

## CHAPTER – I

### PERFORMANCE REVIEWS (CIVIL DEPARTMENTS)

#### HUMAN RESOURCE DEVELOPMENT DEPARTMENT

##### 1.1 Elementary Education in Sikkim

*Elementary Education (Class I–VIII) is the base on which the foundation of secondary and higher education depends. Realising its importance, the State Government accorded high priority to the Sector by incurring highest per capita expenditure in the country for better infrastructural facilities to schools and favourable Pupil Teacher ratio. 'Right of Children to Free and Compulsory Education (RTE) Rules, 2010' was also promulgated (August 2010) by the State Government as a sequel to Right to Education (RTE) Act, 2009, inter-alia covering all important aspects of the Act. The Department did fairly well in organising special training (March 2010) for never enrolled children, introducing Comprehensive and Continuous Evaluation system, prohibiting detention in same classes, expulsion and corporal punishment, constituting State Level Advisory Board and School Management Committees, etc. State however, lacked in policy pronouncements and implementation as the Education Policy was not formulated, vision not spelt out, Perspective Plan not finalised, Annual Plans perfunctorily prepared for availing budgetary grants, etc. While considerable funds were blocked in incomplete school buildings, extra expenditure was incurred on payment of salary of panchayat education assistants not involved with Elementary Education. Shortage of teachers in rural areas, ineffective and partial implementation of innovative steps such as Comprehensive Quality Vision and Framework, State Council of Education Research and Training, State Quality Monitoring Committee, etc. affected the quality of education in the State.*

**The State Government had neither formulated a state policy on Education nor spelt out any vision statement. While the Perspective Plan was not finalised, Annual Plans were prepared merely for the purpose of availing budgetary grants.**

(Paragraph 1.1.8.1 to 1.1.8.4)

**The State had accorded highest priority to the education sector by providing a considerably high outlay leading to highest per capita expenditure in the country.**

(Paragraph 1.1.9.1 and 1.1.9.2)

**Financial management of Sarva Shiksha Abhiyan revealed short release of ₹ 54.27 crore, delayed release of ₹ 16.93 crore and irregular expenditure of ₹ 3.45 crore.**

(Paragraph 1.1.9.3 to 1.1.9.6)

**A declining trend in Gross enrolment ratio (GER) and Net enrolment ratio (NER) was noticed in case of primary and upper primary level respectively during 2007-11 despite incurring highest per capita expenditure. The GER declined from 118 in 2007 to 115 in 2011 for primary level and NER from 58 to 36 in case of upper primary level during the same period highlighting the need for encouraging children to join school as per appropriate age.**

**(Paragraph 1.1.10.1 and 1.1.10.2)**

**While the drop-out rate rose by 1.75 percentage point from 4.73 to 6.48, children belonging to out-of-school (2,130) and Children with Special Needs (298) were not brought to school as of March 2011 despite State's promise of 100 *per cent* retention in school by 2010.**

**(Paragraph 1.1.10.4 to 1.1.10.6)**

**While 112 teachers (out of 324 in the forty schools test checked) did not possess the minimum prescribed educational qualification and were still untrained, irrational deployment of teachers led to concentration of excess teachers in easily accessible areas at the cost of remote areas affecting quality of education in rural areas.**

**(Paragraph 1.1.11.2)**

**The performance of students were far from satisfactory as only 40 to 50 *per cent* children of class V could do simple division and could read standard II text; 30 to 40 *per cent* of class III students could do subtraction and could read standard I text. While majority of students fell under average and below average category; teachers were graded under C and D category indicating average quality of teaching-learning process in the State.**

**(Paragraph 1.1.11.2 & 1.1.11.5)**

**Absence of strict supervision and monitoring by Department led to incomplete school buildings beyond stipulated date of completion and blocking of Government funds of ₹ 5.12 crore.**

**(Paragraph 1.1.12.1)**

**Implementation of Mid Day Meal Scheme was characterised by short lifting of 2,179 MT of foodgrain costing ₹ 1.23 crore and excess depiction of cooking cost by ₹ 4.94 crore .**

**(Paragraph 1.1.12.10)**

**The important Committees (State Advisory Committee and State Quality Education Committee) were not constituted as of November 2011. In the absence of these Committees, expert opinion and suggestions from the Committees could not be obtained and therefore, the important aspects of quality education remained neglected.**

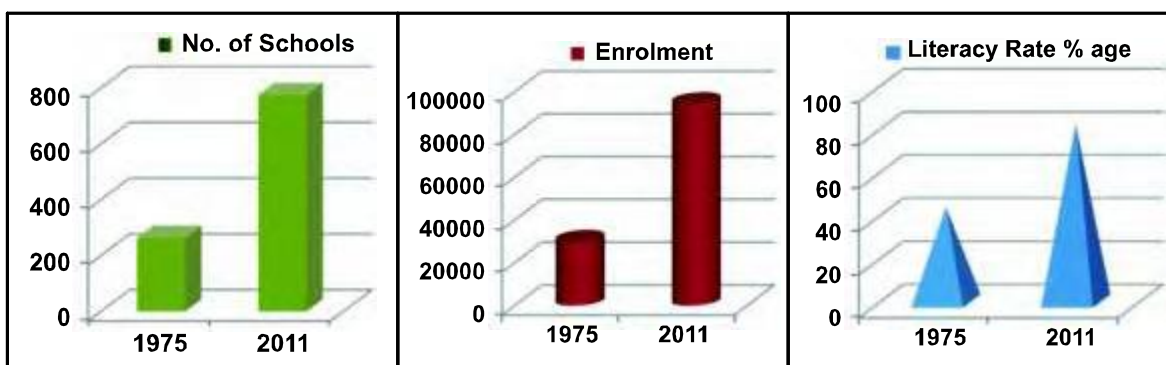
**(Paragraph 1.1.13)**

### 1.1.1 Introduction

The Constitution of India provides for imparting of education to all its citizens through the State and Central Government. While the Central Government is broadly responsible for the planning, co-ordination and providing guidance in respect of educational activities in the country<sup>1</sup>; State Governments are responsible for its effective implementation. The National Policy of Education, 1986 (updated in 1992), envisaged improvement and expansion of education, elimination of disparities in access and laying greater access on improvement in the quality and relevance of education at all levels. The Right to Education was reckoned as a fundamental right by Amendment (86<sup>th</sup>) of the Constitution in 2002. The Amendment expected the State Governments to provide free and compulsory education to all children between six and fourteen years old (Article 21) and early childhood care and education to children upto the age of six years (Article 45). The movement for education for all (EFA) received a major fillip through the enactment (August 2009) of the Right of Children to Free and Compulsory Education Act, 2009.

Elementary Education (class I to VIII) occupied an important place and was a thrust sector in Sikkim reckoned by the fact that in 2011, 1/5<sup>th</sup> of the population (one lakh students and 6,500 teachers) were involved with the teaching - learning process in Sikkim and that a sizeable amount of financial inputs (₹ 400 crore) was given by Government of Sikkim, which not only constituted more than 10 *per cent* of the total budget and 7.29 *per cent* of the GSDP but was the highest per capita expenditure on education in the country. The importance attached to the sector resulted in considerable progress in the spread of education in Sikkim since merger (1975) to Indian Union in terms of growth of educational institutions - both Government and private, enrolment, girls' participation, etc. Educational Institutions grew from 264 in 1975 to 778 in 2011, literacy ratio from 43.67 (1975) to 82.20 (2011) enrolment from 0.30 lakh (1975) to 0.94 lakh (2011) as shown in the graphs below:

Chart – 1.1.1



Source : Departmental records

The major schemes under Elementary Education included Sarva Shiksha Abhiyan (SSA) and Mid-day-Meal scheme (MDM), both funded by GOI to the extent of 90 *per cent*. The SSA was

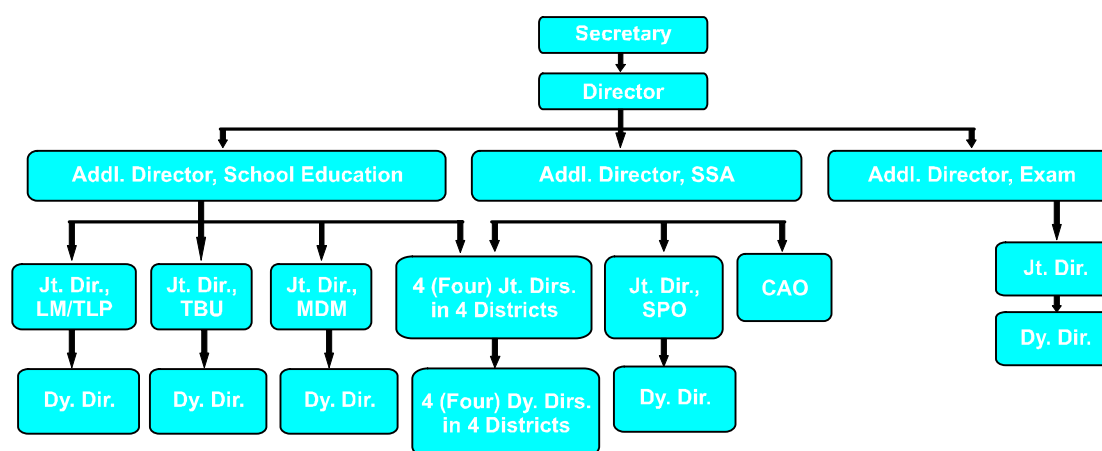
<sup>1</sup>As per Article 246 of Indian Constitution, Entries 63 to 66 in list I (Central List) and Entry in list III (Concurrent List).

implemented in the State to provide universal elementary education, access, retention, bridging gender and social gaps and to enhance the learning levels of the children. Similarly, MDM was implemented with the aim of improving the nutritional status of elementary school children and to encourage poor and disadvantaged sections of children to attend schools more regularly.

### 1.1.2 Organisational set-up

The overall responsibility for effective implementation of EE in the State rests with the Secretary, Human Resource Development Department (HRDD). He is assisted by Director (1), Addl. Directors (3), Joint Directors (5) in the Head Office and four Joint Directors in the District offices besides a host of officers and staff as shown in the chart below:

Chart – 1.1.2



### 1.1.3 Scope of Audit

The Performance Audit on Elementary Education in Sikkim for a period of five years (2006-11) was conducted in the office of the Secretary, HRDD, Directorate of School Education, all the four Joint Directors office located in district headquarters and 96 schools spread over the four districts.

### 1.1.4 Audit Objectives

The Performance Audit was undertaken with the primary objective of assessing the status of Elementary Education (EE) in Sikkim with regards to access, equity and quality. In the process, the following were assessed in Audit:

- Efficacy of policy and planning for implementation of EE;
- Adequacy and efficacy of financial management;
- Efficacy in bringing about qualitative improvement in educational institutes;
- Economy, efficiency and effectiveness in implementation of various schemes/ programme; and
- Adequacy and effectiveness of monitoring and evaluation of the EE in the State.



### 1.1.5 Audit Criteria

Following criteria were used to assess the status of implementation of EE in Sikkim:

- National Policy on Education;
- Right to Education Act 2009;
- Right to Education Rules 2010;
- Sikkim Financial Rules;
- Sikkim PWD Code and Manual;
- Guidelines, instruction, Notification and Circulars issued by Government of India and the State Government;
- Quality parameters prescribed by NCERT for Elementary Education;
- Prescribed monitoring mechanism; and
- Survey and study reports published by reputed NGOs (Pratham), District Information System for Education (DISE), etc.

### 1.1.6 Audit Methodology

The status of Elementary Education in the State in respect to policy, planning, implementation of various schemes and programmes, etc. for the period 2006-11 was examined in audit. The audit examination commenced with an entry conference (May 2011) with the Secretary of the Department, a mid-term appraisal with the Department (July 2011) and concluded with an exit conference (November 2011). Records maintained at the Departmental headquarters at Gangtok were examined followed by test check of records in three District offices –East at Gangtok, West at Gyalshing and South at Namchi. 96 schools (out of 778) were selected on two stage sampling basis, the first stage consisted of Complex school<sup>2</sup> on systematic sampling basis and the second stage, the schools from amongst the selected complexes were selected on simple random sampling basis without replacement (SRSWOS). Besides, joint physical inspection of 40 sampled schools was conducted in the presence of departmental officers and headmasters of schools and the findings incorporated suitably in the report.

### 1.1.7 Acknowledgement

**The office of the Accountant General appreciates and acknowledges the support and cooperation extended by the Secretary, HRDD; the Director and other senior officers and staff in the Secretariat office and the Joint Directors and their teams in the District Education Offices. Thanks are also due to the Headmasters of various schools who not only co-operated during the inspection process but also enlightened the Audit Team on a variety of core issues governing EE.**

<sup>2</sup>Usually a Senior Secondary School which functions as guardian school for Secondary, Junior, Upper Primary and Primary Schools attached under it.

## **Audit findings**

Audit findings are enumerated in succeeding paragraphs.

### **1.1.8 Policy and Planning**

Policy making is the first step in any planning process. This is more so for education as a successful education policy forms the bedrock of all fields of development. Issues, policies, strategies, measures, output and outcomes should ideally be clearly delineated through policy framework and must be backed by robust planning to attain the expected output and outcome. The position in respect of policy and planning in respect of EE in Sikkim is given below:

#### **1.1.8.1 Vision and goals**

The Department had not set any vision or issued any vision statement. Only as recently as in August 2010, the Chief Minister set out Total Literacy Mission–2015 with a vision to transform Sikkimese people into total quality people through equitable, holistic, inclusive and globally competitive education.

Audit scrutiny revealed that the Department had neither ingrained these mission statements into their annual plans (2011-12) nor initiated any action to achieve the goals within the stipulated timeframe. In four (*viz.* Teacher Training, special grievance cell, special pension cell and Teacher Transfer Policy) cases, there was no initiation while in the rest (*viz.* Computer Literacy and English spoken course for teachers, Internet facility to all schools, Computer Aided Learning in all schools, SCERT) progress was not commensurate with the vision as of October 2011 as detailed in **Appendix – 1.1.1**.

#### **1.1.8.2 State Policy**

It was imperative on the part of the Department to frame a State Policy on Education in line with the National Policy on Education (1986) duly reflecting the specific needs and requirements of the State. The State Government, however, had not articulated any State Policy on Education. Thus, the benefit of policy directions for effective and proper execution of programme could not be availed of.

The Department stated (June 2011) that the process of formulating State policy of Education had been initiated duly incorporating the promises mentioned in RTE Act 2009. As of October 2011, the Department had neither come out with the State Education Policy nor substantiated the spadework done towards framing of the Policy.

#### **1.1.8.3 Perspective Plan**

A long-term perspective plan (PP) should ideally be prepared duly involving professionals and academicians for charting out the plan of action for the Department to facilitate focused attention on important areas of concern and judicious utilisation of scarce resources both human and financial.

Though the Department prepared (May 2003) PP through Educational Consultants India Ltd.,

New Delhi by incurring ₹ 6.57 lakh for development of education in Sikkim, neither was any action initiated by the Department to obtain the approval of Government nor were the suggestions in the PP incorporated in the annual plans. The prominent suggestions were 100 *per cent* enrolment of children for elementary education (actual 67 *per cent*) and training of teachers of primary schools (actual 68.14 *per cent*) by 2010; upgradation of the competence of teachers at all levels; strengthening of District Institute of Education and Training and State Institute of Education; adequate infrastructure; and internal quality review mechanism in each institution for monitoring quality of the educational process; etc.

Thus, the action of the Department only led to unfruitful expenditure of ₹ 6.57 lakh with little to show in terms of long term strategy for planned growth in a mission mode to ensure high quality education to the children.

The Department stated (November 2011) that PP would be analysed in detail by experts and would be submitted for approval of Government.

#### **1.1.8.4 Annual Plans**

As mentioned above, the annual plans should ideally flow from perspective plan. The annual plans were, however, prepared by the Secretary, HRDD for the State as a whole without obtaining inputs from the District Education Officers (DEOs). The annual plans of the Department did not contain any targets or strategies to ensure universal retention, improvements in education, inspection and supervision of schools, etc. The plans were essentially meant for availing budget outlay on year to year basis.

The Department while not addressing core issues such as strategies towards universal retention, improvements in education, etc. stated (June 2011) that the inspection and supervision of schools by concerned officers was mandatorily done. Audit however, noticed that no corrective measures were initiated on the comments/shortfalls mentioned in the reports indicating that the inspections served little purposes (*indicated in detail at paragraph 1.1.13*).

#### **1.1.8.5 Right of Children to Free and Compulsory Education Act, 2009**

Government of India enacted (August 2009) the Right of Children to Free and Compulsory Education Act, 2009 *inter alia* providing for right of children to free and compulsory education; special provisions for children not admitted/completed elementary education; formation of School Management Committees (SMC) and School Development Plan; and constitution of State Advisory Council (SAC). The Act empowered the State Government to make rules for carrying out the provisions of this Act.

Audit noticed that the Right of Children to Free and Compulsory Education Rules, 2010 was notified (August 2010) by the State Government which *inter alia* covered all important aspects reflected in the Act as shown in **Appendix – 1.1.2**. The State Government also did a commendable job in organising special training (March 2010) for the children who had never attended elementary schools, constituted (March 2010) State Level Advisory Board and SMCs. In addition, the Government also prohibited retention of students in the same class,

expulsion of students, corporal punishment, etc. Audit however, noticed weak follow up in case of special training and SAC as indicated at *paragraph 1.1.13*.

### 1.1.9 Financial management

The budget size and the corresponding expenditure during the five year period 2006-11 in respect of the Human Resources Development (Elementary Education) Department were as under:

Table - 1.1.1

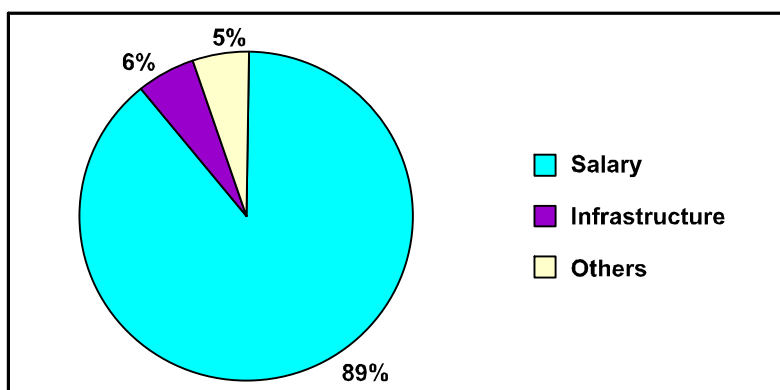
(₹ in crore)

Year	Plan/ Non-plan	Final Grant Appropriation		Actual expenditure		Excess(+)/Savings(-)	
		Capital	Revenue	Capital	Revenue	Capital	Revenue
2006-07	Plan	8.70	36.52	8.70	34.76	0	-1.76
	Non Plan		60.01		60.33		0.32
	<b>Total</b>		<b>96.53</b>		<b>95.09</b>		-1.44
2007-08	Plan	6.92	46.02	6.87	45.44	-0.05	-0.58
	Non Plan		66.74		66.85		0.11
	<b>Total</b>		<b>112.76</b>		<b>112.29</b>		-0.47
2008-09	Plan	11.22	49.47	11.22	49.32	0	-0.15
	Non Plan		79.14		78.64		-0.5
	<b>Total</b>		<b>128.61</b>		<b>127.96</b>		-0.65
2009-10	Plan	10.01	41.53	10.00	50.40	0	8.87
	Non Plan		130.18		127.92		-2.26
	<b>Total</b>		<b>171.71</b>		<b>178.32</b>		6.61
2010-11	Plan	14.57	103.33	9.47	103.08	-5.1	-0.25
	Non Plan		154.63		154.63		0
	<b>Total</b>		<b>257.96</b>		<b>257.71</b>		-0.25
<b>TOTAL</b>	Plan	<b>51.42</b>	<b>276.87</b>	<b>46.06</b>	<b>283</b>		
	Non Plan		<b>490.7</b>	<b>0</b>	<b>488.37</b>		
	<b>Total</b>	<b>51.42</b>	<b>767.57</b>	<b>46.06</b>	<b>771.37</b>		

Source : Detailed Appropriation Accounts

The above table shows that the year-wise allocation and expenditure for both Plan and Non-Plan revenue expenditure was within the allotted funds except for 2009-10 when there was excess expenditure of ₹ 8.87 crore (2 per cent) in Plan sector. Analysis revealed that expenditure incurred towards salary during the period under review was 89 per cent, infrastructure 6 per cent and others 5 per cent as shown in the pie chart below:

Chart - 1.13



### 1.1.9.1 Highest per capita revenue expenditure on Education

Analysis of revenue expenditure of the education sector revealed that the State had accorded highest priority to education by providing a considerable high outlay leading to highest per capita expenditure in the country:

Table - 1.1.2

Year	Amount (₹ in crore)	State per capita expenditure(₹)	National per capita expenditure(₹)	State per capita to national per capita
2007-08	241.67	3,984	905	4.4
2008-09	289.21	4,750	1,080	4.4
2009-10	404.75	6,667	1,337	5.0
2010-11	411.89	NA	NA	NA

Source : Detailed Appropriation Accounts

### 1.1.9.2 Higher per capita expenditure

The average per school and per child expenditure during 2010-11 was ₹ 34 lakh and ₹ 0.27 lakh respectively which was even higher than the per child expenditure in one of the best private schools in the State as shown below:

Table – 1.1.3

(₹ in crore)

Year	No. of schools	No. of children	Total expenditure	Average Per school expenditure	Average Per child expenditure
2006-07	782	1,09,564	103.79	0.13	0.009
2007-08	784	99,420	119.16	0.15	0.012
2008-09	767	94,205	139.18	0.18	0.014
2009-10	777	75,279	188.32	0.24	0.025
2010-11	778	98,631	267.18	0.34	0.027

Source : Detailed Appropriation Accounts, monthly expenditure statements and Annual Reports of the Department.

### 1.1.9.3 Short release of funds under Sarva Shiksha Abhiyan

The expenditure under SSA was financed by the GOI (90 per cent) and the State Government (10 per cent). As against the requirement to release ₹ 136.85 crore and ₹ 15.12 crore, the actual release was ₹ 87.19 (69.10 per cent) crore and ₹ 10.51 (63 per cent) crore by GOI and State Government respectively leading to short release of ₹ 54.27 crore during 2006-11. Audit analysis revealed that failure of the State Government to release the funds in full and in time led to curtailment of allocated funds by GOI. The State Government neither kept adequate provision in the budget nor gave written commitments as required under guidelines and continued to release inadequate resources.

### 1.1.9.4 Delayed release of funds under SSA

In spite of clear stipulation in the SSA guidelines to release first instalment by GOI by 15 April and subsequent instalments after the release of matching share to the State Implementing Society by the State Government, funds were released belatedly by both the Central and the State Government. GOI and the State Government released its share of ₹ 14.38 crore (2006-

08) and ₹ 2.55 crore (2006-07, 2009-11) respectively towards the end of the year. Non-availability of required funds in time affected programme implementation.

The Department while accepting the audit observation stated (November 2011) that Government was asking for release of sufficient funds for the 12<sup>th</sup> Five Year Plan.

#### **1.1.9.5 Irregular diversion of fund under SSA**

The Department had 314 School Mothers on its roll to take care of the small children in the elementary schools. The State Government notified (August 2010) transfer of all the School Mothers to various Gram Panchayat Wards as Panchayat Education Assistant (PEA) to impart education to illiterate adults. The decision of the Department to pay a portion of their salary (₹ 5,000 per month) from SSA funds was irregular as their assignment was not relevant to elementary education. This resulted in diversion of funds of ₹ 1.88 crore per annum.

The Department stated (November 2011) that a proposal had been moved to debit the expenditure to the State Plan from the next financial year.

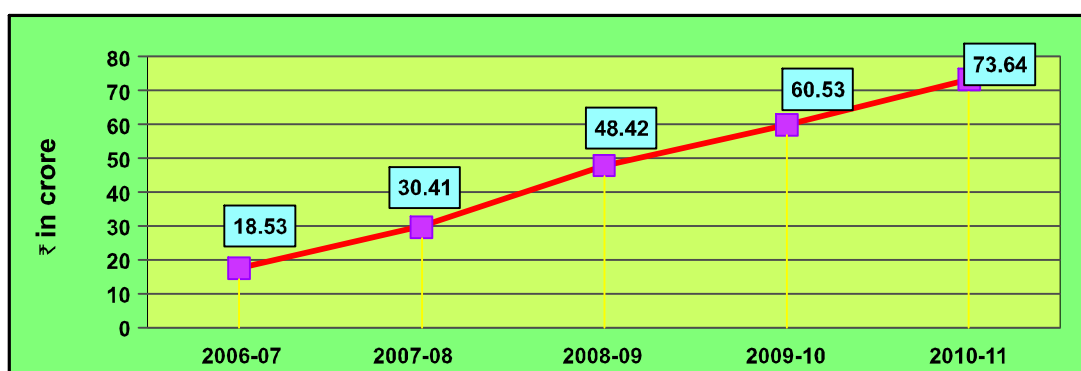
#### **1.1.9.6 Irregular expenditure**

Audit noticed that ₹ 1.57 crore was incurred from SSA funds for the academic session 2010 and 2011 towards procurement of text books (₹ 1.07 crore) and uniforms (₹ 50.16 lakh) despite the fact that the State Government was already implementing these programmes. The financing of these schemes by SSA funds was not only unwarranted but also resulted in irregular expenditure of ₹ 1.57 crore as the SSA guidelines categorically forbade utilisation of SSA funds for ongoing programmes of the State Governments. Further, out of ₹ 1.07 crore spent on text books ₹ 52.60 lakh was incurred towards procuring books pertaining to classes IX to XII which was not permissible under the SSA guidelines as the SSA is primarily meant for EE (upto class VIII).

#### **1.1.9.7 Staggering committed liabilities**

The unplanned and indiscriminate sanction of infrastructure projects coupled with shrinking plan allocations led to huge committed liabilities over the period 2006-11 as depicted in the graph below:

Chart – 1.1.4



Source : Departmental records



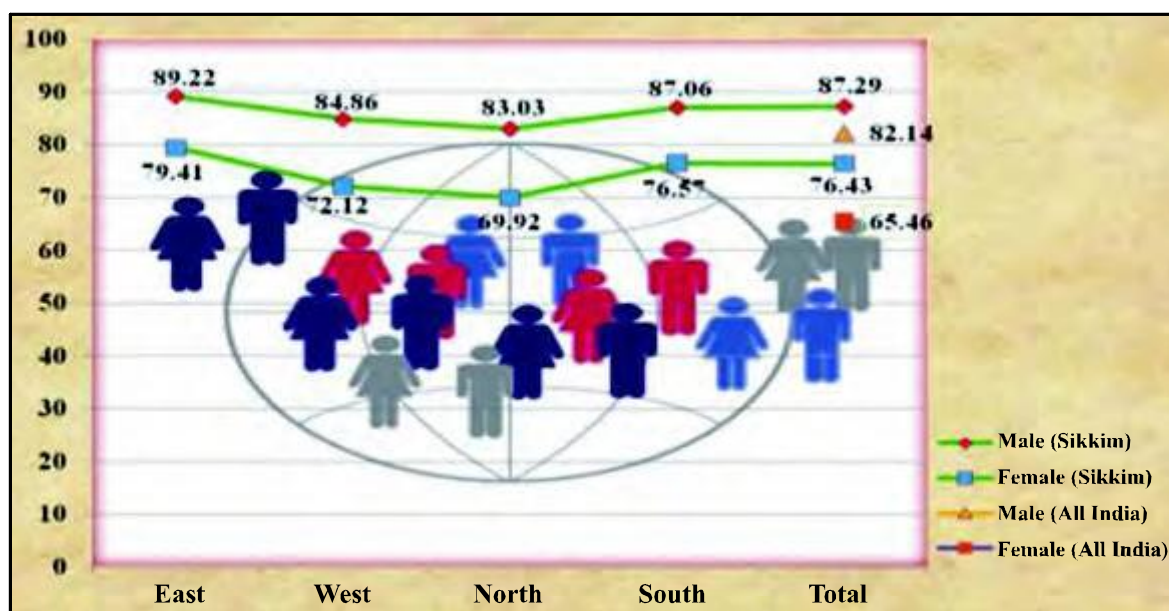
The liabilities increased by almost 400 *per cent* from ₹ 18.53 crore to ₹ 73.64 crore over a period of five years (2006-11), which was very high. Against the requirement of funds of ₹ 37 crore per year the Plan allocation was far lower at ₹ 28.44 crore in the preceding two years (2009-11) and at the same time new projects were also sanctioned leading to increased liability.

### 1.1.10 Access and equity

The three pillars of education are expansion, inclusion and excellence or in other words access, equity and quality. It is important that access and equity go together in order to make Universal Elementary Education (UEE) a reality. Successive Governments aimed at bridging gender and social gaps in enrolment, retention and learning achievement at the primary stage through special interventions and strategies to include girls, SC/ST children, children with special needs, and children living below the poverty line.

Analysis of data in respect of enrolment and participation of various socio-economic groups disclosed that the State had achieved considerable progress in access and equity. While all the 866 habitations were provided with upper primary schools, 865 habitations were provided with primary schools and students (37) of one un-served habitation were enrolled in nearby primary schools. The literacy rate of 82.20 was above the national average of 74.04 by 8 percentage point as per 2011 census. The literacy rate of both male (87.29) and female (76.43) was above the national average of 82.14 (male) and 65.46 (female) as shown in the graph below:

Chart – 1.1.5



Source : Census 2011

### 1.1.10.1 Gross Enrolment Ratio

Gross Enrolment Ratio (GER)<sup>3</sup> denotes the total enrolment in primary education, regardless of age, expressed as a percentage of the eligible school-age (6-14) population corresponding to primary education in a given school year<sup>4</sup>.

The gross enrolment progressively declined from 1,03,699 in 2007 to 94,451 in 2011 session as shown in **Appendix – 1.1.3**. Based on this gross enrolment, the GER of Primary and Upper Primary level of both Government and private managed schools of the State for 2007-11 are given below:

Table – 1.1.4

District	Pry/ UPS	2007			2008			2009			2010			2011		
		B	G	T	B	G	T	B	G	T	B	G	T	B	G	T
East	Pry	115	121	118	119	122	120	113	124	118	110	118	114	116	118	117
	UPS	101	100	101	97	124	110	95	110	103	94	108	101	89	107	98
West	Pry	103	104	104	99	100	100	138	135	135	143	138	140	112	102	107
	UPS	106	107	106	95	101	98	118	110	114	116	112	114	98	110	104
North	Pry	109	100	105	116	107	111	127	117	122	128	124	126	138	124	131
	UPS	64	85	74	71	88	79	72	81	76	70	81	75	86	98	92
South	Pry	140	148	144	143	148	146	159	158	159	164	156	160	133	131	132
	UPS	55	66	60	60	72	66	58	69	64	62	73	68	66	72	69
Total	Pry	117	118	118	119	119	119	134	134	134	136	134	135	112	118	115
	UPS	82	90	85	81	96	88	86	93	89	86	93	89	84	96	90

Source : Annual Reports of the Department

While the GER of primary level declined from 118 in 2007 to 115<sup>5</sup> in 2011, GER in Upper Primary rose from 85 to 90 in the corresponding period. The highest decrease in Primary was recorded by South district (8 per cent). In Upper primary level the highest increase was recorded by North district (24 per cent).

### 1.1.10.2 Net Enrolment Ratio

Net enrolment ratio (NER)<sup>6</sup> is the age specific enrolment in the appropriate class. It denotes the enrolment of students in the appropriate class according to specified age group. The increase in net enrolment is indicative of universalisation of education and the decrease thereof suggests that more effort is needed. The position of net enrolment in respect of all the four districts, gender-wise, year-wise for both Primary and Upper primary level is reflected below:

<sup>3</sup>GER =  $\frac{\text{Number of children enrolled in primary school}}{\text{Number of children of primary school age}}$

<sup>4</sup>ISCED level I, UNESCO Institute for Statistics

<sup>5</sup>Enrolment includes both under age and over age children.

<sup>6</sup>NER =  $\frac{\text{Number of children of primary school age enrolled in primary school}}{\text{Number of children of primary school age}}$

Table -1.1.5

District	Pry	2007			2008			2009			2010			2011		
	UPS	B	G	T	B	G	T	B	G	T	B	G	T	B	G	T
East	PS	80	79	79	91	93	92	83	93	88	82	92	87	75	73	75
	UPS	64	61	62	45	59	52	43	52	48	46	54	50	44	39	42
West	PS	67	68	67	99	100	99	78	80	79	79	77	78	65	65	65
	UPS	93	94	94	96	92	94	75	77	76	76	78	77	60	58	59
North	PS	64	60	62	84	78	81	71	69	70	70	68	69	74	73	74
	UPS	37	46	41	88	96	92	42	46	44	44	46	45	23	23	23
South	PS	98	98	98	103	105	104	95	95	95	92	94	93	92	94	93
	UPS	35	37	36	29	37	33	29	32	30	20	21	20	20	21	20
Total	PS	77	76	77	95	94	94	82	84	83	80	84	82	77	77	77
	UPS	57	59	58	65	71	68	47	52	50	46	50	48	37	35	36

Source : Annual Reports of the Department

NER ranged from 77 to 94 and 36 to 68 for Primary and Upper primary level respectively. Analysis revealed while NER of PS remained static at 77, in case of UPS it dipped down from 58 to 36 during the period 2006-11. Further, district-wise analysis revealed that North District had lowest NER of 62 (2007) followed by West District (65 during 2011) for PS. Similarly for UPS the lowest was recorded by South District (20 during 2010 and 2011) and highest by West District (94 during 2007 and 2008). However, the West District could not maintain the NER and the figure dropped down to 59 during 2011. NER below 100 highlighted the need for initiating intensive effort by the Department to enrol the children to the school as per appropriate age and retain them in the education system.

#### 1.1.10.3 Gender Parity Index

Gender parity index (GPI) for gross enrolment in primary education is the ratio of the female-to-male/male-to-female values of the gross enrolment ratio in primary education. A GPI of 1 indicates parity between male and female<sup>7</sup>.

Audit analysis revealed that the State fared well in terms of GPI and provided equal opportunities to the girls as that of the boys in elementary education. In fact, the share of girls was more as compared to boys in South and West districts for PS and UPS. The East had also caught up and maintained the ratio. The North was slightly behind by 4 percentage points in UPS. Thus, in terms of GPI the State was successful in providing equitable access to elementary education to girls.

#### 1.1.10.4 Out-of-School Children (OoSC)

Enrolment of out-of-school children (OoSC) in regular schools was one of the major objectives of the State after the inception of SSA. The targeted group of OoSC was identified by child census once in two years, commencing from 2006 in the review period. The OoSC and their coverage during 2006-11 is indicated below:

<sup>7</sup> Calculated by Arah World Education Performance Indicators Team based on UNESCO Institute for Statistics.

Table -1.1.6

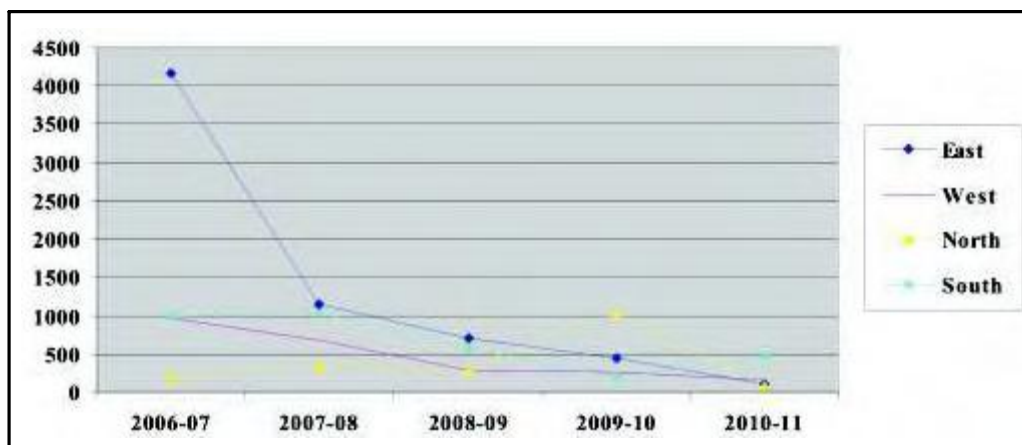
District	OoSC			OoSC-remaining 2009-10	OoSC as per Household Survey 2010 to be covered 2011-12
	2006-07	2008-09	Covered 2009-10		
East	4159	442	342 (77.38)	100	766
West	975	256	88 (34.38)	168	738
North	190	179	105(58.66)	74	215
South	986	1,033	561(54.31)	472	411
<b>Total</b>	<b>6,310</b>	<b>1,910</b>	<b>1,096</b>	<b>814</b>	<b>2,130</b>

Source : Annual Reports of the Department. Figure in bracket indicates percentage

The OoSC was reduced from 6,310 to 1,910 between 2006-07 and 2008-09 and from 1,910 to 814 between 2008-09 and 2009-10. However, details of the coverage indicating name of the child, fathers/ guardians name, place, reasons for remaining out-of-school, etc. were not available with the Department. The OoSC again rose to 2,130 at the end of 2010-11 indicating that considerable number of OoSC existed in the State.

Further, the coverage of out-of-school children in 2009-10 was 57.38 *per cent* which was not impressive considering the State's promise of achieving 100 *per cent* retention in school system and Universal Primary Education goals by 2010. Analysis revealed that the coverage was reduced due to low coverage in West district, followed by South where the number of OoSC was highest (472) as shown in the graph below:

Chart – 1.1.6



Source : Departmental records

The Department stated (November 2011) that OoS children primarily belonged to migratory parents working in various project sites in Sikkim and added that efforts would be initiated to reduce the OoSC through residential bridge courses.

#### 1.1.10.5 Children with Special needs (CWSN)

Inclusive education is one of the important parameters for achieving universal elementary education. Considering the importance, Government accorded priority to these children through special education, outlay, etc. Out of 1,12,019 children (6-14 years), the State Government identified 1,045 CWSN as late as 2009-10. The position of identification of

children with special needs and their enrolment to school system is given below:

**Table -1.1.7**

District	No. of CWSN identified	No. of CWSN enrolled
East	381	263
West	187	167
North	48	39
South	429	278
<b>STATE</b>	<b>1,045</b>	<b>747</b>

Source : Annual Report 2010-11

The State Government appointed caregivers, involved NGOs (2), distributed aids and appliances (74) and constructed barrier free access in schools (40) but the progress was not encouraging as 298 (30 *per cent*) children with special needs were still not enrolled despite fund availability of ₹ 9.65 lakh (₹ 8.68 lakh only spent) during 2009-10. The Department had spent 94 *per cent* of the available funds towards assessment camps but the assessment of the number of CWSN was grossly incorrect as the subsequent survey (2010-11) revealed the number of CWSN as 2,200. The State needs to initiate intensive efforts to bring the CWSN not enrolled so far to the school system and keep a tab over the CWSN attendance in the school system and maintain the progress of the student achievement to ensure their productive participation in the education system.

#### 1.1.10.6 Dropout Rate

The drop-out rates ranged between 1.88 and 7.15 for Primary (2.43 to 6.48) and Upper primary level (1.88 to 7.15) and showed an increase of 1.75 percentage point from 4.73 (2006-07) to 6.48 (2009-10) at primary and 0.22 percentage point from 6.93 (2006-07) to 7.15 (2009-10) at upper primary stages as shown below:

**Table -1.1.8**

District	PS	2006-07			2007-08			2008-09			2009-10		
	UPS	B	G	T	B	G	T	B	G	T	B	G	T
East	PS	9.80	10.10	10.00	7.10	7.90	7.50	0.50	6.00	6.00	1.00	0.90	1.00
	UPS	7.40	6.30	6.90	7.30	6.20	6.80	0.70	0.60	0.60	1.00	0.90	1.00
West	PS	5.80	4.20	5.00	3.20	2.40	2.80	2.10	2.30	2.20	3.20	2.50	2.80
	UPS	9.50	3.40	6.50	2.70	3.00	2.80	2.20	2.40	2.30	1.40	1.30	1.30
North	PS	2.50	3.10	2.80	2.40	3.00	2.70	0.60	0.60	0.60	10.40	8.60	9.50
	UPS	12.30	6.60	9.40	9.20	6.60	7.90	1.60	1.80	1.70	10.70	8.70	9.70
South	PS	1.10	1.00	1.10	1.00	0.90	1.00	0.80	0.90	0.90	9.50	15.60	12.60
	UPS	5.90	3.90	4.90	3.20	3.90	3.60	2.80	3.00	2.90	21.70	9.50	16.60
<b>Total</b>	<b>PS</b>	<b>4.80</b>	<b>4.60</b>	<b>4.73</b>	<b>3.43</b>	<b>3.55</b>	<b>3.50</b>	<b>1.00</b>	<b>2.45</b>	<b>2.43</b>	<b>6.03</b>	<b>6.90</b>	<b>6.48</b>
	<b>UPS</b>	<b>8.78</b>	<b>5.05</b>	<b>6.93</b>	<b>5.60</b>	<b>4.93</b>	<b>5.28</b>	<b>1.83</b>	<b>1.95</b>	<b>1.88</b>	<b>8.70</b>	<b>5.10</b>	<b>7.15</b>

Source : Annual Report of the Department

A further analysis revealed that a high percentage of dropout children was recorded in south District both at Primary (12.60 *per cent*) and Upper Primary levels (16.60 *per cent*). The boys prominently figured in the drop-outs both in Primary and Upper Primary levels. The problem

was persisting in North district as well and the drop-out rate hovered around 9 *per cent* during 2010. The Department was yet to identify the reasons for such large number of average annual dropouts especially in South district to ensure that gains in enrolment are not eroded by high levels of dropout.

***The State was successful in providing access for elementary education to all in most equitable manner. While the average GER of 118 and 115 was reasonably good and was ahead of all India average but NER at 67 and 96 for PS and UPS respectively was grossly inadequate to realise the full potential of the State and was far below the Upper-Middle Income group countries reference of 99.9 per cent<sup>8</sup>. The equitable access to boys and girls, rural and urban children were laudable. The State however, continued to suffer from high drop-out rate, high proportion of out of school children and coverage of children with special needs was only 70 per cent, which must be addressed in a focused manner.***

### **1.1.11 Quality education**

The National Curriculum Framework-2005 and United Nations Millennium Declaration's commitment to achieve Universal Primary Education (UPE) by 2015 stressed upon quality education for all children.

Quality education is contingent upon institutional climate of the schools; the teachers' professional qualifications and commitment, adequate and effective learning tools; attitude and aspiration of the students; financial and administrative support from the Government; and community and civil society participation, etc. The Education For All Global Monitoring Report 2005<sup>9</sup> also stipulated government spending on education, pupil-teacher ratios, teacher qualifications and commitment, test scores and the length of time pupils spent in school as indicators of quality education.

Audit checks of status of implementation of above parameters in the State are enumerated below:

#### **1.1.11.1 Institutional climate of the schools**

Institutional climate includes both external and internal climate of the schools, viz. school building and other infrastructure such as toilet facilities, drinking water, laboratory, library, computer, electricity, playground, barrier free access, etc. and internal climate such as class size, learning time, teachers' motivation, innovative techniques, etc.

Audit noticed that the State generally fared well in terms of school building and other infrastructure as pucca school building, toilet facilities (83 *per cent*) and availability of drinking water (98 *per cent*) to schools was quite good. The infrastructure in terms of library and electricity was available in 46 and 51 *per cent* of schools respectively. The dearth of

<sup>8</sup>US and 35 other developed countries are categorised as Upper-Middle Income group countries by World Bank for assessing socio-economic status of the countries on worldwide basis.

<sup>9</sup>Published by the United Nations Educational, Scientific and Cultural Organisation (UNESCO)



infrastructure in schools however, was noticed in case of barrier free access (94 *per cent*), boundary wall (78 *per cent*) and playground (34 *per cent*). The children were fortunate to have a small class size corresponding to favourable PTR of 16:1 and 14:1 for PS and UPS respectively, learning time of 200 and 220 days and 800 and 1,000 instructional hours per academic year for Primary and Upper Primary levels respectively in line with the RTE Act.

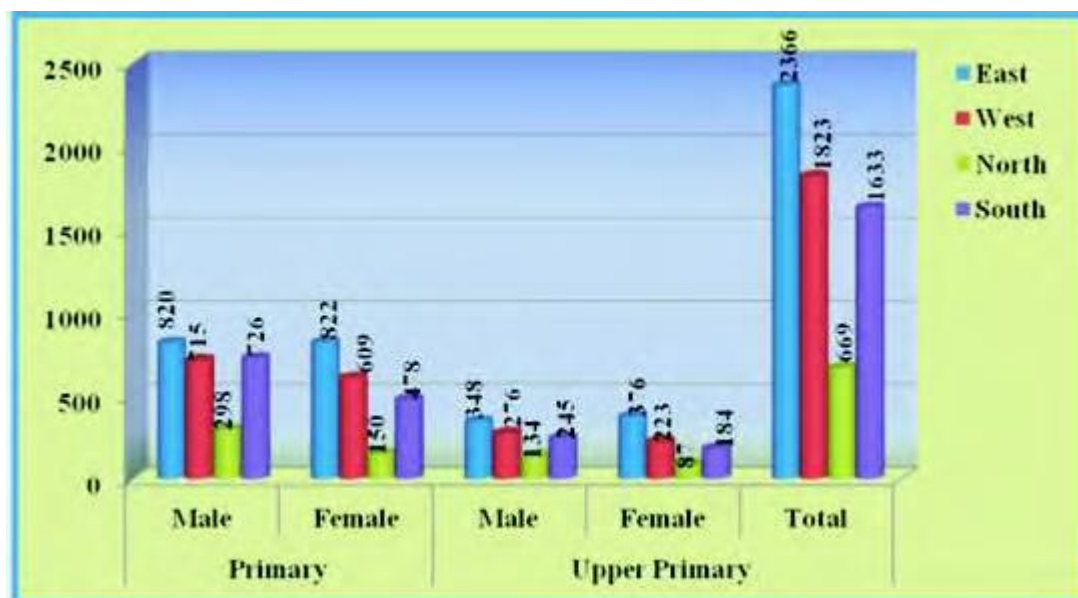
### 1.1.11.2 Teachers' professional qualifications and commitment

Teachers are the backbone of the teaching learning process and therefore availability of adequate number of well-qualified and trained teachers is the key to educational development. Professional qualification and commitments of the teachers play a vital role in ensuring quality education. The position is discussed below:

#### ➤ Availability of teachers

Analysis of availability of teachers in Sikkim revealed that the State had ample number of teachers for both PS and UPS. The district-wise and gender-wise availability of Teachers in Government schools as of March 2011 was as given in the graph below:

Chart – 1.1.7

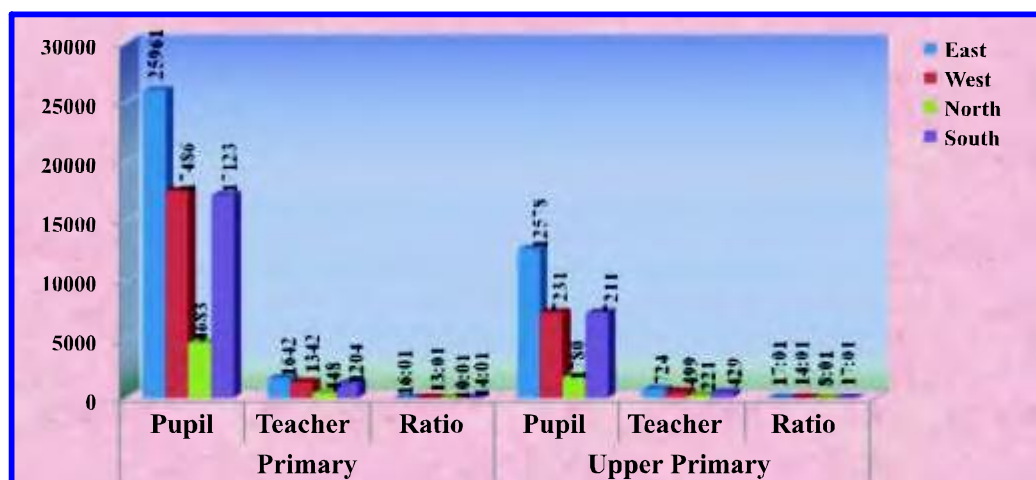


Source : State Annual Report of 2010-11 issued by State Project Office of Sarva Shiksha Abhiyan

#### ➤ Pupil-Teacher ratio

Analysis of availability of teachers vis-à-vis number of students as of March 2011 revealed that the pupil-teacher ratio (PTR) ranged between 1:10 (North District) and 1:16 (East District) in the Primary Schools and 1:08 (North District) and 1:17 (East and South Districts) in Upper Primary schools of Sikkim as shown in the graph below:

Chart – 1.1.8



Source : State Annual Report of 2010-11 issued by State Project Office of Sarva Shiksha Abhiyan

The position was confirmed during the physical verification (July 2011) of 40 schools by Audit. The PTR in the verified schools ranged between 1.13 and 1:08 which was favourable as compared to the stipulated ratio of 1.40 in the RTE Act.

#### ➤ ***Irrational deployment of teachers***

While the Department was not able to provide a comprehensive list of teachers indicating their deployment, records in respect of South District revealed that 42 (out of 107 upto JHS) schools were having excess number of teachers (63) and 18 schools suffered from dearth of teachers (25) indicating irrational deployment. Excess teachers were concentrated in the schools nearer to the towns and the District Headquarters while the schools in the remote localities faced acute shortage of teachers in the schools. The position was confirmed by a physical verification by the Audit team in the presence of departmental officers and the Head Master of the respective schools. Out of 40 schools physically verified all over the State, in 32 schools there were excess teachers (87) while 02 schools faced shortage of teachers (08). This was despite department's own notification (February 2010) to transfer the excess teachers to the schools having shortages.

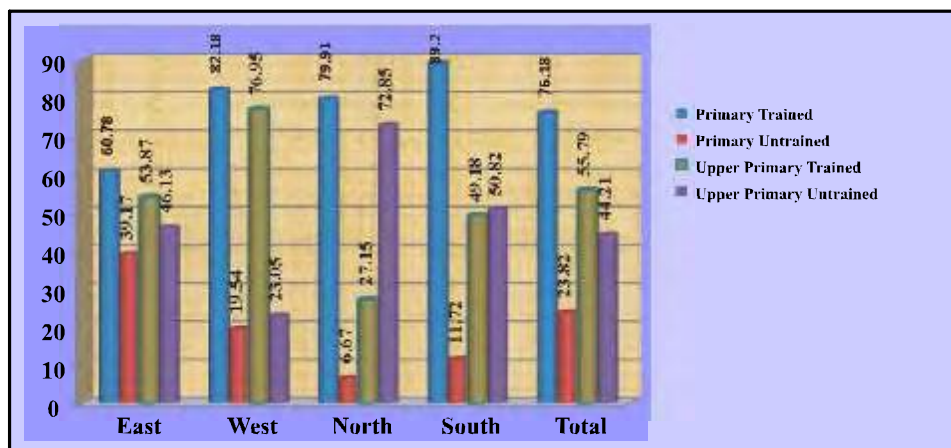
#### ➤ ***Minimum qualifications for teachers***

The State Government amended (October 2009) the Teachers Recruitment Rules, 2008 and prescribed minimum qualification as Senior Secondary pass with professional training of two years in DIET or equivalent for Primary teachers. Scrutiny of records in 40 schools revealed that 112 teachers (*out of 324 in the 40 schools test checked*) did not possess minimum educational qualification of Senior Secondary and were still untrained as on 31 March 2011.

#### ➤ ***Trained/Untrained Teachers***

In service training of teachers is the key determinant of quality input in the education system to eradicate pedagogical inadequacies among teachers and also to update their competencies. Percentages of trained and untrained teachers as of March 2011 are shown below:

Chart – 1.1.9



Source : State Annual Report of 2010-11 issued by State Project Office of Sarva Shiksha Abhiyan

The percentage of trained teachers was comparatively better in the PS (76 per cent) than the UPS (56 per cent). District wise analysis revealed that the North District had the highest concentration of untrained teachers in UPS (72.85 per cent) and the best position was of East district (23.05 per cent). The position of untrained teachers also affected the PTR which was otherwise better than the national average and also RTE stipulation as the effective PTR in terms of PTTR (pupil trained teacher ratio) taking into consideration only trained teachers in PS and UPS was only 18:01 and 30:01 respectively.

The Department stated (November 2011) that teachers training were being organised through DIET and SIE and the result would be known in near future.

#### ➤ **Appointment of unqualified Art/Music teachers**

The State Implementing Society for SSA appointed (April 2011) 216 teachers (108 each for Art and Music teachers) for various schools at consolidated monthly pay of ₹ 10,000. Audit noticed that the teachers did not possess essential qualification as only 5 Music teachers (out of 108) possessed certificate in music and none of the Art teachers possessed diploma/degree in Art education. The Department had shown undue haste and displayed recruitment notice only on departmental notice board. The notice also did not contain criteria like age bar, essential academic qualification, desired qualification, etc. This led to appointment of unsuitable candidates for Music/Art teachers.

While accepting the fact, the Department stated (November 2011) that henceforth the recruitments would be advertised in all leading local newspapers to recruit qualified teachers.

#### ➤ **Performance benchmark for teachers**

The State Government implemented (September 2010) Advancement of Educational Performance through Teacher Support (ADEPTS) survey in 18 schools covering 267 teachers of Elementary schools for gauging the performance of teachers on various parameters. The results indicated that while none of the teachers scored 'A' grade; 80 per cent scored 'B' and 'C' grades and remaining 20 per cent scored 'D' grade. Similarly, as regards students' performance

in the subject taught by the particular teacher, the indicator of effectiveness of teacher's performance showed that maximum students (94 *per cent*) scored either 'C' or 'D' grade and the rest (6 *per cent*) scored B grade indicating average performance by the teachers.

#### **1.1.11.3      *Learning assessment system***

The Department was yet to put in place regular learning assessment system except for terminal examinations. After the implementation of RTE Act, Comprehensive and Continuous Evaluation system was in vogue which captured pupil progress on half yearly basis. No effort was initiated by the Department to evaluate the actual progress achieved by the pupils to gauge the quality of teaching-learning process in the class rooms except once (February 2011) through Baseline Achievement Survey of 112 schools. The survey revealed that while maximum students (82 to 97 *per cent*) fell in average and below average category in mathematics, 59 to 69 *per cent* students scored less than average in EVS/Science and Technology indicating inadequacy of quality teaching in the classrooms. Even in excellent category, the percentages of students were very low ranging between 2 and 16 for all the subjects. The detailed position is reflected in **Appendix – 1.1.4**

#### **1.1.11.4      *ASER survey***

The nation-wide survey undertaken by Pratham, an NGO at the behest of the Government of India popularly known as Annual Assessment of Education Report (ASER), consecutively for three years (2007-10) for rural areas of the country (including Sikkim) revealed that the children of classes IV to VIII did not fare well in various parameters such as proficiency in language, mathematics, etc. While only 40 to 50 *per cent* children of class V could do simple division and could read standard II text during 2007-10, 30 to 40 *per cent* of class III students could do subtraction and could read Standard I text in Sikkim in all the years during 2007 to 2010. The detailed position is given in **Appendix – 1.1.5**

#### **1.1.11.5      *Learning Evaluation Programme***

The Department initiated Learning Evaluation Programme (LEP) and Computer Aided Learning (CAL) to bring about qualitative changes in elementary education. Audit analysis revealed that the LEP was not accorded any priority in implementing stage as not only was a meager fund of ₹ 5 lakh earmarked for the development of language reading material and mathematics & Science kits but that too was not spent, thus depriving the students of the envisaged benefit.

Similarly, for Computer-aided Learning (CAL) ₹ 50 lakh per district was earmarked under SSA for training of the teachers, creation of infrastructure, development and production of State specific e-teaching/learning material and sensitisation of the State-level statutory bodies like Board of Education and SCERT. Audit analysis revealed that during the period 2006-11, a total of 426<sup>10</sup> computers with accessories costing ₹ 1.12 crore were purchased. While the

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<sup>10</sup> 38 computers in 2005-06; 38 in 2007-08 and 350 in 2008-09 and 2009-10

computers with accessories were delivered to the schools, the Department was yet to develop the course curriculum and software applications for the implementation of CAL in the State. Even the training module for teachers for the implementation of CAL had not been developed. Hence, no teacher could be trained for execution of CAL so far in any of the schools.

***The State fared well in terms of institutional climate of schools with pucca schools buildings, playgrounds, free text books, mid-day meal, adequate number of teachers and favourable PTR. The performance of students however, were far from satisfactory as only 40 to 50 per cent children of class V could do simple division and could read standard II text; 30 to 40 per cent of class III students could do subtraction and could read standard I text. ADEPTS study also revealed that maximum students were graded under average and below average category and teachers were graded between C and D grade indicating average quality of teaching-learning process in the State.***

### 1.1.12 Infrastructure and other facilities

Infrastructure such as school building, playground, toilet, drinking water, fencing, etc. and other facilities such as free text books, uniforms and mid-day meal, etc. were some of the major interventions for ensuring retention and providing quality education. In overall terms, all the schools in Sikkim possessed buildings (100 per cent), playground 516 (66 per cent), separate toilet for girls 624 (80 per cent), common toilet 643 (83 per cent), as detailed below:

Table – 1.1.9

District	Total schools	School buildings	Common toilets	Girls toilets	Electricity	Playground	Drinking water
East	236	236(100)	205(87)	215(91)	117(50)	128(54)	236(100)
West	226	226(100)	190(84)	159(70)	71(31)	156(69)	223(99)
North	84	84(100)	34(83)	71(85)	63(75)	51(61)	80(95)
South	232	232(100)	178(77)	179(77)	143(62)	181(78)	220(95)
Total	778	778(100)	643(83)	624(80)	394(51)	516(66)	759(98)

Source : Information furnished by the Department. Figures in bracket represent percentage.

National University of Educational Planning and Administration (NEUPA) study (2009-10) also revealed that the schools of Sikkim fared well in terms of infrastructural facilities as 97 per cent of Elementary Schools had access to safe drinking water facilities, 92 per cent schools had functional common toilets and 75 per cent schools had separate toilets for girls. The schools however, lacked infrastructure for barrier free access, boundary walls and kitchen sheds as only 6 per cent schools had barrier free access, 27 per cent schools had boundary walls and 31 per cent schools had kitchen sheds as of March 2010.

Audit checks of records followed by Physical verification of 40 schools in the presence of School Headmasters and departmental authorities revealed that 17 (42 per cent) schools did not have drinking water facilities, 05 (13 per cent) schools lacked separate toilet for girls and 38 (95 per cent) schools were devoid of fencing.

Besides, following were also noticed:



**1.1.12.1 Incomplete school buildings:** Out of ₹ 36.59 crore incurred towards infrastructure creation in schools, ₹ 5.12 crore remained blocked in 65 incomplete school buildings primarily owing to unavailability of stock materials, change in scope of works, revision of estimates, unavailability of suitable land, time extension by contractors, etc. as detailed below:

**Image - 1.1.1**



*Name of work :* 5/R/S/B at Labdang JHS

*Sanctioned cost :* ₹ 26.42 lakh

*Expenditure :* ₹ 8.74 lakh

*Date of commencement :* 18.06.09

*Scheduled date of completion :* 17.03.10

*Reasons for delay:* Slow progress by Contractor

**Image - 1.1.2**



*Name of work :* 5/R/S/B at Melli Thathang PS

*Sanctioned cost :* ₹ 27.69 lakh

*Expenditure :* ₹ 9.33 lakh

*Date of commencement :* 13.08.10

*Scheduled date of completion :* 14.8.11

*Reasons for delay:* Want of stock material

**Image - 1.1.3**



*Name of work :* 8/R/S/B at Uttarey Sec. School

*Sanctioned cost :* ₹ 60 lakh

*Schedule date of commencement :* October 2010

*Scheduled date of completion :* October 2011

*Expenditure:* Nil (work not commenced)

*Reasons for delay:* Delay in finalisation of site.



**Image - 1.1.4**

*Name of work :* 12/R/S/B at Mangalbaria SSS

*Sanctioned cost :* ₹ 173.00 lakh

*Expenditure:* ₹ 10.42 lakh

*Date of commencement :* 14.06.2009

*Scheduled date of completion :* 13.12.2010

*Reasons for delay:* Want of stock material and fund constraint

**1.1.12.2 Inappropriate design:** Out of 40 schools visited by Audit, 2 schools (Shipgyer PS and Rolu- Manpur PS) were not fit for holding classes. The four Room School Building at Shipgyer PS completed (March 2008) at a cost of ₹ 21.78 lakh was unsuitable as rain water was entering the class rooms and corridor owing to defective design as shown in the photograph.

**Image - 1.1.5**

*Rain water in the classroom of Shipgyer PS*

**Image - 1.1.6**

*Rain water in the corridor of Shipgyer PS*

In case of Rolu-Manpur Primary school, classes were held at dilapidated erstwhile building of Vanaspati factory as two Room School Building of Rolu-Manpur constructed (March 2007) at a cost of ₹ 6 lakh was insufficient to accommodate the enrolled children (43). Toilet and drinking water facilities were also not available in the school.

**Image - 1.1.7**



*Newly constructed Rolu-Manpur Primary School*

**Image - 1.1.8**



*Classes in progress at dilapidated building of Vanaspati factory*

**1.1.12.3 Unhygienic toilet:** Toilets of three schools were not suitable for use owing to non-availability of water and deteriorating condition as shown in the photographs below:

**Image - 1.1.9**



*Unhygienic/unusuable toilet of Jarong PS, SOUTH*

**Image - 1.1.10**



*Unusable toilets of Lingzya JHS, NORTH*

**Image - 1.1.11**



*Unusable toilets of Yalli PS, EAST*

**1.1.12.4 Worn out ceiling:** In two cases, ceiling was found to be poor and worn out as seen in the photograph below:

**Image - 1.1.12**



*Worn-out ceilings of Classrooms of Pathing JHS, South*

**Image - 1.1.13**



*Worn-out ceiling of Goam JHS, South*

**1.1.12.5 Worn out class room:** In two cases, class rooms were found to be very poorly maintained as can be seen in the photographs below:

**Image - 1.1.14**



*Damaged flooring due to leakage of rainwater in Yalli PS, East*

**Image - 1.1.15**



*Pathetic condition of class room of Jaron PS, South*

**Image - 1.1.16**



*Rain water leakage in the class of Panthang PS, East*

#### **1.1.12.6 Closure of non-viable schools**

Considering the low enrolment of students in the schools, 18 schools were closed down vide Department's notification (February 2008). Audit scrutiny revealed that while the students were transferred to nearby schools, teachers were posted to other existing schools but the school buildings and other infrastructure were lying idle since closure. No effective steps were initiated to utilise the existing infrastructure such as school building, furniture, etc. All the buildings were lying in an abandoned condition as shown in the following images.



**Image - 1.1.17**



*Aifaltar PS, South Sikkim*

**Image - 1.1.18**



*Theng LPS, North Sikkim*

**Image - 1.1.19**



*Middle Baluthang LPS, West Sikkim*

#### **1.1.12.7 Irregularity in designing and construction of Kitchen Sheds**

The Kitchen Shed was one of the important infrastructures under Mid-Day Meal (MDM) Scheme to provide safe and hygienic meals to the children. Under Mid-Day Meal scheme, a total of 859 kitchen sheds were sanctioned by the GOI of which 96 remained incomplete as of March 2011. While the material for roofing structure (GCI sheet and tubular truss) were centrally procured by the Department, funds for constructional work of kitchen sheds were released to schools for execution. The details are shown in **Appendix – 1.1.6**.

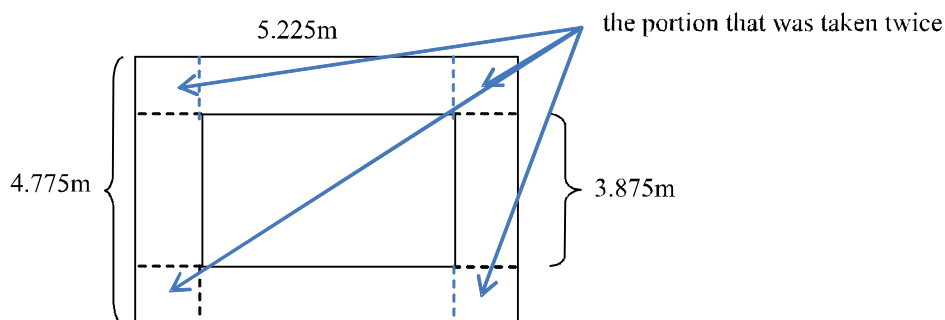
Audit examination of estimates revealed that two different amounts for the roofing structures was provided for first lot of Kitchen Sheds (245) as shown in the **Appendix – 1.1.7**, which was irregular and indicative of lackadaisical approach of the Department.

Further the estimated quantity was also faulty as the item 'Earthwork in excavation for foundation trenches in mixed soil' was estimated at 4.05 cum instead of 3.69 cum leading to enhancement by 0.36 cum per structure with an aggregated excess expenditure of ₹ 3.63<sup>11</sup> lakh

<sup>11</sup> ₹ 28.5 in item 'Earthwork in excavation for foundation trenches in mixed soil' of the estimate (0.36 cum excess @ ₹ 790/10) + ₹ 447.8 of item 'P/L hand packed stone soling' of the estimate (0.36 cum excess @ ₹ 1,244) = ₹ 476 for one kitchen and ₹ 3,61,188 for 763 kitchens

for 763 kitchens already completed. This was owing to reckoning of corner portion twice, both in the length and breadth portion as shown below:

Chart – 1.1.10



The drawing of the roofing structure was faulty as AB and AD (as detailed in **Appendix – 1.1.8**) indicated to be of three metre size was contrary to Pythagoras Theorem of Trigonometry. This indicated unprofessional approach of the Department in implementation of such an important programme having a bearing on quality education.

As against the requirement of 16 GCI Sheets based on the design and drawings, the Department utilised 22 GCI Sheet leading to excess expenditure of ₹ 5,475 per kitchen on inflated use of 8 extra GCI sheets aggregating to an excess expenditure of ₹ 47.03 lakh for 859 kitchens.

Audit noticed that 23 kitchen sheds shown as constructed in equal number of schools under MDM programme involving ₹ 19.16 lakh as detailed in **Appendix – 1.1.9** were already having kitchens previously constructed under SSA funding. This not only led to unfruitful expenditure of ₹ 19.16 lakh but also indicated absence of coordination in the two wings of the Department located under the same roof. Besides, fictitious expenditure also cannot be ruled out.

#### 1.1.12.8 Text Books, Uniforms and Exercise-books

Text books, exercise books and uniforms were provided free of cost to all children at Primary level in the State with a view to realise the goal of UEE. During the last five years, ₹ 5.34 crore was incurred towards procurement and distribution of text books as shown below:

Table – 1.1.10

Academic Year	Date of initial proposal	Amount sanctioned (₹ in crore)	Date of issue of Supply Order	Date of opening of Session	Final date of receipt of text book at Store
2007	21.09.06	1.04	16.12.06	11.02.07	15.05.07
2008	18.10.07	0.99	14.02.08	18.02.08	15.05.08
2009	12.09.08	1.26	01.11.08	16.02.09	01.05.09
2010	17.06.09	1.02	14.12.09	15.02.10	25.06.10
2011	22.06.10	1.03	06.04.11	16.02.11	NA

Source : Information compiled from departmental records.

As would be seen from the above table, there was an abnormal delay in supply of text books to various schools ranging between three and four months. This not only deprived the students of the facilities but also hampered the completion of syllabus in time. The delay in timely supply of text books was mainly due to delay in processing the files in the Directorate and Secretary's office followed by delayed supply by the firm and finally by the school in-charges who were supposed to deliver the text books to the students.

Audit analysis revealed that every year the work was awarded to M/s Kwaliti Stores, Gangtok without following any NIT procedures and thereby restricting the transparency in violation of SFR.

Similarly, quotations in respect of uniforms were also not called for. The work was awarded to 7<sup>12</sup> different firms at previous years rate. The procurement, receipt and distribution of uniforms for the last five years are as below:

Table – 1.1.11

Academic Year	Date of initial proposal	Amount sanctioned (₹ in crore)	Date of issue of Supply Order	Date of opening of Session	Final date of receipt of uniforms at Store	Final date of dispatch of uniforms at schools	Delay
2007	19.08.06	5.73	28.09.06	11.02.07	29.03.07	26.07.07	5 months
2008	23.06.07	5.80	14.02.08 22.08.08	18.02.08	09.11.08	17.11.08	9 months
2009	15.10.08	5.33	05.11.08	16.02.09	29.03.09	04.08.09	6 months
2010	05.10.09	4.65	14.12.09	15.02.10	19.01.10	05.06.10	4 months
2011	22.06.10	5.49	13.06.11	16.02.11	Not supplied as of 08/11		

Source : Information compiled from departmental records.

As would be seen from the above table, there was an abnormal delay in supply of uniforms to various schools ranging between 4 and 9 months. So much so that during 2008 the uniforms were supplied at the end of the academic session thereby depriving the students of intended benefit. No penalty was imposed to the firm against delay.

The Department stated (November 2011) that penalty clause was incorporated with effect from 2011 session.

#### 1.1.12.9 Loss due to fire accident at departmental store

A fire broke out (January 2010) at Tashi Namgyal Secondary School Compound, Gangtok and destroyed uniforms worth ₹ 94.19 lakh. The one man commission (Shri D. Anandan, District Collector, East) in its report (March 2010) cited accidental short circuit as the cause of fire and recommended for construction of an appropriate and exclusive store room with modern facilities of storage, adequate space and lighting with provision for fire-fighting equipment. Audit scrutiny revealed that even the barest minimum precaution to install fire fighting equipment had not been taken by the Department to salvage the material in the eventuality of

<sup>12</sup>1. M/s Naresh Commercials, 2. M/s Kalimpong Stores, 3.M/s Ashim Enterprises, 4.M/s Yessir Collections, 5. M/s Variety Corner, 6. Chirinjilal Banwarilal and 7. M/s North East Agencies, Gangtok.



fire. This was despite occurrence (2007-10) of losses in the store worth ₹ 2.62 lakh due to damp and dilapidated condition of the store. The Department had not complied with the recommendations of the Committee as on date to ensure safety of stock material and recurrence of such incidents in future.

#### **1.1.12.10 Utilisation of foodgrain**

Provisioning of mid-day meal under National Programme of Nutritional Support to Primary Education (NPNSPE) was one of the important means for ensuring compulsory enrolment, retention and extending nutritional support. Accordingly, under the programme, foodgrain were allocated to the State Government for providing cooked meal to the EE children. Audit analysis revealed that:

- The quantity of foodgrain allocated was not lifted leading to short lifting of 2,179 MT costing ₹ 1.23 crore as indicated in **Appendix – 1.1.10**.
- There was a mismatch between the meal served and the foodgrain shown as utilised as detailed in the **Appendix – 1.1.11**. During the last five years the number of meals served was shown as 8,61,36,904 as against the actual of 7,68,73,352 resulting in inflated reflection of 92,63,552.
- Similarly, mismatch of cooking cost with the utilisation of foodgrain were also noticed as detailed in **Appendix – 1.1.12**. The cooking costs were inflated by ₹ 1.93 crore in two years (April 2008 to December 2008 and April 2009 to December 2009) leading to excess payment and were shown less by ₹ 6.87 crore during April 2006 to December 2010 indicating that the cooking cost claimed by the school authorities and admitted by the Department was devoid of any references to actual usage.

The Department stated (November 2011) that proper planning would be done to lift the entire quantity of foodgrain in future. Regarding mismatch of figures, the Department stated that the schools would be instructed to rectify the position.

#### **1.1.13 Monitoring and Evaluation**

Monitoring and Evaluation is the pre requisite for success of any programme/scheme as it facilitates identification of shortcomings and bottlenecks as the implementation of the schemes and programmes and, also, the initiation of remedial measures in time.

Audit noticed that the monitoring system in the Department was neither prescribed nor put in place till recently. Department devised monitoring mechanism as late as 2010 for the inspection of the schools by the Assistant Directors. Six schools each were to be inspected by the Assistant Directors every month and reported to Headquarters office through the Joint Director of respective districts. The abstract of the report was discussed in the Coordination meeting of the Department and remedial action, if any, was to be initiated. However, test check of the abstract compiled by the Head Office indicated shortage of drinking water and shortage of teachers only. No action was initiated on the report especially with regard to the posting of teachers in deficient schools. Besides, following issues were also noticed:

- **State Advisory Committee:** RTE Act (Section 34) read with RTE Rules (Section 26) prescribed (August 2010) the constitution of State Advisory Committee (SAC) consisting of Chairperson (Minister, HRDD) and fourteen members (four SC/ST and minorities, one each from specialised knowledge and practical experience of education of children with special needs and specialised knowledge in pre-primary education and two with specialised knowledge in Teacher Education). Audit noticed that SAC was yet to be constituted as of October 2011 in the absence of which expert opinion and suggestions from the Advisory Committee was not forthcoming for effective implementation of the RTE Act in the State.
- **State Quality Education Committee:** A seven member State Quality Education Committee (SQEC) was constituted (January 2010) by the State Government to oversee the quality aspects of education in close coordination with the State Academic Core Group, TSG (Pedagogy) and Ed.CIL, New Delhi. The duties and responsibilities of the Committee included (i) conduct Baseline Assessment Survey at the elementary level; (ii) prepare Training modules for teachers; (iii) organise training programmes for teachers; (iv) prepare Perspective Plan on Quality Education for three years with effect from 2010; and (v) prepare Annual Work Plan and Budget for Financial Year 2010-11.

Audit checks however, revealed that the Committee had not been constituted as of October 2011 and thus the important areas of quality education remained neglected. This also affected preparation of PP, training modules for teachers, baseline survey except one by State Institute of Education under SSA in February 2011.

- **SCERT as academic consultant:** The RTE Act (Section 29) envisaged upon the State Government to appoint Academic Authority for laying down the curriculum and evaluation procedure for elementary education. While the Central Government appointed (March 2010) the National Council of Education and Research and Training (NCERT) as the academic authority to lay down the curriculum and evaluation procedure for elementary education, the State Government appointed (September 2010) State Council of Education Research and Training as the academic authority with stipulation to lay down curriculum and evaluation procedure; formulate the relevant and age appropriate syllabus and text books and other learning materials; develop in-service teacher training design, prepare guidelines for putting into practice CCE; prepare bench marking of academic achievement in schools, diagnose classroom transactional analysis and hard spots and develop relevant support system for schools. The academic authority shall also design and implement a process of holistic school quality assessment on regular basis.

Audit scrutiny revealed that the SCERT was not formed as of July 2011. Pending its operationalisation, the SIE (assigned to discharge the function of SCERT) had not addressed the issue of developing in-service teacher training design, bench marking of academic achievement in schools, diagnosis of classroom transactional analysis and hard spots and developing of relevant support system for schools, etc. As a result, the holistic school quality assessment design purported to be developed by the SCERT

remained only partially fulfilled.

Absence of full time academic body also led to non-initiation of any work towards Learning Improvement Programme (development of language) taken up since 2008-09 under Comprehensive Quality Vision and Framework (CQVF). This was despite fund availability of ₹ 10 lakh and Department's own perception that learning outcomes of government schools' children needed improvement.

- **Text books and uniforms:** Text books and uniforms were provided free of cost to all children at Primary level in the State. For timely distribution of the text books, exercise books and uniforms, proper monitoring was important which should have been developed by the Department. The Department however, had not formulated any monitoring mechanism for timely distribution of text books, exercise books and uniforms due to which complete books were not provided to the schools at the commencement of the new sessions in any of the years under review. The uniforms for the academic session 2011 were not yet distributed (September 2011) except shoes and shirts during July-August 2011.
- **Sarva Shiksha Abhiyan:** Monitoring of the implementation of the SSA programme was to be done at two levels, i.e., local level and State level. Professional institutes were also required to be involved with supervision and monitoring of SSA. To facilitate effective monitoring, quarterly and six-monthly reports were to be obtained from District Project Officers (DPO), etc. for consolidation at the State level. It was noticed in Audit that the monitoring was severely lacking as local level monitoring by Village Education Committees was almost absent and SPO had not attempted any evaluation of quality improvement of education as envisaged in the SSA guidelines. No report indicating any monitoring ever conducted by the professional institute (University of North Bengal) was produced to Audit. No Action Plan was ever drawn for monitoring of SSA activities by the DPOs and SPO. Even General Body and Executive Committees had not attempted any evaluation studies to gauge the success of the programme. This was indicative of the fact that emphasis was more on spending than monitoring the progress of SSA in bringing down number of out-of-school children and improving quality of education, etc.
- **Mid-Day Meal:** The programme (MDM) guidelines *inter-alia* stipulated (Paragraph 3.2) setting up of Steering-cum-Monitoring Committees for proper implementation of the programme, assess its impact, take corrective steps and provide policy advice to State Government. Audit noticed that not only the State Steering-cum-Monitoring Committee was constituted belatedly in September 2009 as against the stipulation of September 2006; only one meeting of the Committee was held (November 2010) which was also not followed up as the monthly feedback on monitoring by the Committee was not adhered.
- **Special provision for children not attending elementary education:** Based on the stipulation in the Right to Education (RTE) Act, the Rules framed by the State

Government provided for special training to the children who did not attend the EE. Accordingly, training was imparted to 230 (out of 814) children for six months between 14 November 2010 and 08 May 2011 involving an expenditure of ₹ 23 lakh (₹ 10,000 per child). It was seen that the students were imparted training and inducted into classes appropriate to their age. However, the special attention required to be given after admission into the appropriate class was not forthcoming as a result, 159 students discontinued their studies. The Department had not taken up any study to gauge the progress and performance of the students admitted in the appropriate class considering their ages. Thus, while the State did commendable job in identifying the children with special requirement and trained them to enable them to be admitted into the class appropriate to their age, absence of continuous support and special attention by the respective schools led to discontinuation of 159 students.

- **Quality monitoring format:** The National Curriculum Framework 2005 articulated the need for substantial improvement in the quality of education through monitoring formats prescribed by MHRD (September 2005) for adherence by all the State Governments. The format was partially implemented by the Department through Cluster Resource Centres. While the quality monitoring formats were not filled up in full, no action was ever initiated to address the issue of qualitative improvement in schools despite being reported in the quality formats.
- **Civil Works:** Monitoring mechanism in place for expeditious execution of works relating to construction of school buildings, water supply, toilets, etc. was inadequate. The schedule of inspection by Divisional Engineers, Superintendent Engineers, etc. were neither drawn up nor the inspection report ever submitted to higher authorities for ensuring expeditious and qualitative execution of works. Only monthly progress reports were submitted by the Divisions to the Chief Engineers through their Circle offices. However, no effective step was taken to ensure timely completion of works. As a result, a number of works remained incomplete as pointed out in paragraph 1.1.12.1.
- **Evaluation:** Department had not conducted any evaluation of the education system in the State of Sikkim for gauging the success or failure of the various efforts initiated by the Government for improving access, equity and quality elementary education.

#### 1.1.14 Conclusion

*The State was relatively successful in providing access for elementary education to all, equitable access to boys and girls and rural and urban children. Despite high priority accorded to education sector in budgetary allotment, small class size and availability of large number of teachers leading to favourable PTR; the performance of students were far from satisfactory as only 40 to 50 per cent class V children could do simple division and read standard II text; 30 to 40 per cent of class III students could do subtraction and could read standard I text. Maximum students fell under average and below average category and teachers were graded between C and D as per ADEPTS study indicating average quality primarily owing to lack of desired qualification and training and low commitment of the*

*teachers. The other areas of concern were high drop-out rate, considerable number of out-of-school children, children with special needs and concentration of teachers in urban areas which needs to be addressed by the Government in a more focused manner.*

#### **1.1.15 Recommendations**

- State Education Policy duly reflecting the specific needs and aspirations of the State Government should be prepared expeditiously;
- Special emphasis should be accorded to bring back all Out of School Children and Children with Special Needs to formal educational system and contain the drop-out rate;
- Intensive efforts should be initiated to enroll the children to the school as per appropriate age and retain them in the education system to improve the Gross and Net Enrolment Ratio;
- Appropriate steps should be initiated to improve the performance of students and grading of teachers to ensure quality teaching-learning process in the State.
- Rational deployment of available teachers and their training should be completed expeditiously;
- Timely completion of the infrastructure such as School buildings should be ensured to avoid blockage of fund and accrual of intended benefits to the children;
- Monitoring mechanism should be further strengthened by efficacious utilisation of Advisory and Monitoring Committees at all levels to ensure imparting of quality education to the children.

### **LAND REVENUE & DISASTER MANAGEMENT DEPARTMENT AND URBAN DEVELOPMENT & HOUSING DEPARTMENT**

#### **1.2 Acquisition and Allotment of Land**

*The requirement of land for developmental activities in Sikkim increased manifold over the past few decades due to increase in human population and a paradigm shift of social and economic development from primarily agriculture to industrial and service based sectors. Proper management of available land for habitation and infrastructure building was therefore of paramount importance for the State which had only about 15<sup>13</sup> per cent of the total land surface available for human use. More than ₹ 50 crore was spent by the State Government every year for acquisition of land. The Central Government did not extend any financial assistance towards acquisition of land for creation of infrastructure. Careful use of the State's scarce financial resources was of equal importance considering the State's poor revenue base*

<sup>13</sup> 15 per cent (1,100 sq. km) habitable land. 85 per cent (5,996 sq. km) of the State's land being located in inhospitable climatic zones, forest areas, water bodies, rocky mountainous surface, etc. is not habitable.



*as Central transfers constituted more than 80 per cent of the State's receipts. Hence, a judicious policy and a well thought-out strategy was called for towards acquisition, management and appropriate use of available land and sensible use of the State's meagre financial resources. Performance audit on acquisition of land by the Land Revenue & Disaster Management Department and allotment of house sites by Urban Development & Housing Department was undertaken bearing in mind the above facts and with a view to examine the robustness of existing land policy and the economy and effectiveness of planning and execution processes for acquisition / allotment, utilisation and management of Government land. Major audit findings are highlighted below:*

**The Land Revenue and Disaster Management Department had not formulated any policy relating to acquisition and management of Government land till date. There was no perspective plan relating to acquisition of land by Government for developmental activities. Acquisition was done on piece meal basis as and when requisitioned by Government Departments.**

**(Paragraph 1.2.6.1)**

**There was loss of Government revenue of ₹ 82.16 lakh due to short realisation of site salami. Government sustained revenue loss of ₹ 11.42 lakh due to collection of site salami at concessional/pre-revised rate.**

**(Paragraphs 1.2.7.2 & 1.2.10.10)**

**Erroneous assessment due to simple calculation errors in nine cases resulted in extra expenditure of ₹ 22.14 crore.**

**(Paragraph 1.2. 8.2)**

**Government incurred unnecessary and avoidable expenditure of ₹ 3.62 crore towards solatium (*incentive payable to unwilling land owners*) although land owners were willing to sell their land.**

**(Paragraph 1.2.8.3)**

**Arbitrary enhancement of Government rate of land resulted in undue favour to land owners and consequent extra expenditure of ₹ 1.79 crore on purchase of 21.2694 hectare land at high rates.**

**(Paragraph 1.2.8.4)**

**Government had not formulated any policy for allotment of land (house sites) till date. The allotment was based on an Act which did not provide any firm criteria for selection of beneficiaries and ceiling for allotment. In the absence of above, allotment was done arbitrarily.**

**(Paragraphs 1.2.10.2 to 1.2.10.5)**



**Centralised databank of all the land purchased by the Government so far had not been maintained. It was not clear how much land Government owned as on date.**

**(Paragraph 1.2.11.3)**

### **1.2.1 Introduction**

Government is in constant and increasing need of landed area for implementation of various developmental schemes like construction of roads, bridges, buildings, educational institutions, hospitals, airports, industrial hubs, etc. Land for these purposes is usually acquired from the public after paying compensation in lieu of losses incurred by the land owners due to surrendering their land. In Sikkim, the Land Revenue and Disaster Management Department (LRDMD) is the nodal Department for acquisition of land on behalf of the Government. Land is acquired at rates notified by the LRDMD from time to time if the land owner agrees to sell his/her land willingly. However, in the event any land owner is not willing to sell his/her land, acquisition is effected after paying compensation of land and standing properties and additionally, a solatium<sup>14</sup> as cash incentive in terms of provisions of the Land Acquisition Act, 1894. During the five year period 2006-11, Government incurred ₹ 354 crore towards land acquisition. The total area of land purchased during 2006-11 as also the total ownership of Government land, however, could not be ascertained in audit due to non-maintenance of proper records and absence of organised data bank of land under the possession of the Government.

To provide for allotment of house sites, regularisation of construction, alterations and repair of buildings and to bring about equitable and proper distribution of house sites and promote planned, organised and systematic growth of towns and bazaars in Sikkim and matter connected therewith, the *Sikkim Allotment of House Sites and Construction of Building (Regulation and Control) Act, 1985* was notified by the Government of Sikkim on 28 June 1985. In terms of the provisions of the said Act, Government allotted sites in notified urban areas to applicants on payment of *site salami*<sup>15</sup> as notified by the Government. Allotment of sites was restricted to one site per family only. The Urban Development and Housing Department (UDHD) is the nodal department for allotment of house sites and its regularisation.

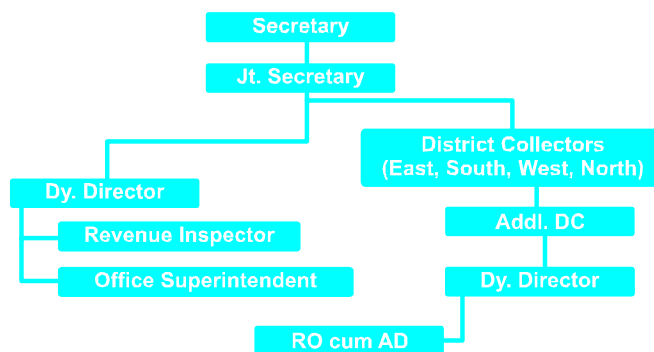
### **1.2.2 Organisational structure**

The Land Records, Reforms and Land Acquisition Cell of the Land Revenue and Disaster Management Department (LRDMD) is responsible for acquisition of land in the State. The Department is headed by a Commissioner-cum-Secretary and assisted by a Joint Secretary and Revenue Officer at the State level, 4 District Collectors, 5 Sub-Divisional Magistrates and a number of Revenue and other officers at District and Sub-Divisional levels as depicted below:

<sup>14</sup>Solatium is a cash incentive amounting to 30 per cent of the market value of land paid to unwilling land owners.

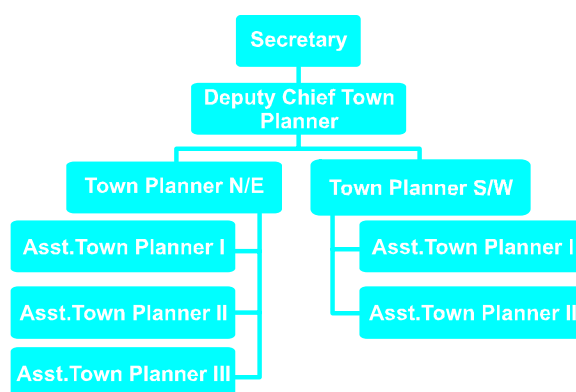
<sup>15</sup>Site salami – Amount payable by a person in lieu of allotment of site under provisions of the *Sikkim Allotment of House Sites and Construction of Buildings (Regulation & Control) Act 1985*.

**Chart – 1.2.1**



The Urban Development and Housing Department (UDHD) is responsible for allotment of house sites in the State. The Department is headed by Commissioner-cum-Secretary and assisted by one Deputy Chief Town Planner, two Town Planners and five Assistant Town Planners as shown below:

**Chart – 1.2.2**



### 1.2.3 Audit Objectives

Performance audit on acquisition and allotment of land by Government was undertaken with the objectives of:

- Examining the existence of land management policy and assessing its adequacy and effectiveness in acquisition, allotment and subsequent utilisation;
- Assessing the efficiency and economy in assessment of land compensation;
- Assessing the process of registration, mutation and handing over of acquired/allotted land;
- Assessing effectiveness of implementation of provisions of *the Sikkim Allotment of House Sites and Construction of Buildings (Regulation and Control) Act, 1985*;
- Assessing the adequacy and effectiveness of the processes for inspection, reporting, monitoring and evaluation for the lands acquired / allotted.

### 1.2.4 Audit Criteria

The audit observations were benchmarked against the following criteria:

- Land Acquisition Act, 1894 and Rules made thereunder;
- Government Rules/orders relating to acquisition and allotment of land;
- Supreme Court Rulings in determining compensation for acquired land;
- Provisions of the Sikkim Allotment of House Sites and Construction of Buildings (Regulation and Control) Act, 1985;
- Provisions of the Sikkim Agricultural Land Ceiling and Reforms (Amendment) Act, 1978.

### 1.2.5 Scope of Audit and Methodology

Records maintained at the Office of the Secretary, Land Revenue and Disaster Management Department (LRDMD) including the four District Collectorates (*East, South, North and West*) and the Urban Development and Housing Department (UDHD) for the period 2006-07 to 2010-11 were examined in audit. Performance Audit commenced in May 2011 with an entry conference with the Departmental authorities and concluded in August 2011 with an exit conference. A sample of 82 land acquisition cases (30 *per cent*) was selected for examination in audit out of the total of 272 cases during 2006-11, following a stratified simple random sampling<sup>16</sup> method without replacement. Similarly, out of the 281 cases of allotment of house sites during 2006-11, a sample of 40 *per cent* of the cases (112 cases) were selected and examined in audit.

### 1.2.6 Policy and Planning

#### 1.2.6.1 Land Management Policy

The Land Revenue & Disaster Management Department (LRDMD) despite being specifically mandated to deal with all matters relating to settlement of all Government lands (*excluding Forest and UDHD*), regulation of land tenure, assessment and disbursement of land compensation, maintaining land records including mutation, land reforms, land revenue administration, land requisition & acquisition and disaster management had not formulated any policy relating to acquisition and management of Government lands till date. There was no long-term planning relating to acquisition of lands keeping in perspective the mission of the Government for overall development of the State. Land acquisition was done on piece meal basis as and when requisitioned by the indenting Departments. The LRDMD did not even have a consolidated databank of all lands possessed by the Government essential for development planning and framing of policy initiatives. Even the classification of land for determining cost per unit area at various points of time was outdated as it was done solely on the basis of agricultural productivity although the State had made tremendous strides in industrialisation

<sup>16</sup>272 cases stratified into 3 groups based on money value. Stratum 1- cases above ₹ 1 crore ( 30 cases selected), Stratum 2 - ₹ 50 lakh to ₹ 1 crore (26 cases selected), Stratum 3 - below ₹ 50 lakh (26 cases selected)

and urbanisation over the past few decades.

#### **1.2.6.2      *Determination of rate of compensation***

The LRDMD normally applied the following methodology for determining the rates for acquisition of land - (i) rate notified by the Government (LRDMD) from time to time based on agricultural productivity, where the land owner agreed to sell his land willingly (ii) in the event the land owner was not willing to sell land at the Government notified rate, acquisition was effected after determining the prevailing market rate in terms of Section 23 of the Land Acquisition (LA) Act, 1894. For the purpose of determining Government rate, land was classified into three broad categories: paddy field, cardamom field and banjho land (barren land). There was no prescribed formula or methodology for determining Government rates of these three types of land. No norms had been laid down for regular and periodical revision of the rates. Audit scrutiny revealed that Government rate was not updated regularly at fixed intervals of time. The rates were enhanced and reduced arbitrarily without following any rationale or established procedure.

#### **1.2.6.3      *Unjustified fixation of land rates for PMGSY road construction***

For construction of rural connectivity road under PMGSY, the LRDMD applied the uniform rate of ₹ 1.00 lakh per acre (₹ 2.47 lakh /hectare) fixed by the Rural Management & Development Department (RMDD) irrespective of the circle and classification of land, as mentioned above. This uniform rate was much less than the Government approved rates and prevailing market rate resulting in protests from land owners from time to time. It was not known how and on what basis this uniform rate was arrived at. The rate of ₹ 1.00 lakh per acre was neither based on any Government notification nor on prevailing market rate of the locality. The LRDMD was the nodal agency for land acquisition, fixation and implementation of the market rate of land in the State. Acceptance and adoption of the rate proposed by the indenting department was therefore irregular and beyond the provisions of the LA Act which resulted in deprival of just and fair land compensation to the land owners in the State.

#### **1.2.6.4      *Absence of disaster management policy***

The State of Sikkim is located in the young Himalayan belt with fragile land mass, high seismicity and heavy annual precipitation. In terms of the seismic zoning map of India, Sikkim is located in zone IV where earthquakes of intensity above 5 in the Richter scale are expected to occur. The State receives torrential rains almost throughout the year totalling 3,800 mm annually. Although the State is prone to frequent disasters resulting from landslides, flash floods and earthquakes, the aspects relating to land stability and vulnerability to disasters were not addressed at the time of acquisition of lands by the LRDMD. No disaster management policy and plan and vulnerability index of different areas of the State to different types of calamities resulting from fragility of land mass had been framed although the Department had been specifically mandated by the Government to address the disaster management aspects. This led to acquisition of unsuitable and unstable lands at substantial costs time and again as elucidated below.

#### **1.2.6.5      *Absence of system for ensuring land suitability***

The Department of Information Technology, Government of Sikkim initiated (November 2006) a proposal for establishment of an Information Technology (IT) Hub / Park in Sikkim at an estimated cost of ₹ 25 crore for creating all infrastructure required for development of IT Industries in the State with the ultimate mission of developing the State into a world class IT hub. The IT Department requested (February 2009) the District Collector, East to identify and acquire 4-5 acres land in and around Gangtok and advanced (March 2009) ₹ 40 lakh to the LRDM for the purpose. The DC (East) forwarded (September 2009) details of 2.4380 hectares of land identified for acquisition at the cost of ₹ 1.63 crore and accordingly requested the IT Department to release payment of ₹ 90.53 lakh so that 80 *per cent* advance could be made to the land owners. The IT Department transferred (March 2010) another instalment of ₹ 40 lakh to the LRDM totalling ₹ 80 lakh towards advance for acquisition of the land. The LRDM had not determined the suitability of the land till that time for establishment of the IT hub. The IT Department on its own initiative approached the Mines and Geology Department (MGD) for examining the suitability of the identified site for establishment of the IT hub. After conducting survey the MGD reported (May 2010) that the identified site was unsuitable for establishment of the IT Park and advised the IT Department to look for an alternate site. As of October 2011, the matter was lingering in a state of inaction and uncertainty as no further steps had been taken while funds of ₹ 80 lakh were lying idle with the LRDM, outside Government Account. Had there been a system to ascertain land stability at the very outset simultaneously with identification of site, the uncertainty and consequent delay could have been avoided. The proposal for establishment of IT Park in the State initiated as early as November 2006 was thus delayed by more than 4 years due to non-existence of policy for determination of site stability simultaneously with acquisition of land. The delay resulted in non-accrual of timely benefits, besides blocking of funds.

#### **1.2.6.6      *Acquisition of land invoking urgency clause without plan for immediate utilisation***

Considering the completion of Airport at Pakyong in near future, the State Government decided to create industrial infrastructure mainly of agro based industries, information technology and other services like education and hospitality in and around the proposed Pakyong Airport. Accordingly, Government decided (November 2009) to acquire 1,000 acres land for developmental purposes in the area and instructed the LRDM to complete acquisition by December 2009. The LRDM identified total 782.85 acres land (*396.13 acres in phase-I and 386.72 acres in phase-II*) involving compensation of ₹ 103.28 crore for which final payment was made to the land owners by June 2010. However, neither any detailed project report (DPR) nor any plan for utilisation of the acquired land had been prepared (October 2011) although the acquisition had been done invoking urgency clause (Section 17) under the LA Act. Thus, the acquisition of 782.85 acres land involving ₹ 103.28 crore was done without any detailed plan or prospects for its urgent utilisation.

### 1.2.6.7 Holding of land in excess of prescribed limit

The Sikkim Agricultural Land Ceiling and Reforms (Amendment) Act, 1978, *inter alia*, envisages that a person having no family or a family consisting of not more than five members could hold land not exceeding twelve and half standard acres. In case of a person having family consisting of more than five members, the ceiling limit of holding of land was twelve and half standard acres increased by two standard acres for each member in excess of five. However, the ceiling area could not exceed twenty and a half standard acres in any case. The land in excess of ceiling limit would vest absolutely in the State free from all encumbrances.

Scrutiny of ownership data of land in the Department revealed that in 66 cases, land owners were holding land more than the prescribed maximum limit of twenty and a half standard acres. No action had been taken by the Department to ensure that land in excess of the prescribed ceiling was vested in the State free from all encumbrances. This indicated absence of control in the Department to check holding of land in excess of limits prescribed by the Government and taking possession of such excess lands by the State for fulfilling its overall developmental agenda for the people of the State.

## 1.2.7 Financial Management

### 1.2.7.1 Improper fund management on land acquisition by LRDM

There was no centralised budgeting system in the State for purchase of land required by Government. Individual departments make provisions in their respective budget heads towards acquisition of land required by such departments and then transfer the amount to the LRDM on the basis of land compensation assessed by the LRDM through respective District Collectorates. The transferred fund is parked in a Bank account maintained by the LRDM and finally transferred to the concerned District Collectorates for disbursement to the land owners. The funds received from different indenting departments/other agencies/parties and expenditure there against during the period from 2006-07 to 2010-11 by the LRDM was as under:

Table – 1.2.1

(*₹ in crore*)

Year	Opening Balance	Fund received	Total	Expenditure incurred	Closing Balance
2006-07	8.63	15.98	24.61	11.98	12.63
2007-08	12.63	66.72	79.35	63.86	15.49
2008-09	15.49	56.64	72.13	55.38	16.75
2009-10	16.75	147.95	164.70	111.34	53.36
2010-11	53.36	104.52	157.88	111.45	46.43
<b>Total</b>	<b>391.81</b>		<b>354.01</b>		

(Note: Fund received from indenting departments including companies, corporations and other parties)

(Source: Cheque Register/Bank statement and information furnished by the Department)

As can be seen from above, balances in the range of ₹ 12.63 crore to ₹ 53.36 crore were available with the Department at the close of each year. Despite the huge quantum of funds parked regularly in the Land Compensation Account outside the Government Account, no guidelines had been framed towards operation and investment of this account. The funds were



kept in current account instead of Savings Account which resulted in loss of regular revenue from interest. Further, non-investment of balances available in the Land Compensation account in FD led to loss of interest of ₹ 1.92 crore during 2006-09. Only during 2009-11, the Department earned interest of ₹ 1.57 crore by investing available balances in FD. Further, no bank reconciliation had ever been done and no cashbook maintained. Only a register of cheques was maintained for recording receipts and disbursements from the account.

### 1.2.7.2 *Short realisation of site salami on allotment of house sites by UDHD*

In case of allotment of house sites by the UDHD *site salami*<sup>17</sup> was realised from the allottees and directly credited into the Government account. The position of realisation of site salami for house sites allotted to various applicants during the period 2006-11 was as under:

Table – 1.2.2

(₹ in lakh)

Year	No. of sites allotted	Amount realised towards site salami
2006-07	13	2.51
2007-08	25	4.15
2008-09	108	26.47
2009-10	46	14.94
2010-11	89	64.02
<b>Total</b>	<b>281</b>	<b>112.09</b>

Against the total allotment of 281 house sites involving site salami of ₹ 112.09 lakh during the period 2006-2011, in 110 allotment cases (39 *per cent*), the UDHD realised site salami at rates lower than the actual notified rates by the Government from time to time resulting in short realisation of Government revenue of ₹ 82.16 lakh (details in **Appendix – 1.2.1**). The short realisation ranged from ₹ 0.06 lakh to ₹ 6.86 lakh per allottee.

## 1.2.8 Implementation of land acquisition

Out of 272 land acquisition cases during 2006-11, a sample of 82 cases was examined in audit. The acquisition of land by the LRDM was characterised by failure to ensure timely registration and mutation of lands acquired by Government leading to ownership disputes, encroachment and litigation; irregularities in arriving at the cost of land due to errors in calculation, unwarranted payment of solatium to landowners willing to sell their lands; arbitrary enhancement of government rates of land to extend favour to a few land sellers; irregular upward revision of rates leading to excess payments; non-adherence to orders of Supreme court for determining cost of large chunks of lands as compared to small plots, etc. The audit findings are highlighted below:

### 1.2.8.1 *Failure to ensure ownership of Government land and lack of proper vigil*

Proper maintenance of systematic records and strict vigil of Government assets are a must for ensuring ownership and safe custody of Government land. Time and again the State

<sup>17</sup> Site salami – Amount payable by a person in lieu of allotment of site under provisions of the Sikkim Allotment of House Sites and Construction of Buildings (Regulation & Control) Act 1985.

Government (*August 1990; December 2000; May 2008*) instructed all heads of Government Departments for timely mutation, registration, maintenance and proper fencing of all Government land vested under various Departments to avoid encroachment and litigation due to want of proper ownership records. After acquiring land, the acquired land was to be registered and mutated in favour of Government or the acquiring department and proper land records like plot number, khatian number, etc. obtained at the time of obtaining Records of Right (ROR).

Despite repeated Government instructions, the heads of various Departments took no substantive action to mutate and register lands acquired by the Government at substantial cost. This resulted in litigation cases due to want of proper ownership documents. In 76 cases involving 60.2455 hectares land in respect of four departments<sup>18</sup>, the land was not registered and mutated in favour of the Department/Government. Further, in three cases involving three departments<sup>19</sup>, the matter was under litigation due to dispute over title of land and encroachment. Thus, failure on the part of the Department to register and mutate the acquired land in favour of the Government/department led to encroachment and ownership disputes. It was further noticed that 81 individuals had irregularly occupied land belonging to the Energy & Power Department at different locations (*Sangkhola, DPH Colony and LLHP Main Colony*) of East district. In Sangkhola, 24,501 sft of Government land was encroached by 23 individuals (*encroached area ranging from 375 sft to 1,800 sft per individual*). The Department had neither taken legal action nor evacuated the illegal occupants. No details of total area encroached by 58 individuals in DPH area and LLHP area were available with the Department. Thus, failure to maintain strict vigil of Government lands despite repeated instructions from the Government led to illegal encroachment by the 81 individuals.

#### **1.2.8.2      *Erroneous assessment leading to avoidable excess expenditure***

Although for the purpose of fixation of market rate and assessment of land compensation, different levels of sub-ordinate staff/officers (*Survey Inspector, Revenue Officer, Sub-Divisional Magistrate, District Collector*) were involved in the Department, segregation of duties with a fixed percentage of checking at each stage had not been prescribed. Scrutiny of records revealed that in 9 cases extra expenditure of ₹ 22.14 crore had to be incurred by the Government due to erroneous assessment such as simple calculation mistake, etc. The assessment done by the lowest level officer was rarely checked by officers at higher levels. Hence, connivance of the field officers with the land owners to inflate cost of land and thereby extend undue financial benefit could not be ruled out. Case-wise details of the incorrect assessment are annexed in **Appendix – 1.2.2**.

#### **1.2.8.3      *Inadmissible payment of solatium resulting in extra/excess expenditure***

Section 23(2) of LA Act stipulates that the court while determining amount of compensation to be awarded under the Act, shall award as solatium (*incentive to unwilling landowners*), a

<sup>18</sup>Health, Urban Development & Housing; Animal Husbandry and Horticulture Departments

<sup>19</sup>Health, Transport and Animal Husbandry Departments

sum of 30 *per cent* of market value of land in consideration of the compulsory nature of the acquisition. The principle behind payment of solatium was to satisfy the land owners showing disinclination to part with their land. However, where the land owners willfully offered their lands for sale at an agreed market value, they could not claim any solatium. In none of the 82 land acquisition cases examined in audit was there any evidence in the records produced to audit that the land owners were disinclined to sell their lands. In seven cases, the land owners expressly offered their lands for sale to the Government. In the remaining 75 cases the Department without verifying the willingness or otherwise of the land owners, made payment of solatium. Even in the seven cases where the land owners expressed their willingness openly, the Department made payment of ₹ 3.62 crore towards solatium as detailed in **Appendix – 1.2.3**. This was grossly irregular indicating connivance of the departmental authorities with the land sellers in drawing unwarranted solatium payment from the public exchequer.

#### **1.2.8.4      *Extra expenditure due to unjustified enhancement of Government rate of land***

There was no prescribed methodology or regulation in the Department to determine Government rates of various types of land for acquisition by the Government from time to time. This allowed scope for arbitrary fixation of rates by the Departmental authorities without any logical basis. The Head of the Department in January 2005 enhanced the Government rate of land by over 700 *per cent* (e.g., from ₹ 0.84 lakh to ₹ 7 lakh per acre) without assigning any justification. The rates were however, reduced by the Department after a year and a half in August 2006 by 350 *per cent* (from ₹ 7 lakh to ₹ 2 lakh per acre) stating that the earlier rates were too high. During the intervening period, Government acquired 21.2694 hectare land at the higher rate resulting in extra expenditure of ₹ 1.79 crore in three cases ((i) *land acquisition for construction of Government college at Rhenock, East Sikkim* (ii) *land acquisition for construction of Agriculture Engineering and Post Harvest Technology College at Dikling, Pakyong, East Sikkim*) and (iii) *Construction of Jawagar Navodaya Vidyalaya (JNV) at Pakyong, Sikkim*. Sudden and unwarranted enhancement of Government rates of land during January 2005 to August 2006 by the departmental authorities indicated strong possibility of *mala fide* intention to extend undue favour to few landowners whose land was acquired during the period. This called for investigation by the Government.

#### **1.2.8.5      *Non-adherence to Government/Court order and consequent excess expenditure***

In terms of the LA Act, in case of determination of compensation by comparable sales method, large areas of land acquired cannot be compared with sale transactions in respect of smaller areas of land. Wherever the market value of large area of land was to be determined based on sale transactions of small extent of land, the rate of smaller size of land was to be reduced by 40 *per cent* to arrive at the actual value of the larger size of land. In two cases<sup>20</sup> of acquisition of large area of land, the mandatory 40 *per cent* reduction in the value from the prevailing market value of small size of land was not effected resulting in excess expenditure of ₹ 1.28 crore.

<sup>20</sup>Land acquisition for Tourism Department for construction of Cultural Village at Gangyang Dara at Ranka and Land acquisition for construction of guest house for NF Railway at Sichey, Gangtok.

**1.2.8.6 Irregular enhancement of Government rate of land**

Prevailing market rate of land for acquisition by Government was to be fixed after taking the average of rates of land compensation cases that took place at the time of publication of notification in the Government Gazette under Section 4(1) of LA Act. There was no scope for any revision of rate once the prevailing market rate was determined. However, in two cases (*Acquisition of land for construction of Sikkim University and Acquisition of land at Sichey by UDHD*), extra expenditure of ₹ 1.94 crore was incurred due to enhancement of market rate by the Department on the basis of representations made by the land owners, much after determination of the market rate.

**1.2.8.7 Avoidable expenditure due to incorrect initial assessment**

The Sports and Youth Affairs Department (SYAD) approached (February 2005) the LRDMD for acquisition of a suitable piece of land with the objective of construction of Khelgoan for the benefit of sportspersons and sports enthusiasts. The District Collector, East (DCE) identified 4.360 hectare of land at Resithang under Luing Block of East District and assessed (March 2007) its value at ₹ 2.38 crore (@ ₹ 35.73 per sft) inclusive of cost of standing properties, solatium and other charges under Section 4(1) of the Land Acquisition Act 1894. The compensation of ₹ 2.38 crore as assessed by DCE was approved and financial sanction accorded by the Government in March 2007. After approval of the proposal by the Government, the DCE reviewed (May 2007) the compensation already assessed (March 2007) and forwarded the revised assessment of the land at ₹ 1.75 crore (*re-assessed at ₹ 35.70 per sft for land situated within 100 ft from road and ₹ 25 per sft for land situated beyond 100 ft from road*). Though the methodology adopted for the revised assessment of ₹ 1.75 crore by the DCE was accepted by the Department, the revised cost was not entertained on the grounds that the value of land assessed by the DCE in March 2007 had already been approved and financial sanction accorded by the Government.

The Department acquired a total of 4.4169 hectares land valuing ₹ 2.43 crore including additional acquisition (June 2009) of 0.0809 hectare at the same site (@ 35.73/sft valuing ₹ 4.21 lakh). The entire compensation of ₹ 2.43 crore was released in September 2007 (₹ 1.75 crore) and November 2009 (₹ 67.57 lakh). Failure to exercise due diligence at the initial stage itself by the DCE and reluctance to obtain approval and financial sanction of the Government by the Department for the revised assessment forwarded by the DCE in May 2007 led to avoidable extra expenditure of ₹ 61.49 lakh on acquisition of 4.4169 hectare of land for the construction of Khelgoan.

**1.2.8.8 Absence of uniformity in assessment of prevailing market rate**

In the case of *acquisition of land for the project 'Extension of Syari road to Kopitar'* the Department revised (January 2004) market rate from ₹ 60 /sft to ₹ 116 / sft on the request from landowners. Five years later (March 2010), in the same area, the market rate determined by the Department for acquiring land for the project was only ₹ 35.72 per sft This indicated arbitrariness of determining prevailing market rate by the Department. Taking the rate of

₹ 35.72 / sft, as basis, the Department incurred excess expenditure of ₹ 9.92 lakh on acquisition of 0.0834 hectares land for the project 'Extension of Syari road to Kopitar' in March 2004.

#### **1.2.8.9 Unjustified enhancement of market rate**

The compensation of land measuring 3.0448 hectares located at Majuwa, Rangpo earmarked for various development purposes by UDHD was initially assessed for ₹ 2.84 crore at the rate of ₹ 40.53 per sft in April 2010. The rate was revised (May 2011) to ₹ 208.33 per sft on the basis of representation submitted by the land owners. The revised rate was worked out by the Department based on selected transactions at high rates which occurred during 2007, 2008 and 2009. The revised land compensation worked out to ₹ 9.23 crore against the initial assessed compensation of ₹ 2.84 crore representing an increase of 225 per cent (₹ 6.39 crore). However, calculation done in audit to determine actual prevailing market rate worked out to ₹ 20 per sft taking only the transactions that occurred during 2009 which were the nearest transactions to the date of notifications under Section 4(1) of the LA Act. The rate of ₹ 20 per sft was even less than the initial assessment of ₹ 40.53 per sft. Thus, due to non-adherence to provisions of Section 23 of the LA Act while determining the prevailing market rate by the assessing authority, Government had to incur extra expenditure of ₹ 8.37 crore in a single assessment case (calculated at the rate of ₹ 20 per sft). Even if the Department had adhered to its initial rate of ₹ 40.53 per sft, they could have avoided an extra expenditure of ₹ 6.39 crore.

#### **1.2.8.10 Delay in acquisition process and cost escalation**

With the objective of linking MG Marg with Lal Bazaar and for creation of adequate public car parking facility at Gangtok, the UDHD approached the LRDM in March 2002 for acquisition of land and building (Star Cinema Hall) at MG Marg, Gangtok. The DCE and Building and Housing Department assessed the total compensation at ₹ 2.78 crore in March 2004. The acquisition process however, could not be completed due to non-pursuance of matter by the LRDM. After a lapse of nearly three years the LRDM commenced the acquisition process again and assessed the revised value of the land/building at ₹ 5.27 crore in June 2008. The delay in effecting the acquisition process not only delayed the creation of link between MG Marg and Lal Bazaar and adequate parking facility in the capital town but also resulted in cost escalation of ₹ 2.49 crore. Similarly, in case of acquisition of land for Sikkim Central University (SCU) at Yangyang, the indenting agency not only had to pay extra amount of ₹ 1.05 crore due to increase in the value of land resulting from delay in the acquisition process, but also had to incur yearly expenditure of ₹ 1.15 crore towards rent for accommodation of office and allied activities in various private premises.

#### **1.2.8.11 Excess projection of standing trees and inflated valuation of land**

Land compensation, inter alia, included cost of standing trees. For removal of more than five trees for any non-forestry project, marking order from the Forest, Environment and Wildlife Management Department was required to be obtained before the removal of the trees. Although the assessing authorities included large number of trees for different road projects, in most cases, no marking orders were obtained from the Forest Department for removing the trees. In



24 land compensation cases in respect of construction of the PMGSY roads, the value of land assessed was ₹ 2.31 crore only while the cost of standing trees assessed was almost double – ₹ 4.43 crore as detailed in **Appendix – 1.2.4**. This indicated that large number of standing trees was included in the land compensation cases only to increase the value of compensation.

The following instances further corroborate the audit observation:

- Assessment of value of standing trees for construction of PMGSY road from Tintek to Tumin under Namrang was done twice due to inclusion of higher number of trees resulting in inflated cost of land. In the initial assessment, cost of standing trees was assessed at ₹ 54.50 lakh. This was drastically reduced to ₹ 33.65 lakh in a subsequent assessment, i.e., reduction of ₹ 20.85 lakh in a single case.
- For construction of PMGSY road from Nimtar to Mangthang, 951 standing trees were included in the assessment reports. The Department however, obtained marking orders from the Forest Department for removal of only 243 trees. This indicated that 708 excess trees had been included in the assessment report only to inflate the cost of land.
- In none of the cases, cost of standing properties was deposited into Government account despite huge expenditure on compensation of standing properties in each and every land compensation case. In the 24 land acquisition cases mentioned above, an amount of ₹ 5.48 crore had been paid to the land owners towards cost of standing properties (*cost of trees ₹ 4.43 crore; cost of buildings, etc. ₹ 1.05 crore*). The cost of the standing properties after auction had not been deposited into Government account in any case as required under rules. The whereabouts of the standing properties were also not recorded.

#### **1.2.8.12 Acquisition of land without ensuring availability of funds**

The State Government took up various developmental activities without considering availability of funds for acquisition of land. Test check of records in the Roads and Bridges and Rural Management & Development Departments revealed that the two Departments had incurred financial liability (March 2011) of ₹ 6.96<sup>21</sup> crore towards compensation to the land owners in lieu of the land acquired by the Government. The non-availability of funds for timely compensation to the land owners was indicative of unplanned initiatives which led to deprival of rightful compensation to citizens who were compelled to part with their lands.

#### **1.2.8.13 Unnecessary invoking of urgency clause (Section 17) and deprival of right of objection**

Section 17 of the LA Act confers on the authorities a very extraordinary power under which once the appropriate authority is satisfied about the urgency of acquisition of land it dispenses with the normal procedure laid down in the Act and the right of the citizen to object under Section 5-A of the Act is then taken away. In case of urgency whenever the Government so directs, the Collector, though no such award had been made, may, on the expiration of 15 days

<sup>21</sup>R&B: ₹ 4.59 crore and RM&DD: ₹ 2.37 crore

from the publication of the notice mentioned in Section 9, sub-section (1); take the possession of any land needed for a public purpose. Such land shall thereupon vest absolutely in the Government free from all encumbrances.

Test check revealed that in 40 cases acquisition was done invoking the urgency clause under Section 17 of the Act, without determining the necessity of urgency for such acquisition. In all 40 cases, no possession of the land was taken within 15 days from the publication of notice. This was further corroborated by the fact that in two cases (*Acquisition of land for Sikkim Central University at Yangang and acquisition of land and building of Star Cinema Hall, MG Marg, Gangtok*) though the acquisition process was commenced in June / July 2008 under Section 17, the process had not been completed even as of June 2011 – more than three years of commencement of the acquisition procedure. Thus, application of Section 17 in all the above cases was unnecessary which deprived the right of the land owners to object under Section 5-A.

#### **1.2.8.14 Non-publication of 'Preliminary Notice' for acquisition**

Whenever it appears to the Government that land in any locality is needed or is likely to be needed for any public purpose, a notification to that effect should be published in the Official Gazette, and the Collector should cause public notice of the substance of such notification to be given at convenient places in the said locality. Thereupon it shall be lawful for any officer, either generally or specially authorised by such Government on that behalf, and for his servants and workmen to enter upon and survey and take levels of any land in such locality. Further, the notification should be published in two local newspapers including a regional paper. Despite this categorical requirement under the LA Act, no such publication of Preliminary Notice for acquisition was made in local newspapers and notifications displayed at convenient places in the locality. The notices were published only in the Government Gazette. Failure to adhere to the provisions of the Act involved risk of illegality in case of disputes.

### **1.2.9 Land Bank Scheme**

State Government launched (August 1997) the Land Bank (LB) Scheme in 1997-98 for providing land to the *sukumbasis* (landless people) for cultivation and also construction of residential houses. Under the scheme, each landless beneficiary (*sukumbasi*) was provided with a small plot of land measuring not less than half an acre at a cost of ₹ 0.26 lakh in rural areas. The area of land to be provided was revised (2008-09) from 1,000 to 2,000 sqm and the financial implication revised from ₹ 0.53 lakh in 1999-2000 to ₹ 1.05 lakh in 2008-09. Land provided under the scheme was first to be registered and mutated in the name of the State Government and thereafter, the Land Revenue and Disaster Management Department was to execute a deed of settlement, in the form of a lease deed, between the State Government and the beneficiaries for a period of ninety nine years. The lessees were not permitted to transfer the leased property by way of sale or mortgage or gift or other mode of transfer. The lease was to be terminated and lessee evicted from possessing the land in case of violation of the above stipulation. Scrutiny of records relating to implementation of the Land Bank Scheme revealed the following:

### **1.2.9.1 Failure to achieve target and blockage of fund**

Since inception of scheme in 1997-98 to 2010-11, Government approved and sanctioned ₹ 845.75 lakh for acquisition and allotment of land to 1,336 identified landless beneficiaries and transferred funds to the four District Collectorates (East: ₹ 242.55 lakh, South: ₹ 272.43 lakh, West: ₹ 287.72 lakh and North: ₹ 43.05 lakh). As of March 2011, the District Collectorates could distribute land to only 1,195 beneficiaries (89 *per cent*) at an expenditure of ₹ 724.40 lakh. Reasons stated for shortfall in achievement of target was due to non-availability of land. Thus, 141 landless *sukumbasis* were yet to be provided land under the scheme. Further, despite non-achievement of target and unspent balance of scheme funds of ₹ 121.36 lakh, the Land Revenue and Disaster Management Department continued to transfer funds to District Collectorates without ensuring availability of land and utilisation of fund already released.

### **1.2.9.2 Non-drawing of lease deeds and irregular registration**

During the initial period of implementation (1997-98 to 2004-05), land was allotted to 497 beneficiaries of East and South districts and the land registered in the name of the Department. But the Department subsequently did not execute a lease deed in favour of the beneficiaries as envisaged in the Scheme. In the later part of implementation of the Scheme, the lease deed in respect of 333 cases (East: 154 and South: 179 cases) was executed directly in the name of the beneficiaries (instead of registering the land in the name of the Department and then transferring it in the name of the beneficiaries) in contravention of the scheme guidelines. The lease deed of 309 cases in respect of West district for the period from 1997-98 to 2010-11 was directly executed in the name of the beneficiaries contrary to the scheme guidelines.

### **1.2.9.3 Absence of clear cut eligibility conditions for allotment of land under LB Scheme**

The objective of the LB Scheme was to provide land to the *sukumbasis* (landless people) for cultivation and construction of residential houses. However, the scheme guideline was silent about the actual meaning of the term '*sukumbasis*' except as 'landless people'. No clear cut norms were incorporated in the scheme guidelines relating to persons who became *sukumbasi*/landless due to acquisition of their landed property by Government or due to outright sale of entire landed property to other parties/individuals. Thus, no segregation of such type of landless people and real/actual landless people and eligibility criteria for entitlement of land under the Scheme had been laid down. Further, total requirement of land under the scheme vis-à-vis number of landless people should have been assessed and identified by the Government/Department each year for effective and timely implementation of the scheme. However, even after more than 13 years of implementation of the scheme, failure of the Government to identify suitable land for acquisition and onward allotment to *sukumbasis* resulted in non-achievement of target.

### **1.2.10 Allotment of House Sites**

The Urban Development and Housing Department (UDHD) is the nodal department for allotment of house sites and its regularisation in urban areas. To provide for allotment of house

sites, regularisation of construction, alterations and repair of buildings and to bring about equitable and proper distribution of house sites and promote planned, organised and systematic growth of towns and bazaars in the State of Sikkim, *the Sikkim Allotment of House Sites and Construction of Building (Regulation and Control) Act, 1985* was notified by the Government of Sikkim in June 1985.

In terms of the Act, Government may allot sites in notified areas on application by any person in such form and in such manner as may be prescribed on payment of *site salami* as notified by the Government from time to time. Allotment of sites was to be restricted to one site per family.

Out of 281 allotment cases during 2006-11, a sample of 40 *per cent* of the cases (112 cases) was examined in audit. Audit scrutiny revealed non-existence of allotment policy keeping in perspective overall development and socio-economic upliftment of the people of the State, non-identification of detailed eligibility criteria, repeated allotment of house sites to the same individuals, absence of ceiling of size of land to be allotted, absence of complete details and bona fides of the applicants, favouritism in allotment of sites, etc. as elucidated in succeeding paragraphs.

#### **1.2.10.1      *Non-availability of data on land***

The UDHD did not even have any databank of total land available with it in the urban notified areas for allotment of house sites. The house sites were allotted on the basis of plots identified by the applicants themselves. The Department had not segregated and identified sites for residential, commercial or industrial purposes. Thus, the non-categorisation of land, allotment of house sites on ad-hoc basis and absence of databank resulted in haphazard growth of towns/bazaars, defeating the objective of development and promotion of planned, organised and systematic growth of town and bazaars in the State.

#### **1.2.10.2      *Absence of detailed eligibility criteria***

No eligibility criteria like BPL, weaker sections of the society, Scheduled Caste/Scheduled Tribe, landless labourers, low income groups, eminent personalities, etc. were prescribed in the Act or in any Notification issued by the Government. Stringent selection procedure had also not been delineated for allotment of house sites. The only documents required for submission along with application for allotment of house sites were Sikkim Subject, certificates of 'No Housing Flat' from Housing Board and 'No Landed Property' from the concerned District Authority in Urban Areas. Any well off person from un-notified area could easily be eligible for being allotted house sites in the urban area based on the few conditions laid down in the Act. The beneficiaries were selected arbitrarily without following any method or logical basis to ensure equity and fairness. Even the few and flimsy conditions laid down in the Act were violated while awarding house sites, as elucidated in the paragraphs below.

#### **1.2.10.3      *Lack of proper checking for eligibility criteria before allotment***

To avoid repeated allotment of site to any single individual/family, "No Landed Property in Urban Area" certificate from the District Authorities was one of the criteria for allotment of

house sites to the beneficiaries. Thus, while checking applications requesting allotment of house sites, 'no landed property in urban areas' certificate from all district authorities should have been invariably called for, irrespective of the sub-division or district to which the applicants belonged. Scrutiny of records however, revealed that the applicants submitted the "No Landed property in Urban Area" certificate from their concerned district authority only. In some cases, the applicants submitted the certificate from their concerned Sub-Division Office or BDO office only. Despite this fact the site allotment authority/ Committee approved the applications without verifying ownership of land in urban areas of other districts/sub-divisions by the applicants. Thus, lack of proper vetting of applications before allotment of sites gave rise to the possibility of selection of ineligible persons. Several cases of repeated allotment of house sites to the same individual/family were noticed in audit, which are highlighted below:

- Mrs. Champa Subba and Gurja Manger were allotted house sites measuring 600 sft each in February 2004 at Pakyong and again second lot of house sites of size 704 sft each in July 2008 at the same place (Pakyong).
- Shri Bishnu Bahadur Rai of Jeel block, West Sikkim was allotted three house sites (*two at Rinchenpong Bazaar and one at Jorethang Bazaar*) against the provision of one site per family.
- Smt. Sabitri Bhandari was allotted a house site measuring 1,200 sft at Lumsey in October 2008 though her spouse already possessed land and building at Pakyong bazaar.
- Shri Kiran Kumar Rasaily was allotted two house sites in 2005 at Development Area, Gangtok (1,368 sft) and Church Road, Gangtok (3,600 sft). Similarly, Shri Leela Pradhan was allotted a house site at Singtam measuring 225 sft in 2005 and again allotted 540 sft in 2006.

The above cases relating to the period 2006-11 are illustrative which were detected in audit on the basis of the skeletal information available with the Department. In the event of availability of detailed information, incidence of numerous such cases could not be ruled out.

#### ***1.2.10.4 Non-fixing of minimum and maximum ceiling for allotment of house site***

The UDHD had not incorporated any ceiling limit for minimum and maximum area (size limit) for allotment of house sites. In the absence of ceiling limit, the allotment of sites ranged from 49 sft to 6,631 sft. There was also no system in the Department for identifying specific areas/locations for allotment to the applicants. House sites were being allotted on the basis of plots identified by the applicants themselves. In the absence of size limit and system for identification of area for allotment for house sites, objective of planned, organised and systematic growth of towns and bazaars was defeated. Further in the absence of prescription of maximum limit of area for allotment, larger areas were allotted to well-off and influential persons, VIPs/MLAs and their family members. This was substantiated by the fact that most of the VIPs/MLAs and their family members were allotted larger sites ranging from 1,200 sft to 3,830 sft and also in some cases additional land were allotted repeatedly indicating arbitrariness and favouritism in allotment of sites. Details are given in **Appendix – 1.2.5**.



**1.2.10.5 Non-availability of detailed list of applicants**

For selection of beneficiaries, the Department constituted Site Allotment Committee from time to time. On the basis of recommendations of the Committee, beneficiaries were selected from the list of applicants and finally approved by the Government. The Department, however, had not maintained detailed list of applicants till date. In absence of list of applicants along with date of application, total applications received, final selection amongst applicants, the basis adopted for selection could not be ascertained in audit.

**1.2.10.6 Undue favour on allotment of house sites**

Scrutiny of records relating to allotment of sites at Lumsey at Tadong in August 2008 revealed that out of 55 applicants, the Department (Site Allotment Committee) recommended (October 2008) names of 13 individuals which was finally approved by the Chief Minister. However, methodology/criteria adopted for the selection of 13 beneficiaries and reasons for rejection of remaining 42 applicants were not on record. Further scrutiny revealed that among the 13 selected beneficiaries, two beneficiaries were sitting MLAs and presently holding the charge of Minister in the State Cabinet and other two beneficiaries were Ex-MLAs. Proper identification of remaining nine beneficiaries could not be ascertained due to non-submission of records and absence of proper information system with the Department. Thus, due to absence of clear cut selection criteria and eligibility norms in the Act, well off persons were extended undue favour thereby depriving the real and needy members of the society. The selection procedure adopted by the Department was thus ambiguous and non-transparent.

Audit Scrutiny further revealed that in one case, two members of same family were allotted house sites at Gangtok. Shri S.B. Subedi, ex-MLA was allotted (July 1999) house site at DPH complex. After five years (February 2005) another site measuring 2,225 sft was allotted to his brother Shri Bikash Subedi diverting the land of Transport Department. However, immediately after allotment of site at SNT complex, both the brothers exchanged (March 2005) their sites which was approved (May 2005) by UDHD. Subsequently, Shri S.B Subedi was allotted additional site at the same area measuring 600 sft (December 2006) and 335 sft (September 2007).

After getting two additional sites mentioned above, Shri Sudebi leased out the above land in favour of M/s Prasant Commercial (P) Ltd (a registered company run by the family members of Shri Subedi) for running hotel business in the constructed building. The additional land of 245 sft (December 2008) and 225 sft (July 2010) at the same spot were again allotted to the company by the UDHD. Thus, an area measuring 3,627 sft belonging to the Transport Department was irregularly allotted to Shri Subedi.

**1.2.10.7 Diversion of Government land for allotment of house sites**

To facilitate allotment of house sites, land located at various places belonging to Roads & Bridges Department, Building & Housing Department, Transport Department (SNT) and Energy & Power Department measuring 2.7256 hectares were transferred (**Appendix – 1.2.6**) to UDHD. Allotment records of 2.7256 hectares transferred to UDHD revealed that the

beneficiaries included ex-MLAs/relatives of MLAs/ VIPs, etc. This indicated that land of Government departments were transferred to the UDHD with the objective of extending benefits to influential members of society.

It was further seen that Land measuring 6,600 sft belonging to the Energy & Power Department at Lower Lagyap, Ranipool, East Sikkim earmarked for housing disabled people was allotted to 11 persons other than the disabled people under approval of the HCM in October 2010. These 11 persons included former MLAs and other individuals. Thus, even the land initially earmarked exclusively for allotment to disabled persons was diverted and allotted to ineligible and selected individuals. In two other cases, land of Energy & Power Department at Sichey, East Sikkim was allotted to an ex-MLA and wife of an ex-MLA.

It was also seen that land (500 sft) earmarked for establishment of children park at Naya Bazaar, Jorethang, South Sikkim was allotted (February 2011) as house site to one individual (Mrs. Chandra Tamang) under directions of the HCM defeating the very purpose of establishment of children park.

Thus, Government land purchased/earmarked for different purposes was irregularly diverted for allotment of house sites to a few chosen individuals.

#### ***1.2.10.8 Irregular transfer of ownership of house sites to beneficiaries***

Under the *Sikkim Allotment of House Sites and Construction of Building (Regulation and Control) Act, 1985*, house sites could be allotted on lease basis only. Despite this fact government land at Sangkhola, East Sikkim measuring 5,081 sft was allotted to five individuals by the Energy & Power Department and the ownership transferred to the allottees with issue of Parcha (Records of Right) instead of allotment on lease basis. The action of the Energy and Power Department was irregular as allotment of house sites came under the purview of the UDHD. Besides, issue of Parcha (Records of Right) in favour of beneficiaries instead of lease deed contravened provisions of the Act.

#### ***1.2.10.9 Unauthorised allotment of Government land***

The Forest, Environment & Wildlife Management Department (FEWMD) allotted (1987) 16,800 sft of land belonging to UDHD at Ravangla, South District to 14 families without the consent and approval of the UDHD. The UDHD raised the matter with the FEWMD in November 2005. Outcome of the matter and its present status was not on record. Thus, land measuring 16,800 sft of UDHD was irregularly allotted for the purpose of house sites by another department. The action of the FEWMD was unauthorised and beyond the allocated business of the Department.

#### ***1.2.10.10 Irregular allotment at concessional rate***

The Department acquired 1.9020 hectares of land at Swayambootar, Uttarey, West Sikkim for development of township and also for rehabilitation of displaced families whose land had been acquired by Government for development of Uttarey town. Accordingly, allotment of house sites to 21 families @ 600 sft per family was approved by Government in March 2011.

However, after the Government approval, it was again directed by the Minister-in-Charge that each family be allotted 875 sft of house sites at the rate of ₹ 5 per sft as per old rates notified in November 2001.

Further, in terms of Notification dated June 1998, additional charge of ₹ 50 per sft was to be levied as development cost where the site stands already developed. The Department intimated the beneficiaries for payment of development cost with site salami as the land was already developed by the Government. The Department was yet to realise the development charge of ₹ 9.19 lakh ( $875 \text{ sft} \times ₹ 50 \times 21 \text{ allottees}$ ) from the 21 beneficiaries. The allotment of house sites at concessional rate and non-realisation of development charge was irregular and also resulted in loss of Government revenue of ₹ 11.42 lakh ( $₹ 2.23 \text{ lakh} + ₹ 9.19 \text{ lakh}$ ) (Details in **Appendix – 1.2.7**).

The UDHD stated (November 2011) that it was framing fresh rules for allotment of house sites and working on the structure of a Master Plan for Gangtok, draft of which will be ready by March 2012.

### **1.2.11 Existence of Internal Controls**

#### **1.2.11.1 Absence of Departmental Code and Manual**

There was no Departmental Code or Manual to regulate the functions and activities of the LRDM and the duties and responsibilities of the officers and staff. No segregation of duties among different level of sub-ordinate staff/officers (*Survey Inspector, Revenue Officer, Sub-Divisional Magistrate, District Collector*) was done with prescribed percentage of checking of assessment cases at each stage. The assessment done at the lowest level was rarely checked at higher levels.

#### **1.2.11.2 Absence of internal audit mechanism**

There was no independent internal audit mechanism either in the LRDM or the UDHD to check irregularities and discrepancies in the processes and methodologies applied for acquisition and allotment of land. Maintenance of acquisition and allotment records was extremely poor. There was no case-wise recording of transactions in case of acquisition. It was extremely difficult to track complete transactions relating to a particular case as all transactions relating to different cases were entered serially without any reference to the earlier payments made against the same case.

#### **1.2.11.3 Non-maintenance of Assets Register**

Both the LRDM and UDHD had not maintained any Assets Register to record the acquisition of landed assets acquired by the Government from time to time and the land under the possession of the Department for allotment. As on date it was not clear how much land the Government owned due to absence of any records where the consolidated position of ownership of land by the Government was maintained. Centralised databank of all the lands owned by the Government so far had not been maintained.

#### **1.2.11.4 Incomplete Computerisation of Land Records**

Computerisation of Land Records (CLR), a 100 *per cent* Centrally Sponsored Scheme was initiated by Government of India (GOI) in 1988-89 with a view to remove the difficulties inherent in the manual system of maintenance, updating of land records, providing computerised copies of Records of Rights (ROR) at a reasonable price and meeting the requirements of various groups of users. The scheme also envisaged speed, accuracy, transparency, speedy dispute resolution and on-line management of land records. The objectives of the scheme were to facilitate easy maintenance and updating of data, computerisation of ownership and plot-wise details of land for issue of timely and accurate copy of RORs to the landowners; creation of Land Information System and Database for effective land reforms, revenue administration and development plans at the grassroots levels; Online Management of land records in the long run and low cost, easily reproducible storage media for long term reliable preservation and efficient retrieval of graphical and textual information. Although the scheme was extended to Sikkim as early as 1991-92 and despite incurring expenditure of ₹ 1.51 crore till date, the implementation of the scheme was incomplete<sup>22</sup> as of October 2011. Inability to complete the Scheme resulted in failure to capture complete data of land acquired by the Government and hence non-availability of complete data of Government land with the Department.

#### **1.2.12 Monitoring and evaluation**

There was no system of centralised monitoring and supervision of Government land by the LRDMD. The Department did not possess centralised databank for all the Government land under various Departments. As on date, it was not clear how much land Government possessed.

Regular returns and reports from the sub-divisions to districts and from the districts to the State headquarters regarding the status of acquisition of land and payment of compensation had not been prescribed. The District and State authorities remained unaware about the progress of acquisition process at different levels.

The status of Government land under four Departments was examined (*Roads & Bridges; Tourism; Agriculture; Horticulture*). The Agriculture Department did not have any data in the Departmental headquarters regarding the land possessed by it. The Horticulture Department claimed existence of about 120 hectares of land under it, but did not possess title documents of all the land. The R&B Department did not possess complete documents and details of land under it and the Tourism Department possessed details of land purchased by it only after 2009.

There was no system in the LRDMD for regular monitoring and periodical review of the status of land provided under the Land Bank Scheme and the state of its ownership. Due to absence of a proper monitoring mechanism, the Departmental authorities were unaware about the bona

<sup>22</sup>One sub-division (Chungthang in North District), seven revenue blocks under Gangtok and one block under Namchi were yet to be computerised (May 2011). Online mutation at district and sub-division levels had not been started and the State level data centre at Gangtok (Head office) was yet to be operationalised.

fide use or otherwise of the allotted land. In the absence of a proper monitoring system under the scheme, land was registered and mutated in favour of the beneficiaries themselves in a number of cases in contravention of the scheme guidelines.

Similarly, there was no monitoring mechanism in the UDHD in allotment of house sites. In the absence of any ceiling for allotment of house sites, the house sites were allotted arbitrarily.

None of the Departments had put in place a proper vigilance and monitoring mechanism to guard their landed assets and prevent encroachment. The Department had not maintained any Assets Register to record the acquisition of land by the Departments from time to time.

### 1.2.13 Conclusion

*The Rules of Business of the LRDM was not clear about its role towards custody and safeguard of Government land and also its role about establishing stability of land acquired by the Government. The LRDM had failed to create a comprehensive database of all Government land acquired so far. The LRDM had time and again made excess payments to landowners willing to sell their land to the Government.*

*The UDHD had not formulated any policy relating to allotment of housing sites in the State; the existing Act did not provide firm selection criteria, maximum ceiling limit in the absence of which allotment was made indiscriminately. There was no centralised data bank on total land available in urban notified areas of the State for allotment of house sites. Allotment was done on the basis of land identified by the applicant themselves. There was no segregation of land for allotment of house sites, development of bazaars and towns, industrial purpose and other development purposes. Even the land belonging to other Government departments not under the possession of the UDHD were transferred and mutated in favour of the UDHD for facilitating allotment of house sites to VIPs/MLAs and their relatives*

### 1.2.14 Recommendations

- The LRDM should formulate a State Land Policy early. The Department may also revisit its mandate and incorporate all aspects of land acquisition like land stability, custody and monitoring of Government land, penalty against encroachment, etc. Departmental Code and Manual may be accordingly prepared and notified.
- The rates of land should be periodically revised and determined based on scientific principles in keeping with current utilisation pattern. Compensation for land should be finalised after rigorous checking and vetting at several levels.
- Cost of standing properties in respect of land acquired for PMGSY road and SPWD road should be thoroughly verified before approval and sanction.
- Firm criteria should be laid down for allotment of house sites by the UD & HD to ensure allotment to the most deserving candidates. Comprehensive databank of Government land in urban notified areas should be created and maximum and minimum ceiling for allotment of house sites should be prescribed.