	Treatment is the function of Gram Panchayat depending upon the scale of the scheme.
4 RISING MAINS	Rising mains is the function of Zila Parishad depending upon the scale of the scheme.	Rising mains is the function of Panchayat Samiti depending upon the scale of the scheme.	Rising mains is the function of Gram Panchayat depending upon the scale of the scheme.
5 DISTRIBUTION TANK			Distribution of tank is the function of the Gram Panchayat.
6 MONITORING, EVALUATING AND SUPERVISION ETC	Zila Parishad depending up on the scale of scheme as per guidelines of the State Government.	Panchayat Samiti depending up on the scale of scheme as per guidelines of the State Government.	Gram Panchayat depending upon the scale of scheme as per guidelines of the State Government.
7 O&M	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
8 MAJOR BREAK DOWN	Zila Parishad depending up on the scale of scheme as per guidelines of the State Government.	Panchayat Samiti depending up on the scale of scheme as per guidelines of the State Government.	Gram Panchayat depending upon the scale of scheme as per guidelines of the State Government.
9 ARRIF SETTING/COLLECTIO N		Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
WATER CONNECTION		Water connection is the function of Panchayat Samiti	
10 SUSTAINABILITY OF SOURCES AND SCHEME			To provide sustainability of sources and scheme is the function of Gram Panchayat.

3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year: 2009-10  
(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Executive Engineer	√				√				√
Assistant Engineers	√				√				√
Junior Engineer		√			√				√
Fitter			√		√				√
Beldars			√		√				√
Work Inspector		√			√				√
Pump Operator			√		√				√

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Executive Engineer	√		√			√	√	
Assistant Engineers	√		√			√	√	
Junior Engineer	√		√			√	√	
Fitter	√		√			√	√	
Beldars	√		√			√	√	
Work Inspector	√		√			√	√	
Pump Operator	√		√			√	√	

## Activity Mapping

### 4. Animal Husbandry, dairying and poultry.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
1. Treatment of Minor Ailments	Under the purview of the State Government.		
2. Treatment of major ailments	Under the purview of the State Government.		
3. Immunization against contagious diseases	Under the purview of the State Government.		
Surgery	Under the purview of the State Government.		
4. Drenching with dewormers	Under the purview of the State Government.		
5. Artificial insemination of cows/Bufalos	Under the purview of the State Government.		
6. Castration of Bulls, Rams, Bucks.	Under the purview of the State Government.		
7. Castration of rest of Animals.	Under the purview of the State Government.		
8. Distribution of improved fodder seeds/roots/plants	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
9. Dipping and drenching of sheep.	Under the purview of the State Government.		
10. Backyard poultry development.	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
11. Taking care of poultry health	Under the purview of the State Government.		
Registration of cattle	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.

		scale of scheme.	scale of scheme.
12. Establishment of Gosadans.	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending up on the scale of scheme.	

3. Details of fiscal devolution to match the functional devolution described above; Indicate budget year   

(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
The activities which have been proposed to be transferred to PRIs as per Format 3A in respect of Animal Husbandry Department doesn't require any placed of functionary at the disposal of PRIs because the nature of activities doesn't require fulltime service but is rather occasionally required. However, whenever such activity has to be performed, the PRIs can approach the Incharge of the Veterinary Institutes located in their jurisdiction to deliver the goods.									

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
The activities which have been proposed to be transferred to PRIs as per Format 3A in respect of Animal Husbandry Department doesn't require any placement of functionary at the disposal of PRIs because the nature of activities doesn't require fulltime service but is rather occasionally required. However, whenever such activity has to be performed, the PRIs can approach the Incharge of the Veterinary Institutes located in their jurisdiction to deliver the goods.								



## Activity Mapping

### 5. Fisheries.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
1. Seed production	Under the purview of the State Government.		
2. Checking of illegal fishing.			Checking of illegal fishing is the function of Gram Panchayat under the guidelines of the State Government.
3. Seed Stocking.	Under the purview of the State Government.		
4. Fish Production (Riverines)			Fish Production (Riverines) under the guidelines of the State Government.
5. Issuance of Licenses.	Under the purview of the State Government		
6. Identification of beneficiaries.			Identification of beneficiaries is the function of the Gram Panchayat.
7. Selection of sites.	Under the purview of the State Government.		
8. Technical Guidance.	Under the purview of the State Government.		
9. Provision of First Year's Inputs.	Under the purview of the State Government.		
10. Community Fish Ponds.			Community Fish ponds is the function of the Gram Panchayat.
11. Intensive Bio-Fish Stocking.	Under the purview of the State Government.		
12. Marketing.			Marketing is the function of Gram Panchayat.

13. Free Accidental Insurance to License Holders.	Under the purview of the State Government.
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3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year     
(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Fisheries Officer	√				√				√
Sub-inspector of Fisheries		√			√				√
Fisheries Field Assistant			√		√				√

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Fisheries Officer	√		√			√	√	
Sub-inspector of Fisheries	√		√			√	√	
Fisheries Field Assistant	√		√			√	√	

## Activity Mapping

### 6. Social forestry and farm forestry.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
Nil	Nil	Nil	Nil

#### 3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year \_

(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Activity Mapping

### 7. Minor forest produce.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
Nil	Nil	Nil	Nil

#### 3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year \_

(In Rs. Crores) (In Rs. Crores)

ii.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Activity Mapping

### 8. Small scale industries including food processing.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
Industrial resource potential survey	1. Formulate projects in consultation with DIC, KVIC and other agencies based on industrial resource potential survey.	1. Assist industrial resource potential survey.	1. Assist in survey and project formulation.
Development of infrastructure	1. Development of small industrial estate and other related infrastructural facilities at suitable location. 2. Establish food processing complexes.	1. Establish small industrial complexes including agro processing complexes.	1. Identify suitable location and entrepreneurs for rural small scale industries.
Entrepreneur development	2. Assist entrepreneur in formulating viable project. 3. Establishing linkages with institutes, consultants and experts. 4. Establish industrial counseling and information centre.	2. Organise Entrepreneurship Development Programme. 3. Select entrepreneurs and encourage private investment.	
Credit and financial assistance	1. Coordinate with banks and financial institutions for credit support to the entrepreneurs. 2. Provide information and guidance about credit facilities and incentives.	1. Assist in providing financial and other support.	

PMRY	1. Make necessary arrangements for implementation of PMRY including convergence of support services. 2. Prepare credit plan in consultation with the banks.	Identify and prepare projects for implementation.	Help in selection of beneficiaries.
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3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year \_

(In Rs. Crores) (In Rs. Crores)

Small scale industries including food processing Plan\_\_Non plan

Total amount allocated in the budget by the state

Government to the function concerned

From within the amount given in above, the total amount allocated in the budget by the State

Government to panchayat for the devolved activities pertaining to the function concerned.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Functional Manager, District Industries Centres.	√				√			√	
District Industries Officer	√				√			√	
Asstt. Manager (Tech)	√				√			√	
Superintendent of Industries.	√				√			√	
Extension Officer		√			√			√	
Other supporting staff	√	√			√			√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Functional Manager, District Industries Centres.	√		√			√	√	
District Industries Officer	√		√			√	√	
Asstt. Manager (Tech)	√		√			√	√	
Superintendent of Industries.	√		√			√	√	
Extension Officer	√		√			√	√	
Other supporting staff	√		√			√	√	



## Activity Mapping

### 9. Handloom, Sericulture, Khadi, Village and Cottage Industries.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
Planning, monitoring and supervision	1. Consolidation of plan prepared by AP for development of Khadi, village and cottage industries including activities of artisans. 2. Monitor and supervise overall progress in the sector.	1. Prepare plan for village and cottage industries. 2. Integrating schemes of other related agencies.	1. Assist AP in identify potential activities and formulation of projects.
Training skill development and transfer of appropriate technology	1. Identify institutes / centres and establish linkages for skill development training programmes. 2. Establish training centres for skill development. 3. Identified appropriate technologies and facilitate their transfer to the entrepreneurs / workers. 4. Allocate and sanction fund for training.	1. Selection of beneficiaries / entrepreneurs for the training. 2. Arrange master craftsman for training. 3. Pay training cost to the trainees and trainers.	1. Identify beneficiaries through Gram Sabha.
Infrastructure development	1. Establish backward and forward linkages for raw materials, equipments, other inputs and marketing of products. 2. Setup showroom for products.	1. Encourage cooperatives, federations of beneficiaries for product channels marketing of products. 2. Supply of raw materials and inputs to the beneficiaries. 3. Development of infrastructure under different programmes.	1. Assist in distribution of raw materials and inputs and allows beneficiaries to use locally available raw materials. 2. Construct workshop, market places etc.

Credit and financial support	2. Coordinate with banks and financial institutions to ensure credit flow to the entrepreneurs / cooperatives.	1. Assist beneficiaries in formulating project plan and getting loan. 2. Arrange subsidy and other support under different programmes. 3. Monitor the progress.	1. Identify beneficiaries. 2. Ensure loan recovery.
Handloom	1. Make necessary planning for development handloom in the district. 2. Implement projects for development of handloom 3. Establish linkages for support services, transfer of handloom technology and training of weavers.	1. Implement projects for development of handloom 2. identify weaver for assistance. 3. Create infrastructure for support services. 4. arrange training programme for the weavers.	1. implement projects at the grassroot levels. 2. identify weaver for assistance.
Sericulture	1. Prepare District plan for development of Sericulture. 2. Establish linkages for transfer of appropriate technology	1. implement projects 2. Promote rearing of cocoons 3. Develop grainage for seeds. 4. create infrastructure for support services including reeling and spinning facilities. 5. Establish marketing linkages.	1. implement projects at grass root level. 2. promote rearing 3. establish grainage for seeds. 4. Identify beneficiary for assistance.

#### Indicate budget year

Khandi, Village and Cottage Industries	Plan	Non plan
Total amount allocated in the budget by the state		
Government to the function concerned		

From within the amount given in above, the total amount allocated in the budget by the State Government to panchayat for the devolved activities pertaining to the function concerned.

ii.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats:	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table I. Mode of devolution and salary. Department : Khadi, Village and Cottage Industry.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Assistant Director, Handloom	√				√			√	
Assistant Director, Sericulture	√				√			√	
Superintendent of Sericulture		√			√			√	
Superintendent of Handloom		√			√			√	
Extension officer, Sericulture		√			√			√	
Inspector, Handloom		√			√			√	
Khadi Board officials	√	√			√			√	
Supporting Staff	√	√			√			√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Assistant Director, Handloom	√		√			√	√	
Assistant Director, Sericulture	√		√			√	√	
Superintendent of Sericulture	√		√			√	√	
Superintendent of Handloom	√		√			√	√	
Extension officer, Sericulture	√		√			√	√	
Inspector, Handloom	√		√			√	√	
Khadi Board officials	√		√			√	√	
Supporting Staff	√		√			√	√	

## Activity Mapping

### 10. Rural housing.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
Identification of beneficiary, financial assistance, execution.			In view of the heterogeneity of demand and accountability and that the aggrieved person can directly approach Gram Panchayat for redressal.

#### 3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year    (In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Activity Mapping

### 11. Drinking Water.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
Right/ownership of Traditional water sources.			Gram Panchayats as per guidelines of the State Government.
Allocation of NOC for traditional water sources			Gram Panchayats as per guidelines of the State Government.
Protection of Water sources and control of pollution	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
Demand Articulation.			Demand Articulation for drinking water is the function of the Gram Panchayat.
Policy formulation for drinking water.	Zila Parishad depending up on the scale of scheme as per guidelines of the State Government.	Panchayat Samiti depending up on the scale of scheme as per guidelines of the State Government.	Gram Panchayat depending upon the scale of scheme as per guidelines of the State Government.
Preparation of DPR and cost estimates		Panchayat Samiti as per guidelines of the State Government.	
Administrative approval.		Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
Project plan and execution		Panchayat Samiti depending up on the scale of scheme as per guidelines of the State Government.	Gram Panchayat depending upon the scale of scheme as per guidelines of the State Government.
NOC and Land Acquisition	Zila Parishad depending up on the scale of scheme as per guidelines of the State	Panchayat Samiti depending up on the scale of scheme as per	Gram Panchayat depending upon the scale of scheme as per

	Government.	guidelines of the State Government.	guidelines of the State Government.
Shortlisting of supplier for procurement of material	Shortlisting of supplier for procurement of material is the function of the Zila Parishad.		
Approval of rates for procurement of material.	Approval of rates for procurement of material is the function of the Zila Parishad.		
Placement of supply order and payment for procurement of material	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
Execution of work for Source Development			Source development is to be executed by the Gram Panchayat.
Execution of work for treatments.		Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
Civil works	Zila Parishad depending up on the scale of scheme..	Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
Execution of works for Rising mains	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
Execution of works for distribution tanks			Execution of work for distribution tanks is to be done by the Gram Panchayats.
Organisation and Management.	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
Major break down	Zila Parishad depending up on the scale of scheme as per guidelines of the State Government.	Panchayat Samiti depending up on the scale of scheme as per guidelines of the State Government.	Gram Panchayat depending upon the scale of scheme as per guidelines of the State Government.
Tariff setting/ collection		Panchayat Samiti depending up on the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
Water connection		Water connection is the function of Panchayat Samiti.	
Sustainability of sources and scheme.			To provide sustainability of sources and scheme is the function of Gram Panchayat.

3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year...  
(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Executive Engineer	√				√				√
Assistant Engineers	√				√				√
Junior Engineer		√			√				√
Fitter			√		√				√
Beldars			√		√				√
Work Inspector		√			√				√
Pump Operator			√		√				√

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Executive Engineer	√		√			√	√	
Assistant	√		√			√	√	

Engineers								
Junior Engineer	√		√			√	√	
Fitter	√		√			√	√	
Beldars	√		√			√	√	
Work Inspector	√		√			√	√	
Pump Operator	√		√			√	√	



**Activity Mapping****12. Fuel and fodder.****I. Devolution of functions.**

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

**2. Details of activities devolved pertaining to the function:**

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
Nursery	Providing the Nursery upto to village level is in the purview of State Government.		
Plantation			Plantation is to be done by the Gram Panchayat.
Protection			Protection of nursery and plants is the function of Gram Panchayat.
Maintenance			Maintenance of nursery and plants for fuel and fodder is the function of Gram Panchayat.
Monitoring		Monitoring for fuel and fodder is the function of Panchayat Samiti.	
Management			Management for harvesting, distribution, by-laws and income generating marketing is to be done by the Gram Panchayat.

3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year     
(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Natural Resource Manager.			√		√				√
Daily wages workers			√	√				√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer In PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Not to be devolved								

**Activity Mapping****13. Roads, Culverts, Bridges, Ferries, Waterways and other means of communication.****I. Devolution of functions.**

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

**2. Details of activities devolved pertaining to the function:****Description of Distribution of activities**

Function                      Zila Parishad                      Panchayat Samiti                      Gram Panchayats

Development of network and accessibility of roads, culverts and bridges.	1. Formulation of road development projects after making survey and technical feasibility studies. 2. Approval, sanction and allocation of funds for inter block roads / district roads. 3. To assist in acquisition of land and grant of compensation.	1. To Identify villages in accessible by all weather road as per MNP norms and formulate projects for construction of link road. 2. Technical survey, approval, allocation and sanction of funds. 3. Construction of inter GP roads. 4. Providing technical assistance to the GPs. 5. Technical supervision.	1. Construction of village link roads and lanes through constructor. 2. To assist in formulating projects and obtaining approval from GP. 3. Seeking technically advice and approval from AP and sanction of funds beyond its limit. 4. Monitoring and supervision of the works.
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Improvement and maintenance of roads and bridges.	1. Conduct traffic volume surveys and identify roads for capacity development. 2. Conversion of ordinary district roads into blacktopped roads. 3. Carrying annual repair. 4. Sanction of fund for improvement and annual repair. 5. Maintaining and supervision.	1. Conversion of the ordinary AP roads in to blacktopped roads. 2. Annual repairs of AP roads, bridges, culverts. 3. Sanction of fund for improvement and maintenance of AP roads. 4. Monitoring.	1. Assessing cost of improvement and repair of village roads. 2. Mobilising resources. 3. Executing the works through constructors.
Development of water ways.	1. Identification of waterways, construction of jetties, arrange ferries and regulate ferry services.	1. Inspect and regulate ferry services.	

**3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year**

Roads, buildings, culverts, bridges, ferries, waterways and other means of communication	Plan	Non plan
Total amount allocated in the budget by the state		
Government to the function concerned		

From within the amount given in above, the total amount allocated in the budget by the State Government to panchayat for the devolved activities pertaining to the function concerned.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Details of devolution of functionaries pertaining to the activity concerned.

Designation	Brief description responsibilities	Number of employees.
Executive Engineer		
Asstt. Executive Engineer		
Asstt. Engineer		

Junior Engineer	
Other supporting staff	

Table 1. Mode of devolution and salary.

Department : PWD.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Executive Engineer	√				√			√	
Asstt. Executive Engineer	√				√			√	
Asstt. Engineer		√			√			√	
Junior Engineer		√			√			√	
Other supporting staff	√	√			√			√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Executive Engineer	√		√			√	√	√
Asstt. Executive Engineer	√		√			√	√	√
Asstt. Engineer	√		√			√	√	√
Junior Engineer	√		√			√	√	
Other supporting staff	√		√			√	√	

## Activity Mapping

### 14. Rural Electrification including Distribution of Electricity.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Panchayat	Panchayat Samiti	Gram Panchayat
Expansion of electrification and monitoring of power supply.	1. Coordinate with HPSEB to identify villages not yet covered and formulate projects for electrification. 2. Assist HPSEB in electrification.	1. Help poor families in obtaining power supply. 2. Monitor power supply to agriculture and irrigation.	1. Monitor power supply to agriculture. 2. Vigilance and reporting against theft and illegal connection.

#### ii. Details of fiscal devolution to match the functional devolution described above:

Indicate budget year ]

(In Rs. Crores) (In Rs. Crores)

Rural electrification Plan Non plan

Total amount allocated in the budget by the state

Government to the function concerned

From within the amount given in above, the total amount allocated in the budget by the State Government to panchayat for the devolved activities pertaining to the function concerned.

ii.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary

## Department : Power

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Executive Engineer	√				√				√
Asst. Executive Engineer	√				√				√
Assistant Engineer	√				√				√
Junior Engineer		√			√				√
Supporting Staff			√	√					√

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Executive Engineer	√		√			√		√
Asst. Executive Engineer	√		√			√		√
Assistant Engineer	√		√			√		√
Junior Engineer	√		√			√		√
Supporting Staff	√		√			√		√

## Activity Mapping

### 15. Non Conventional Energy Sources

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of Function	Distribution of activities		
	District Panchayat	Block Panchayat	Village Panchayat
Biogas Development	Resource allocation and performance monitoring.	Execution of approved cases under technical guidance of the staff of the Department. Performance monitoring.	Identification of beneficiaries and submission of proposal to the Panchayat Samiti for approval under guidance of the technical staff of the Department.

#### 3. Details of fiscal devolution to match the functional devolution described above:

##### Indicate budget year:

Public distribution system	Plan	Non plan
Total amount allocated in the budget by the state Government to the function concerned		

From within the amount given in above, the total amount allocated in the budget by the State Government to panchayat for the devolved activities pertaining to the function concerned.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.



Table I. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.

?

## Activity Mapping

### 16. Poverty alleviation programme.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
To set up norms and vision	Under the purview of the State Government		
Identification of beneficiaries and formation of self help groups.			Identification of beneficiaries and formation of self help group is the function of Gram Panchayat.
Selection of activity, training and capacity building.		Selection of activity, training and capacity building function of Panchayat Samiti	

#### 3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year \_

(In Rs. Crores) (In Rs. Crores)

ii.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table I. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Panchayat Secretary/Sahayak			√	√			√	√	
Technical Assistant			√	√			√	√	
Executive Officer Panchayat Samiti		√			√			√	
DRDA with staff	√				√			√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Panchayat Secretary/Sahayak	√		√			√	√	
Technical Assistant	√		√			√	√	
Executive Officer Panchayat Samiti	√		√			√	√	
DRDA with staff	√		√			√	√	

## Activity Mapping

### 17. Education, including Primary and secondary schools.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
1. House Hold Survey to identify eligible children in the age group of 6-14 years who are not attending the Schools	Zila Parishad depending up on the scale of scheme.		Gram Panchayat depending upon the scale of scheme.
2. Enrolment Drives	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
3. Enroll all the children in Schools or its alternatives	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
4. To provide Incentives like Mid day meal	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
5. Free text books	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
6. Free Writing Material	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
7. Free Uniform	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
8. Scholarships	Zila Parishad	Panchayat Samiti	Gram Panchayat

	depending up on the scale of scheme.	depending upon the scale of scheme.	depending upon the scale of scheme.
9. School beautification	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
10. Sports Equipments	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
1. Recruitment/ Appointment of adequate number of teachers in Schools as per norms a Regular teacher State Cadre District Cadre b Para teachers c Menial staff (PTWC)	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
2. To ensure attendance of teachers and students in Schools.	—	—	Gram Panchayats.
3. To provide proper training (Pre-service and In-service) for their capacity building and impart activity based and joyful learning.	This function is under the purview of the State Government.		
4. To develop curriculum	This function is under the purview of the State Government.		
5. To develop text books.	This function is under the purview of the State Government.		
6. To introduce School calendar and teacher diary in Schools.	This function is under the purview of the State Government.		
7. To introduce Comprehensive and Continuous Evaluation in Schools	This function is under the purview of the State Government.		
8. To organize daily morning assembly and sports activity in the Schools	This function is under the purview of the State Government.		
9. Conducting Action Research	This function is under the purview of the State Government.		
10. Introducing School development Plans.	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.

11. Monitoring & Supervision	This function is under the purview of the State Government.		
1. Implementation of policies and programmes of the State Government	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
2. Budget preparation and allocation of finances and funds.	Zila Parishad upon the guidelines of the State Government depending up on the scale of scheme.	Panchayat Samiti upon the guidelines of the State Government depending upon the scale of scheme.	Gram Panchayat upon the guidelines of the State Government depending upon the scale of scheme.
3. Recruitment and maintenance of teaching and non teaching staff at different level.	Zila Parishad upon the guidelines of the State Government depending up on the scale of scheme.	Panchayat Samiti upon the guidelines of the State Government depending upon the scale of scheme.	Gram Panchayat upon the guidelines of the State Government depending upon the scale of scheme.
5. To deal with Establishment matters concerning teaching & non teaching staff employed.	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.
4. Working out convergence with other departments like <ul style="list-style-type: none"> <li>Health and Family Welfare for medical camps and distribution of medicines</li> <li>IPH department for drinking water facilities in the Schools</li> <li>RDD for providing toilet facilities in the Schools</li> </ul>	Zila Parishad depending up on the scale of scheme.	Panchayat Samiti depending upon the scale of scheme.	Gram Panchayat depending upon the scale of scheme.

3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year\_

(In Rs. Crores) (In Rs. Crores)

ii.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Deputy Director Elementary Education along with his officer staff.	√				√				√
Block Elementary Education Officer & other staff.		√			√				√
Teacher & other staff in Primary School.			√		√				√

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Deputy Director Elementary Education along with his officer staff.	√		√			√	√	
Block Elementary Education Officer & other staff.	√		√			√	√	
Teacher & other staff in Primary School.	√		√			√	√	

## Activity Mapping

### 18. TECHNICAL TRAINING AND VOCATIONAL EDUCATION

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of Function	Distribution of activities		
	District Panchayat	Block Panchayat	Village Panchayat
Monitoring and supervision of institutions	Monitoring and supervision of institutions	Monitoring and supervision of institutions	

#### 3. Details of fiscal devolution to match the functional devolution described above:

Indicate budget year:

	Plan	Non plan

From within the amount given in above, the total amount allocated in the budget by the State Government to panchayat for the devolved activities pertaining to the function concerned.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.



Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.

## Activity Mapping

### 19. Adult and non-formal education.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat

#### 3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year

(In Rs. Crores) (In Rs. Crores)

ii.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.

## Activity Mapping

### 20. Libraries.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat

#### 3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year \_1\_

(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR willing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.

## Activity Mapping

### 21. CULTURAL ACTIVITIES

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of Function	Distribution of activities		
	District Panchayat	Block Panchayat	Village Panchayat
Management and organization of fairs, festivals and sports activities.	Management and organization of district level fairs, festivals and sports activities.	Management and organization of Block level fairs, festivals and sports activities.	Management and organization of Gram Panchayat level fairs, festivals and sports activities.

#### 3. Details of fiscal devolution to match the functional devolution described above:

##### Indicate budget year

Public distribution system	Plan	Non plan
Total amount allocated in the budget by the state Government to the function concerned		

From within the amount given in above, the total amount allocated in the budget by the State Government to panchayat for the devolved activities pertaining to the function concerned.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table I. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.

## Activity Mapping

### 22. Markets and fairs.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat

#### 3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year \_

(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.



## Activity Mapping

### 23. Health and sanitation, including hospitals, primary health centers and dispensaries.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat

#### 3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year \_

(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Sub Centre			√		√				√
1. HW (M & F)									
2. PHC HS(M & F)		√			√				√
3. M.O		√			√				√
4. Support Staff		√			√				√

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Sub Centre	√		√			√	√	
1. HW (M & F)								
2. PHC HS(M & F)	√		√			√	√	
3. M.O	√							
4. Support Staff	√		√			√	√	

**Activity Mapping****24. Family Welfare.****I. Devolution of functions.**

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

**2. Details of activities devolved pertaining to the function:**

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
1. Identification of beneficiary and disbursement of funds under Social Security Pension.			Assigned to Gram Panchayat in view of local knowledge and facts.
2. Sanction of funds under Social Security Pension.	Assigned to Zila Parishad because district wise targets are allocated.		
3. Identification of beneficiary under Gauri Ram Dass Civic Amenities upgradation.			Assigned to Gram Panchayat in view of local knowledge and facts.
4. Sanction of funds under Gauri Ram Dass Civic Amenities upgradation.	Assigned to Zila Parishad for effective control over budget.		

**3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year**

(In Rs. Crores) (In Rs. Crores)

ii.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table I. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
District Welfare Officer	√				√				√
Field and supporting staff			√	√				√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
District Welfare Officer	√		√			√	√	
Field and supporting staff	√		√		√			√

**Activity Mapping****25. Women and child development.****1. Devolution of functions.**

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

**2. Details of activities devolved pertaining to the function:**

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
1. Home-Based, Home-school survey for women and child development.			So as ensure proper coverage and in view of personal knowledge of conditions of disabled Gram Panchayat is appropriate institution.
2. Medical Camps for medical assessment & assessment of appliances		Panchayat Samitis can organize the camps in better way and arrange for medical camps.	
2. Procurement & Distribution of AIDS/Appliances	This function required cost effectiveness and standardized at district level. Therefore this function is assigned to the Zila Parishad.		
3. Ensuring admission of each disabled child			To ensure 100% coverage and due to local knowledge and capacity to elicit faith and confidence this function is assigned to the Gram Panchayats.

3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year   

(In Rs. Crores) (In Rs. Crores)

ii.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
District Welfare Officer	√				√				√
Field and supporting staff			√	√				√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
District Welfare Officer	√		√			√	√	
Field and supporting staff	√		√		√			√

## Activity Mapping

### 26. Social welfare including welfare of the handicapped and mentally retarded.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
1. Providing scholarship to the disabled child.			The GP has been made responsible for enrollment of each child hence it is appropriate to assign disbursement of scholarship to the Gram Panchayat.
2. Running and maintenance of special school & Home for severally disabled.	This is under the purview of the State Government.		
3. Identification of candidates for vocational training			Due to local knowledge and capacity to elicit faith and confidence this function is assigned to the Gram Panchayats.

#### 3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year \_

(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table I. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
District Welfare Officer	√				√				√
Field and supporting staff			√	√				√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
District Welfare Officer	√		√			√	√	
Field and supporting staff	√		√		√			√



## Activity Mapping

### 27. Welfare of the weaker sections, and in particular of the Scheduled Castes and the Scheduled Tribes.

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
1. Identification of beneficiaries and disbursement of funds for improvement of Harijan Bastis.			Due to local knowledge and capacity to elicit faith and confidence this function is assigned to the Gram Panchayats.
2. Sanction of funds for improvement of Harijan Bastis.	Zila Parishad is the appropriate body for granting the funds for improvement of Harijan Bastis.		
3. Identification of beneficiaries and disbursement of funds under Inter Caste Marriage.			Due to local knowledge and capacity to elicit faith and confidence this function is assigned to the Gram Panchayats.
4. Sanction of funds for Inter Caste Marriage.	Zila Parishad is the appropriate body for granting the funds for Inter Caste Marriage		

3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year     
(In Rs. Crores) (In Rs. Crores)

ii.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
District Welfare Officer	√			√					√
Field and supporting staff			√	√				√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
District Welfare	√		√			√	√	
Field and supporting staff	√		√		√			√

## Activity Mapping

### 28. Public distribution system

#### I. Devolution of functions.

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

#### 2. Details of activities devolved pertaining to the function:

Description of Function	Distribution of activities		
	District Panchayat	Block Panchayat	Village Panchayat
Planning, monitoring and supervision	1. To recommend the opening of fair price shops/godowns.  2. To review the availability of essential commodities in its jurisdiction and assess demand of commodities depending upon the need of the local area.	1. Supervision and monitoring of movement and availability of essential commodities and review of the public distribution system in the Panchayat Samiti area.  2. To assess coverage of consumers by Fair Price Shop, especially of weaker sections.  3. To plan and taken steps for the elimination of bogus ration cards.  4. To plan/review and recommend the opening of fair price shops in its jurisdiction.  5. To coordinate schemes of Public Distribution System with other welfare schemes.  6. To send reports and returns about Public Distribution System to Zila Parishad.  7. To disseminate information about consumer protection/welfare.	1. To supervise the functioning of Fair Price Shops under the jurisdiction of the Panchayats in the interest of the consumers.  2. To discharge duties as grievance redressal agency and issue directives to Fair Price Shops when required.  3. Preparation and issue of ration cards.  4. Elimination of bogus ration cards.  5. To decide the location of Fair Price Shops.  6. To arrange for the running of a Fair Price Shop where required by mobilizing local resources/finances. 7. Assist Panchayat Samiti in preparing plan of action to Link Public Distribution System with J.R.Y., I.R.D.P., I.C.D.S., D.W.C.R.A, mid day meals scheme etc.

### 3. Details of fiscal devolution to match the functional devolution described above:

#### Indicate budget year

Public distribution system	Plan	Non plan
Total amount allocated in the budget by the state		
Government to the function concerned		

From within the amount given in above, the total amount allocated in the budget by the State Government to panchayat for the devolved activities pertaining to the function concerned.

ii.

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

Table 1. Mode of devolution and salary.

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to panchayat	By Govt. directly
Inspector	√				√			√	
Sub Inspector	√				√			√	
Other supporting staff	√	√			√			√	

Table II. Details of CRs, Leave Sanction and Disciplinary action.

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Dy. Director,		√		√		√		√
Asstt. Director.		√		√		√		√
DFSC	√			√		√		√
Inspector	√			√		√		√
Sub Inspector	√			√		√		√
Other supporting staff	√			√		√		√

**Activity Mapping****29. Maintenance of community assets.****I. Devolution of functions.**

Details of the provision in the legislation for devolving the function concerned	Date since which the provision is in force	Remarks
Sections 11, 83 & 94: Notwithstanding anything contained in the Act the State Government may, by general or special order, entrust to the Panchayats preparation of plans and implementation of schemes for economic development and social justice including those in relation to the matters listed in Schedule-II.	23 <sup>rd</sup> April, 1994	Schedule-II of the Himachal Pradesh Panchayati Raj Act is replica of Eleventh schedule of the Constitution.

**2. Details of activities devolved pertaining to the function:**

Description of function	Distribution of activities		
	Zila Parishad	Panchayat Samiti	Gram Panchayat
Identification of assets, estimation & execution			In view of the heterogeneity of demand availability of technical staff at Panchayat level and accountability

**3. Details of fiscal devolution to match the functional devolution described above: Indicate budget year \_**

(In Rs. Crores) (In Rs. Crores)

District panchayat		Block panchayat		Village panchayat		Total devolved to panchayats	
Plan	Non plan	Plan	Non plan	Plan	Non plan	Plan	Non plan

N.B. The Department will earmark the fund against each activity at respective PRI level in consultation with the Finance Department.

**Table 1. Mode of devolution and salary.**

Designation	PRI level to which devolved			Mode of devolution			Details of salary payment		
	ZP	AP	GP	Appointment	Deputation	Other	From own income	From funds devolved by Govt. to Panchayat	By Govt. directly
Panchayat Secretary/ Panchayat Sahayak			√	√					√

**Table II. Details of CRs, Leave Sanction and Disciplinary action.**

Designation	Details of CR writing		Details of leave sanction		Details of disciplinary action			
	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	By PRI President / CEO / Other officer in PRI	By Line Deptt. officer	Major penalty		Minor penalty	
					By PRI	By Govt.	By PRI	By Govt.
Panchayat Secretary/ Panchayat Sahayak	√		√			√	√	

Government of Himachal Pradesh  
Local Self Government Department.

No. LSG-A(2)3/94, dated Shimla-2, the 30th August, 1994.

NOTIFICATION

In exercise of the powers vested in him under section 42 of the Himachal Pradesh Municipal Corporation Ordinance, 1994 (No. 3 of 1994) the Governor of Himachal Pradesh is pleased to order that the following functions to the extent mentioned therein, shall be performed by the Municipal Corporation within its jurisdiction :-

(1) Urban planning including town planning.

- (a) Implementation of land use map notified by the State Government.

Provided that where no such map is notified, the concerned local body, will prepare and implement the local land use map;

- (b) To set apart land for roads, streets, lanes, paths, play grounds, stadia, parks, art and culture, Auditoriums, public meeting grounds, burial grounds, cremation grounds, manure pits, bus stands, parking taxi stands, cinema and theatre, goods transport yards, drinking water sources, preparation of building schemes, approval thereof and punishment for violations.

(ii) Planning for economic and social development.

- (a) Formulation of schemes for the upliftment of poor.

- (b) Generation of employment.

- (c) Implementation of poverty alleviation programmes.

(iii) Roads and Bridges.

- (a) Construction and maintenance of roads and bridges except the roads and bridges on National Highway and State Highway, within municipal areas.

- (b) Construction and maintenance of public streets, lanes, by-lanes and pavements.

(iv) Water supply.

- (a) Planning, provision for construction and maintenance of water supply for domestic and commercial and industrial purposes within the municipal area:

Provided that execution of Really New Schemes will be in accordance with the decision of Government in each case.

Contd. page-2/-

- (b) If the State Government, so requests, the Municipal Corporation may supply water for domestic, commercial and industrial purposes to the areas outside the municipal limits on costs basis to the consumers and the Gram Panchayats.
- (c) The Municipal Corporation can request the State Government to undertake the functions specified in iv(a) and iv(b) through a resolution in this behalf.
- (v) Public Health.
  - (a) Provision of drains and sewerage and sewerage disposal and nallas.
  - (b) Provision of public latrines and urinals their up-keeps.
- (vi) Urban forestry, protection of the environment and promotion of ecological aspects.
  - (a) Creation, maintenance and regulating the use of urban forest blocks.
  - (b) Plantation, maintenance and preservation of trees both ornamental and economic within the municipal areas.
  - (c) Regulating the plantation preservation and felling of trees.
  - (d) To establish and maintain, refuse, disposal, sites and apparatus.
  - (e) To regulate the polluting trade, callings and occupation causing air-water-pollution.
  - (f) Establishment and maintenance of electric, crematoriums.
- (vii) Safeguarding the interests of weaker section of society, including the handicapped and mentally retarded.
  - (a) Establishment of orphanage, mental hospitals, administration and care of mentally retarded children and women homes.
- (viii) Slum improvement and upgradation.
  - (a) Identification of slum areas, formulation of schemes for the rehabilitation of the people living in slums.
- (ix) Urban poverty alleviation.
  - (a) Identification of urban poor and localities pre-dominately occupied by them.
  - (b) Formulation and execution of schemes for their upliftment.

Contd. page-3/-

(x) Provision of urban amenities and facilities such as parks, gardens, playgrounds, Fitness Centres or Trails.

(a) Provision of parks, gardens, play grounds, Fitness Centres or Trails and improvement of existing parks and gardens.

(xi) Promotion of cultural, educational and aesthetic aspects.

(a) Establishment and maintenance of theatre, Auditoriums etc.

(b) Promotion and encouragement of cultural activities.

(c) Supervision, control and regulation of new educational institutions upto Sr. Secondary level and technical education upto I.T.I. level in accordance with Government laws in this regard.

(d) Supervision over existing educational institutions and report about their working and efficiency to the Government.

(e) Suggest remedial measures for improvement of education and education institutions.

(f) To provide facilities within their means for the improvement of education and educational institutions.

(g) To promote cultural activities, such as dances, drama, painting and painting competition to encourage and patronage it, artists, painters, dancers and folk artists, to establish writers home, artists home and rest houses for them.

(h) Establishment and maintenance of library and reading rooms.

(xii) Burial and burial grounds, cremations, cremation grounds and electric crematoriums.

(a) To provide and maintenance of burial grounds cremation grounds and to improve their surrounding and regulate their use.

(b) To establish and maintain electric crematorium.

(xiii) Cattle ponds, prevention of cruelty to animals.

(a) Establishment and maintenance of cattle ponds.

(b) To prevent roaming of stray cattles.

(c) To provide for and care and up keep of old and injured cattles.

(d) To establish and maintain veterinary hospitals.

(e) To take actions against persons causing cruelty to animals.

Contd. page-4/-



- 4
- (xiv) Vital statistics including registration of births and deaths.
- (a) To provide for maintenance of registration of births and deaths registers.
  - (b) Issuance of births and deaths certificates.
  - (c) To keep the population record of the municipal area and annual publication of population statistics including male, female, scheduled castes, scheduled tribes and handicapped and persons living below poverty line.
- (xv) Public amenities including street lighting, parking, lots, bus stops and public conveniences.
- (a) Street light.
  - (b) Bus stand, bus stop, rain shelter, loading and unloading points.
  - (c) Public amenities like as latrine, public path, public pond, public tanks and lakes.
  - (d) Sarais, Dharamsalas and night shelters.
  - (e) Ferries and boats.
- (xvi) Regulation of slaughter houses and tanneries.  
Establishment, maintenance, regulations and control of slaughter houses and tanneries.

- Note : 1 These functions shall be performed and powers exercised in accordance with law, rules and bye-laws formed by the Government and Municipal Corporation from time to time.
2. The staff employed on the above services and functions being performed in the municipal areas and belonging to whichever department of the Government shall be subject to the administrative control of the municipalities with immediate effect.

By order

Chief Secretary,

Government of Himachal Pradesh.

No. LSG-A(2) 3/94, dated Shimla-2, the 30th August, 1994.  
Copy for information and necessary action is forwarded to :-

1. The Controller, Printing & Stationery, HP Govt. Press Shimla-5, for favour of publication of this notification in the Rajpatra Himachal Pradesh (Extra-Ordinary) immediately. It is requested that three copies of the Gazette containing said notification may kindly be sent to this Deptt. at the earliest.

2. All the Financial Commissioners, to the Govt. of HP.

3. All the Commissioner-cum-Secretaries to the Govt. of Himachal Pradesh, Shimla-2.

4. All the Secretaries to the Govt. of HP Shimla-2.
5. All the Divisional Commissioners in H.P.
6. All the Additional Secretaries/Special Secretaries/  
Joint Secretaries/Deputy Secretaries/Under Secretaries to  
the Government of Himachal Pradesh Shimla-2. They are requested  
to amend, if any, their existing rules/instructions accordingly  
to bring them in line with this notification.
7. All Heads of Departments in HP, for similar action.
8. Director, Urban Local Bodies, HP Shimla-2.
9. Commissioner, Municipal Corporation Shimla-2.
10. All Deputy Commissioners in HP.
11. A.L.D. (Hindi & English) Law Deptt. HP Sectt. Shimla-2.
12. 100 spare copies.

*Joint*  
Joint Secretary (L.S.G.) to the  
Govt. of Himachal Pradesh.

APPENDIX-VIII									
Projected Revenue Expenditure of Panchayati Raj Institutions					(Rs. in lakh)				
INSTITUTIONS/ ITEMS		Numbers	Rate of Hon./ Remuneration Per Month	Projections for award period (2012-17)				Remarks	
				2012-13	2013-14	2014-15	2015-16		2016-17
I. GRAM PANCHAYATS									
HONORARIUM/ REMUNERATION	PRADHAN	3243	1800	700.48	700.48	805.55	805.55	805.55	15% increase from the year 2014-15
	UP-PRADHAN	3243	1500	583.74	583.74	671.30	671.30	671.30	-do-
	MEMBER	19413	Rs. 175 per meeting (Maximum two meetings)	815.34	815.34	937.64	937.64	937.64	do
	PANCHAYAT CHOWKIDAR								
	(i) Remuneration (Per month)								
	(a) Govt. Grant		1650	642.11	642.11	642.11	642.11	642.11	No increase
	(b) Panchayat Fund		150						
	(ii) Livery Allowance(once/ twice a year)								
	(a) Govt. Grant		840	27.24	27.24	27.24	27.24	27.24	do
	(b) Panchayat Fund		840						
	TAILORING TEACHAERS								
	(i) Vocational Centres	2865							do
	(ii) Teachers	2212	1600	424.70	424.70	424.70	424.70	424.70	do
TA/DA	PRADHAN			194.58	194.58	194.58	194.58	194.58	10% increase
OFFICE				286.25	314.87	346.36	380.99	419.09	
EXPENDITURE	GRAM PANCHAYAT			3674.44	3703.06	4049.48	4084.11	4122.21	
SUB-TOTAL-I									

Projected Revenue Expenditure of Panchayati Raj Institutions							(Rs. in lakh)			
INSTITUTIONS/ ITEMS		Numbers	Rate of Hon./ Remuneration Per Month	Projections for award period (2012-17)					Remarks	
				2012-13	2013-14	2014-15	2015-16	2016-17		
II. PANCHAYAT SAMITIS										
HONORARIUM	CHAIRMAN	77	2500	23.10	23.10	26.57	26.57	26.57	15 % increase from the year 2014-15	
	VICE CHAIRMAN	77	2000	18.48	18.48	21.25	21.25	21.25	do	
	MEMBER	1528 (Excluding)	1800	330.05	330.05	379.56	379.56	379.56	do	
TA/DA	CHAIRMAN									
	VICE CHAIRMAN			7.59	7.59	7.59	7.59	7.59	No increase	
	MEMBER									
SALARY/WAGES	JUNIOR ACCOUNTANT (Contract)	5-3=2	7810 PM	4.68	4.82	1.93	1.00	0.00	Hike of 3% AI	
	PANCHAYAT SECRETARY									
	REGULAR*	1225		0.00	0.00	3899.76	4302.36	5914.33	*	
	CONTRACT	1258		2099.72	2162.71	1432.04	1364.66	1611.78	3% AI + 30% for 2016-17	
TA/DA	PANCHAYAT SECRETARY			19.92	19.92	19.92	19.92	19.92	No increase	
OFFICE	PANCHAYAT SAMITI			17.62	19.38	21.32	23.45	25.79	10% increase	
EXPENDITURE										
SUB-TOTAL-II				2521.16	2586.05	5809.94	6146.36	8006.79		
* For working out the salary burden of a regular staff, a growth of 6.50%, 7.23%, 8.45% and 30% for the years 2013-14, 2014-15, 2015-16 and 2016-17 has been assumed taking into account the impact of Annual Increment, Dearness Allowance and the likely impact of the next Pay Commission during the year 2016-17.										

\* For working out the salary burden of a regular staff, a growth of 6.50%, 7.23%, 8.45% and 30% for the years 2013-14, 2014-15, 2015-16 and 2016-17 has been assumed taking into account the impact of Annual Increment, Dearness Allowance and the likely impact of the next Pay Commission during the year 2016-17.

Projected Revenue Expenditure of Panchayati Raj Institutions										(Rs. in lakh)
INSTITUTIONS/ ITEMS		Numbers	Rate of Hon./ Remuneration Per Month	Projections for award period (2012-17)					Remarks	
				2012-13	2013-14	2014-15	2015-16	2016-17		
III. ZILA PARISHAD										
HONORARIUM	CHAIRMAN	12	5000	7.20	7.20	8.28	8.28	8.28	17 % increase from the year 2014-15	
	VICE CHAIRMAN	12	3500	5.04	5.04	5.80	5.80	5.80	do	
	MEMBER	227 (Excluding Chairman/ Vice chairman)	2000	54.48	54.48	62.65	62.65	62.65	do	
TA/DA	CHARIMAN									
	VICE CHAIRMAN			3.34	3.34	3.34	3.34	3.34	No increase	
	MEMBER									
SALARY/WAGES	ASSISTANT ENGINEER (Regular) **	2-1=1	37500	8.55	9.00	5.32	5.77	7.50	**	
	ASSISTANT ENGINEER (Contract)	2+1=3	21000	4.89	5.04	7.56	7.79	10.12	3% AI + 30% increase from 2016-17	
	JUNIOR ENGINEER(Regular)**	38 (98)*	28000	121.33	127.68	393.29	433.15	566.90	**	
	JUNIOR ENGINEER (Contract)	149 (89*)	14100	252.11	259.67	148.99	146.06	103.97	3% AI + 30% increase from 2016-17	
	ACCOUNTANT (Regular)**	5+3+2		17.10	18.00	19.30	20.93	27.21	**	
	JUNIOUR SCALE									
	STENOGRAPHER									
	REGULAR**	2+10=12	8710	0.00	0.00	22.03	23.89	31.05	**	
	CONTRACT	10-10= 0		12.54	12.92	0.19	0.00	0.00	No hike	

Projected Revenue Expenditure of Panchayat Raj Institutions										(Rs. in lakh)
INSTITUTIONS/ ITEMS		Numbers	Rate of Hon./ Remuneration Per Month	Projections for award period (2012-17)						Remarks
				2012-13	2013-14	2014-15	2015-16	2016-17		
MEDICAL	ASSISTANT ENGINEER (Regular)			0.91	1.00	1.10	1.21	1.33		10% increase
	JUNIOR ENGINEER(Regular)			1.36	1.50	1.65	1.82	2.00		do
TA/DA	ASSISTANT ENGINEER (Regular)									No increase
	ASSISTANT ENGINEER (Contract)			15.60	15.60	15.60	15.60	15.60		
	JUNIOR ENGINEER(Regular)									
	JUNIOR ENGINEER(Contract)									
OFFICE EXPENDITURE	ZILA PARISHAD			68.86	75.75	83.33	91.66	100.82		10% increase
SUB-TOTAL-III				573.31	596.22	778.43	827.94	946.57		
TOTAL REVENUE EXPENDITURE				6768.91	6885.33	10637.84	11058.42	13075.58		

Note: There is a quantum jump in the revenue expenditure during 2014-15 due to regularization of 1225 Panchayat Secretaries working with the Panchayat Samities.

\* Projections from 2014-15 onwards have been taken on the basis of post details given in the paranthesis

\* For working out the salary burden of a regular staff, a growth of 6.50% 7.23% , 8.45% and 30% for the years 2013-14 ,2014-15, 2015-16 and 2016-17 has been assumed taking into account the impact of Annual Increment, Dearness Allowance and the likely impact of the next Pay Commission during the year 2016-17.

APPENDIX -IX

Projected Revenue Expenditure of Urban Local Bodies		Projections for Award period (2012-17)					(Rs. in lakh)
INSTITUTIONS / ITEMS		2012-13	2013-14	2014-15	2015-16	2016-17	Remarks
<b>L. MUNICIPAL CORPORATION, SHIMLA</b>							
HONORARIUM	MAYOR / DY. MAYOR / COUNCILORS	9.08	9.08	10.44	10.44	10.44	15% increase from the year 2014-15
SALARY EXPENSES	REGULAR STAFF(1105)	2360.06	2513.46	2695.18	2922.93	3799.80	**
	DAILY WAGERS & CONTRACT WORKERS (57)						
		34.40	35.43	30.78	27.16	23.54	3% AI + 30% for 2016-17
OFFICE EXPENSES		150.00	165.00	181.50	199.65	219.62	10% increase
EXPENDITURE ON TERMINAL BENEFITS, PENSION ETC.		275.00	302.00	347.00	401.00	481.00	As projected by Deptt. of UD
SUB-TOTAL-I		2828.54	3024.97	3264.90	3561.18	4534.40	
<b>II. MUNICIPAL COUNCILS</b>							
HONORARIUM	PRESIDENT/VICE-PRESIDENT/MEMBERS	50.14	50.14	57.66	57.66	57.66	15 % increase from the year 2014-15
SALARY EXPENSES	REGULAR STAFF (1952)	3253.89	3465.39	3715.94	4029.94	5238.92	**
	DAILY WAGERS & CONTRACT WORKERS (75)						
		22.67	23.35	19.68	8.69	11.30	3% AI + 30% for 2016-17
OFFICE EXPENSES		250.00	275.00	302.50	332.75	366.03	10% increase
EXPENDITURE ON TERMINAL BENEFITS, PENSION ETC.		316.00	347.00	399.00	479.00	599.00	As projected by Department of UD
SUB-TOTAL-II		3892.70	4160.88	4494.78	4908.04	6272.91	
<b>III. NAGAR PANCHAYATS</b>							
HONORARIUM	PRESIDENT/VICE-PRESIDENT/MEMBERS	29.84	29.84	34.32	34.32	34.32	15 % increase from the year 2014-15
SALARY EXPENSES	REGULAR STAFF(547)	756.38	805.55	863.79	936.78	1217.81	**
	DAILY WAGERS & CONTRACT WORKERS (54)						
		13.53	13.94	9.22	7.23	5.51	3% AI + 30% for 2016-17
OFFICE EXPENSES		115.00	126.50	139.15	153.07	168.37	10% increase
EXPENDITURE ON TERMINAL BENEFITS PENSION ETC.		34.00	36.00	41.00	51.00	64.00	As projected by Deptt. of UD
SUB-TOTAL-III		948.75	1011.83	1087.48	1182.40	1490.01	
TOTAL REVENUE EXPENDITURE		7669.99	8197.68	8847.16	9651.62	12297.31	

\*\* For working out salary burden of a regular staff, a growth of 5.23%, 6.50%, 7.23%, 8.45% and 30% has been assumed for the years 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17 taking into account the impact of Annual Increment, Dearness Allowance and likely impact of next Pay Commission during the year 2016-17. Besides this, the impact of regularisation of daily waged and contractual staff has also been taken into account.