

CHAPTER 4

Andaman & Nicobar Islands

4.1 The Andaman & Nicobar archipelago consists of 572 islands out of which only 37 are inhabited. Most of the islands (about 550) are in the Andamans group, 26 of which are inhabited. The smaller Nicobar Group is made up of 22 main islands. The Andamans and Nicobars are separated by a channel (the Ten Degree Channel) some 150 km wide. The total area of the Andaman Group of Islands is 6,408 Sq km (2,474 sq mi) while that of the Nicobar Islands is approximately 1,841 Sq km (711 sq mi). The Union Territory is located in the Indian Ocean, and geographically is considered part of Southeast Asia. Port Blair is the headquarter of this UT. The Table 4-A below shows a few basic features about Andaman & Nicobar Islands and also the key socio economic profile of the UT. In terms of key socio-economic indicators, viz., infant mortality rate and the literacy rate, the UT's performance is above the national average. However, it has a very low sex ratio. The average per-capita income for the year 2006-07, in real term worked out to be Rs. 31,009. The UT has 2 Zila Parishads, 7 Panchayat Samiti and 67 Village Panchayats. The UT also has a Municipal Council in Port Blair. The tribal areas are excluded from the application of Panchayat Regulation. A Tribal Council Regulation for these areas in the model of the Panchayat Regulation is under active consideration of the Ministry of Home Affairs.

TABLE 4-A

Andaman & Nicobar Islands at a Glance

Area	:	8249 Sq kms
No. of Islands	:	572
Inhabited Islands	:	37 (2001 Census)
Population	:	3,56,152 (2001 Census)
Climate	:	Tropical
Area under Forest	:	90%
Humidity	:	70-90%
Tribes	:	06
No. of Districts	:	2
Zila Parishad	:	2
Panchayat Samiti	:	7
Village Panchayat	:	67
Municipality	:	1
Decennial Growth of Population	:	26.90%
Population Density	:	43 Person per sq.km
Sex Ratio	:	846
Infant Mortality Rate(IMR)	:	31
Literacy Rate (2001)	:	81.18%
Average Annual Rainfall	:	3200 mm
Natural Hazard Profile	:	Seismic Zone V
Per capital Income 2006-07	:	Rs. 31,009
(at constant prices 1999-2000)		

4.2 The islands have a tropical climate, warm and moist due to the marine influence. The islands experience both the North-East and South-West monsoon with heavy rainfall. Dense forests cover almost 90% of the land mass of this UT. This leaves little land (which is designated as revenue land) for settlement, agriculture and other commercial and industrial activities.

4.3 Andaman and Nicobar Islands (ANI) is a Union Territory of India since 1956. It is administered by the President acting through an Administrator presently designated as Lt. Governor. The East India Company developed Andaman Islands in the eighteenth Century for providing safe harbour to its ships during the monsoons. Subsequently in 1858 the British founded a penal settlement here. Many freedom fighters were deported from the mainland and kept in the seven-pronged, three storied massive jail with 698 cells. In 1874, the Andaman and Nicobar Regulations placed the settlement under the Govt. of India with Chief Commissioner as the Administrator. In 1979 a thirty member indirectly elected Pradesh Council was constituted by promulgation of the Andaman and Nicobar (Administration) Regulation 1979 to advise the Administration. In 1982, the post of Chief Commissioner was upgraded to that of Lieutenant Governor. With the passage of 73rd & 74th amendments to the Constitution in 1994, the Municipal Boards Regulation 1957, and the Gram Panchayat Regulation, 1961 were replaced by the Andaman and Nicobar Islands (Municipal) Regulation, 1994 and Andaman and Nicobar Islands (Panchayat) Regulation, 1994. Andaman and Nicobar Islands has one member in the Lok Sabha. Till 1967, the Member of Parliament from the Islands was nominated by the President of India.

4.4 As per 1901 Census, the population of Andaman and Nicobar Islands was 24649. This increased to 30971 in 1951 census and has jumped to 356151 as per the 2001 census. This accounts for a miniscule 0.03 percent of the total population of India. Since pre-historic times these Islands have been the home of aboriginal tribes namely, the Great Andamanese, Jarawas, Onges & Sentinels. The tribes in the Nicobar Islands are the Nicobarese and the Shompens. Settlers from the mainland dominate the population of Andaman and Nicobar Islands. The tribal population is only 8.27 percent of the total population of the Islands. The Andaman tribes are primitive hunter gatherers while the Nicobar tribes are mainly horticulturalists and herders.

4.5 Andaman and Nicobar Islands had only one district until 31st July 1974. On 1st August 1974, the Nicobar Islands were constituted as a separate revenue district with its head quarter at Car Nicobar. In August 2006 Andaman District was bifurcated into South Andaman District and North & Middle Andaman District. There are 6 Sub-Divisions, 9 Tehsils and 9 Development Blocks. As mentioned, a three-tier Panchayati Raj system exists in the Union Territory comprising of 67 Gram Panchayats, 7 Panchayat Samitis and 2 Zilla Parishads.

4.6 It is to be noted that 88.2 percent population of the Union Territory lived in Andaman District out of which 37 percent is in urban areas. The density of population of Port Blair was 5301 in 1991 whereas it was 859 persons per Sq. km. in 1951. Nicobar District does not have any urban areas. The population density in A&N Islands has increased from 34 per sq. km. in 1991 to 43 per sq. km. in 2001.

4.7 Let us now briefly turn our attention to the economic profile of the UT. This is the only UT, for which ready data is available on the gross state domestic product. As evident from the Table, unlike the national GDP growth rate, Andaman GSDP has grown over the years with wide fluctuations in the growth rate. As can be seen from the Table 4-1 that the all India growth rate of GDP has increased from 4.38% to 8.99% in the six years shown in the table. The average growth rate has been 6.50%. However, the growth rate in the A&N Islands has fluctuated from (-) 0.18% to 8.78%. While the average compounded growth rate has been 5.78%.

TABLE 4-1

Gross State Domestic Product at Constant Price

Year	All India (GDP)	% of Change over previous year	A&N Islands (GSDP)	(Rs. in crores)
				% of Change over previous year
1999-2000	1786525	-	938.57	-
2000-2001	1864773	4.38	936.84	(-)0.18
2001-2002	1972912	5.80	964.49	2.95
2002-2003	2047733	3.79	1055.30	9.42
2003-2004	2222591	8.54	1166.46	10.53
2004-2005	2389660	7.52	1208.80	3.63
2005-2006(P)	2604532	8.99	1314.91	8.78

Source: Communications from UT administration to the Finance Commission

4.8 This average growth rate has been pulled down in Andaman and Nicobar Islands due to the devastating tsunami in December, 2004. During 2006-2007 growth rate of Andaman and Nicobar Islands has been estimated at 10.79%. This was due to pumping in a lot of money by the Government and NGOs for implementing programmes to rebuild the Tsunami affected islands and for providing relief to the people. The composition of GSDP would also show that, high growth has been contributed by the increase in the growth of public administration.

4.9 In keeping with the overall trend in the country, the economic activity in the UT was dominated by the services sector with its contribution estimated at 56.64 percent in 2001-02. The contribution of the primary sector was about 31.16 percent whereas the secondary sector contributed just about 12.20 percent of the GSDP in the UT. There is hardly any manufacturing activity in the UT. With the present restriction on the exploitation of forests the wood processing activities have also stagnated.

4.10 Before we go into the level of fiscal decentralization and finances of local bodies, let us briefly turn our attention to the fiscal profile of the Andaman & Nicobar Administration in terms of levels and structure of government expenditure as per plan and non-plan classification.

TABLE 4-2

Plan, Non-Plan Budget of Andaman & Nicobar Administration						(Rs. In Crores)
Year	Plan	Non-Plan	Total Expenditure	Plan as % to Total	Non-Plan as % to Total	Plan as % of Non-Plan
2002-03	402.06	560.99	963.05	41.75	58.25	71.67
2003-04	410.00	643.68	1053.68	38.91	61.09	63.70
2004-05	410.00	807.00	1217	33.69	66.31	50.81
2005-06	498.31	1204.65	1702.96	29.26	70.74	41.37
2006-07	900.00	998.00	1898	47.42	52.58	90.18
2007-08	1152.93	891.00	2043.93	56.41	43.59	129.40
2008-09	1551	1182.92	2733.92	56.73	43.27	131.12

Source: Communications from UT administration to the Finance Commission

4.11 As evident from Table 4-2, both the Plan and Non-Plan expenditure in absolute amount increased from Rs. 963.05 crores to in 2002-03 to Rs. 2733.92 crores in 2008-09. In other words, aggregate government expenditure increased by around 3 fold during this period. Unlike in other UTs, the share of plan expenditure is much higher in this UT and is consistently increasing over the years with a corresponding decline in the share of Non-Plan expenditure.

TABLE 4-3

Tax and Non-Tax Revenue of UT Administration (Andaman and Nicobar)

(Rs in Crores)

Year	Own Revenue				Total Tax and Non-Tax Revenue
	Tax Revenue	Annual Growth Rate in Tax Revenue	Non-Tax Revenue	Annual Growth Rate in Non-Tax Revenue	
2002-03	12.53		77.14		89.67
2003-04	13.36	6.62	87.59	13.55	100.95
2004-05	13.73	2.77	82.43	-5.89	96.16
2005-06	15.62	13.77	90.63	9.95	106.25
2006-07	20.2	29.32	105.12	15.99	125.32
2007-08	22.27	10.25	120.62	14.75	142.89
2008-09	25.13	12.84	147.41	22.21	172.54
2008-09(P)	26.81		140.49		167.30

Source: Communications from UT administration to the Finance Commission

*Note: * Own Revenue Receipts of UTs are Credited to the Consolidated Fund of India*

4.12 Table 4-3 depicts the revenue receipts of the A&N administration from 2002-03 onwards. The figures no doubt show an upward trend with the tax revenue having more than doubled over the last eight years while the non-tax revenue also increased from Rs. 77 crores to Rs. 147 crores between 2002-03 and 2008-09. However, total revenue mobilization can cover only a miniscule portion of the total expenditure. The annual growth rates of the tax and non-tax revenue show an upward trend. There is reasonable buoyancy in collection albeit on a very low tax base. This dichotomy becomes more pronounced when we look at the expenditure side of the equation.

TABLE 4-4

Resource position of UT Administration

(Rs. in Crore)

Year	Own Revenue		Devo- lution of Tax Revenue	Transfers					
	Tax Revenue	Non-Tax Revenue		Plan		Grants-in-Aid*		Total (Plan & Non-Plan)	
				Budget Estimate	Revised Estimate	Budget Estimate	Revised Estimate	Budget Estimate	Revised Estimate
2002-03	12.53	77.14		385.00	402.06	587.51	560.99	972.51	963.05
2003-04	13.36	87.59		410.00	410.00	672.23	643.68	1082.23	1053.68
2004-05	13.73	82.43		408.31	410.00	707.00	807.00	1115.31	1217.00
2005-06	15.62	90.63	NIL	498.31	498.31	1254.63	1204.65	1752.94	1702.96
2006-07	20.2	105.12		1119.07	900.00	936.79	998.00	2055.86	1898.00
2007-08	22.27	120.62		1152.93	1152.93	791.00	891.00	1943.93	2043.93
2008-09	25.13	147.41		1087.85	1551.00	897.00	1182.92	1984.85	2733.92

* Budget grant received from MHA to UT Administration.

t Note: Own Revenue is part of revenue receipt of MHA

4.13 In other words, the revenue receipts of the UT administration can only cover little less than 10% of the total expenditure. The rest of it is financed from the consolidated fund of the Central Government.

4.14 As mentioned earlier, in conformity with the Constitution (73rd Amendment Act), the A&N Islands Panchayat Regulation, was set in motion in 1994. Nicobar District is excluded from the application of this Regulation. These Regulations outlines the powers and functions of the Panchayats in respect of development planning and implementation of the programmes of economic development and social justice. Seats are reserved for STs and women according to the Regulation. Elections to the officers of *Gram Pradhan* are held directly. *Pramukhs* and *up-Pramukhs* of Panchayat Samities are elected from among its elected members for a period of one year. The tenure of *Gram*

Pradhan, Pramukh and *up-Pramukh* is for five years, while the office of *Adhyaksha* for the first and third year of the Zilla Parishad is reserved for a women.

4.15 Presently, there are 67 Gram Panchayats, 7 Panchayat Samities and 2 Zilla Parishads. Committees have been constituted to deal with grassroot level planning with the mandate to consolidate the plans of PRIs. Activities and schemes of the 29 subjects listed in the 11th schedule have been transferred by the line departments. A number of officials have been transferred to the Panchayats and some new posts have also been created.

4.16 Some headway has been made in the field of administrative and financial devolution. These steps are listed below. The Chief Executive Officer, Zilla Parishad, Executive Officers, Panchayat Samiti and Secretary, Gram Panchayat has the following control over the staff transferred to the PRIs.

- (i) Controlling officer for tour diaries, attendance and annual reports.
- (ii) To call for reports/returns.
- (iii) Distribution of work in accordance with their qualification, experience and expertise, prescribe field duties and approve tour programme.
- (iv) To recommend leave.
- (v) Reporting a performance of the staff to their authorities in respect of their performance of duties.
- (vi) Elected Head of PRIs have been given the power of ACR writing.

4.17 A *Pradhan* of a Gram Panchayat has power to accord administrative approval and expenditure sanction for works upto Rs. 10 Lakhs. *Pramukh* of a Panchayat Samiti has power upto Rs. 25 Lakhs. *Adhyaksh*, Zilla Parishad has power upto Rs.75 lakhs. Funds for developmental activities are directly given to the PRIs. PRIs have been endowed with the powers to levy and collect taxes and to impose penalties and to undertake any such voluntary works that may benefit the community in general.

4.18 PRIs are presently involved in various development activities such as rural water supply, sanitation, primary education, Irrigation, rural connectivity, community infrastructure etc. These activities are carried out mostly through grants-in -aid provided by the Administration.

TABLE 4-5
REVENUE GENERATION BY PRIs

Year	(Rs.in Crore)			
	Gram Panchayat	Panchayat Samities	Zilla Parishad	Total
2002-2003	0.49	0.25	3.98	4.72
2002-2004	0.47	0.36	0.85	1.68
2002-2005	0.67	0.39	1.60	2.66
2002-2006	0.70	0.43	1.06	2.19
2002-2007	0.67	0.16	1.10	1.93
2002-2008	0.71	0.17	1.31	2.19
2002-2009	0.72	0.08	1.29	2.09

Source: Communications from UT administration to the Finance Commission

4.19 We need to understand the resource position of the PRIs. Table 4-5 shows the revenue generated by the Panchayati Raj institutions over the years. The figures of revenue generated (non-tax receipts) for the gram Panchayats, Panchayat Samitis and Zila Parishad are shown. It clearly shows the amount collected is very tiny and would hardly be adequate for running these local self government institutions. They hardly have any tax receipts. The amount collected is shown in Table 4-6.

4.20 The next three tables 4-6,4-7,4-8 show a disaggregated picture of the resources collected by the Zilla Parishad the Panchayat Samiti and the Gram Panchayat respectively. They show the amount of tax revenue collected by these institutions, the non-tax revenue collected and also the grants-in-aid provided by the Government. This brings out the stark realities of the financial position of these institutions. Revenue composition reflects the very low fiscal autonomy of the PRIs and their dependence on the UT administration for carrying out the functions.

TABLE 4-6
Resources of Zilla Parishad (A&N)

Items	(Rs. In Lakhs)						
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Tax	0	0	0	0	0	0	0
<i>Tax as % of Total Resource</i>	0	0	0	0	0	0	0
Non-Tax	397.89	84.96	159.76	106.13	110.29	131.46	128.51
Non-Tax (Interest Receipts)	397.89	83.64	158.02	105.53	105.56	128.84	124.73
<i>Non-Tax as % of Total Resource</i>	<i>14.65</i>	<i>4.83</i>	<i>9.53</i>	<i>2.64</i>	<i>3.81</i>	<i>5.79</i>	<i>7.36</i>
Grants-in-Aid	2317.35	1674.72	1517.46	3913.7	2787.26	2138.26	1616.53
<i>Grants-in-Aid as % of Total Resource</i>	<i>85.35</i>	<i>95.17</i>	<i>90.47</i>	<i>97.36</i>	<i>96.19</i>	<i>94.21</i>	<i>92.64</i>
Total Resource	2715.24	1759.68	1677.22	4019.83	2897.55	2269.72	1745.04

Source: Communications from UT administration to the Finance Commission

4.21 The non tax collections have not shown any improvement over the year and even in 2008-09 barely constitute 7% of the total resources of the Zilla Parishad. Grant-in-aid from the UT Administrations account for more than 90% of the funds available to the Zilla Parishad. This kind of low fiscal autonomy cannot lead to a vigorous and self sustaining Panchayati Raj system. The figures for the Panchayat Samitis and Gram Panchayats in the next two tables are equally if not even more dismal.

TABLE 4-7

Resources of Panchayat Samiti (A&N)

Items	(Rs. In Lakhs)						
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Tax Revenue	0	0	0	0	0	0	0
<i>Tax as % of Total Resource</i>	0	0	0	0	0	0	0
Non-Tax Revenue	24.69	35.68	38.91	43.17	16.17	17.27	7.78
Non-Tax (Interest Receipts)	23.7	34.97	38.16	41.97	15.57	16.79	6.8
<i>Non-Tax as % of Total Resource</i>	<i>1.71</i>	<i>3.40</i>	<i>3.40</i>	<i>3.08</i>	<i>0.81</i>	<i>0.88</i>	<i>0.39</i>
Grants-in-Aid	1420.55	1014.71	1103.91	1357.26	1985.71	1951.71	1994.16
<i>Grants-in-Aid as % of Total Resource</i>	<i>98.29</i>	<i>96.60</i>	<i>96.60</i>	<i>96.92</i>	<i>99.19</i>	<i>99.12</i>	<i>99.61</i>
Total Resource	1445.24	1050.39	1142.82	1400.43	2001.88	1968.98	2001.94

Source: Communications from UT administration to the Finance Commission

TABLE 4-8

Resources of Gram Panchayat (A&N)

Items	(Rs. In Lakhs)						
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Tax	0	0	0	0	0	0	0
<i>Tax as % of Total Resource</i>	0	0	0	0	0	0	0
Non-Tax	48.95	47.44	66.95	69.81	66.65	70.66	72.06
<i>Non-Tax as % of Total Resource</i>	<i>1.96</i>	<i>2.10</i>	<i>2.52</i>	<i>2.66</i>	<i>1.90</i>	<i>2.06</i>	<i>2.05</i>
Grants-in-Aid	2453.16	2213.66	2588.1	2549.92	3449.01	3353.31	3445.99
<i>Grants-in-Aid as % of Total Resource</i>	<i>98.04</i>	<i>97.90</i>	<i>97.48</i>	<i>97.34</i>	<i>98.10</i>	<i>97.94</i>	<i>97.95</i>
Total Resource	2502.11	2261.1	2655.05	2619.73	3515.66	3423.97	3518.05

Source: Communications from UT administration to the Finance Commission

4.22 With the passage of the 74th amendment to the Constitution the Municipal Council of Port Blair was set up in 1994 replacing the Port Blair Municipal board. This is the only urban local body in Andaman & Nicobar Islands and its jurisdiction is 26 Sq Km. The Municipal Council aims at providing basic urban services like sanitation & conservation, distribution of drinking water, street lighting, disposal of carcasses, civic amenities such as parks and gardens and social service centres like community halls, auditoriums, public grounds. They also set up shops and shopping complexes, run urban poverty alleviation programme, regulate construction activities and slaughter houses. Due to the rapid increase in population in the township the essential services required to be provided by the urban body has increased considerably.

4.23 The Port Blair Municipal Council should focus on water supply management as the township is facing an acute water supply crisis. In fact the villages are also facing shortages in water supply which the Zila Parishads needs to tackle on a priority basis.

4.24 The Municipality generates revenue from its assets and collects octroi and other Municipal taxes like house tax. These funds are then utilized for carrying out the maintenance of basic amenities to the citizens and also for running revenue generating assets. A master plan for Port Blair town has been prepared.

4.25 Grants-in-aid to the Municipality have been decreasing primarily because its accounts have not been audited for many years.

4.26 The Municipality has been unable to submit utilization certificates to the administration for spending grants-in-aid in a satisfactory manner. This has led to the Andaman administration heavily scaling down the grants-in-aid. The Port Blair Municipality has not had its accounts audited for last 20 years. This anomaly is now being rectified by the organization by appointing independent Chartered Accountants.

4.27 The next table 4-9 shows the resource position of the Port Blair Municipal Council. The picture here is vastly different as taxes (mainly octroi) constitutes a big chunk of the total resources received by the Municipality. As is well known octroi is a regressive tax but if this is abolished the finances of the Municipal Council will be decimated. The Municipality has been receiving fewer grants from the government over the years and hence its developmental plans have suffered. There is growing water scarcity in the township. The Municipality has to tackle this among other problems on a priority base. It appears to be hamstrung to do so as it lacks the money for promoting large projects which are capital intensive. It also needs to examine its tariff structure so that operation and maintenance of its existing services are carried on effectively. Major constituent of non-tax revenue is water supply charges. The own revenue of the Port Blair Municipal Council is just sufficient enough to cover its outlay expenditure.

TABLE 4-9
Resource of Municipal Councils (Port Blair)

Items	(Rs in Crore)						
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Tax*	16.35	19.37	23.17	27.11	35.31	42.19	47.80
<i>Tax as % of Total Resource</i>	<i>51.09</i>	<i>46.86</i>	<i>50.51</i>	<i>47.19</i>	<i>87.23</i>	<i>66.34</i>	<i>88.05</i>
Non-Tax	3.48	4.37	4.04	4.69	5.07	4.57	4.78
<i>Non-Tax as % of Total Resource</i>	<i>10.88</i>	<i>10.57</i>	<i>8.81</i>	<i>8.16</i>	<i>12.52</i>	<i>7.19</i>	<i>8.80</i>
Grants-in-Aid	12.17	17.60	18.66	25.65	0.10	16.84	1.71
Grant-in-Aid (State) (Plan)	12.00	16.00	17.40	25.55	0.00	16.74	1.61
Grant-in-Aid (State) (Non-Plan)	0.173	0.36	0.30	0.1	0.1	0.1	0.1
Grant-in-Aid (Central)	0	1.23	0.96	0	0	0	0
<i>Grants-in-Aid as % of Total Resource</i>	<i>38.03</i>	<i>42.57</i>	<i>40.68</i>	<i>44.64</i>	<i>0.25</i>	<i>26.47</i>	<i>3.15</i>
Total Resource	32.01	41.34	45.86	57.45	40.48	63.60	54.28

Source: Communications from UT administration to the Finance Commission

TABLE 4-10

Grants to the Local Bodies from the UT Budget (Andaman & Nicobar)

Year	Gram Panchayat	% of Total UT Grant Alloted to GP	Panchayat Samiti	% o f Total UT Grant Alloted to		Municipal Total	% o f Total UT Grant Alloted to		Total Grants to UT Administration
				PS	Zilla Parishad		ZP	MC	
2002-03	2453.16	2.55	1420.29	1.47	2317.34	2.41	1187.3	1.23	96305
2003-04	2213.65	2.10	1014.71	0.96	1674.71	1.59	1620	1.54	105368
2004-05	2588.09	2.13	1103.91	0.91	1517.45	1.25	1770	1.45	121700
2005-06	2549.91	1.50	1357.26	0.80	3913.69	2.30	2564.64	1.51	170296
2006-07	3449.01	1.82	1985.71	1.05	2787.26	1.47	10	0.01	189800
2007-08	3353.31	1.64	1951.70	0.95	2138.26	1.05	1673.88	0.82	204393
2008-09	3445.99	1.26	1994.16	0.73	2842.01	1.04	160	0.06	273392

Source: Communications from UT administration to the Finance Commission

4.28 The above Table 4-10 shows the grants given by the UT administration to the Panchayati Raj institutions and the Municipality. It shows the actual amount given and in percentage terms of the UT budget. In 2002-03 it was a little more than 7% of the UT budget but it has fallen to around 3% of the UT budget for the year 2008-09. Though in actual term the grants-in-aid have gone up from around Rs. 65 crores to Rs. 85 crores over the last six years the picture is not very encouraging. If these bodies have to perform meaningfully larger amounts of resources have to be transferred to them along with the manpower to perform effectively. The above table captures the rather subordinate and marginal role of these bodies.

TABLE 4-11

Grants to the Local Bodies from the UT Budget (Andaman & Nicobar)

Year	Gram Panchayat	Annual Growth Rate in Grants to GP	Panchayat Samiti	Annual Growth Rate in Grants to PS	Zilla Parishad	Annual Growth Rate in Grants to ZP	(Rs. In Lakhs)			Annual Growth Rate in Grants to MC	Total
							Municipalities				
							Plan	Non-Plan	Municipal Total		
2002-03	2453.16		1420.29		2317.34		1170	17.3	1187.3		7378.09
2003-04	2213.65	-9.76	1014.71	-28.56	1674.71	-27.73	1610	10	1620	36.44	6523.07
2004-05	2588.09	16.92	1103.91	8.79	1517.45	-9.39	1760	10	1770	9.26	6979.45
2005-06	2549.91	-1.48	1357.26	22.95	3913.69	157.91	2498	66.64	2564.64	44.89	10385.50
2006-07	3449.01	35.26	1985.71	46.30	2787.26	-28.78	0	10	10	-99.61	8231.98
2007-08	3353.31	-2.77	1951.70	-1.71	2138.26	-23.28	1673.88	0	1673.88	16638.80	9117.15
2008-09	3445.99	2.76	1994.16	2.18	2842.01	32.91	160	0	160	-90.44	8442.16

Source: Communications from UT administration to the Finance Commission

4.29 This dismal picture is also captured more revealingly from another angle by the next table 4-11. This shows the growth rate in the grants to the local bodies from the UT govt. The growth rate is abysmal and there is no trend showing an upward increase. This position has to be changed with a push in the right direction by stepping up grants-in-aid to all the Panchayati Raj institutions and the Municipality.