

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
PLAN FINANCE-I DIVISION

RAJYA SABHA
UNSTARRED QUESTION NO. 2338

TO BE ANSWERED ON TUESDAY, DECEMBER 6, 2016/
AGRAHAYANA 15, 1938 (SAKA)

Central funds released to Sikkim

2338. SHRIMATI RANEE NARAH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that Sikkim is a victim of wrong analysis and interpretation of the Fourteenth Finance Commission, if so, the details thereof; and

(b) the total Central Funds released to Sikkim during 2015-16?

ANSWER

MINISTER OF STATE IN MINISTRY OF FINANCE

(SHRI ARJUN RAM MEGHWAL)

(a) & (b) Fourteenth Finance Commission (FFC) was an expert constitutional body which had finalized its recommendations after wide consultations with stakeholders including States. FFC has recommended devolution of 42% of divisible pool of Central taxes to the States besides the grant-in-aids including grants for local bodies and for augmentation of State Disaster Response Fund based on their study of State Finances and assessment of expenditure requirements of each State. FFC has also taken care of the expenditure incurred on State Plans and States' contribution to Centrally Sponsored Schemes, unique features of North Eastern and Himalayan States which have bearing on their fiscal resources and expenditure needs, such as low level of economic activities, remoteness and international borders. Further, FFC has also considered 'Forest Cover' as new criteria for the first time in the horizontal distribution formula besides Population & Demographic Change, Area and Income Distance, which benefits North Eastern States including Sikkim.

As gleaned from the Budget document of State of Sikkim for 2016-17, the State received Rs. 3236 crore during 2014-15 (i.e. the last year of award period of FC-XIII) on account of tax devolution and grant-in-aid and received Rs. 3897 crore during 2015-16 (as per revised estimates), which is first year of the award period of FFC.
