REPORT
OF THE
TRIPURA STATE FINANCE COMMISSION
1995
AGARTALA.
Government of Tripura

CHIEF SECRETARY,
AGARTALA.

No. F.2(1)-CS(Pan)/96
The 12 January, 1996

The Tripura State Finance Commission constituted under provisions of the Tripura Panchayats Act, 1993 has submitted its Report to me Shri S. K. Panda, Commissioner & Secretary, Chairman, Shri Haradhan Debnath, Asstt. Professor, M.B.B. College, Member and Shri D. K. Chakraborty, Joint Secretary, Member-Secretary handed over the recommendations of the Commission contained in their Report.

The Report is enclosed for taking further action in the Panchayat Department.

( V. Thulasidas )
Chief Secretary.

Shri Anil Misra,
Commissioner and Secretary,
Panchayat Department.
No. F.1(1)/TSFC/94/401

TRIPURA STATE FINANCE COMMISSION
AGARTALA.

Dated, Agartala, the 12th January, 1996.

To
The Chief Secretary,
Government of Tripura,
Agartala.

Subject: Recommendations of the Tripura State Finance Commission.

Sir,

Kindly refer to the Panchayat Department's Notification No. F.6(166)-GL/PR/93/894-98 dated the 23rd April, 1994 regarding Constitution of the State Finance Commission. The Commission has taken up the work as per the terms and references assigned to it and have prepared the recommendation. I am submitting herewith 3(three) copies of the recommendations of the State Finance Commission for your perusal and necessary action as per provisions of the Tripura Panchayat Act and rules.

Yours faithfully,

(S. K. Panda)
Chairman,
Tripura State Finance Commission
Chapter-I
CHAPTER—I

THE COMMISSION

1.1 The Constitution (73rd Amendment) Act, 1992 has provided that the Governor of a State shall within one year from the commencement of the Constitution (73rd Amendment) Act, 1992 constitute a Finance Commission to review the financial position of the Panchayats and to make recommendation to the Governor as to:

(a) the principles which should govern—

(i) the distribution between the state and the Panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under this part and the allocation between the Panchayats at all levels of their respective shares of such proceeds.

(ii) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by the Panchayats.

(iii) the Grants-in-aid to the Panchayats from the consolidated fund of the State.

(b) the measures needed to improve the financial position of the Panchayats.

(c) any other matter referred to the Finance Commission by the Governor in the interest of sound finance of the Panchayats.

(2) The legislature of a state may, by law, provide for the composition of the Commission, the qualification which shall be requisite for appointment as members thereof and the manner in which they shall be selected.

(3) The Commission shall determine their procedure and shall have such powers in the performance of their functions as the Legislature of the State may, by law, confer on them.
(4) The Governor shall cause every recommendation made by the Commission under this article together with an explanatory memorandum as to the action taken thereon to be laid before the Legislature of the State.

The Constitution (73rd Amendment) Act, is given at Annexure—1.1.

1.2 In pursuance of the Constitution (73rd Amendment) Act, 1992, the Tripura Panchayat Act, 1993 was enacted by the Legislature. This Act received the assent of the Governor on the 7th November, 1993 and came into force w.e.f. 16.11.93. Section 214 of Tripura Panchayat Act has provided for constitution of a Finance Commission in Tripura.

1.3 As per provision under section 214(1)(2) of the Tripura Panchayat Act, 1993 and Rules made there under, the State Government has constituted State Finance Commission with the following members vide Notification No. F. 6(1–66)—GL/PR/93/894—98 dated 23rd April, 1994 (copy at Annexure—1.2)

i. Shri S. K. Panda, Secretary to the Government of Tripura. : Chairman.

ii. Shri Haradhan Debnath, Asstt. Professor, MBB College, Agartala. : Member.

iii. Shri D. Dutta, Addl. Director Panchayat Department, Govt. of Tripura. : Member-Secretary

1.4 The commission was assigned the term of references as follows:

a) The Principle which should govern—

i) The distribution of the net proceeds of the taxes, tolls and fees leviable by the State among the State, Zilla Parishads, the Panchayat, the Panchayat Samitis and the Gram Panchayats.

ii) The determination of the taxes, duties, tolls, rates, and fees which may be assigned to or appropriated by the Zilla Parishads, the Panchayat Samitis and the Gram Panchayats.

iii) The Grant-in-aid to the Zilla Parishada, the Panchayat Samitis and the Gram Panchayats from the consolidated fund of the State.
b) The measures needed to improve the financial position of the Zilla Parishads, the Panchayat Samitis and the Gram Panchayats; or

c) any other matter referred to the finance Commission by the Governor in the interest of sound finance of the Zilla Parishads, the Panchayat Samitis and the Gram Panchayats.

1.5 The commission started functioning in May, '94 with joining of the Chairman. Term of commission was extended thrice vide Notification No. F. 6(1—66)GL/PR/93 Dated 29th Oct, '94, notification No. F. 6(1—66)GL/PR/94/15131—34 dated 3.2.95 vide Notification No. F. 6(1—66)—GL/PR/94/8814—18 dated 16.8.95 of the Panchayat Department, Shri D. K. Chakraborty, Joint Secretary to the Government of Tripura, Jail Department was appointed Member-Secretary of the commission in place of Shri D. Dutta, Addl. Director, Panchayat Department vide Notification No. F.2(34)GA/92 dated 2.5.1995 (copy at Annexure—1.3).

1.6 The Commission had to undertake the job with a very limited infrastructure. The Chairman, Member and Member-Secretary served the commission on part-time basis in addition to their normal government duties. The response from public, panchayati Raj Institution was very little. Besides there were limitations in getting views of researchers, scholars academicians too. In spite of repeated notices, not much response was received. The govt. departments were also slow in sending relevant particulars. Shri Dutta, Member-Secretary got busy with starting of the panchayat election and could not give adequate time. Subsequently, there was a set back following transfer of Shri Dutta from the Directorate of Panchayat as the senior Deputy Magistrate in DM & Collector (West Tripura). He could not give any time thereafter subsequently. The work started with joining of Shri D. K. Chakraborty the new Member-Secretary. However, he did not have adequate facilities. The commission had undertaken the deliberations and completed the work assigned to it within the extended period with considerable difficulties. We are thankful to Shri M. Damodaran, Ex-Chief Secretary, Shri V. Thulasidas, present Chief Secretary for the help and guidance extended. Staff attached to the Chairman Shri P. K. Choudhury, APS, Shri Nibir Ukil and Shri Dhiraj Gupta, Stenographers deserve special thanks for assisting in typing and preparation of the report.

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Chapter II
CHAPTER—II

METHODOLOGY

2.1 The Commission adopted the following methodology for analysing the points, included in the terms of reference.

(i) Inviting views, suggestions and opinions from individuals, recognised institutions, political parties and organisations.

(ii) Collection of relevant data/information from the State Government and other semi Government and Autonomous bodies.

(iii) Discussion with Departmental Officers of the State Government.

(iv) Discussion with elected representatives of the three-tiers of Panchayat Raj Institutions.

(v) Field visits.

2.2 A Notification was published in the Tripura Gazette on 28th June, 1994 inviting views, suggestions, opinions from all concerned. This was also published in Bengali in the local dailies. Copies of notifications were sent by post to different organisations, recognised political parties, TTAADC, Tripura University.

As the response was not adequate, subsequently following the Panchayat Election, second notification was issued on 6th September, 1994. However there was hardly any response.

2.3 The Commission also invited views, suggestions from different departments on the terms of reference referred to the Commission. Information on (i) Quantum of taxes assigned to TTAADC was collected. Basic information on population and other details were collected from the census organisation. Information on population, male-female ratio, SC/ST population, population living below the poverty line, location of Post Offices, Markets, communication facilities at District, Block and Panchayat were collected.
2.4 The Commission got in touch with other states namely West Bengal, Karnataka, Gujrat, Maharashtra, where the three/two tier Panchayat Raj system was in vogue before the constitution amendment Act, 1992. This was done with a view to get their experience of devolution of powers and resources to the Panchayat Raj bodies as well as mobilisation of resources by the Panchayat Raj Institutions. The Commission also contacted the National Institute of Rural Development at Hyderabad, IIPA, New Delhi and selected other Institutes.

2.5 Shri D. Dutta, Secretary of the Commission visited West Bengal, Karnataka and Maharashtra and collected details on functioning of Panchayat Raj Institutions.

2.6 The Commission discussed the scope for resource mobilisation by various Panchayat Raj Institutions with the Officers of Forest, Agriculture, Animal Husbandry, Horticulture and Fishery departments.

2.7 The Commission discussed the terms of references with the Sabhadhipatis, Sahakari Sabhadhipatis of the newly elected zilla parishads for getting their views on devolution of fund to Panchayat Raj Institutions and other points included in the terms of references.

2.8 The Commission undertook field visits for getting a first hand information on the expectations of people at the grass root level. Two Gram Panchayats namely Mirja and Jamjuri under Matabari Block in South District, were selected, basing on the facts that Mirja Gram Panchayat had elected all women members, which was a unique event in the State. Besides, Jamjuri Gram Panchayat mobilises sizable resources from cattle market and other sources. The Sabhadhipati, South District, Zilla Parishad, Vice-Chairman, Matarbari panchayat samity and government officials were present during discussion. Subsequently the matter was discussed with the elected Pradhans of Panisagar Block on 13th and 15th December, 1994.

2.9 Transfer of power and finance to PRIs was discussed in a high level meeting taken by the Chief Secretary on 17.8.94 with officers of various
departments. A cabinet sub-committee of the Govt. deliberated on these points in the meeting held on 10.10.94. A sub-committee constituted with Secretary, Finance Secretary, Planning and Co-ordination, Secretary, Industries & Commerce and Director, panchayat deliberated on mechanism for execution of civil work in the meeting held on 30.8.95. Subsequently the matter was discussed in a meeting of officials taken by the Principal Secretary on 29.11.1995.

2.10 A Seminar was organised by the Tripura University under the sponsorship of the Rajiv Gandhi Foundation, New Delhi on “Role of the Panchayat Raj Institutions” from 4th to 6th December, 1995 at the Panchayat Raj Training Institute. Discussion held in these meeting/seminar(s) have been considered in preparation of the report.
Chapter III
CHAPTER—III
PANCHAYATI RAJ INSTITUTIONS

3.1 The institution of village panchayat, or "Gram Panchayat", as it is commonly known, is an ancient one in India. This institution was based on the concept of "Self-help" and local governance. It had stood the test of time and continued from the ancient time through medieval period. Even though, there were changes of kings and monarchs at the state level, the village panchayat continued through ages providing continuity of local self governance at the grass root level. The panchayat was normally formed by nomination of five elderly persons of the village known for their impartiality and ability. This group of five or "panch" gave the name panchayat. This body looked after almost all common activities of the village, viz. developmental work, maintenance of local law and order and administration of justice. This institute continued through the turbulent period of medieval history, when India saw many invasions, wars and ups and downs.

3.2 This age-old institution faced a set back during the British Rule. The Britishers introduced the centralised form of Government for their own selfish interest. This gave a bad blow to the local initiative and self governance. The Britishers soon realised importance of village panchayat and made conscious attempt to dilute its authority. Replacement of direct taxes by indirect taxes, industrialisation, urbanisations etc. also affected status of gram panchayat.

3.3 Local self governance got certain attention during the period of Lord Rippon in 1882 and the local self governance rules were adopted in 1885. Nominated bodies were constituted at village level for dealing with local problems. The Royal Commission dealt with the subject in its report submitted in 1909. It recommended for decentralisation and authorising the gram panchayats to deal with local problems. However these recommendations mostly remained in paper.

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3.4 The Indian national congress took up the cause for revival of panchayat and other institutions of local self governance in the 24th session held at Lahore in 1909. It pleaded for having elected bodies and provision of financial resources to these organisations. It was included as an important clause in the Montegue-Chelmsford agreement executed in 1919. The subject on local self government was assigned to the State Governments Development of the local self governance bodies however did not get adequate support during the British period. A number of States passed resolution for functioning of the panchayat, the important ones being Bengal village self-governance rules, 1919. Madras, Bombay and united provinces gram panchayat Rules, 1920. Bihar, Orissa village administration Rules, and Assam village self-governance rules, 1926. Punjab village panchayat rules, 1935 etc. The village panchayats were entrusted with the responsibilities of solving local problems. These bodies were usually nominated. They could not function an effective bodlen for local administration. They had very little power and limited access to resources.

3.5 During freedom struggle, Gandhiji laid stress on revival of "Gram-Swaraj" which was based on local self-governance. Other nationalistic leaders like Netaji Subash Chandra Bose, Jawaharlal Nehru also laid emphasis on development of panchayat. After independence, several attempts were made to revive the panchayats in the rural India. This was specifically included in the directive principles of State policy. Article 40 of the Indian constitution provided that "The State shall take steps to organise village panchayats and endow them with such powers and authority, as may be necessary to enable them to function as units of self-government". The panchayat Raj concept got due importance with introduction of planned economic development. Rural development schemes were implemented through the panchaynt Raj Bodies.

3.6 Development of the rural areas became an area of primary concern of the loaders and administrators after the independence. It was felt that socio-economic development of the rural areas will be possible only by involving the people at large. The community development programmes was launched in 1957 for developing the rural areas by community
participation. Community development blocks were set up in 1952, above the village level for bringing about rapid economic development. However, these efforts brought limited success. The reasons were attributed mainly to the limited participation of the common villagers in the development activities.

3.7 A Committee was set up under the Chairmanship of Shri Balwantray Mehta for recommending measures for rapid development of rural areas. The committee submitted its report in 1957. The committee recommended setting up a three-tier structure, at district, block and village levels, for successful democratic decentralisation. It suggested undertaking all development work through the Panchayati Raj Institutions and providing necessary financial and administrative support. The Committee had observed: “The lack of efficiency of many of our present rural self-governing bodies has been due to too large jurisdiction, too few powers and too scanty finances, accompanied by an absence of close relationship with the village panchayats and of wise guidance by Government or by political parties”. On people’s effective participation, it remarked: “People’s participation is not merely providing a certain proportion of the cost of a particular work in cash, kind or manual labour. It is there with full realisation that all aspects of community development are their concern, and the Government’s participation is only to assist them where such assistance is necessary. Such a participation is possible only through the organisation of co-operative institutions and of effective democratic institutions”. The National Development Council accepted the recommendations of the Balwantray Mehta Committee in 1959. While broadly agreeing with the pattern and form of the basic structure of Panchayat Raj Institutions, the National Development Council endorsed that the composition, functioning and powers of these institutions may vary, keeping in view the geographical and other local features of the respective States/Territories. Jawaharlal Nehru, the then Prime Minister, hailed the launching of the Panchayat Raj in India with the hope that “The Panchayat Raj would bring about a revolution in the entire rural life of India”. Democratic decentralisation and involvement of local people were taken as the major planks of rural development as per recommendations of the Balwant Rao Committee.
3.8 The three-tier Panchayati Raj Institutions were started in Rajasthan and Andhra Pradesh first. It was introduced in some other States with minor changes shortly thereafter. A three-tier system was adopted in 12 States and one Union Territory. A two-tier system existed in four states and two Union territories. Four states and four Union Territories had only one tier of Gram Panchayats. Three distinct patterns emerged with regard to the strength of different pattern of the Panchayat Raj Institutions. In the Maharastria and Gujrat, the real powers were vested with the district set up, i.e. Zilla Parishad. In the second pattern prevailing in Rajasthan, Andhra Pradesh, Uttar Pradesh, Bihar and Madhya Pradesh; the Block was the centre of developmental activities. Tamilnadu had a different pattern, though power was still in the Block or Taluk only. In the third pattern the village level panchayat played a very important role. Members of village Panchayats were elected directly. As regards intermediary tier, i.e., block, five states provided for direct election. In other five states, their was indirect election. In some states, the Block/Panchayat Samity was constituted by nomination of ex-officio membership from other tiers. In so far as the district set up is concerned, only five states provided for direct election of the members of the Zilla Parishads, along with ex-officio members. In other states, the district level body is constituted with ex-officio membership from the lower tiers and representation. In brief, structure of Panchayat Raj Institutions vary from state to state to a considerable extent. However, the initial enthusiasm in the Panchayati Raj bodies died off soon and it faced several difficulties due to lack of clarity on the development models, lack of uniformity among various states, lack of adequate political and administrative support etc.

3.9 Subsequently, another committee was set up under the Chairmanship of Shri Asoka Mehta in 1977 for examining working of the Panchayat Raj Institutions and suggesting measures to strengthen them for making planning and development meaningful and effective. The Committee analysed development of the Panchayat Raj Institutions in three phases i) ascendency (1952-64); ii) stagnation (1965-69); and iii) decline (1969-77). They held that the main hindrance to successful functioning of the Panchayat Raj Institution was inadequacy of financial to sources for
discharging the multifarious duties assigned to them. After analysing
the functioning of Panchayat Raj Institutions in the country, the committee
recommended for nothing up of a two tier structure viz. Zilla Parishad
at the district level and Mandal Panchayat at the grass-roots level. The
Committee recommended district as a viable administrative unit for
planning, co-ordination and resource allocation. The Committee recog-
nised “Mandal”, larger than the village panchayats and smaller than the
Blocks or Panchayat Samitis, as the other unit.

3.10 Subsequently another committee was set up in 1985 under Chairmans-
ship of Shri G. V. K. Rao. The committee was asked to study existing
administrative system, structure of Panchayat Raj Institution as well as
their relation with Govt. Organisations. The Committee recommended
for strengthening the Zilla Parishad at the district level, setting up sub-
committee at district level with equal representations, district level planning
conduct of election at regular intervals for ensuring greater participation
of people in panchayat. It recommended transfer of adequate authority
and financial power to the Panchayati Raj bodies.

3.11 Subsequently another committee was set up under Chairmanship of
Mr. L. M. Singvi for looking into the functioning of Panchayati Raj Insti-
tutions. This Committee recommended development of gram panchayat
as the nerve centre of democracy. Besides, it suggested for giving legal
status to the local self government institutions, holding election to pancha-
yat on regular basis and setting up of special Tribunal for deciding dis-
putes relating to panchayats. It also recommended devolution of adequate
financial resources to the Panchayat Raj bodies and setting up naya
panchayat for delivery of justice.

3.12. The Sarkaria Commission, set up in 1988 for looking into Centre-
State relations, also recommended in favour of delegation power and finance
for strengthening the Panchayati Raj bodies. It also suggested for holding
elections on regular basis.

3.13 Subsequently in 1988 a parliamentary advisory Committee consti-
tuted under Chairmanship of Shri P. K. Thungan looked into functioning
of the Panchayati Raj bodies. This Committee recommended for giving constitutional status to Panchayati Raj bodies.

3.14 The 64th Constitutional amendment bill was initiated in 1989 under Chairmanship of Shri V. N. Gadgil. The proposal covered setting up of three tier Panchayati Raj bodies, five year duration and reservation for SC/ST and women in the Panchayati Raj Institutions.

3.15 The 64th Constitutional amendment was introduced in the Lok Sabha in 1989. The bill aimed at developing the Panchayati Raj Institutions as strong and effective bodies of self governance bringing about meaningful democratic decentralisation. However, the amendment could not be passed in the Rajya Sabha. The bill was amended and placed in 1990. But it could not be discussed. Finally, this matter was introduced as the 72nd amendment in September, 1991. It was referred to the Parliamentary Committee and was subsequently passed by both the houses. It got assent of the President on 20th April, 1993 and was formally adopted as the 73rd amendment on 24th April, 1993.

3.16 Following the 73rd amendment to the Constitution, the Panchayati Raj Institutions have been given Constitutional status. Power authority and finance have been specifically assigned to the Panchayati Raj Institution in the constitution. It is hoped that such provision will enable the Panchayati Raj Institution to play a meaningful role in democratic decentralisation in general and development of the rural areas in particular. The provision covers a particular term for these elected bodies and makes holding of elections mandatory at the end of the term. Specific provision of the amendment covers:

   i) Recognition of village panchayat as the foundation of the democratic institution.
   ii) Setting up of three tier panchayat at village, block and district level.
   iii) Reservation of seats for SC/ST and women in each tier of the panchayat.

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iv) Holding of election.
v) five year term for the elected panchayat.
vi) Devolution of finance to the Panchayati Raj bodies.
vii) Assignment of specific functions, duties and responsibilities to the Panchayati Raj bodies.

3.17 Tripura had its own history of Panchayati Raj Institutions. The small princely State of Tripura became a part of the Indian Union following decision of the then regent of Tripura, Maharani Kanchan Prava Devi, to merge Tripura with the Indian Union. It became an Union territory State on 9th September, 1949. There is no reference to formal peoples participation in administration during princely regime. It had the traditions of “Sarder” system. “Sardar”’s were the headmen of villages or “Para”’s. He managed the day to day administrative affairs of the village. Sardar had no separate office. He used his residence for administrative works. They were invited to the royal court on important occasions and were consulted by the princely rulers. The Sardars were involved in exercising administrative economic, judicial, powers in the affairs of village and Para.

3.18 Following recommendation of the Balawantri Mehta Committee, a separate Panchayat Department was created in Tripura in 1949. Provisions of the united provinces Panchayat Raj Act, 1947 was adopted in Tripura with some modifications. The Tripura Panchayat Raj Rules, 1961 were framed under the said Act. 476 gaors and 138 Naya Panchayats were setup in 1967. This marked the beginning of the rural, local self-governmence in Tripura. A single tier system of Panchayat Raj was started at the village level. The Gaon Panchayats, the executive body of the Gaon Sabhas, were constituted through open election by raising hand. The Naya Panchayat was formed at circle level by comprising several Gaon Sabhas. A fixed number of elected persons from the Gaon Sabha were nominated to the Naya Panchayat circle. The Panchayat was first constituted in Jirania Block in 1962.

3.19 Constitution of gaon panchayat by raising hands posed problems and at times, affected peace and tranquility of the village. This system of
election helped the rich and social upper caste to dominate in the Panchayats at the cost of the poor and the weak. Provision of the rules were amended to ensure free and fair election provide equal opportunity to all section of the rural population to get elected to the Gaon Panchayat and participate in the decision making process. Democratic decentralisation in Tripura got a new lease of life in 1978. General elections to all Gaon Panchayats were held by secret ballot system, with participation of political parties. The panchayats were assigned a special role in implementation of various developmental activities. At the block level Block Development Committee (BDC) was constituted with the elected Pradhans of the Gaon Panchayats and MLAs elected from the Block area. The BDC, was an advisory body. It reviewed implementation of various schemes at a Block level. The Block Development Committee had no statutory powers. However, at the district level, there was no separate body for coordinating activities of the Panchayats. A District Planning Committee was set up by administrative order with one MLA as the Chairman and other official/non-official members. The District Magistrate was the Vice Chairman. This Committee had no statutory power. It mainly dealt with preparation of district level plan.

3.20. In Tripura, village panchayats were actively involve in implementation of various labour intensive works as well as selection of beneficiaries for assistance under various developmental programmes in general and poverty alleviation programmes in particular. They were involved in construction and maintenance of village roads, village markets, ferry ghats and provision of relief, during natural calamities, maintenance of public hygiene, rural health, sanitation and other miscellaneous work. The block level committee (BDC) played a very important role in co-ordination and implementation of developmental schemes. Certain basic information on rural areas of Tripura are given at Annexure—3.1.

3.21 Following the 73rd Amendment to constitution of India, in 1992, a new act “Tripura Panchayat Act, 1993” was enacted in the State. This new act aimed at reorganising Panchayats in rural areas of Tripura in conformity with the purpose, substance and direction of the amended
provision of the Constitution. It also aimed at endowing the Panchayats with functions and powers so as to enable them to function as vibrant institutions of local self governance with greater peoples participation in managing their own affairs. It further aims at imparting democratic content and dignity for realising economic and social justice for all the citizens of Tripura living in the rural areas. Powers and functions of the three tier panchayats has been dealt in details in the said act.

3.22 Under Chapter—III of part—II, functions and duties of the Gaon Panchayats have been categorised into three types; i. e. (a) obligatory duties, (b) other duties & (c) discretionary duties. The obligatory duties of the gaon panchayats includes supply of drinking water, maintenance of public roads, streets in the rural areas, management of public tank, grazing ground, burning ghat, public graveyard, rural sanitation, public health, curative and preventive measures etc. Other duties of the panchayats includes primary, social, adult education, management of dispensaries, health centres, public ferry ghat and markets, irrigation sources, improving breed of cattle, social forestry, minor forest produces, rural housing, electrification, non-conventional energy sources, implementation of poverty alleviation programmes, public distribution system etc. The discretionary duties include lighting of streets, maintaining tree plantation, Horticulture Training Institute, construction and management of markets, promotion of cottage industries, management of piggery, duckery, milk centres, construction and maintenance of Dharmashala, Rest houses, cattle sheds, establishment and maintenance of libraries, akhras, clubs etc. provision of relief, assistance for extinguishing fire, maintenance of record, prevention of burglary, dacoity etc. These provision cover almost all the 29 items listed in the 11th schedule of the Constitution.

3.23 Functions and powers of the Panchayat Samity has been dealt in Chapter—II of Part—III of the act. The panchayat samity have been assigned the responsibilities relating to preparation of annual plans in respect of the schemes entrusted to it, consolidating annual plans of the gaon panchayat and submitting in to the zilla Parishad and preparation and submission of the annual budget of the panchayat samity. Other
function includes agriculture and agricultural extension, land improvement and soil conservation, minor irrigation, water management and water shed development, implementation of poverty alleviation programmes, animal husbandry, diary and poultry schemes, fisheries development, khadi and village cottage industries, rural housing, social forestry, mine and forest produces, fuel and fodder development, maintenance of road, buildings, bridges, forest, water ways and other means of communication, non-conventional energy sources, primary and secondary education, technical training, vocational education, adult and non-formal education, cultural activities, markets and fairs, health and family welfare programmes, women and child development, social welfare schemes, welfare schemes for weaker section, maintenance of community assets, public distribution system, rural electrification, cooperation, libraries and maintenance of rural water supply schemes, checking water pollution and providing rural sanitation.

3.24 The powers and functions of the Zilla Parishad have been dealt in Chapter—II of Part —IV of the act. These include matters relating to promotion of agriculture, irrigation, ground water resources and water shed development, horticulture, rural electrification, soil conservation, marketing, social forestry, animal husbandry and diary, minor forest produces, fuel and fodder production, fisheries, household and small scale industries, rural road and building, health and hygiene, rural housing, education, welfare schemes for the weaker section and implementation of poverty alleviation programmes. The Zilla Parishad has also been entrusted with the job of maintaining statistics, assisting in distribution of essential commodities and taking up social reform activities. The Zilla Parishad has been entrusted with the responsibility of promotion of thrift and savings and maintenance of public utility, markets, provision of relief. The Zilla Parishad has been given additional responsibility of coordinating and integrating developmental plan and schemes prepared by the panchayat samity at the district level, examine and sanction the budget estimates, undertake work covering more then one block.

3.25 In brief, provision of the new act has covered all the items included in the 11th schedule. The three tier Panchayati Raj Institutions have been
envisaged to play a leading role in development of the rural areas in an integrated manner. Following enactment of the new act, the State Govt. has taken steps to provide certain assistance and basic facilities to the three tier Panchayati Raj Institutions for managing their day to day affairs and achieving the objectives. Election to the three tier Panchayati Raj Institutions was last held in August, 1994. An account of the Panchayati Raj bodies constituted after the election is given in Annexure—3.2.
Chapter IV
CHAPTER—IV

DISTRIBUTION OF PROCEEDS FROM TAXES, DUTIES, TOLLS, LEVIED
BY THE STATE
BETWEEN THE STATE AND THE PANCHAYAT RAJ INSTITUTION

4.1 Following the 73rd amendment to the constitution, the Panchayati Raj Institution (PRI) have been assigned constitutional status. These bodies have been assigned certain specific duties and responsibilities in respect of 29 functions included in 11th Schedule, which may be allotted to them by the State Govt. This has been done with the main objective of bringing about democratic decentralisation and ushering people's participation to a greater extent for sorting out the local problems with local initiatives as far as possible. The PRIs will be able to discharge the functions only by getting adequate resources. Resource of PRIs can come from two major sources, (a) Resources to be mobilised by them and (b) Resources to be transferred from Government. At the initial stage, any new organisation faces problem in mobilising resources. This will be more difficult in case of PRIs, as they have to function primarily in the rural areas, which have limited resource base. Resource generation by PRIs will increase gradually with economic development of the rural areas and increasing efficiency of the PRIs. As such for quite some time, transferred resources either in shape of share of taxes or grant from Govt. will determine the resource base of the PRIs. While such an approach may not be desirable and is likely to affect efficiency of these institutions, we feel that is the only way to make a beginning in the process of democratic decentralisation. Over dependence of PRIs on Govt. for resources will make them totally dependent and function like appendages of the Govt. As a long term measure, the PRIs shall have to take steps to generate resources of their own. However, as a short term measure, transferred resources from Central/State Governments will form the major part of PRIs resources. Transferred resources has to be not only reasonable but adequate to enable the PRIs to discharge their functions in a befitting manner.

4.2 Prior to the 73rd amendment, Indian Union was a two tier federal structure i.e. the Union and the States. The amendment has added a third tier to the federal structure. Under the present federal structure, the strongest resource base has been assigned to the Union Government. Devolution of resources has caused considerable friction in the multi level unit finance. The centripetal force of the Indian Federal system has restricted transfer of function and financial resources to the States. The State Governments have comparatively weak resource base. The case is more difficult in case of small and north-eastern States, which are largely dependent on central grants for their budgetary transactions. The PRIs were so far fiscally insignificant and were totally dependent on State/ Central Govt. finance.
4.3 The Finance Commission set up under article 280 of the Constitution, considers and recommends devolution of resources from the Union to States. Unity and integrity of the Country was the major consideration after independence, which had assigned a higher resource base for the Union for making a strong Centre. Over years issues relating to economic development, removal of regional disparity, balanced growth, alleviation of poverty etc. have assumed much importance. This has necessitated greater devolution of resources from Centre to State. The 73rd amendment has made special provision in clause (66) of article 280(3) of the constitution for the finance commission to recommend measures needed to augment resources. The consolidated fund of State is to supplement the resources of the Panchayat in the State on the basis of the recommendation of the State Finance Commissions.

4.4 The Tenth Finance Commission was set up in 1992 prior to the 73rd amendment. However, the amendment came while the commission was working on its recommendations. The Tenth Finance Commission had considered the situation arising after the 73rd amendment and made certain recommendations in Chapter—X of its report on grants for local bodies. As the State Finance Commission had not submitted recommendations in most of the State, the Tenth Finance Commission had made some ad hoc grants and held that augmentation of consolidated fund of States would be considered by the subsequent commission after the State Finance Commission submits their recommendations. The Finance Commission have observed that the PRIs and municipalities are late entrants to the federal democratic structure but their action or inaction is likely to affect the welfare of the people and area more directly than the action of the State or the Union.

4.5 The Tenth Finance Commission has recommended that “The State Finance Commissions are there to ensure proper allocation of resources as between the State and Panchayats. If in the process of supplementation of the resources of Panchayats, a need arises for the augmentation of the State consolidated fund, it has to be considered by the Finance Commission”

4.6 Under the circumstances, we feel it appropriate to examine the condition of the States economy before making any recommendations. Analysis of the revenue account of the State for the year 1992—93 and 1993—94 (at Annexure—4.1) indicate that the total revenue receipt has gone down by 11.66% from Rs. 356.27 crores to Rs. 314.75 crores. The revenue expenditure, on the other hand, has gone up from Rs. 370.47 crores to Rs. 444.08 crore i.e., by 18.78% in the said two years. As a result, the negative balance from revenue account has widened by an alarming magnitude from (—) Rs. 14.20 crores to (—) Rs. 125.33 crores i.e., by more than 880%. This indicates the delicate financial position of the state.

4.7 Component wise breakup of the Revenue receipt indicate that the state share of Central Taxes constitute bulk of the receipt, varying from 60.2% in 92—93 to 69.67%
in 93—94. This along with Central grant amount to about 90% of the total revenue receipt of the State. State’s own tax revenue is only 10% of the total revenue receipt. In brief, the Revenue receipt is totally dependent on the central taxes/grants, which is typical feature of the small north-eastern States.

4.8 Analysis of the budget for 94—95 indicate that out of Rs. 963.41 crores receipt, Rs. 776.21 crores (80.6%) is revenue receipt and Rs. 187.20 crores (19.4%) is capital receipt. The State’s own resources is Rs. 78.73 crores i.e. 8.1% of the total receipts. On the other hand, out of Rs. 953.41 crores expenditure Rs. 510.52 crores (53.5%) is non-plan and Rs. 442.89 crores (46.5%) plan expenditure. Analysis of the State tax receipt indicate that it has gone up from Rs. 8.7 crores during 85—86 to Rs. 44.30 crores during 94—95 at current prices i.e. by 444.5% over one decade. The non-tax revenue has gone up from Rs. 11.65 crores to Rs. 34.34 crores i.e. by 194% in the same period. However, the revenue expenditure has gone up from Rs. 191.28 crores to Rs. 721.59 crores i.e. by 377% and capital expenditure from Rs. 54.28 crores to Rs. 199.76 crores i.e. by 368% in the same period. Salary and related expenditure account for Rs. 327.30 crores i.e. about 34% of the total expenditure. Such a high percentages of revenue of revenue expenditure put a big constraint on the States economy.

4.9 The revenue expenditure figures indicate that debt servicing account for about 15% of the total expenditure. The non-plan development related expenditure constitute bulk of the expenditure i.e. more than 55% in these years. This expenditure is going up constantly on account of increase in dearness allowances and terminal benefits. Analysis of the State receipt for the last 10 years i.e. from 1985—86 to 1994—95, indicate that the tax revenue has increased from Rs. 8.70 crores to Rs. 44.30 crores i.e. by 444.5% over one decade. During the same period, the Non-tax revenue has increased from 11.65 crores to 34.34 crores by 194%. As regards expenditure, the revenue expenditure has gone up from Rs. 191.28 crores in 1985—86 to Rs. 721.59 crores and the capital expenditure from Rs. 54.28 crores to Rs. 199.76 crores.

4.10 From the above facts, it becomes clear that:

i) The State is running with deficit balance.
ii) The revenue expenditure is very high. The State budget is mainly sustained by the Central grants.
iii) The State’s own resources are very small and
iv) The increase of Non-Tax revenue is marginal as compared to tax revenue.

Tripura Tribal Areas Autonomous District Council (TTAADC)

4.11 With a view to providing autonomy, nurturing democratic spirit and leadership among the Scheduled Tribes at grass root level. Tripura Tribal Area Autonomous District
Council (TTAADC) was set up on 23rd March 1979 covering the predominantly tribal areas of the State, under the Eighth schedule of the Constitution. Subsequently TTAADC was reconstituted as per provision under the Sixth Schedule of the Constitution of India in 1985.

4.12 Powers and functions of the Council fall under three major Categories viz (i) Administrative, (ii) Legal, (iii) Financial. Provisions of the TTAADC Rules 1985 provides that the Council shall get a share of Forest royalties and License or lease for the purpose of process or extracting minerals granted by the State Government. Besides, the Council shall have powers to collect Professional tax; Land revenue and Agricultural Income Tax. The Council shall have also powers to levy and collect the fees for maintenance and development of schools, dispensary, roads, entry of goods into markets and tools and passengers and goods carried in ferries; fees on vehicles (other than mechanically propelled and boats); and Fees on animals.

4.13 As per these provision, following share of taxes collected by the State Government has been assigned to the TTAADC.

i) Taxes an Agricultural Income—50% of total.

ii) Other taxes on Income and Expenditure i.e. Professional Tax etc.—25% of total collection.

iii) Land revenue—40% of the total collection.

iv) Forest revenue—75% of the total collection.

The resources placed by the State Government with the TTAADC is given in Annexure—4.2

4.14 The responsibilities assigned to PRIs cover wide ranging subjects viz. a) minimum needs like housing, drinking water, primary, secondary education, health and family welfare, roads, bridges etc. b) Welfare activities like welfare of SC/ST, women and children, poverty alleviation programmes, etc. c) Economic activities i.e. agriculture, animal husbandry, fisheries, irrigation, forestry, small and village industries. d) Miscellaneous like library, cultural activities, markets and fairs, public distribution and maintenance of community assets etc.

4.15 The 29 functions assigned to PRIs constitute major concern of a welfare State. Discharge of these responsibilities and functioning as effective instruments of social and economic change will be possible only by devolution of adequate resources to the PRIs, We feel that at least 50% of the total revenue of the state should be passed on to the PRIs. This devolution should be done in a manner so as to avoid any major dislocation in the
States financial administration. Devolution of financial resources is a delicate and complex issue. This is likely to cause considerable friction. Like the devolution of resources from Union to State, any devolution from State to PRIs will have political and economic implications. Functioning of PRIs in the proper manner will be possible only by involvement and sincerity of the State Government. India is a mature democracy, we feel, the leadership at State Govt. level will extend required support for the transition of powers and resources to the PRIs in a smooth manner. As we have been assigned this delicate job for the first time, we feel it appropriate to recommend a package which is pragmatic and realistic.

4.16 Analysis of the State’s Revenue Account, as given in the Annexure—4.1 indicates that about 40% of the expenditure are committed for debt servicing and for other non developmental expenditures. These commitments shall have to be borne by the State Government. We have analysed the expenditure incurred for other non-plan development purposes. The expenditure on items relating to the 29 subjects indicated in the 11th schedule fall in 13 major departments. It comes to about Rs. 131.15 crores in 92–93 and Rs. 140.15 crores in 93–94. Details are given in Annexure—4.3. This is about 60% of the state’s share of central taxes. This expenditure includes maintenance and staff related matters. About 25% fund is required to be earmarked for maintenance. We feel it will possible to make about 50% of the total staff working in the Government in these 13 departments available to the PRIs initially. The balance 50% may have to be kept in the Government. TTAADC is having its own staff and officers. After considering the requirements of resources of the PRIs and the financial position of the State Government, we recommend that 20% of the state share of Central taxes may be assigned to the PRIs. At present this share is being utilised by the State Government for meeting expenditure on staff. With a view to avoid any serious dislocation in the state’s financial management, the Government may consider making the services of the staff and officer, working in these departments available to the PRIs and adjust their pay and allowances against this share of taxes to be transferred to the PRIs in the initial years. In other words, transfer of resources to the PRIs may be made notionally. However, attempts should be made to transfer the resources physically to the PRIs over the next 5 years. Out of the three tiers of PRIs, the Zilla Parishad will perform an important role in planning, co-ordination and monitoring. Effective delegation of power and functions from the Government to the PRIs will start from the Zilla Parishad and will be extended to the other two tiers in due course. Similarly in view of the coordinating role played by the Block Development Committees in the past, which will be now performed by the Panchayat Samitis, it is necessary to give them due share. Considering these factors, we recommend that 10% of the state share of Central taxes may be assigned to Zilla Parishad, 8% to the Panchayat Samitis and 2% to the Gram Panchayats. Horizontal allocation of taxes among individual units may be decided basing on two main factors a) population and b) socio-economic backwardness on 50:50 basis following the formula given below.
FORMULA FOR HORIZONTAL DISTRIBUTION OF RESOURCES
BETWEEN PANCHAYATI RAJ INSTITUTIONS

<table>
<thead>
<tr>
<th>Formula</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population as per 1991 census</td>
<td>50%</td>
</tr>
<tr>
<td>Population of SC &amp; ST</td>
<td>10%</td>
</tr>
<tr>
<td>Inverse ratio of agricultural productivity</td>
<td>10%</td>
</tr>
<tr>
<td>Inverse ratio of number of PHC and School upto Pry. level</td>
<td>10%</td>
</tr>
<tr>
<td>Inverse ratio of national and State Highway mileage to the total area</td>
<td>10%</td>
</tr>
<tr>
<td>Inverse ratio of area with assured irrigation to the total sown area</td>
<td>5%</td>
</tr>
<tr>
<td>Inverse ratio of extent of electrification (villages covered to total villages)</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

4.17 Besides the State share of Central taxes, the tax revenue of the State comes from Taxes, levied and collected by State Govt. as indicated below:

A) **Collected by the Revenue Department** :
   i) Sales Tax ;
   ii) Addl. Sales Tax w.e.f 1991 ;
   iii) Purchase Tax w.e.f. 1991 ;
   iv) Luxury Tax w.e.f. 1991 ;
   v) Professional Tax ;
   vi) Excise duties ,
   vii) Tax on Agricultural income ;
   viii) Land revenue ;
   ix) Stamp and registration fees ;
   x) Entertainment Tax ;

B) **Collected by the Forest Department** :
   Forest revenue on major and minor forests produces.

C) **Collected by the Transport Department** :
   Taxes on vehicle (road tax, registration fees, license fees—new/renewal) ;
   Permit fees ;
D) Collected by the Industries Department:

License fees for issuing different kinds of Industries;
Different kinds of rents;
Royalty.

The tax revenue collected by the State Government in the last four years are given in Annexure—4.4.

4.18 Sales Tax:

Collection of Sales tax was started in Tripura during 1976—77 with enactment of the Tripura Sales Tax Act, 1976. This tax is collected from sale of 95 items of commodities at the rate of minimum 6% and maximum 25%. Collection of taxes from this sources has increased considerably from Rs. 41,84 lakhs in 1976—77 to Rs. 155,46 lakhs in 1979—80. Rs. 1132.10 lakhs in 1989—90 to Rs. 1639.98 lakhs during 1992—93. It has grown by 43% between 90—91 to 93—94 i.e. by about 10% per annum at current prices.

4.19 Addl. Sales Tax:

Collection of additional Sales Tax was started 1990—91. This tax was levied 0.25% from 1.4.90 on annual turnover exceeding Rs. 10 lakhs on business organization. Rate was increased to 0.50% from 1.12.1994. Collection of this tax has grown from Rs. 10.18 lakhs during 1990—91 to Rs. 44.65 lakhs during 1993—94. This is a relatively new tax and the average growth has been about 10% at current prices.

4.20 Purchase Tax:

This tax was introduced in 1990—91. This tax is levied 04% with effect from 1.4.90 on purchase of jute, hides and skins, bamboo sticks for manufacture of Agarbatti. Raw Rubber in sheet, scrap or any other form was brought under this tax net 05% from 10.5.1995. The collection has increased from Rs. 3.63 lakhs during 1990—91 to Rs. 12.46 lakhs during 1993—94. This is a new tax and growth in last 2 years has been 29% and 12% respectively at current prices.

4.21 Luxury Tax:

This tax was levied in 1990—91. This tax is levied w.e.f. 1.4.90 10% on daily seat rent of hotels for Rs. 60/- and above. The collection has grown from Rs. 0.75 lakhs during 1990—91 to Rs. 2.45 lakhs during 1992—93.

4.22 All the four indirect taxes, indicated above are collected by the Commissioner of Taxes, Revenue Department. These taxes account for about 30% of the total tax revenue of the State.

[ 24 ]
Recommendation:

4.23 After considering relevant points, we recommend that 50% of the tax collected from these sources may be assigned to the Panchayati Raj Institutions 30% to the gaon panchayat, 15% to the Block level panchayat samiti and 5% to the Zilla Parishad. Amount available for each tier may be sub-divided among individual units on the basis of population. As the total amount collected from these taxes increase from year to year, the share for particular year may be calculated basing on the actual of the previous year with 10% mark up.

4.24 Taxes on Profession, Trades, Calling & Employment:

This tax was introduced in Tripura in 1976. It is collected from persons engaged in profession, trades, calling and employment. The rates of tax depend on the nature of the profession, trades, calling etc. This tax is collected mainly from person living in towns and urban areas. Transfer of this resources will lead to transfer of resources from the haves to the havenots, from the rich to the poor, from the urban to rural areas. This form another important source of revenue. Contributing about 8% of the total tax collected. The actual collection has gone up from Rs. 7.38 lakh in 76—77 to Rs. 449.52 lakhs during 93—94. Collection from this tax has grown by 21% and 9% during 92—93 and 93—94 respectively. Rs. 338.05, Rs. 412.32 and Rs. 445.42 lakhs have been collected during 91—92, 92—93, 93—94 respectively.

4.25 25% of this tax has already been assigned to the TTAADC. After considering the tax base, we recommend that 20% of this tax may be assigned to the gram panchayat, 10% to the block panchayat and 5% to the Zilla Parishad. Share of individual units may be done basing on population.

4.26 State Excise:

State Excise is collected as per provision of Act. This is collected on sale of liquor and intoxicants. Collection of State excise has gone up from Rs. 9.42 lakhs during 76—77 Rs. 749.02 lakh during 93—94. This collection amounts to about 12% of the total tax revenue. The collection increased by 38% and 3% during 92—93 and 93—94 respectively over the previous year at current prices. The Directive principles of State policy covered under article 47 requires the State Govt. to endeavor to bring about prohibition of the consumption except for medicinal purposes of intoxicating drinks and of drugs, which are injurious to health. In consideration of these noble-objectives we feel constrained to apportion share of these collection to the Panchayati Raj Institution. In view of the responsibility assigned to the State Govt., this collection may remain with the State Govt., which may take appropriate action for achieving the objectives envisaged in the Constitution.
4.27 Tax on Agricultural Income:

This tax is collected as per provision of the Bengal Agriculture Income Tax (Tripura Amendment) Act, 1978. The tax is levied on income on agriculture. For the purpose 'Agriculture' includes horticulture, raising of annual or periodical crops or garden produce, diary farming, poultry farming, stock breeding, grazing and pisciculture. The tax is collected basing on agricultural income, mainly from the tea gardens. Collection from this source has remained quite erratic as it depends on the status of monsoon, condition of market and other external factors. The collection was Rs. 3.78 lakh in 1976—77, Rs. 7.88 lakh in 1979—80, Rs. 4.33 in 89—90, Rs. 23.40 in 1991—92 and Rs. 30.87 lakh in 1993—94. It amounts to about 0.5% of the total tax revenue. 50% of the total tax has been assigned to TFAADC.

4.28 Land Revenue

Land revenue is being collected as per provision under the Tripura Land Revenue and Land Reforms Act, 1960. As a part of welfare measure for the small and marginal farmers, the State Govt. has granted 100% exemption of land revenue on holdings up to four standard acres with effect from 1st Baisakh 1394 B.S. Collection of land revenue depends on monsoon. In case of draught and other natural calamities, exemption is granted from time to time. Besides revenue on land holding, collection of premium on allotment of Govt. khas land and other Govt. dues created as arrears of land revenue are also collected as land revenue. Collection of land revenue vary from year to year. Its contribution to total revenue is about 1%. 40% of the land revenue has been assigned to TFAADC. Actual collection of land revenue during 1991—92; 1992—93 and 1993—94 has been Rs. 31.34 lakhs. Rs. 47.09 lakhs and Rs. 56.93 lakhs respectively.

4.29 Tripura Land Tax Act, 1978 came into force from 24th April, 1979. However, this tax could not be collected due to non-availability of means for calculation of tax on the profits of Agriculture in case Agricultural land and market value in case of non-agricultural land. Levy of the said Act has been deferred from time to time pending proper assessment of the profits of Agriculture and market value of non-agricultural land. Departments of Agriculture and Statistics have been requested by the Revenue Department to work out process and procedure of calculation of such tax for both Agriculture and non-agricultural land. Payment of land tax has been remitted from year to year.

4.30 Recommendation:

Collection from Agri-Income Tax and land revenue form a relatively small portion of the total tax revenue. Sizable part of this has been committed to TFAADC. Keeping in view administrative convenience, we recommend that collection from these two sources may be assigned only to the middle tier i.e. block level panchayat samiti at a uniform rate of 2% per block samiti. As this middle tier has special responsibility in supervising work of
village panchayat and liaising with Zilla Parishad, this share of taxes will enable them to perform their duties in a better manner, which will intern strengthen the three tier Panchayati Raj Structure. As the collection vary from year to year, the share may be decided basing on the average of last three years' collection. For avoiding duplication and administrative and convenience land revenue may be collected by the revenue functionaries as is prevalent now.

4.31 Forest Revenue

Forest revenue is collected basing on permit issued for extraction of timber. The collection has gone up from Rs. 250.66 lakh to Rs. 262.66 lakhs to Rs. 307.19 lakhs in 91—92, 92—93 and 93—94 respectively. 75% of this revenue has been assigned to TTAADC. Conservation of soil, water and environment is of critical importance for sustaining life in the planet. The Panchayati Raj Institutions are required to be actively associated for raising forest as well as conservation of forest and environment.

4.32 Recommendation :

We recommend that part of the revenue may be assigned to the Zilla Parishad tier of Panchayati Raj Institution at an uniform rate of 5% of the total collection.

4.33 The PRIs may utilise the share of taxes as indicated above for meeting all expenditure of non-plan nature i.e. maintenance of assets, pay and allowances of staff and related matters. As regards devolution of other taxes, revenue collected in the State, it is felt that it may be retained by the State Govt. for maintenance of law and order, developing infrastructures and discharging other sovereign functions which are of critical importance. Devolution of resources is an ongoing practice, Tripura is a small State. We have suggested a relatively simple devolution keeping in view the overall situation of the State. We hold that it is only a beginning of democratic decentralisation and devolution of resources to PRIs will be further supplemented by the State Government.
Chapter V
CHAPTER—V

LEVY OF TAXES, DUTIES, TOLLS, RATES FEES ETC.
BY THE PANCHAYAT RAJ INSTITUTIONS.

5.1 The 73rd Constitution amendment has envisaged the Panchayati Raj Institutions to function as vibrant and active institutions for providing better services to the common man at the grass root level. Achievement of this noble objective calls for mobilisation of resources and using it in an efficient and optimal manner. Out of the three sources of revenue of the Panchayati Raj Institutions namely share of taxes collected by State Govt., taxes collected by PRI and grants, collection of taxes, duties, tolls etc. to be levied and collected by the Panchayati Raj Institutions form the most important one as it requires direct responsibilities and initiative on the institutions. It is the most challenging assignment.

5.2 In Tripura, the Panchayati Raj institutions at village and block level were in existence for quite some years. However their major role was in selection of beneficiaries supervision and undertaking various developmental works. They were totally dependent on govt. grants. The gram panchayat were collecting tolls on markets, managed by them at rate fixed by government. The rate was last fixed vide notification dated 25.3.94 (Annexure—5.1) Besides, the panchayats were collecting tolls on ferries, cattle pounds managed by them. However the total collection was very meager and was limited to a few panchayats.

5.3 As per provision under article 243—M of the constitution, the State legislature is competent to authorised panchayat to levy, collect and appropriate such taxes, duties, tolls and fees. Accordingly, the Tripura Panchayat—Act, 1993 has been enacted. Section 59 of the said act has indicated the scope for levy of taxes, tolls etc. by the gram panchayat. The scope for levy by Panchyat Samity and Zilla Parishad have been provided under Section—114 and 168 respectively. These provision cover a wide range of items for levy of tax, toll etc. However, such levy has to be considered keeping in view the socio-economic condition of the people of the State and the prevalent practices. We feel that in view of the fact that large portion of the rural population live below the poverty line, we feel it appropriate to start with a small tax base and concentrate on tax collection. Simultaneously quality of services rendered is required to be improved. Once better quality of service is provided, there will be general social and economic development which will open new avenues for taxation. Keeping in view the situations prevailing in the State, we recommend the following for the 3 tier Panchayati Raj Institutions.

5.4 Powers for levying tax by Gram Panchayat :

The Gram Panchayats are empowered to levy tax on lands and buildings within the
local limits, basing on the annual value of such land and building at rates to be prescribed under Section 59(1) of the act. Further, the panchayat may levy an additional stamp duty on transfer of immovable property and on admission to any entertainment with prior approval of the State Govt. These provision clearly indicates the intent of the legislature relative to levy of tax on land and buildings. Additional stamp duty on transfer of immovable property and entertainment are however of secondary nature.

5.5 In West Bengal, the panchayats are authorised to impose tax @ 1% of the annual value of land and building, when the annual value does not exceed Rs. 1000/- and @ 2% when it exceeds Rs. 1000/-. In Karnataka, gram panchayats are authorised to collect tax at rate not exceeding 10% of the letting value per annum for buildings and for every one hundred square metre of land not subject to agricultural assessment one rupee per annum. In Tripura, the Land Tax Act passed for levy of tax on agricultural and non-agricultural land. However, this tax is not being collected.

5.5.2 After considering all relevant points, we recommend that the gram panchayat may levy tax @ 1% of the value of land and building per annum. This tax may be collected by the revenue authorities and passed on to the gram panchayats.

5.6 In West Bengal, 2% additional stamp duty is levied on transfer of immovable property which is passed on to the gram panchayat. In case of gift, lease etc., the value of rent for the last ten years is considered. In Karnataka, 3% surcharge on stamp duty is levied on all transfer of immovable property, lease, gift and the collection is passed on to taluk panchayat in proportion to population.

5.6.2 After consideration of relevant points, we recommend that 1% additional stamp duty may be levied on all transfer of immovable property. This may be assigned to the panchayat in proportion to population. In view of the poor economic condition of rural people, we do not think it appropriate for recommending levy of additional stamp duty on entertainment. We further recommend that the gram panchayat may levy fees on cattle pounds managed by it at the rate prescribed by the State Govt. The Gram Panchayat may also levy fees on movement of cattle @ Re. 1/- per cattle head, while issuing cattle movement permit.

5.7 Section 60 of the Tripura Panchayat Act has elaborated other items, on which gram panchayat can levy tax. We have considered the scope. Keeping in view the prevailing socio-economic condition we recommend the following:

5.7.1. The Gram Panchayat may collect fees not exceeding Re. 1/- per adult visiting places of worship, pilgrimage, fairs, melas etc. managed by it for providing required
sanitary arrangements and other facilities. The Gram Panchayat may also collect fee not exceeding Rs. 10/- on the marriage solemnised in the Panchayat area.

5.7.2 The Gram Panchayat may collect a tax at rate notified by the Govt. from the persons running whole sale/retail trade. Details are given in Annexure—5.1:

5.7.3 The Gram Panchayat may collect a household tax @ Re. 1/- per household per month for maintaining source of drinking water, street lighting facilities and other civic amenities. This rate may be suitably revised in due course for taking care of the maintenance expenditure on 100% basis. This will be of great significance in solving local problem with local initiatives.

5.7.4 The Gram Panchayat may collect toll on, animal driven cart, two wheelers and four wheelers @ Re. 1/- and Rs. 2/-, @ Rs. 5/- respectively for use of road, bridges, ferries maintained by it.

**Powers for levying tax by Panchayat Samity**

5.8.1 Section 114 of the Tripura Panchayat Act has indicated the scope for taxation by the Panchayat Samity. After considering the scope and the prevailing situations, we recommended the following:

5.8.2 The Panchayat Samity may levy licence fees from shops/merchants occupying half markets run by it at rate not exceeding 5% of the total annual turnover. This may be collected in advance at the beginning of the year.

5.8.3 The Panchayat Samity may collect a household tax @ not exceeding Rs. 100/- per annum per household from families availing pipe drinking water supply facilities. This amount should be kept separate and used exclusively for maintenance of the pipe water supply system.

5.8.4 The State’s economy is predominantly based on agriculture. Irrigation facility plays a critical role in improving agricultural productively. The Panchayat Samity may therefore give specific attention to ensure that the irrigation sources are properly maintained and replaced in time. It has been found that even though a number of irrigation sources are created by Govt. for providing irrigation facility, there are difficulties in maintaining it. As a result, the target groups are very often deprived of using the facility and the desired results are not being achieved. Out of the two scheme namely drinking water supply and irrigation water supply, former relates to a minimum need which is the responsibility of a welfare State. Irrigation facility on the other hand is a commercial activity, as it increases productivity and return to the farmer. We therefore feel that the tax on
drinking water should be levied so that adequate amount is collected to maintain the
system on a permanent basis. The irrigation tax, on the other hand, should cover both
maintenance and replacement. The rate of irrigation tax may be worked out on these
principles by a technical committee, which may be considered by the Govt. A uniform
rate may be prescribed for the State basing on the unit cost and families covered under
a project on average basis. We feel that in a predominantly agricultural State like
Tripura, this will enable the Panchayat Samity to help the farmers in a substantial manner.
It will give recognition and credibility to the PRIs in due course. It is needless to say
that the Panchayat Samity should mobilise and manage the resources in an efficient manner
to serve the farmers better.

5.8.5 The Panchayat Samity may collect fees on felling of trees on jote land @ 1% of
the market value of the tree to be felled. This fee may be collected by the Forest
Department official issuing challan and passed on to the Panchayat Samity. The Pancha-
yat Samity may charge fees @ Re. 1/- for parking on rickshaw, cart, motor etc. in stands
maintained by it.

Power for levying taxes by Zilla Parishad

5.9 The scope for levy of tax by Zilla Parishad is indicated in section 168 of the
Tripura Panchayat Act. The provision covers levy of tax, fees on a number of points,
which are common to the gram panchayat and panchayat samiti. Keeping in view the
recommendations made earlier and for avoiding double taxation on same issue, we
recommend that the Zilla Parishad may levy tax on roads (other than kuccha) and
bridges made by it out of its own resources at the rate specified earlier.

5.10 We further recommend that the departmental farms, production units of various
Govt. Departments may be transferred to the Zilla Parishad as per provision under
section 165 of the Act. This will generate adequate resources for the Zilla Parishad.
We shall deal with this aspect in the next chapter.

5.11 In conclusion, we would like to mention that the three tier Panchayat Raj Institu-
tion may be given due authority for levying taxes, fees, tolls etc. as indicated above.
Collection of Taxes from these sources may be used for maintenance of assets and
replacement of old assets. As far as possible, these collection should be done by the
existing govt. machinery and the collected amount should be passed on to the PRI bodies
on a quarterly basis. In case of necessity, the existing arrangement should be strength-
ened. In view of past experiences, due care should be taken for avoiding creation of
any new collection agency, which will increase the collection charges and may affect the
net revenue collection.
Chapter—VI
CHAPTER—VI
PROVISION OF GRANT TO THE PANCHAYATI RAJ INSTITUTIONS

6.1 Even though Gaon Panchayats and Block Level, Block Development Committee (BDC)s were in existence in Tripura for a long time, these organisations were mainly playing a supportive role in identification of beneficiaries, implementing labour intensive schemes and coordinating activities of various development departments at the village/block level. The Gaon Panchayats bodies were being assisted by the Government mainly for three different purposes. The first category covers assistance for construction of panchayat ghar, library, furniture, books, type-writer etc. For the purpose, a lump sum amount was being provided by the Government to each panchayat. Besides a sum of Rs. 100/- per month was provided to each panchayat for meeting contingent expenditures. The second category covers assistance towards Salary, TA, DA and other expenditure of the staff working in the panchayats on 100% basis. The third category covers assistance under State Rural Employment Programme for taking up labour intensive work before Puja. This scheme is popularly known as the “Puja Dhoti-Shari” scheme. The wage under the scheme is disbursed in kind in form of one piece of dhuti or shari and partly in cash. Following election to the 3-tier Panchayat Raj Institutions, the gram panchayat as well as the panchayat samiti and Zilla Parishad are being assisted for payment of sitting fee TA/DA, hiring of vehicle etc. for the elected representatives. Besides an untied fund is being placed with these institutions. An account of fund provided by the Panchayat Department of the State Govt. to these institutions during 1994-95 and 1995-96 is given at Annexure—6.1

6.2.1 As per provision under the Article—243 (V) of the Constitution of India, the Panchayati Raj Institutions have been entrusted with responsibility for preparation of plan for economic development and social justice as well as implementation of schemes for economic development and social justice, which can be entrusted to them including those in relation to matters listed in the 11th schedule. The list of matters in the 11th schedule contain as many as 29 different subjects, which cover (i) economic activities viz. Agriculture, Animal Husbandry, Fishery, Forestry etc., (ii) development of infrastructure viz. road, electrification, non-conventional energy, market, maintenance of community assets, etc. (iii) minimum needs viz. housing, drinking water, health, sanitation etc. (iv) social welfare and social infrastructure facilities viz. education, library, health care and (v) miscellaneous activities viz. implementation of land reform and consolidation, public distribution system etc. With a view to enable the Panchayati Raj Institutions to discharge these multifarious responsibilities, it is necessary that they should have adequate resources. The resource of Panchayats can come from three major sources i.e. taxes to be levied by the State Government, which would be passed on to the panchayat, taxes to be levied and collected by the panchayats and grant-in-aid. The
former two has been dealt within the preceding chapters. In a small North-Eastern State like Tripura, there is limitation in taxes to be levied by the State Government. In view of the fact that 73.58% of the population are living below the poverty line, the Panchayati Raj Institutions may not be able to generate much resources by levying taxes. Amount of taxes to be levied and collected by the Panchayati Raj Institutions will remain too small in next few years. It is only with vigorous economic development that the rural areas of the State will prosper and generate adequate resources. These would in turn enlarge the scope for mobilisation of resources from taxation in rural areas. As such for all practical purposes, grant-in-aid to be provided by the State and Central Government are going to be the major source of fund for the Panchayati Raj Institutions in the next few years. This may not be desirable as it will make the Panchayati Raj Institutions dependent on the State Government. However in view of the typical socio-economic situation prevailing in the State, this appears to be the only way.

6.2.2 Under the Constitution, the State Govt. has been assigned the responsibility of providing an independent source of revenue including grant to the Panchayat Raj Institutions for discharging the specified responsibilities. The State Finance Commission has been set up to consider and recommend allocation of resources between the State and the Panchayat Raj Institutions. In view of the delicate financial position of the State, provision of adequate resources to the PRI will be possible only by augmentation of the consolidated fund of the State suitably. This aspect will be dealt with in an appropriate manner by the 11th Finance Commission for the non-plan expenditure and the Planning Commission for the plan expenditure. As an immediate measure, we have analysed the fund requirement of the PRIs and made our recommendation keeping the State Financial conditions in mind.

6.2.3 Three-tier panchayati raj structure has been in existence in Maharashtra and Gujrat since 1976-77 and also in West Bengal. It appears that Gujrat had assigned 29.6% of States own resources to PRIs. Grants from about 22.90% of the total resources of Panchayat in 76-77. At the national level, the per capita share of taxes and grants assigned to Panchayat was only Rs. 14.75 in 76-77. This has increased to Rs. 54.87 in 92-93. It has been reported that 87% of the total taxes and grants to panchayat is contributed by 4 States namely Andhra Pradesh, Gujrat, Maharashtra and West Bengal and balance 13% by other States in 76-77. The Ministry of Rural Development had suggested to pass on at least 15% of the total resources of the State to the Panchayat.

6.2.4 While analysing allocation of resources to the Panchayat, the 10th Finance Commission had hold that fund requirements of Panchayat would be met by transfer of functions from the States and resources to be mobilised by the Panchayat. The 10th finance Commission had made an adhoc grant @ Rs. 100 per capita of rural population.
They have held that this amount should be distributed amongst the panchayati Raj Institutions, over and above their due by way of their share of assigned taxes, duties, fees, transferred activities, related budget and grants. Tripura has been assigned Rs. 13.94 crore on this account @ Rs. 3.48 crore during 1996-97 and 97-98 and @ Rs. 3.49 crores during 98-99 and 1999-2000 A.D. by the 10th Finance Commission.

6.2.5 One of the main objectives of the 73rd amendment is to ensure rapid socio-economic development of the rural areas by involving the people and the people’s organisation, i.e. panchayat, optimally. There is specific reference to transfer of functions from the State to the Panchayat. Transfer of functions and responsibilities from the State to Panchayat has to be accompanied by the transfer of staff working on these schemes/projects along with the financial allocation budgeted to be spent on the transferred activities.

6.2.6 The grant-in-aid to be provided to the Panchayati Raj Institutions are of two types:

a) Schemes launched by the State Govt. or Govt. of India (Centrally sponsored scheme), which may be transferred to the three tier Panchayati Raj Institutions for implementation.

b) Lump sum grant-in-aid for taking up new and innovative schemes.

6.3 Transferred schemes

6.3.1 Provisions of Tripura Panchayat Act, 1993, provides for transfer of powers and functions to Panchayat Raj Institutions. Obligatory duties, assigned duties and discretionary duties of the Gram Panchayat have been indicated under section 31, 32, 33 of the Act. In the case of Panchayat Samiti, obligatory duties, assigned duties and discretionary duties have been indicated u/s 91, 92, 93 of the Act. In case of Zilla Parishad, similar duties have been indicated under sections 143, 144 and 145 of the Act. At present, these functions are performed by different departments of the State Government. Deligation of Powers and transfer of schemes to PRIs were discussed by a Committee in October, 1994. Subsequently certain powers and functions have been delegated to the PRIs. Details in this regard are given at Annexure—6. 2)

6.3.2 With a view to ascertain on going schemes, which can be passed on to the Panchayati Raj Institutions, we had analysed the schemes under implementation in the sectors covering the 29 activities included in the 11th schedule. List of the items covered under the 11th schedule relates to activities in the rural areas which touch the common masses. We recommended that implementation of schemes, which are limited to only one gaon sabha, may be passed on to the village level panchayats. Schemes covering two or more gaon sabhas may be assigned to the Panchayat samiti for implementation. Similarly schmes
covering more than one block can be passed on to the Zilla Parishad. The State Government may look after State level schemes covering two or more districts, which cannot be apportioned to individual Zilla Parishad. We have analysed the ongoing schemes and made certain indications on the schemes to be transferred to the PRIs. Details are given in the Annexure—6.3. This list is of suggestive nature. The State government may decide on passing on these as well as other schemes, as felt necessary, in phases to the PRIs.

6.4 Provision of Grant to the PRIs:

6.4.1 In West Bengal, resources to Zilla Parishads are being earmarked basing on no. of holdings below 1 hectare, no. of allottees of vested land, no. of share Croppers, Scheduled Caste/Scheduled Tribe population, degree of illiteracy, inverse of No. of small scale units and weightage for hill and Sundarban area.

6.4.2 In Karnataka, fund for Zilla parishad is earmarked in the budget itself. for both plan and non-plan. Head-wise allocations of fund is indicated separately for all Zilla Parishads. Allocations of plan Fund to individual Zilla Parishads are based on backwardness and SC, ST population. An annual grant of rupees one lakh is provided to each gram panchayat for meeting the electricity charges, maintenance of water supply schemes, sanitation and other welfare activities. This grant is spent for purposes other than establishment expenses. Establishment grants to the Taluk Panchayats and Zilla Parishad are provided separately for meeting the cost of establishment.

6.4.3 In Maharashtra, schemes implemented by the Zilla Parishads from their own resources are not significant at present. 50% of their resources is spent on honorarium to President and other office bearers. 20% of resources are spent for maintenance and repairs. 15% of resources is spent for socially backward classes. From the remaining funds, the Zilia Parishads provide for depreciation and maintenance costs of other services. Schemes are also transferred by the Government to the Zilla Panchayats. Besides, schemes are entrusted by the Government to the Zilla Parishads on agency basis, where Zilla Parishads act as agents of the Government and claim 3% agency commission for such schemes. Schemes on family welfare, Bio-gas, ICDS, School feeding programme etc. are covered under this.

6.4.4 Keeping in view the assistance provided to the panchayats in the last years and the financial position of the State Government, we recommend that the three tier panchayat bodies may be given financial assistance in form of united fund. As these grants will be provided for the first time, we feel it would be better to follow a simple system.

6.4.5 As per the 1991 census, the rural areas of the State has a total population of 23,35,484 which includes 12,02,529 male and 11,32,955 female. The number of households
is 4,40,789. Out of this, the area falling under the Tripura Tribal Areas Autonomous District Council has a population of 8,87,300. Thus the rural population outside TTAADC area was 14,48,184 during 1991. The growth of population in the last four decades has been 78.71% during 51—61, 36.28% during 61—71; 31.92% during 71—81 and 34.30% during 81—91. Out of 956 grams in the State, 525 grams have been constituted under the Tripura Panchayat Act. The other grams fall under the area of the TTAADC. Keeping in view the functions of the three tier Panchayati Raj Institutions, we recommend that each gaon panchayat may be provided grant @ Rs. 100/- per population. In respect of block level Panchayat Samity and Zilla Parishad, we recommend assistance @ Rs. 60/- and Rs. 40/- per population respectively. The total financial requirement for provision of grant-in-aid to the three tier Panchayati Raj Institutions will be about Rs. 30 crores initially i.e. @ Rs. 100/- +Rs. 60/- +40/- for 15 lakh persons living in the rural areas outside the TTAADC area as per 1991 census. This amount may be suitably revised for taking into account the increase in population. It should be provided over and above the amount provided by the Finance Commission.

6.4.6 We feel it is necessary to develop a spirit of competition among the Panchayati Raj Institutions for achieving certain specific targets/achievements, which are of paramount importance to the State and the nation as a whole. These may be achieved by providing rewards to the Panchayats on the basis of performances in the following fields.

a) EDUCATION;
   i) Level of literacy.
   ii) Enrollment in Primary Schools in the 6—10 years age group for all the students living in the areas.
   iii) Inverse drop out rate at primary level.

b) MOTHER AND CHILD CARE:
   i) Infant mortality rate.
   ii) Total immunisation.

c) POPULATION CONTROL:
   i) Adoption of permanent family planning measures.
   ii) Rate of growth of population.

d) MOBILISATION OF RESOURCES:

6.4.7 Performance of the Gram Panchayats working in each block may be reviewed on the basis of above parameters during each calendar year (January—December) and best three gaon panchayats selected basing on the above parameters. Equal weightage may be given to each of the four factors. The PRIs should be motivated to achieve total literacy, immunisation, family planning of performance of the gaon panchayats may be judged with reference to the comparative increase over the last year's performance. Similarly, the Zilla Parishad will analyse the data in respect of achievement made by each block Level Samity
during the year and select the best block. Decision regarding performance in respect of the Zilla Parishads may be decided by the Govt. We recommend that the Gaon Panchayats may be provided an additional grant amounting to Rs. 3 lakh Rs. 2 lakh and Rs. 1 lakh for the 1st, 2nd and 3rd best performance in each block. The block level panchayats may be given reward amounting to Rs. 10 lakh, Rs. 5 lakh and Rs. 3 lakh for the 1st, 2nd and 3rd best performance for each district. The best Zilla Parishad will given award @ Rs. 50 lakh, Rs. 20 lakh and Rs. 10 lakh. There are 16 Panchayat Samities and 3 districts outside the TTAADC area. Adoption of the above recommendation will have a total implication of Rs. 230 lakh i.e. Rs. 96 lakh for the Gaon Panchayats, located in 16 Blocks. Rs. 54 lakhs for the Block Samities located in the three districts and the Zilla Parishads of the State. These grant may be provided in the month of January every year in a function to be organised. We feel that apart from the financial implication, provision of the reward will give a feeling of involvement and confidence to the Panchayati Raj Institutions, which we consider essential for enabling them to function as effective institutions in the process of democratic decentralisation. These amount may be provided in time and the panchayats bodies should have the full discretion of using these amount for creating permanent infrastructure including irrigation sources. Under no circumstances, it should be spent on salary or related expenditure.

6.4.8 The Govt. of India has introduced a Central Scheme for providing Rs. 1.00 crore as united fund to each of the member of Parliament for undertaking development work in their Constituency. The Members may consider using the amount through the PRIs, which represents the grass root level democratic organisation.

6.5 Special grants for Construction of office building the PRIs

The Panchayati Raj Institutions are required to have their own offices. In Tripura, some of the gram panchayats were assisted for construction of panchayat ghar with mud-wall. At Block level, one hall was constructed for Block Development Committee meeting. However these structures were of semi-pucca nature. In view of the important role, envisaged for the panchayat under the Constitution, we recommend provision of one time grant for construction of a pucca panchayat ghar ( @ 1000 Sq. ft. area ) for each gaon panchayat, for Panchayat Samity ( @ 3000 Sq. ft. area ) and for Zilla Parishad ( @ 5000 Sq. ft. area ). This may be taken up in phases and completed at the earliest.

6.6 Preparation of plan for development of the PRIs:

Preparation of annual plan for ensuring economic development and social justice and implementation of the plan in a coordinated manner have been indicated under section 143 of the Tripura Panchayat Act. We consider preparation of the District plan to be of critical importance for assuring development of rural areas and recommend that the Zilla Parishad may be given required support for preparation of District Development plan. A one time grant of Rs. 10 lakh may be provided to each Zilla Parishad for acquisition of
computer, books and furniture and training of personnel on preparation of District plan preparation of block level and village level plans may be taken up by the panchayat samiti and gaon panchayats concerned under supervision of the Zilla Parishad.

6.7 Staff of Panchayat:

6.7.1 The PRIs will need services of staff for discharge of the duties entrusted to them. Earlier we have indicated the need for transfer functions with staff from State Govt. and as well as the adverse impact of having additional staff in the PRIs. As this is essential for sound management of the PRIs finance and restoring financial discipline, we feel it appropriate to deal the subject in detail.

6.7.2 Section 50 of the Tripura Panchayat Act provides for appointment of two Panchayat Secretaries in the gaon panchayat. Besides, the State Govt. can place services of such other officers/employees at the disposal of gaon panchayat as felt necessary under section 51(2) of the said act. There is restriction on appointment of employees in panchayat without approval of State Govt. u/s 51(1) of the act. In view of the functions entrusted to the PRIs and works to be taken up by the gaon panchayat we feel, it necessary to provide one technical staff for preparation of technical estimates and supervision of civil works. This may be done by suitable redeployment of existing Govt. staff. We recommend that the State Govt. may give the full power for deployment, assignment of duties, control and disciplinary power to the gaon panchayat. Pay and allowances of the staff deputed may be drawn and disbursed basing on working certificate to be issued by the gaon panchayat. The gaon panchayat may initiate assessment and confidential report of staff/officers deputed, Drawl, and disbursable of pay, maintenance of service record, appellate power etc. may remain with the State Govt.

6.7.3 In case of panchayat samiti, there is provision for appointment of the Block Development Officer as the ex-officio Executive Officer and Panchayat Officer/Panchayat Extension Officer as the ex-officio secretary u/s 102 of the Act. The State Govt. may place services of the staff working in the transferred scheme with the panchayat samity. The panchayat samity may be given full authority to transfer and deploy staff dealing with transferred scheme within the panchayat samiti area i.e. at gram panchayat level. It may exercise full control over staff on matters relating to assignment of duties, deployment etc. However drawl of pay, maintenance of service record of the staff may be dealt by the Govt. During discussion, we have come across practical difficulties in deploying adequate staff in the block located in hilly and interior areas, as majority of the staff have been recruited from certain part of the State. As it may not be possible to recruit more staff, this distortion can be balanced by authorising the panchayat samity to make all fresh recruitment from local block area against posts falling vacant due to death, retirement etc.

6.7.4 As regards Zilla Parishad, the District Magistrate will function as the Chief Executive Officer of the Parishad as per provision under section 157 of the act. Further, the
State Govt. may appoint an additional Chief Executive Officer and Secretary for the Zilla Parishad. In Tripura, the District Rural Development Agencies (DRDA) have been set up as per guidelines and pattern suggested by the Ministry of Rural Development. Almost the entire fund for rural development scheme/projects are being placed by the Central and State Govt., with this agency for implementation. Over years, this agency have got established. It has reasonably good infrastructure, and staff. We recommend that the DRDA may be placed at the disposal of the Zilla Parishad. Similarly the Development section of the office of the DM & Collector, the District Industries Centre and the District level office of planning and Statistic Directorate should be placed with the zilla parishad. Transfer of these bodies will form the core and provide adequate infrastructures to the zilla parishad for discharge of its functions. The Zilla Parishad should be given the power and authority deploy, transfer, initiate confidential report of all staff and officers transferred. All vacancies arising out of retirement, death etc. may be filled up by the Zilla Parishad from within the district.

6.7.5 Tripura has a relatively large number of govt. employees per population. A comparative account of member of persons served by one Govt. employee is given in Annexure—6.4.

6.7.6 Tenth Finance Commission has observed that, five States namely Haryana, Himachal Pradesh, Mizoram, Punjab and Tripura have granted higher emoluments to the employees than the central government. The Commission had expressed reservation on the assessments made by these State Govts. that they have resources to meet related expenditures. The Commission, as a matter of fact, made deductions in the expenditure estimates for ensuring equitable treatment to all States. From these facts, it appears that the expenditure on pay and allowances of the Govt. employees in the State accounts for a very large proportion both on account of the relatively large size and higher pay structure. This is, in turn, affecting availability of resources for welfare schemes. As the panchayat will function under similar situation, it may not be possible to pay the employees at a rate lesser than that for Govt. employees. We therefore strongly recommend that the PRIs should not create any posts other than those required under the statute. The State Govt. should transfer the entire staff and officers dealing with the implementation of the schemes while transferring the schemes/activition to the PRIs. The pay and allowances may be borne by the Govt. as per the existing practice and services made available to the PRIs. This will ensure optimum utilisation of available staff and reduce avoidable expenditure, which in our opinion, is of critical importance for grounding the PRIs on a sound footing.

6.8 Besides the financial assistance as indicated above, achievement of the Panchayati Raj Institutions at each tier should be duly recognised, appreciated and publicised. These will give them confidence and would motivate them to perform better.
Chapter—VII
CHAPTER—VII
MEASURES NEEDED FOR IMPROVING FINANCIAL POSITION OF THE PANCHAYATS

7.1 The Commission has been asked to suggest measures needed for improving the financial position of the panchayats. Tripura is a small North-Eastern State, facing large number of problems. The overall economic condition of the people, living in the rural areas is not sound. As per the last household survey, more than 70% of the population are living below the poverty line, having annual income less than Rs. 11,000/-. Lack of infrastructures, geographical isolation and non-availability of raw materials have affected industrialisation of the State. Because of a relatively weak primary sector, the growth in the secondary and tertiary sectors has remained limited. Because of these typical features, the scope for generation of resources by the panchayats would remain limited for quite some time. The panchayats have to depend on grants and assistance from the State and Central Government. While grant from Government may enable the PRIs to manage their affairs in the short term, they shall have to take steps for mobilising resources in the long run, which is the only way to enable them to function as effective institutions of democratic decentralisation.

7.2 The Panchayati Raj Institutions shall have to give particular attention to utilising the available resources in an optimum manner and create durable assets. Besides, expenditure has to be checked and controlled and all avoidable and unproductive expenditures have to be avoided.

7.3 The PRIs should take steps to impose tax selectively for avoiding much hardship to the families, living below poverty line in particular. Due care should be taken to collect the tax and check any evasion and avoidance of tax.

7.4 The co-operative sector has got enormous strength. Due to a number of factors, co-operative movement in Tripura has not gained due momentum. The Panchayat Raj Institutions may give special attention for building of co-operatives and create awareness among the people about benefits of co-operatives. With required support, co-operatives can be made to play a leading role in social and economic transformation of the rural areas in general and rapid development agricultural and allied sectors in particular, which are of critical importance for development of the State.

7.5 Income From Assets Owned By The PRIs:

The PRIs have built up certain assets like fishery tank, horticultural orchard etc. in the past years with the fund available under various labour intensive schemes like
NREP, RLEGP, SREP, JRY, EAS etc. Those assets are required to be managed in an effective manner for generating resources for the panchayats. Even though these resources may be initially small, it is of much greater significance than the assistance received from the State Government, as it will indicate the own contribution of the PRIs. The PRIs are required to be assisted for building up additional assets, which can provide them a steady source of income. In course of our discussion with the newly elected members of the PRIs, we have come across a number of constructive suggestions, such as development of horticultural orchards, rubber plantation, plantation of bamboo and other economic species under social forestry scheme, scientific management of fishery tanks etc, in the land owned by the Panchayats. The fund available under various labour intensive schemes from the State Government and Government of India can be utilized by the Panchayats for building up the assets. However, it would require strong technical support and guidance. The State Government may issue appropriate instructions to the technical departments for assisting the PRIs in this regard. Besides technical guidance, appropriate action may be taken for building up awareness about the potential of PRIs for generating assets. We feel that by exploiting the inherent strength of the people, the PRIs will be able to generate resources, which would put them in a sound footing in the long run.

7.6 Institutional Finance:

The PRIs have been organised as per provision under the constitution. In addition to the three different sources of revenue indicated in the preceding chapters, the PRIs can avail loan and financial support from various financial institutions i.e. banks, public sector undertakings and external funding agencies for building infrastructures and assets, which would generate resources. Some states like Uttar Pradesh and Bihar have set up Panchayat Finance Corporation for provision of institutional finance support to the PRIs. Keeping in view the recommendation of the finance commission and the prevailing situation in the State, it may not be prudent to set up any new public sector undertakings for this purpose initially. Once technically feasible and economically viable projects are formulated for the PRIs, there may not be much problem in getting institutional finance for the purpose. The commercial banks and financial institutions have been delegated adequate powers for financing such viable projects. As the credit deposit ratio in Tripura is less than the recommended, the commercial banks operating in the State are under moral obligation for ensuring greater credit flow in the State. In case sufficiently big projects are prepared, external funding agencies would be too eager to assist the PRIs. As this is a new area and preparation of viable projects require considerable expertise, we would like to mention that the State Government may take necessary steps for preparation of Project reports for the purpose. Besides the commercial banks, financial institutions and public sector undertakings of the State Government like the TCLDB and TIDC etc.
may also consider financing the PRIs for taking up viable projects. This issue may also be projected to the central financial institutions like the NABARD, SIDBI and IDBI also for evolving appropriate strategy for assisting the PRIs for playing a vibrant role in economic development of the rural areas.

7.7 Contribution From The Public:

The PRIs represent the grassroots level institution of the people formed by democratic process. Our country has a rich tradition of self help and voluntary contribution. Before independence, a number of public institutions such as school, library, community hall etc. were made in the rural areas with contribution from the benevolent public. Contributions were made in form of land, furniture, books, building materials and labour for building up community assets, which were used by all. Gandhiji had emphasised on this concept of self help during the freedom struggle. However after independence, the Government has taken up number of activities in the rural areas. Involvement of Government in almost all fields have given rise to a sense of dependence on the Government. There are incidence of people in the rural areas waiting for repair of a tubewell or a community hall by the Government department, notwithstanding the difficulties faced by them and their ability to undertake the repairs. There are limitations in the resource and ability of Government in discharging all functions in the rural areas. Under the community development programme, involvement of the rural people for managing their affairs was taken up. However it has not cut much ice in the past. The 73rd amendment to the constitution has led specific emphasis on involvement of the people in the rural areas to solve their problems to the extent possible. We feel that involvement of the people can come in the best way by voluntary contribution either in cash or kind of labour for the cause of the PRIs. The elected member of the PRIs may provide leadership for the purpose and rise above petty group and political considerations for involving the people in general. With a view to encourage public contribution, the PRIs may take suitable steps for recognising the contributions by naming the institutions against the persons contributing sizably and such other means of recognitions, as may be felt appropriate. We are hopeful that this would help the panchayats in bringing about the socio-economic development of the rural areas to a considerable extent.

7.8 Development of the PRIs would require utilisation of the available resources in a proper manner and checking any misutilisation. The PRIs may observe transperance in utilisation of their fund. Details of the schemes formulated and utilisation of fund may be discussed in the meeting and give due publicity for information of the general public. As this or anisations are close to the people, they would be able to create awareness and involve the people to a larger extent, which would serve us effective check against any possible misutilisation. The account of the PRIs may be audited properly and the audit report may be published regularly. This reports may be prepared in the local language.
i.e. Bengali for benefit of the common people. There is a general feeling that institutions become unpopular, in case they take correct decisions. Such apprehensions have been proved wrong in large number of cases. The PRIs may be assisted for discharging their responsibility in a better manner so that they can render better public service, which will give them higher credibility and respectability in the long run.

7.9 The State Finance Commission is required to be set up at periodic intervals as per the provision of the Constitution and the Tripura Panchayat Act and Rules. We had faced certain difficulties in transacting work of the commission due to inadequate data base and infrastructure. With a view to provide continuity, the State Government may make suitable arrangements with required expertise and database.

7.10 At the end, we would like to reiterate that the Panchayati Raj Institutions of Tripura shall have to take mobilisation of resources in the right earnest. In view of the typical situation prevailing in the region, the State Government and Non-Government Organisations should give required help, support and guidance to the Panchayati Raj Institutions in this regard.
Chapter VIII
CHAPTER—VIII

SUMMARY OF RECOMMENDATIONS

8.1 Following the 73rd amendment to the Constitution, the Panchayat Raj Institutions have been given constitutional status. Adequate power and authorities are required to be passed on to the elected Panchayat Raj Institutions for enabling them to function as effective institution in the process of democratic decentralisation. We have considered the present condition of the Panchayat Raj Institutions in Tripura as well as the role envisaged of them for fulfilling the hopes and aspirations of the people living in rural areas. Our recommendations have been made basing on available information and keeping the financial constraints being faced by the State Government in mind.

8.2 Devolution of resources from the State to the Panchayati Raj Institutions would be a continuous process. With a view to reduce tension in the process to the extent possible, we have suggested a relatively simple system for devolution of power and responsibility.

8.3 The State Government may pass on a reasonable portion of the total tax revenue of the State to the Panchayati Raj Institutions. At the initial stage, 10% of the state share of central taxes may be assigned to the Zilla Parishad, 8% to the Panchayat Samity and 2% to the Gaon Panchayats. The total amount may be distributed among individual units at each tier as per a formula, basing on population and socio-economic backwardness. As the state share of central taxes have been committed for meeting the liability on account of establishment related expenditure to a considerable extent at present, share of taxes for the Panchayati Raj Institutions may be adjusted against the non-plan liability i.e. salary of the staff deputed for working in the Panchayati Raj Institutions on full time basis in the initial years. Any increase in share of taxes, in the coming years should be provided to the Panchayati Raj Institutions in cash. This issue may be projected suitably to the next Finance Commission for providing additional resources to the State for strengthening the PRIs.

8.4 50% of the revenue earned from sale tax, additional sale tax, purchase tax and luxury tax may be passed on to the Panchayati Raj Institutions @ 30% to Gaon Panchayats, 15% to Panchayat Samity and 5% to Zilla Parishads. The horizontal distribution in each tier may be done basing on the population.

8.5 35% of the professional tax may be provided to the Panchayati Raj Institutions @ 20% for Gaon Panchayats. 10% for Block Panchayat and 5% for Zilla Parishad. The horizontal distribution may be done basing on population.
8.6 In view of the reference to prohibition in directive principles of state policy in the constitution, state excise duties may be retained by the State Government, which may take appropriate steps to achieve the objective. Share of State excise duties may not be passed on to the Panchayati Raj Institutions.

8.7 32% of the collection from agri-income tax and land revenue may be passed on to the middle tier Panchayati Raj Institutions i.e. Panchayat Samity at an uniform rate of 2% each.

8.8 15% of the forest revenue may be passed on to the three Zilla Parishads @ 5% each.

8.9 The share of taxes may be utilised for meeting expenditure on maintenance, pay and allowances of staff etc.

8.10 In view of the fact that more than 70% of the population in rural areas are living below poverty line, the scope for mobilisation of resources by levying taxes by the Panchayati Raj Institutions would be limited in the initial stages. Nevertheless, the Panchayati Raj Institutions should try their best for mobilising as much resources as possible from the local area without causing much financial hardship to the population living below the poverty line in particular.

8.11 The Gaon Panchayats may levy taxes @ 1% of the value of land and building per annum and 1% additional stamp duty on all transfer of immovable property. They may levy fees on cattle pounds at rates as prescribed by the State Government and fees @ Re. 1/- per cattle head for issuing cattle movement per unit.

8.12 The Gaon Panchayats may collect fees not exceeding Re. 1/- per adult visiting places of worship, pilgrimage, fair etc. managed by it, fees not exceeding Rs. 10/- on marriages solemnised in the Panchayat area, taxes from person running wholesale/retail trade at rates prescribed by Government, house-hold tax @ Re. 1/- per household per month for maintaining common spot drinking water sources, street lighting facilities and other civic amenities and toll @ Re. 1/- to Rs. 5/- on movement of carts, two wheeler/three wheeler/four wheeler's on road, bridges, ferries etc. maintained by it.

8.13 Panchayat Samity may levy licence fees from shop/merchants occupying hat/markets etc. run by it at rate not exceeding 5% of the total turnover. Besides it may collect Rs. 100/- per annum per household from families availing pipe drinking water supply facilities. The collected amount should be used for maintaining the sources. The Panchayat Samity may collect irrigation tax from the sources created and maintained by it at commercial rates for maintenance and replacement of the irrigation sources in due course. Besides they may collect 1% of the market value of tree to be fall in the jote land in the
area and Re. 1/- for parking rickshaw, cars, motor car etc. in the stands maintained by it.

8.14 The Zilla Parishad may levy tax on roads and bridges made by it out of its own fund, at the same rate as indicated for the Gaon Panchayat and Panchayat Samity.

8.15 Collection made from these services may be used exclusively for maintenance/replacement of assets of the PRIs.

8.16 In view of limited resource base of the State Government and economic condition of the rural population, the Panchayati Raj Institutions are required to be provided adequate grants for discharging the responsibilities entrusted to them. This point may be projected suitably to the Planning Commission and Government of India with request to make additional resources available for supporting the Panchayati Raj Institutions.

8.17 State and Central Sector schemes relating to 29 activities indicated in the 11th schedule implemented at the District, Block and village level may be transferred to the Panchayati Raj Institutions in a phased manner. The Gaon Panchayats may select beneficiaries for the individual beneficiary oriented schemes. Panchayat Samity may look after schemes covering more than one Panchayat. Schemes covering more than one block may be entrusted to the Zilla Parishad. Schemes covering more than one district, training, research and development, coordination etc., may only be retained by the State Government. A suggesting list of existing schemes to be transferred to PRIs has been proposed to the three different tiers.

8.18 Services of staff dealing with implementation of the transferred schemes should be made available to the concerned Panchayati Raj Institutions. The Panchayati Raj Institutions should be given full authority to deploy, assign work, initiate assessment/confidential reports, issue working certificate and other day to day functions. Recruitment, transfer, disciplinary powers, drawl and disbursable of pay, maintenance of service record etc. may be done by Administrative Department concerned initially. Power of transfer and recruitment from local areas against vacancies may be passed on to the Panchayati Raj Institutions in due course. No staff other than those required under the statute should be recruited by the PRIs. The DRDA, DIC and Development section of DM's office. District Planning and Statistics offices may be merged with the Zilla Parishad.

8.19 Preparation of annual plan for each tier of Panchayati Raj Institutions should be given specific emphasis. This may be introduced at the Zilla Parishad level immediately and taken up to Panchayat Samity and Gaon Panchayat level in a phased manner. The Zilla Parishad may be provided required assistance for the purpose.

8.20 Besides transfer of schemes, the Panchayati Raj Institutions may be given untied
fun for taking up innovative and location specific schemes. The Gaon Panchayat may be provided grant @ Rs. 100/- per head. Panchayat Samity @ Rs. 60/- per head and Zilla Parishad @ Rs. 40/- per head on the basis of total population living in each unit on a permanent basis.

8.21 Besides grant indicated above, cash award may be provided to the best body in each tier basing on their performance in the field of education, mother and child care, population control and resource mobilised from own sources. The best three gaon panchayats in each block may be given cash reward amounting to Rs. 3 lakhs, Rs. 2 lakhs and Rs. 1 lakh respectively. Similarly, the best three blocks may be given reward @ Rs. 10 lakhs, Rs. 5 lakhs, Rs. 3 lakhs respectively. The best Zilla Parishad may be given reward @ Rs. 50 lakhs, Rs. 20 lakhs and Rs. 10 lakhs in order of performance. This amount may be utilised mainly for creation of infrastructure.

8.22 The Panchayati Raj Institutions particularly Zilla Parishad and Panchayat Samity may take steps for utilising their available resources in a better manner for generating assets, which can give them a steady source of income. They may also avail institutional finance for supplementing their resource base and taking up economically viable projects. Specific care may be taken to develop co-operatives and raise public donation/contributions as far as possible.

8.23 Activities and performance of the Panchayati Raj Institutions should be given due publicity. The State Government, academic institutions, voluntary agencies and press may extend necessary support to these new institutions so that they are able to serve the pupil in rural areas in a better manner, as envisaged under the constitution.

(S. K. Panda)  
Chairman

(H. Debnath)  
Member

(D. K. Chakraborty)  
Member-Secretary.
Annexure
Annexure—1.1

MINISTRY OF LAW JUSTICE AND COMPANY AFFAIRS
( Legislative Department )

New Delhi, the 20th April, 1993/Chaitra 30, 1915 ( Saka ).

The following Act of Parliament, after having been retified by the Legislature of not less than one-half of the States by resolutions to that effect, received the assent of the president on the 20th April, 1993 and is hereby published for general information:—

[ 20th April, 1993 ]

An Act further to amend the Constitution of India.

BE it enacted by Parliament in the Forty-third year of the Republic of India as follows:

1. (1) This Act may be called the Constitution ( Seventy third Amendment ) Act, 1992.

    (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazetted, appoint.

2. After part VIII of the Constitution, the following part shall be inserted, namely:—

    PART—IX
    THE PANCHAYATS

243. In this part, unless the context otherwise requires:—

    (a) "district" means a district in a State.

    (b) "Gram Sabha" means a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level;

    (c) "intermediate level" means a level between the village and district levels specified by Governor of a State by public notification to be the intermediate level for the purposes of this part;

    (d) "Panchayat" means an instituton ( by whatever name called ) of self-government constituted under article 243B, for the rural areas;

    (e) "Panchayat area" means territorial area of a Panchayat;
(f) "Population" means the population as ascertained at the last preceding census of which the relevant figures have been published.

(g) "Village" means a village specified by the Governor by public notification to be a village for the purposes of this part and includes a group of villages so specified.

243A. A Gram Sabha may exercise such powers and perform such functions at the village level as the Legislature of a State may by law provide.

243B. (1) There shall be constituted in every State, Panchayats at the village, intermediate and district level in accordance with the provisions of this part.

(2) Notwithstanding anything in clause (1), Panchayats at the intermediate level may not be constituted in a State having a population not exceeding twenty lakhs.

243C. (1) Subject to the provisions of this part, the Legislature of a State may, by law, make provisions with respect to the composition of Panchayats.

Provided that the ratio between the population of the territorial area of a Panchayat at any level and the number of seats in such panchayat to be filled by election shall, so far as practicable, be the same throughout the State,

(2) All the seats in a panchayat shall be filled by persons chosen by direct election from territorial constituencies in the panchayat area and, for this purpose, each panchayat area shall be divided into territorial constituencies in such manner that the ratio between the population of each constituency and the number of seats allotted to it shall, so far as practicable, be the same throughout the panchayat area.

(3) The Legislature of a State may, by law, provide for the representation—

(a) of the chairpersons of the panchayats at the village level, in the panchayats at the intermediate level or, in the case of a State not having panchayats at the intermediate level, in the Panchayats at the district level;

(b) of the chairpersons of the Panchayats at the intermediate level, in the Panchayats at the district level;

(c) of the members of the House of the people and the members of the Legislative Assembly of the State representing constituencies which comprise wholly or partly a Panchayat area at a level other than the village level, in such Panchayat;

(d) of the members of the Council of States and the members of the Legislative Council of the State, where they are registered as electors within—
(i) a Panchayat area at the intermediate level, in Panchayat at the intermediate level;

(ii) a Panchayat area at the district level, in panchayat at the district level.

(4) The Chairperson of a panchayat and other members of a panchayat whether or not chosen by direct election from territorial constituencies in the Panchayat area shall have the right to vote in the meetings of the Panchayats.

(5) The Chairperson of—

(a) a Panchayat at the village level shall be elected in such manner as the legislature of a State may, by law, provide and,

(b) a Panchayat at the intermediate level or district level shall be elected by and from amongst, the elected members thereof.

243D. (1) Seats shall be reserved for—

(a) the Scheduled Castes; and

(b) the Scheduled Tribes;

in every Panchayat and the number of seats so reserved shall bear, as nearly as may be, the same proportion to the total number of seats to be filled by direct election in that Panchayat as the population of the scheduled Castes in that Panchayat area or of the Scheduled Tribes in that Panchayat area bears to the total population of that area and such seats may be allotted by rotation to different constituencies in a Panchayat.

(2) Not less than one-third of the total number of seats reserved under clause (1) shall be reserved for women belonging to the Scheduled Castes or as the case may be, the Scheduled Tribes.

(3) Not less than one-third (including the number of seats reserved for women belonging to the Scheduled Castes and the Scheduled Tribes) of the total number of seats to be filled by direct election in every Panchayat shall be reserved for women and such seats may be allotted by rotation to different constituencies in a Panchayat.

(4) The offices of the Chairpersons in the Panchayats at the village or any other level shall be reserved for the Scheduled Castes, the Scheduled Tribes and women in such manner as the Legislature of a State may, by law, provide:

Provided that the number of offices of Chairpersons reserved for the Scheduled Castes and the scheduled Tribes in the Panchayats at each level in any State shall bear, as nearly as may be, the same proportion to the total number of such offices in the
Panchayats at each level as the population of the Scheduled Castes in the State or of the Scheduled Tribes in the State bears to the total population of the State;

Provided further that not less than one-third of the total number of offices of Chairpersons in the Panchayats at each level shall be reserved for women:

Provided also that the number of offices reserved under this clause shall be allotted by rotation to different Panchayats at each level.

(5) The reservation of seats under clauses (1) and (2) and the reservation of offices of Chairpersons (other than the reservation for women) under clause (4) shall cease to have effect on the expiration of the period specified in article 334.

(6) Nothing in this part shall prevent the Legislature of a State from making any provision for reservation of seats in any Panchayat or offices of Chairpersons in the Panchayats at any level in favour of backward class of citizens.

243E. (1) Every panchayat, unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting and no longer.

(2) No amendment of any law for the time being in force shall have the effect of causing dissolution of a Panchayat at any level, which is functioning immediately before such amendment, till the expiration of its duration specified in clause (1).

(3) An election to constitute a panchayat shall be completed—

(a) before the expire of its duration specified in clause (1);

(b) before the expiration of a period of six months from the date of its dissolution.

Provided that where the remainder of the period for which the dissolved Panchayat would have continued is less than six months, it shall not be necessary to hold any election under this clause for constituting the Panchayat for such period.

(4) A Panchayat constituted upon the dissolution of a Panchayat before the expiration of its duration shall continue only for the remainder of the period for which the dissolved Panchayat would have continued under clause (1) had it not been so dissolved.

243F. (1) A person shall be disqualified for being chosen as and for being, a member of a Panchayat—
(a) if he is so disqualified by or under any law for the time being in force for the purposes of elections to the Legislature of the State concerned;

Provided that no person shall be disqualified on the ground that he is less than twenty five years of age, if he has attained the age of twenty-one years;

(b) if he is so disqualified by or under any law made, by the Legislature of the State.

(2) If any questions arises as to whether a member of a Panchayat has become subject to any of the disqualifications mentioned in clause (1), the question shall be referred for the decision of such authority and in such manner as the Legislature of a State may, by law, provide.

243G. Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to—

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

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

243H. The Legislature of a State may, by law

(a) authorise a Panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits;

(b) assign to a Panchayat such taxes, duties tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits;

(c) provide for making such grants-in-aid to the Panchayats from the Consolidated Fund of the State; and

(d) Provide for constitution of such Funds for crediting all moneys received, respectively, by or on behalf of the Panchayats and also for the withdrawal of such moneys therefrom, as may be specified in the law.

243I. (1) The Governor of a State shall, as soon as may be within one year from the commencement of the Constitution (Seventy-third Amendment) Act, 1992 and thereafter at the expiration of every fifth year, constitute a Finance Commission to review the
financial position of the Panchayats and to make recommendations to the Governor as to—

(a) the principles which should govern—

(i) the distribution between the State and the Panchayats of the net proceeds of the
taxes, duties, tolls and fees leviable by the State, which may be divided between them
under this part and the allocation between the Panchayats at all levels of their respective
shares of such proceeds;

(ii) the determination of the taxes, duties, tolls and fees which may be assigned to
or appropriated by, the Panchayats;

(iii) the grants-in-aid to the Panchayats from the Consolidated Fund of the State;

(b) the measures needed to improve the financial position of the Panchayats;

(c) any other matter referred to the Finance Commission by the Governor in the
interests of sound finance of the Panchayats.

(2) The Legislature of a State may, by law, provide for the composition of the
Commission, the qualifications which shall be requisite for appointment as members thereof
and the manner in which they shall be selected.

(3) The Commission shall determine their procedure and shall have such powers in
the performance of their functions as the Legislature of the State may, by law, confer on
them.

(4) The Governor shall cause every recommendation made by the Commission
under this article together with an explanatory memorandum as to the action taken
thereon to be laid before the Legislature of the State.

243 J. The Legislature of a State may, by law, make provisions with respect to the
maintenance of accounts by the Panchayats and the auditing of such accounts.

243K. (1) The superintendence, direction and control of the preparation of electoral rolls
for, and the conduct of all elections to the Panchayats shall be vested in a State Election
Commission consisting of a State Election Commissioner to be appointed by the Governor.

(2) Subject to the provisions of any law made by the Legislature of a State, the
conditions of service and tenure of office of the State Election Commissioner shall be such
as the Governor may by rule determine:

Provided that the State Election Commissioner shall not be removed from his office
except the like manner and on the like grounds as a Judge of a High Court and the
conditions of service of the State Election Commissioner shall not be varied to his disadvantage after his appointment.

(3) The Governor of a State shall, when so requested by the State Election Commission, make available to the State Election Commission such staff as may be necessary for the discharge of the functions conferred on the State Election Commission by clause (1).

(4) Subject to the provisions of this Constitution, the Legislature of a State may, by Law, make provision with respect to all matters relating to, or in connection with, elections to the Panchayats.

243L. The Provisions of this part shall apply to the union territories and shall, in their application to a union territory, have effect as if the references to the Governor of a State were references to the Administrator of the Union Territory appointed under article 239 and references to the Legislature or the Legislative Assembly of a State were references, in relation to a Union territory having a Legislative Assembly, to that Legislative Assembly;

Provided that the President may, by public notification, direct that the provisions of this part shall apply to any Union territory or part thereof subject to such exceptions and modifications as he may specify in the notification.

243M. (1) Nothing in this part shall apply to one Scheduled Areas referred to in clause (1), and the tribal areas referred to in clause (2), of article 244.

(2) Nothing in this part shall apply to—

(a) the States of Nagaland, Meghalaya and Mizoram;

(b) the hill areas in the State of Manipur for which District Councils exist under any law for the time being in force.

(3) Nothing in this Part—

(a) relating to panchayats at the district level shall apply to the hill areas of the District of Darjeeling in the State of West Bengal for which Darjeeling Gorkha Hill Council exists under any law for the time being in force;

(b) shall be construed to affect the functions and powers of the Darjeeling Gorkha Hill Council constituted under such law.

(4) Notwithstanding anything in this constitution—
(a) the Legislature of a State referred to in sub clause (a) of clause (2) may, by law, extend this part to that State, except the areas, if any, referred to in clause (1) if the Legislative Assembly of that State passes a resolution to that effect by a majority of the total membership of that House and by a majority of not less than two thirds of the members of that House present and voting:

(b) Parliament may, by law, extend the provisions of this part to the Scheduled Areas and the tribal areas referred to in clause (1) subject to such exceptions and modifications as may be specified in such law, and no such law shall be deemed to be an amendment of this Constitution for the purposes of article 368.

243N. Notwithstanding anything in this part, any provision of any law relating to Panchayats in force in a State immediately before the commencement of the Constitution (Seventy-third Amendment) Act, 1992, which is inconsistent with the provisions of this part, shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until the expiration of one year from such commencement, whichever is earlier:

Provided that all the Panchayats existing immediately before such commencement shall continue till the expiration of their duration, unless sooner dissolved by a resolution passed to that effect by the Legislative Assembly of that State or, in the case of a State having a Legislative Council, by each House of the Legislature of that State.

243 O. Notwithstanding anything in this Constitution—

(a) the validity of any law relating to the delimitation of constituencies or the allotment of seats to such constituencies made or purporting to be made under article 243K, shall not be called in question in any court;

(b) no election to any Panchayat shall be called in question except by an election petition presented to such authority and in such manner as is provided for by or under any law made by the Legislature of a State,

3. In clause (3) of article 280 of Constitution, after sub-clause (b), the following sub-clause shall be inserted. namely:

"(bb) the measures needed to augment the Consolidate Fund of a State to supplement the resources of the Panchayats in the State on the basis of recommendations made by the Finance Commission of the State."

4. After the Tenth Schedule to the Constitution, the following Schedule shall be added, namely:

[ 55 ]
“ELEVENTH SCHEDULE”
(Article 243G)

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

(K. L. MOHANPURIA)
Secy. to the Govt. of India.
GOVERNMENT OF TRIPURA
PANCHAYAT DEPARTMENT

No. F. 6(166)—GL/PR/93/894-98

Dated, Agartala,
The 23rd April, 1994.

NOTIFICATION

In pursuance of the provisions under sub-section (1) (2) of section 714 of the Tripura Panchayats Act, 1993 (Tripura Act No. 7 of 1993) read with Rule 3 of the Tripura Panchayats (Constitution of Finance Commission) Rules, 1994, the Governor of Tripura has been pleased to constitute the Finance Commission with the following Members:

1. Shri S. K. Panda, I.A.S.
2. Shri Haradhan Debnath, Asstt. Professor (Senior Scale), M.B.B. College, Agartala.

Shri Panda shall be the Chairman of the Commission. The Chairman and the Member shall work as such in addition to their normal duties.

2. Shri Debosh Dutta, Addl. Director, Panchayat Department is appointed as full time Secretary to the Finance Commission.


4. The Commission shall submit its recommendations with regard to items listed in Section 714(1)(a) and 714 (1)(b) of The Tripura Panchayats Act, 1993.

5. The Commission shall submit its report within six months.

By order of the Governor,

( R. K. Mathur )
Commissioner & Secretary to the Govt. of Tripura.
GOVERNMENT OF TRIPURA
APPOINTMENT & SERVICES DEPARTMENT

No F.2(34)—GA/92

Dated, Agartala
The 2nd May, 1995.

NOTIFICATION

In the interest of public service, the Governor is pleased to post the following TCS Officer as below with immediate effect and until further orders :

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<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Officer</th>
<th>Place of Posting</th>
</tr>
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<tbody>
<tr>
<td>I.</td>
<td>Shri D. K. Chakraborty, TCS Grade—I, Joint Secretary, Jail etc. Deptt.</td>
<td>Member—Secretary State Finance Commission, in addition.</td>
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By order of the Governor

( A. L. Chakraborty )
Dy. Secretary to the Govt. of Tripura.
### BASIC INFORMATION ON RURAL AREAS OF TRIPURA

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
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</thead>
<tbody>
<tr>
<td>Area (Sq. Km.)</td>
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<td></td>
<td></td>
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<tr>
<td>No. of occupied residential houses</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>No. of households</td>
<td>4,40,789</td>
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<td>Population</td>
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<td>SC Population</td>
<td>3,79,664</td>
<td>1,95,079</td>
<td>1,84,585</td>
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<td>ST Population</td>
<td>8,39,264</td>
<td>4,26,741</td>
<td>4,12,523</td>
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<td>Population (below six yrs.)</td>
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<td>Literates</td>
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<td>5,64,238</td>
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<td>Cultivators</td>
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<td>Agricultural Labourers</td>
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<td>1,39,819</td>
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<td>Workers; Livestock, Forestry etc.</td>
<td>17,760</td>
<td>11,694</td>
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<td>Workers; Mining &amp; Quarry</td>
<td>1,031</td>
<td>945</td>
<td>86</td>
</tr>
<tr>
<td>Workers; maf. &amp; pro. in h/h ind.</td>
<td>9,943</td>
<td>6,845</td>
<td>3,098</td>
</tr>
<tr>
<td>Workers; maf. &amp; pro. other than h/h ind.</td>
<td>18,629</td>
<td>16,601</td>
<td>2,028</td>
</tr>
<tr>
<td>Construction workers</td>
<td>7,116</td>
<td>6,779</td>
<td>337</td>
</tr>
<tr>
<td>Trade &amp; Commerce Workers</td>
<td>37,396</td>
<td>36,351</td>
<td>1,045</td>
</tr>
<tr>
<td>Transport, Storage &amp; Common workers</td>
<td>12,470</td>
<td>12,344</td>
<td>126</td>
</tr>
<tr>
<td>Workers in other service</td>
<td>96,035</td>
<td>82,670</td>
<td>13,365</td>
</tr>
<tr>
<td>Marginal workers</td>
<td>54,579</td>
<td>7,237</td>
<td>47,342</td>
</tr>
<tr>
<td>Non workers</td>
<td>15,98,807</td>
<td>6,31,054</td>
<td>9,67,753</td>
</tr>
</tbody>
</table>
Annexure 3.2

**BASIC INFORMATION ON 3 TIER PANCHAYAT ELECTION IN TRIPURA HELD IN AUGUST, 1994**

1. *Gram Panchayats* :

1.1 Total No. of Gram Panchayats : 956 grams.
1.3 Grams falling under TTAADC : 431 grams.

2.1 No. of Gram Panchayats Seats : 5427
2.2 Reserved for women : 1803
2.3 Candidates elected uncontested : 1967

3. *Panchayat Samities* :

3.1 Total No. of Panchayat Samities : 27 (increased from 16)
3.2 Under Tripura Panchayats Act, 1993. : 16
3.3 Total No. of Seats : 196
3.4 Reserved for women : 67
3.5 No. of candidates elected uncontested : 62

4. *Zilla Parishad* :

4.1 No. of Zilla Parishads : 3
4.2 Total Seats : 70
4.3 Reserved for women : 34
4.4 No. of candidates elected uncontested : 13

4.5 *Districtwise details* :

a) NORTHERN TRIPURA :
   - Total Seats : 18
   - Uncontested : 1

b) WEST TRIPURA :
   - Total Seats : 35
   - Uncontested : 2

c) SOUTH TRIPURA :
   - Total Seats : 35
   - Uncontested : 10
REVENUE ACCOUNT OF TRIPURA

(Amount in crore Rs.)

<table>
<thead>
<tr>
<th></th>
<th>1992—93</th>
<th>1993—94</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Revenue receipt:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Share of Central Taxes</td>
<td>214.52</td>
<td>219.29</td>
</tr>
<tr>
<td>2. State Tax revenue</td>
<td>33.74</td>
<td>37.11</td>
</tr>
<tr>
<td>(at current rate)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. State Non-tax revenue</td>
<td>(—) 1.85</td>
<td>(—) 34.10</td>
</tr>
<tr>
<td>(at current rate)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Grant from Center</td>
<td>109.86</td>
<td>92.45</td>
</tr>
<tr>
<td>Total</td>
<td>356.27</td>
<td>314.75</td>
</tr>
<tr>
<td>B. Revenue Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Debt service</td>
<td>58.72</td>
<td>68.07</td>
</tr>
<tr>
<td>2. Other non-dev.</td>
<td>102.17</td>
<td>117.32</td>
</tr>
<tr>
<td>3. Non-plan dev.</td>
<td>209.58</td>
<td>254.69</td>
</tr>
<tr>
<td>Total</td>
<td>370.47</td>
<td>440.08</td>
</tr>
<tr>
<td>C. Balance from current revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A—B)</td>
<td>(—) 14.20</td>
<td>(—) 125.33</td>
</tr>
</tbody>
</table>

[Source: Estimate of State’s Financial Resources made by the Finance Department, 1995]
Annexure—4.2

PROVISION OF SHARE OF TAXES AND GRANTS TO TTAADC

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SHARE OF TAXES</th>
<th>GRANTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>86—87</td>
<td>204.61</td>
<td>700</td>
</tr>
<tr>
<td>87—88</td>
<td>312.84</td>
<td>925</td>
</tr>
<tr>
<td>88—89</td>
<td>563.37</td>
<td>1050</td>
</tr>
<tr>
<td>89—90</td>
<td>363.33</td>
<td>1250</td>
</tr>
<tr>
<td>90—91</td>
<td>353.7</td>
<td>1358</td>
</tr>
<tr>
<td>91—92</td>
<td>264.86</td>
<td>1525</td>
</tr>
<tr>
<td>92—93</td>
<td>297.31</td>
<td>942.5</td>
</tr>
<tr>
<td>93—94</td>
<td>376.38</td>
<td>1985</td>
</tr>
<tr>
<td>94—95</td>
<td>502</td>
<td>1985</td>
</tr>
</tbody>
</table>

(Source: Department for welfare of Scheduled Tribes, Government of Tripura.)
Annexure—4.3

STATEMENT OF REVENUE EXPENDITURE OF SELECTED NON-PLAN DEVELOPMENT DEPARTMENTS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Education</td>
<td>99.96</td>
<td>107.46</td>
</tr>
<tr>
<td>2.</td>
<td>Art &amp; Culture</td>
<td>0.73</td>
<td>0.85</td>
</tr>
<tr>
<td>3.</td>
<td>Water supply</td>
<td>4.29</td>
<td>3.36</td>
</tr>
<tr>
<td>4.</td>
<td>SC/ST welfare</td>
<td>3.33</td>
<td>3.24</td>
</tr>
<tr>
<td>5.</td>
<td>Nutrition</td>
<td>0.56</td>
<td>0.35</td>
</tr>
<tr>
<td>6.</td>
<td>Crop husbandry</td>
<td>9.44</td>
<td>10.44</td>
</tr>
<tr>
<td>7.</td>
<td>Soil &amp; Water conservation.</td>
<td>1.43</td>
<td>1.52</td>
</tr>
<tr>
<td>8.</td>
<td>Animal Husbandry</td>
<td>3.63</td>
<td>4.29</td>
</tr>
<tr>
<td>9.</td>
<td>Diary</td>
<td>0.29</td>
<td>0.31</td>
</tr>
<tr>
<td>10.</td>
<td>Fisheries</td>
<td>1.57</td>
<td>1.79</td>
</tr>
<tr>
<td>11.</td>
<td>Rural Development</td>
<td>1.03</td>
<td>1.00</td>
</tr>
<tr>
<td>12.</td>
<td>Min. Irrgn.</td>
<td>2.21</td>
<td>2.67</td>
</tr>
<tr>
<td>13.</td>
<td>Vill. S. Ind.</td>
<td>2.68</td>
<td>2.87</td>
</tr>
</tbody>
</table>

A. Part of non-plan development expenditure which relates to Panchayati Raj Institution.

B. Central share of Taxes.

(Source: Finance Department, Govt. of Tripura.)
AN ACCOUNT OF THE TAXES, DUTIES COLLECTED BY THE STATE GOVT. DURING 1990—91 TO 1993—94

( Rs. in crores. )

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Sales Tax</td>
<td>13.2419</td>
<td>15.0223</td>
<td>16.8084</td>
<td>18.9510</td>
</tr>
<tr>
<td>1.2</td>
<td>Addl. Sales Tax</td>
<td>0.1018</td>
<td>0.2879</td>
<td>0.4086</td>
<td>0.4465</td>
</tr>
<tr>
<td>1.3</td>
<td>Purchase Tax</td>
<td>0.0363</td>
<td>0.0858</td>
<td>0.1109</td>
<td>0.1246</td>
</tr>
<tr>
<td>1.4</td>
<td>Luxury Tax</td>
<td>0.0075</td>
<td>0.0192</td>
<td>0.0245</td>
<td>0.0201</td>
</tr>
<tr>
<td>2.</td>
<td>Professional Tax</td>
<td>3.3993</td>
<td>3.3816</td>
<td>4.1232</td>
<td>4.4952</td>
</tr>
<tr>
<td>4.</td>
<td>Agri-Income Tax</td>
<td>0.0903</td>
<td>0.2340</td>
<td>0.2155</td>
<td>0.3087</td>
</tr>
<tr>
<td>5.</td>
<td>Land Revenue</td>
<td>0.67</td>
<td>0.32</td>
<td>0.47</td>
<td>0.59</td>
</tr>
<tr>
<td>6.</td>
<td>Motor Vehicle Tax</td>
<td>0.93</td>
<td>1.11</td>
<td>1.53</td>
<td>1.26</td>
</tr>
<tr>
<td>7.</td>
<td>Stamp &amp; Registration fees</td>
<td>2.23</td>
<td>2.42</td>
<td>2.77</td>
<td>2.82</td>
</tr>
<tr>
<td>8.</td>
<td>Other taxes &amp; duties on</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>commodities and services.</td>
<td>0.67</td>
<td>0.71</td>
<td>0.53</td>
<td>0.60</td>
</tr>
<tr>
<td></td>
<td><strong>Total Tax Revenue</strong></td>
<td>38.029</td>
<td>44.5898</td>
<td>5216.15</td>
<td>60.5740</td>
</tr>
</tbody>
</table>

[ Source: Estimate of States's Financial resources made by the Financial Department, 1995 and Commissioner of Taxes. ]
ANNEXURE—5.1

No. F. 65—GL/PR/88(L)/13315—50
GOVERNMENT OF TRIPURA
PANCHAYAT DEPARTMENT

Dated, Agartala, the 25th March, 1994

NOTIFICATION

In supersession of all previous rules/Notification/bye-laws, the State Government in the Panchayat Department revise the Scheduled of rates of tolls or different commodities, shop etc. in the market managed and controlled by the Panchayats as per Annexure given herewith. This shall take effect from the 1st day of Baisakh, 1401 B.S.

By order of the Governor

Sd/- Illegible
(N. C. Sinha)
Joint Secretary to the Government of Tripura.

ANNEXURE

SCHEDULE OF RATES OF TOLLS IN MARKET

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Commodity</th>
<th>Rate of Tolls</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Paddy per Quintal</td>
<td>0.50</td>
</tr>
<tr>
<td>2.</td>
<td>Rice per Quintal</td>
<td>0.50</td>
</tr>
<tr>
<td>3.</td>
<td>Mustered Seed per Qtl.</td>
<td>0.50</td>
</tr>
<tr>
<td>4.</td>
<td>Sasamun per Qtl.</td>
<td>0.50</td>
</tr>
<tr>
<td>5.</td>
<td>Cotton per Qtl.</td>
<td>0.50</td>
</tr>
<tr>
<td>6.</td>
<td>Banana per bunch</td>
<td>0.50</td>
</tr>
<tr>
<td>7.</td>
<td>Betal leaf shop</td>
<td>1.00</td>
</tr>
<tr>
<td>8.</td>
<td>Betal nut shop</td>
<td>1.00</td>
</tr>
</tbody>
</table>

[ 65 ]
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Commodity</th>
<th>Rate of Tolls</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>Molasses shop (Gur)</td>
<td>1.00</td>
</tr>
<tr>
<td>10.</td>
<td>Pepper shop</td>
<td>1.00</td>
</tr>
<tr>
<td>11.</td>
<td>Fish shop</td>
<td>2.00</td>
</tr>
<tr>
<td>12.</td>
<td>Pashari shop</td>
<td>1.00</td>
</tr>
<tr>
<td>13.</td>
<td>Onion shop</td>
<td>0.50</td>
</tr>
<tr>
<td>14.</td>
<td>Dry fish shop</td>
<td>0.50</td>
</tr>
<tr>
<td>15.</td>
<td>Stationary shop</td>
<td>1.00</td>
</tr>
<tr>
<td>16.</td>
<td>Tobacco shop</td>
<td>0.50</td>
</tr>
<tr>
<td>17.</td>
<td>Cane shop (Jalibet)</td>
<td>0.50</td>
</tr>
<tr>
<td>18.</td>
<td>Tailoring shop</td>
<td>0.50</td>
</tr>
<tr>
<td>19.</td>
<td>Goat, sheep each</td>
<td>2.00</td>
</tr>
<tr>
<td>20.</td>
<td>Cloth shop</td>
<td>1.00</td>
</tr>
<tr>
<td>21.</td>
<td>Met shop (made of bamboo or cane)</td>
<td>0.50</td>
</tr>
<tr>
<td>22.</td>
<td>Grocery shop</td>
<td>0.50</td>
</tr>
<tr>
<td>23.</td>
<td>Calf each</td>
<td>2.00</td>
</tr>
<tr>
<td>24.</td>
<td>Ox or bullock each</td>
<td>5.00</td>
</tr>
<tr>
<td>25.</td>
<td>Cow each</td>
<td>5.00</td>
</tr>
<tr>
<td>26.</td>
<td>Vegetables shop</td>
<td>0.50</td>
</tr>
<tr>
<td>27.</td>
<td>Cane (Nalbet) shop</td>
<td>0.50</td>
</tr>
<tr>
<td>28.</td>
<td>Carpentry shop</td>
<td>1.00</td>
</tr>
<tr>
<td>29.</td>
<td>Pottery shop</td>
<td>0.50</td>
</tr>
<tr>
<td>30.</td>
<td>Hooka shop</td>
<td>0.50</td>
</tr>
<tr>
<td>31.</td>
<td>Beaten rice per Qtl.</td>
<td>0.50</td>
</tr>
<tr>
<td>32.</td>
<td>Mustered oil shop</td>
<td>0.50</td>
</tr>
<tr>
<td>33.</td>
<td>Keronese Oil shop</td>
<td>0.50</td>
</tr>
<tr>
<td>34.</td>
<td>Utencils (made of bett-metal or brass) shop</td>
<td>1.00</td>
</tr>
<tr>
<td>35.</td>
<td>Bamboo per hundred</td>
<td>1.00</td>
</tr>
<tr>
<td>36.</td>
<td>Lime shop</td>
<td>0.50</td>
</tr>
<tr>
<td>37.</td>
<td>Mango shop</td>
<td>2.00</td>
</tr>
<tr>
<td>38.</td>
<td>Mango (local)</td>
<td>0.50</td>
</tr>
<tr>
<td>39.</td>
<td>Saloon</td>
<td>1.00</td>
</tr>
<tr>
<td>40.</td>
<td>Bread shop</td>
<td>0.50</td>
</tr>
<tr>
<td>41.</td>
<td>Tea stall</td>
<td>1.00</td>
</tr>
<tr>
<td>42.</td>
<td>Jute per Qtl.</td>
<td>0.50</td>
</tr>
<tr>
<td>43.</td>
<td>Shoe shop</td>
<td>1.00</td>
</tr>
<tr>
<td>44.</td>
<td>Mayna or Parrot each</td>
<td>5.00</td>
</tr>
<tr>
<td>45.</td>
<td>Meat shop</td>
<td>5.00</td>
</tr>
<tr>
<td>46.</td>
<td>Mixed Tobacco shop</td>
<td>1.00</td>
</tr>
<tr>
<td>Sl. No.</td>
<td>Name of Commodity</td>
<td>Rate of tolls</td>
</tr>
<tr>
<td>--------</td>
<td>--------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>47.</td>
<td>Oil cake shop</td>
<td>0.50</td>
</tr>
<tr>
<td>48.</td>
<td>Bachari shop</td>
<td>0.50</td>
</tr>
<tr>
<td>49.</td>
<td>Pine apple</td>
<td>0.50</td>
</tr>
<tr>
<td>50.</td>
<td>Umbrella shop</td>
<td>1.00</td>
</tr>
<tr>
<td>51.</td>
<td>Cabellar shop</td>
<td>0.50</td>
</tr>
<tr>
<td>52.</td>
<td>Fried gram or ground nut shop</td>
<td>0.50</td>
</tr>
<tr>
<td>53.</td>
<td>Grocery shop (Pulses in quantities up to 10 Kg. should be exempted from collection of tolls.)</td>
<td>0.50</td>
</tr>
<tr>
<td>54.</td>
<td>Utensil (brass) repairing shop</td>
<td>0.50</td>
</tr>
<tr>
<td>55.</td>
<td>Basket shop (Jhuri made of bamboo)</td>
<td>1.00</td>
</tr>
<tr>
<td>56.</td>
<td>Pati each</td>
<td>0.50</td>
</tr>
<tr>
<td>57.</td>
<td>Ready made cloth shop</td>
<td>2.00</td>
</tr>
</tbody>
</table>

N.B. : 1) No toll is reliable in case of paddy, rice, jute, beaten rice if it is below 20(twenty) Kg. and in case of vegetables below 5(five) Kg. In case of chicked one unit of hen or duck should be exempted from collection of tolls.

2) FISH AND DRY FISH: Fish up to 10 kg. and dry fish in quantities up to 20(twenty) Kg. per day should be exempted from collection of tolls.

3) MANGO: Mango including local variety in quantities up to 10(ten) Kg. should be exempted from collection of tolls.

4) PINE APPLE: Pine apple in quantities up to 20(twenty) prices per day should be exempted from collection of tolls.
No. F.6(5-1)—GL/PR/88(L)/2671—707
GOVERNMENT OF TRIPURA
PANCHAYAT DEPARTMENT

Dated. Agartala, the 27th May, 1994.

NOTIFICATION

In continuation of this Department Notification No. F. 6(5—1)/GL/PR/88(L)/13315—50, dated the 25th March. 1994 the rate of both Buffalow and Pig is fixed to be Rs. 5/- each.

This shall take immediate effect.

By order of the Governor

Sd/- Illegible
(N. C. SINHA)

Joint Secretary to the Government of Tripura.

Annexure—6.1.

Assistance provided to Panchayati Raj bodies from the Panchayat Department, Govt. of Tripura.

(Rs. in lakhs)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Scheme</th>
<th>1994—95</th>
<th>1995—96</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>SREP</td>
<td>89.47</td>
<td>104.84</td>
</tr>
<tr>
<td>2.</td>
<td>Panchayat ghar, library.</td>
<td>29.78</td>
<td>49.64</td>
</tr>
<tr>
<td>3.</td>
<td>Furniture</td>
<td>0.35</td>
<td>13.77</td>
</tr>
<tr>
<td>4.</td>
<td>Books etc.</td>
<td>—</td>
<td>7.94</td>
</tr>
<tr>
<td>5.</td>
<td>Sitting fees to elected representatives.</td>
<td>—</td>
<td>47.04</td>
</tr>
<tr>
<td>6.</td>
<td>United fund</td>
<td>—</td>
<td>128.94</td>
</tr>
<tr>
<td>7.</td>
<td>Contingencies</td>
<td>5.73</td>
<td>11.80</td>
</tr>
<tr>
<td></td>
<td>T O T A L :</td>
<td>125.33</td>
<td>363.97</td>
</tr>
</tbody>
</table>

[ 68 ]
NO. F. 6 (5-134)—GL/PR/93
GOVERNMENT OF TRIPURA
PANCHAYAT DEPARTMENT

Dated, Agartala,

NOTIFICATION

The Governor, Tripura, in exercise of the powers under Section 32, 92 and 145 of the Tripura Panchayats Act, 1993 is pleased to assign the following powers and functions to Gram Panchayats, Panchayat Samitis and Zilla Parishads to enable them to function as vibrant institutions of self Government and to implement schemes for economic development and social justice:

A. Rural Development Department:

Gram Panchayats:

1. Implementation of SREP/implementation of JRY (as per Govt. of India guidelines) except Million Wells scheme/IAY.
2. Selection of beneficiaries for IRDP and allied schemes.
3. Involvement in implementation of EAS Projects.

Panchayat Samitis:

1. Supervision of implementation of SREP/JRY.
2. Allocation of schematic targets under SREP/JRY/IRDP and allied schemes to Gram Panchayat.
3. Approval of shelf of projects under EAS.

Zilla Parishads:

1. Overall supervision and monitoring of SREP/JRY/IRDP and allied schemes.
2. Implementation of rural housing schemes including loan based schemes.

[ 69 ]
B. Food Department:

Gram Panchayat:

1. Supervision of supply of food and essential commodities through F. P. Shops by, forming vigilance committees.

Panchayat Samitis

1. Supervision of supply of food and essential commodities through F. P. Shops within the Samiti Area.

Zilla Parishad:

1. Overall supervision of supply of food and essential commodities through F. P. Shops in Zilla Parishad area.

C. Agriculture & Horticulture Department:

Gram Panchayat:

1. Management of all rural markets within the Gram Panchayat area.
2. Supervision of hiring centres.

Panchayat Samitis:

1. Supervision of hiring centres within the Panchayat Samiti.

Zilla Parishad:

1. Overall supervision of all hiring centres in the Zill Parishad area.

D. Education Department:

Gram Panchayat:

1. Promote 100% enrollment in Primary Schools.
2. Persuade parents of non-attending children to send their wards to Schools.
3. Reduce drop-out in primary Schools by initiating measures for retention.
4. Supervision of Schools (Classes I to V).
Panchayat Samiti:

1. Supervision of schools up to Higher secondary level in Samiti area.
2. Supervision and recommendation for channelisation of grant to schools upto H.S. level under the guidance of Zilla Parishad.

Zilla Parishad

1. Overall supervision of all education programme in the Zilla Parishad area upto H.S. level.
2. Overall programming to achieve total literacy and universal elementary education.

E. Social Welfare & Social Education.

Gram Panchayat:

1. Supervision of Social Education Centre/Adult Education Centre/Management of ICDS.
2. Selection of beneficiaries and supervision of old Age and other categories of pension.
4. Promotion of TLC.

Panchayat Samiti:

1. Supervision of SEC/AWC/ICDS/Adult Literacy Centre.
2. Sanction and monitoring of the Old Age pension and other categories of pension.
3. Supervision of SNP/Balahar programme.
4. Promotion of TLC.

Zilla Parishd

1. Supervision of SEC/AWC/Adult Literacy Centre/ICDS Centre.
2. Sub-allocation of fund to the Panchayat Samiti for construction of SEC/ALC/AWC Centre.
3. Sub-allocation of fund to Panchayat Samiti for Old Age and other categories of pensions.

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4. Sub-allocation of fund for SNP/Balahar to the Panchayat Samiti and control and management of the same.

5. Promotion of TLC.

Fisheries Department:

Gram Panchayat:

1. Selection of beneficiaries.

Panchayat Samiti:

1. Planning management and leasing out of water areas within the Panchayat Samiti area and promotion of fishery development.

Zilla Parishad:

1. Supervision and management of community water areas and leasing out of the community water areas of source to raise resources.

G. Health and Family Welfare Department:

Gram Panchayat:

1. Supervision of family Welfare and preventive health programme including health education.
2. Supervision of Community Health Guide.
3. Monitoring of working of sub-centres.

Panchayat Samiti:

1. Supervision in implementing various national health programmes including health education in regard to information, education and communication and also for taking preventive measures in addition to clinical services.
2. Monitor the activities of CHCs, PHCs and sub-centres.

Zilla Parishad

1. Overall supervision and monitoring of health programmes and institutions in the Zilla Parishad area.
H. IFC & PHE Department:

Gram Panchayat:

1. Implementation of seasonal bundh programme.

Panchayat Samiti:

1. Allocation of funds to Gram Panchayats for seasonal bundhs.

Zilla Parishad:

1. Allocation of fund to Block Panchayats Samiti for seasonal bundhs.

I. Revenue Department:

Gram Panchayat:

1. Selection of beneficiaries for allotment of land.

Panchayat Samiti:

1. Supervision of the allotment of land.

Zilla Parishad:

1. Overall supervision of the allotment of land.

J. Animal Resources Department:

Gram Panchayat:

1. Supervision of Veterinary First-Aid Centre, Stockman Sub-Centre.

Panchayat Samiti:

1. Supervision of Veterinary Dispensaries.

Zilla Parishad:

Overall supervision of A. R. Institutions in the Zilla Parishad.
K. Industries Department:

Panchayat Samiti:
1. Supervision of the programme of Cottage and Small Scale Industries.
2. Selection of beneficiaries for self employment programme.

Zilla Parishad:
1. Overall supervision of Village Cottage Industries and Small Scale Industries.
2. Final selection of beneficiaries of self employment programme.

L. Forest Department:

Gram Panchayat:
1. Identification of Community land non-forest Government land for Social Forestry.
2. Involvement of participatory Forest Schemes.

Panchayat Samiti:
1. Promotion and supervision of social and farm forestry activity.
2. Supervision of participatory Forest Schemes.

Zilla Parishad:
1. Supervision and evaluation of social and farm forestry activities;
2. Overall supervision of participatory Forest Schemes.

The schemes will be implemented/monitored as per guidelines of the Central Govt./or the State Govt. as the case may be.

All village level Government functionaries shall be invited to meetings of Gram Panchayats.

This shall come into force with immediate effect within the area which is covered by the Tripura Panchayats Act, 1993. The concerned Departments shall issue suitable detailed instructions in this regard immediately and take steps for training of elected representatives for supervision, monitoring and implementation of the schemes/programmes.

By order of the Governor,

Sd/-Illegible
(N. C. Sinha)
Jt. Secretary to the Govt. of Tripura.
LIST OF SCHEMES SUGGESTED FOR TRANSFER TO THE PANCHAYATI RAJ INSTITUTIONS

AGRICULTURE:

a) **Gaon Panchayat**: i) distribution of quality seeds, ii) minikit programme for maize, rice, wheat etc.

b) **Panchayat Samity**: i) Popularisation of manure and fertilisers, ii) assistance to small and marginal farmers, iii) special schemes for dry land and rainfed farming.

c) **Zilla Parishad**: i) management of departmental farms, production of quality seeds. ii) Agricultural statistics iii) crop protection, crop insurance, iv) training and visit. agricultural extension.

HORTICULTURE:

a) **Gaon Panchayat**: i) distribution of minikits, seed

b) **Panchayat Samity**: i) production and supply of vegetables seeds and seedling, iii) development of fruits and plantation crops, orange, spices, betle vines.

c) **Zilla Parishad**: i) management of departmental farm, progeny orchards, commercial floriculture, use of plastics in agriculture, statistics, marketing, development of waste land.

SOIL AND WATER CONSERVATION:

a) **Gaon Panchayat**: soil and water management at individual level.

b) **Panchayat Samity**: i) development of micro water shed

c) **Zilla Parishad**: i) implementation of waste land development project.

FOREST:

a) **Gaon Panchayat**: i) afforestation in catchment area, social forestry and farm forestry

b) **Panchayat Samity**: i) preparation of sapling by decentralised nursery, ii) rural fuel and fodder project. iii) development around protected forest.

c) **Zilla Parishad**: i) implementation of integrated afforestation and echo-development projects, ii) minor forest produce, iii) extention and training, iv) plantation for industrial and commercial use. v) wild life conservation and education.
ANIMAL HUSBANDRY:

a) Gaon Panchayat: i) assistance to unemployed youth for broiler farming, rearing of cross-breed cow and other individual beneficiary oriented schemes, ii) rural dairy scheme.

b) Panchayat Samity: i) training of women in animal husbandry and management of infrastructure at block level, ii) dairy village scheme.

c) Zilla Parishad: i) implementation of special programme for poultry, dockery and piggery development, ii) management of departmental farms, iii) organisation of training, iv) statistics, v) control of animal diseases, vi) implementation of integrated diary development project and training on diary development.

FISHERY:

a) Gaon Panchayat: i) assistance to individual fisherman

b) Panchayat Samity: i) development of model villages, ii) development of reservoir, lake and water areas, iii) development of fishery cooperatives.

c) Zilla Parishad: implementation of integrated area based fishery scheme, i) management of fish farmers development agency, management of departmental farms, iii) extension, training, statistics, information services etc.

NON-CONVENTIONAL ENERGY:

a) Gaon Panchayat: i) assistance to individual familiar for smokeless chulla, solar and other energy saving devices,

b) Panchayat Samity: i) education and awareness.

c) Zilla Parishad: i) micro projects on non-conventional sources.

SOCIAL WELFARE:

a) Gaon Panchayat: i) assistance to physically handicapped, supply of food, dress etc, to the children’s in balwadis, Balahar programme, rehabilitation grant to handicapped girls and inmates of children’s home.

b) Panchayat Samity: i) supervision of the schemes.

c) Zilla Parishad: i) management of orphanages, destitute homes, ii) assistance to voluntary agencies, iii) special programmes for women and children.
CIVIL SUPPLIES:

a) Gaon Panchayat: i) supervision of fair price shops

b) Zilla Parishad: i) awareness, consumer protection, supply of essential commodities in interior areas through mobile vans.

MEDICAL AND PUBLIC HEALTH:

a) Gaon Panchayat: i) health education and communicable diseases prevention.

b) Panchayat Samity: i) rural health services, allopathy, homoeopathy and ayurved.

c) Zilla Parishad: i) implementation of special disease control programme, education and training, statistics.

WELFARE FOR SC AND ST:

a) Gaon Panchayat: i) assistance to individual families for economic rehabilitation.

b) Panchayat Samity: i) assistance to students (scholarship, merit award, special coaching, coaching book bank), management of boarding house, residential schools and hostels.

c) Zilla Parishad: i) conduct of survey, nucleus budget, implementation of special schemes for rehabilitation based on rubber plantation etc.

INDUSTRIES & TECHNICAL TRAINING:

a) Gaon Panchayat: i) selection of families for self employment schemes covering khadi, village and cottage industries.

b) Panchayat Samity: i) provision of raw materials and marketing facilities to the rural artisans. ii) Assistance to Industrial Cooperatives.

c) Zilla Parishad: i) Management of industrial estates, departmental production units, ii) training, iii) statistics etc., iv) management of the industrial training institutes for imparting technical skill to the unemployed youths.

RURAL DEVELOPMENT:

a) Gaon Panchayat: i) selection of beneficiaries under IRDP and other beneficiary oriented poverty alleviation programme ii) assistance for construction of house under Indira Awas Yojana, iii) creation and maintenance of spot drinking water sources etc.

b) Panchayat Samity: i) provision of raw materials and marketing support to the beneficiaries covered under anti-poverty programmes, ii) formation of groups under the DWCRA, creation and maintenance of pipe drinking water supply schemes, ii) implementation of rural employment programmes.

c) Zilla Parishad: i) maintenance of community assets, ii) training, iii) awareness, iv) maintenance of statistics, v) preparation of plan, vi) maintenance of durable assets.
POWER DEPARTMENT:

a) Panchayat Samity: i) Rural electrification.

IRRIGATION:

a) Gaon Panchayat: i) construction of seasonal bandh, provision of small power pump to individuals/group of farmers, ii) shallow tube-well and artisan well,
b) Panchayat Samity: i) deep tube-well,
c) Zilla Parishad: i) lift irrigation schemes, diversion, maintenance, statistics.

EDUCATION:

a) Gaon Panchayat: i) informal and adult education, ii) literacy programme,
b) Panchayat Samity: i) primary schools, assistance for educational activities.
c) Zilla Parishad: i) High School and Higher Secondary Schools, assistance to students for stipend, books, merit award etc. iii) maintenance of library.

ANNEXURE—6.4

NUMBER OF PEOPLE SERVED BY ONE GOVERNMENT EMPLOYEE

<table>
<thead>
<tr>
<th>State</th>
<th>Average size of a HH *</th>
<th>Number of persons</th>
<th>Served by one Govt. employee</th>
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<td>H.H. ** H.H. ***</td>
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<td></td>
<td></td>
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<td>(a)</td>
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<td>14.77</td>
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</tbody>
</table>

* HH = Household Reference March '92
(a)** HH = Including the HH of the Government employee.
(b)*** HH = Excluding the HH of the Government employee.
(Source: The report of the group on Industrial Development of the North-Eastern Region, Ministry of Finance, Department of Economic Affairs, Govt. of India, February, 1995.)