



Sikkim Legislative Assembly

**Accounts at a Glance  
for the year **2017-18****

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**SENIOR DEPUTY  
ACCOUNTANT GENERAL  
(ACCOUNTS AND  
ENTITLEMENTS), SIKKIM**



**GOVERNMENT OF SIKKIM**



# Preface

The Annual Accounts of the State Government are prepared and examined under the directions of the Comptroller and Auditor General of India (C&AG) in accordance with Article 149 of the Constitution of India, for being laid before the Legislature of the State.

The Annual Accounts consist of (a) Finance Accounts and (b) Appropriation Accounts.

Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise gross expenditure against provisions approved by the State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

The Senior Deputy Accountant General (Accounts and Entitlements) prepares the State Finance Accounts and Appropriation Accounts.

'Accounts at a Glance' provides a Broad Overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

A combined reading of the Finance Accounts, the Appropriation Accounts, the Reports on State Finances and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facets of the finances of the Government of Sikkim.

We look forward to suggestions that would help us in improving the publication.



Gangtok  
Date: 31 January 2019

(Ms. Rina Akoijam)  
Accountant General



# Our Vision, Mission and Core Values

## VISION

*The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.*

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and are recognised for independent, credible, balanced and timely reporting on public finance and governance.

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders – the Legislature, the Executive and the Public – that public funds are being used efficiently and for the intended purposes.

## MISSION

*Our mission enunciates our current role and describes what we are doing today.*

## CORE VALUES

*Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance*

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach



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## Chapter I

# Overview

### 1.1 Introduction

The Senior Deputy Accountant General (Accounts and Entitlements), Sikkim compiles the accounts of receipts and expenditure of the Government of Sikkim. This compilation is based on the initial accounts rendered by six Treasuries (including the accounts in respect of 43 Public Works/Irrigation Divisions and five Forest Divisions), the Directorate of Sikkim State Lotteries, the Sikkim Nationalised Transport, the Land Revenue and Disaster Management Department and advices of the State Bank of Sikkim. Following such compilation, the Senior Deputy Accountant General (A&E) prepares the Finance Accounts and the Appropriation Accounts annually, which are placed before the State Legislature after audit by the Accountant General (Audit), Sikkim and certification by the Comptroller and Auditor General of India.

## 1.2 Structure of Accounts

1.2.1 Government Accounts are maintained in the following three parts:

### Structure of Government Accounts

#### Part 1 CONSOLIDATED FUND

Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.

Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.

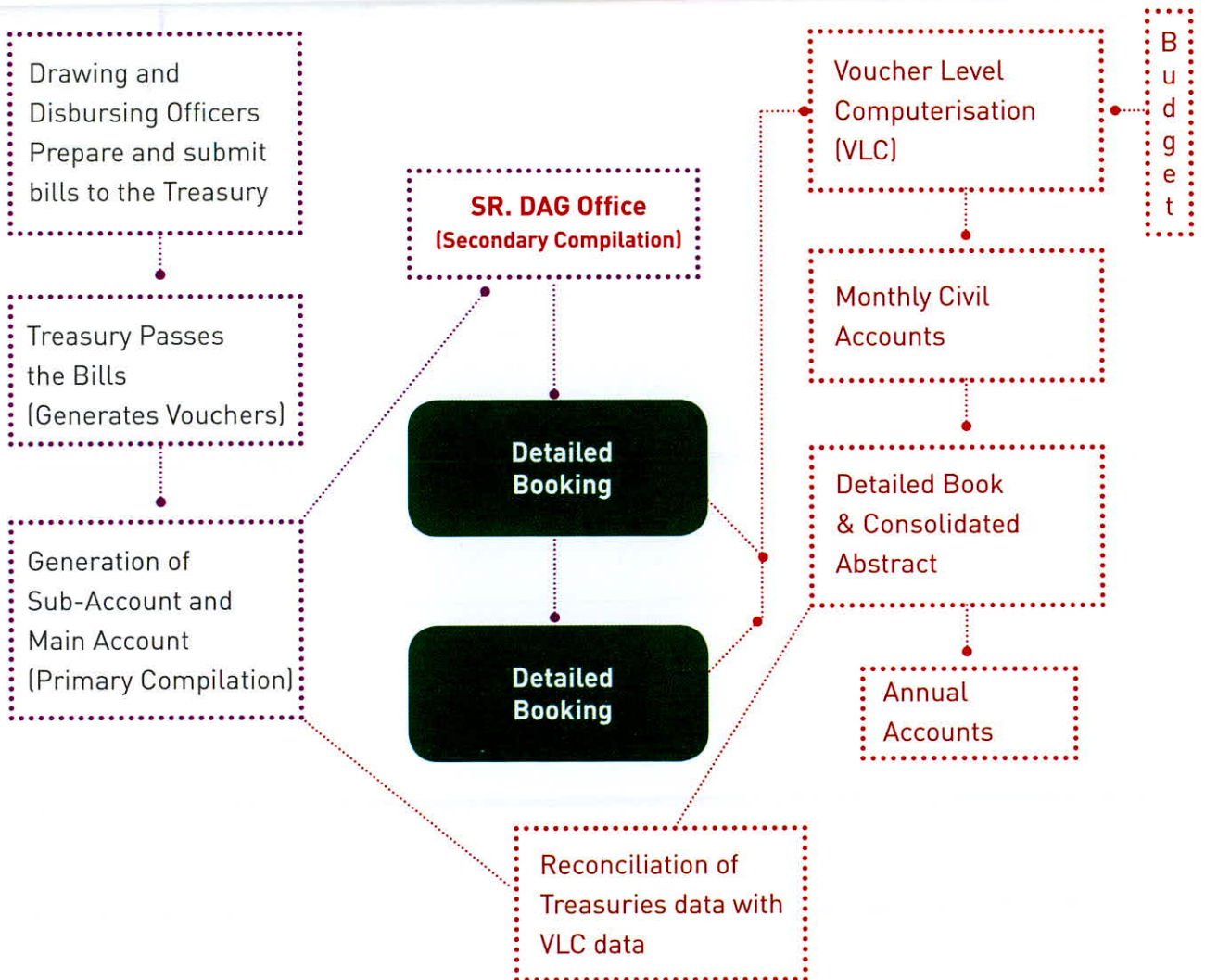
#### Part 2 CONTINGENCY FUND

#### Part 3 PUBLIC ACCOUNT

Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are required to be cleared eventually by booking to final heads of account.

## 1.2.2 Compilation of Accounts

### Flow Diagram for Accounts Compilation



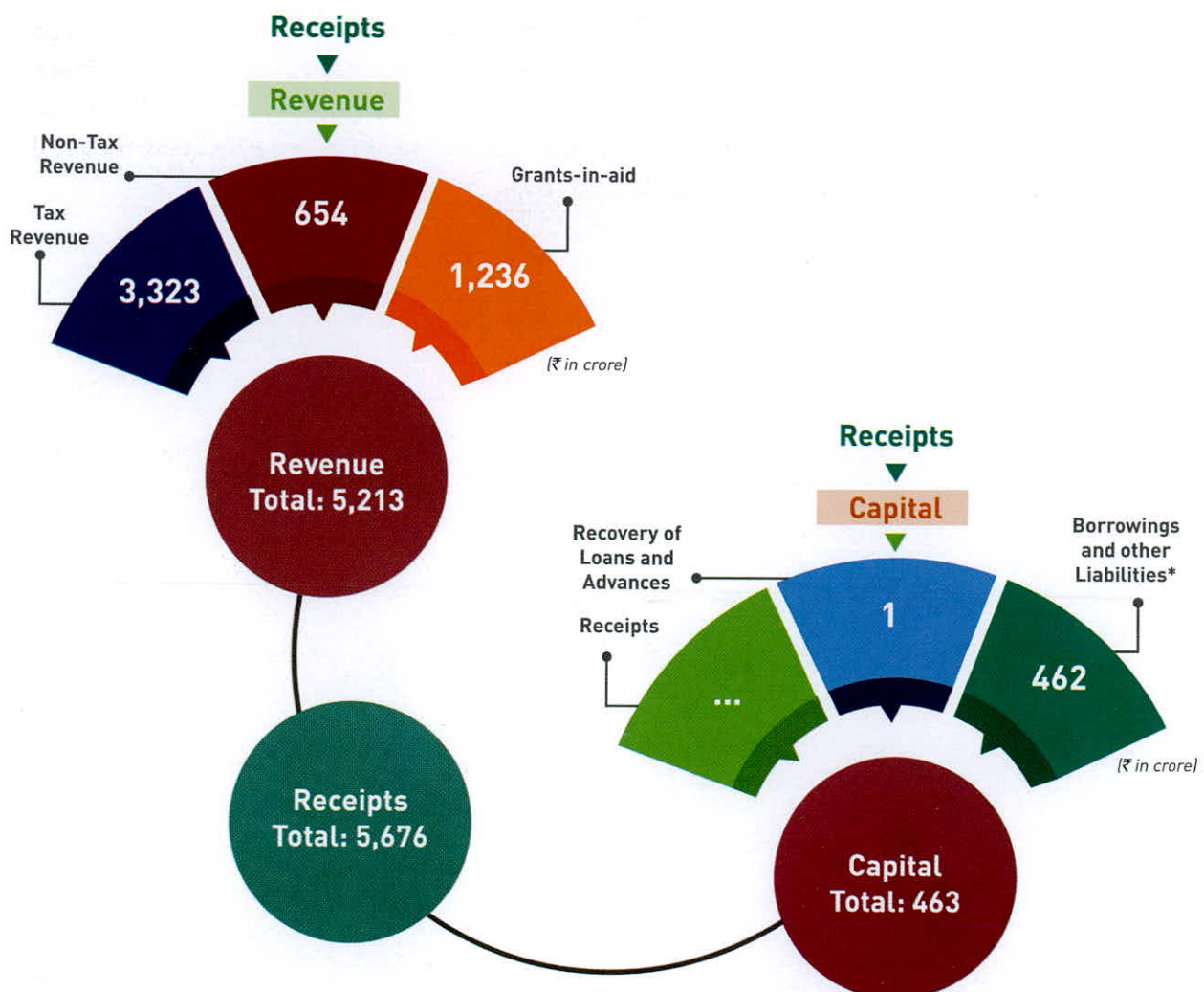
## 1.3 Finance Accounts and Appropriation Accounts

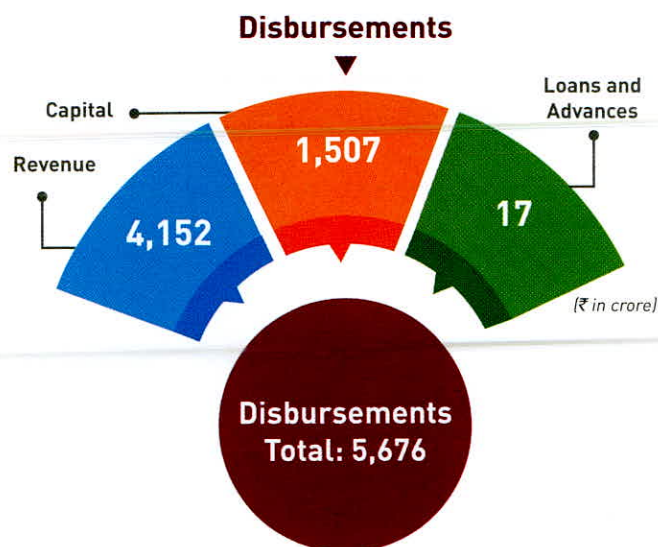
### 1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Accounts have been prepared in two volumes, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of receipts and disbursements (revenue expenditure, capital expenditure, loans and advances and public debt), investments, guarantees, grants-in-aid and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains detailed statements (Part-I) and appendices (Part-II).

Receipts and disbursements of the Government of Sikkim as depicted in the Finance Accounts 2017-18 are given below:-

### Receipts and disbursement in the year 2017-18





*\* Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts-Disbursements) of Public Account + Net of Opening and Closing Cash Balance*

In spite of the Government of India decision to release all assistance under CSS/ACA to the State Government and not to implementing agencies, Government of India continued to release funds to the implementing agencies. During 2017-18, ₹ 29.89 crore was released which was increase of 55 per cent over the amount released directly to implementing agencies in 2016-17. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts. Majority of the direct transfers, during 2017-18, were made under MPLAD scheme (₹ 13 crore), e-Courts Phase II (₹ 12 crore) and Establishment Expenditure AYUSH (₹ 3 crore).

### 1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against the amounts 'Charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 2 charged Appropriations and 45 voted Grants.

The Appropriation Act, 2017-2018, had provisions for gross expenditure of ₹ 7,463 crore and reduction of expenditure (recoveries) of ₹ 0 crore. Against this, the actual gross expenditure was ₹ 6,019 crore and reduction of expenditure was ₹ 1 crore, resulting in net savings of ₹ 1,445 crore and under estimation of ₹ 1 crore on reduction of expenditure. The gross expenditure includes ₹ 38 crore drawn on Abstract Contingent (AC) Bills, out of which AC bills valuing ₹ 31 crore are outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

## 1.4 Sources and Application of Funds

### 1.4.1 Ways and Means Advances

The Ways and Means Advances (WMA) have not been introduced in this State due to non-operation of Reserve Bank of India (RBI) functions.

### 1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 1,061 crore and a Fiscal Deficit of ₹ 462 crore representing 4.77 per cent and 2.08 per cent respectively of the Gross State Domestic Product (GSDP)<sup>1</sup>. The Fiscal Deficit constituted 11 per cent of total expenditure.

## Sources and Application of Funds

(₹ in crore)



Opening Cash Balance as on 01.04.2017	112
Revenue Receipts	5,213
Capital Receipts	...
Recovery of Loans and Advances	1
Public Debt	1,054
Small Savings, Provident Funds and Others	310
Reserves Funds	139
Deposits Received	515
Civil Advances Repaid	...
Suspense Account*	8,115
Remittances	2,248
Contingency Fund	...
<b>TOTAL</b>	<b>17,707</b>

<sup>1</sup> GSDP figure for the year 2017-18 of the State Government of Sikkim was ₹ 22,248 crore which was under the process of approval by the Government of Sikkim.

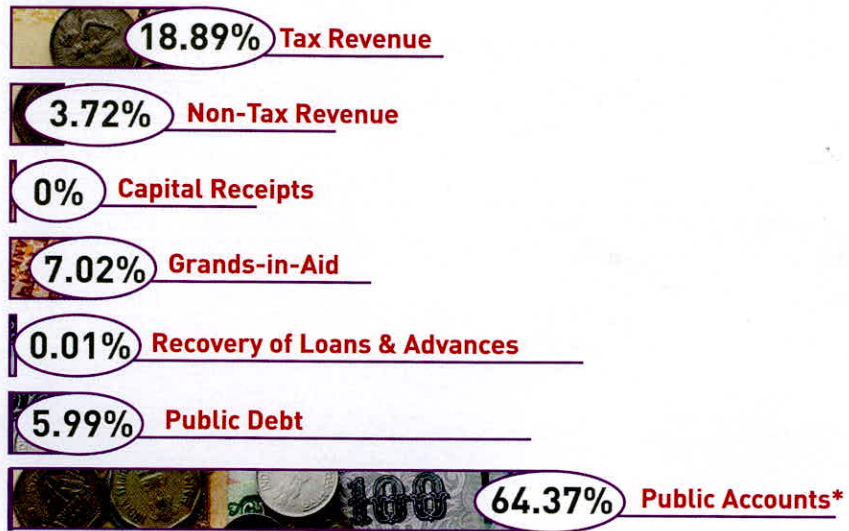


**APPLICATION**

Revenue Expenditure	4,152
Capital Expenditure	1,507
Loans Given	17
Repayment of Public Debt	343
Small Savings, Provident Fund and Others	229
Reserves Funds	175
Deposits Spent	491
Civil Advances Given	...
Suspense Account*	8,128
Remittances	2,068
Closing Cash Balance as on 31.03.2018	597
<b>TOTAL</b>	<b>17,707</b>

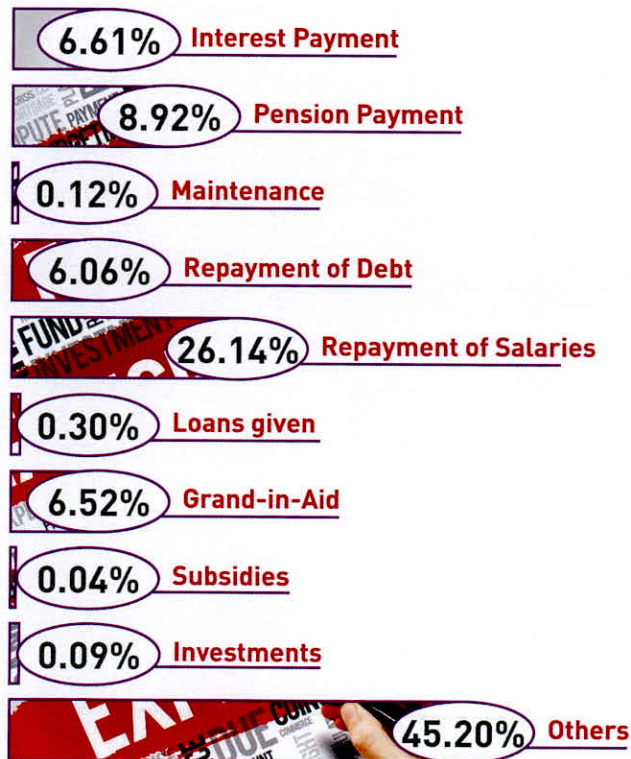
\* The suspense accounts include ₹ 3,926 crore invested in fixed deposit with State Bank of Sikkim (SBS) and disbursement of departmental balances and permanent cash imprest which is shown on the "Application" side and ₹ 3,887 crore worth of fixed deposit matured and receipts in departmental balance and permanent cash imprest which is shown on the "Sources" side. The net of such investment (₹ 39 crore) supplements the closing cash balance of the State Government

### 1.4.3 Where the Rupee came from



\* Public account (including cash balance) component above is taken as net.

### 1.4.4 Where the Rupee went





## 1.5 Highlights of Accounts

(₹ in crore)

	Budget Estimate 2017-18	Actuals	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP <sup>a</sup>
1. Tax Revenue*	3,147	3,323	106	15
2. Non-Tax Revenue	426	654	154	3
3. Grants-in-aid and Contributions	1,753	1,236	71	6
4. <b>Revenue Receipts (1+2+3)</b>	<b>5,326</b>	<b>5,213</b>	<b>98</b>	<b>23</b>
5. Capital Receipts	...	...	...	...
6. Recovery of Loans and Advances	1	1	100	...
7. Net Borrowings and Other Liabilities	567	462	81	2
8. <b>Capital Receipts (5+6+7)</b>	<b>568</b>	<b>463</b>	<b>82</b>	<b>2</b>
9. <b>Total Receipts (4+8)</b>	<b>5,894</b>	<b>5,676</b>	<b>96</b>	<b>26</b>
10. Expenditure on Revenue Account	4,613	4,152	90	19
11. Expenditure on Interest Payments out of 10	370	362	98	2
12. Expenditure on Capital Account	1,247	1,507	121	7
13. Total Expenditure on Revenue Account	4,613	4,152	90	19
14. Total Expenditure on Capital Account**	1,264	1,524	121	7
15. <b>Revenue Deficit (-) / Surplus (+) *** (4-13)</b>	<b>713</b>	<b>1,061</b>	<b>149</b>	<b>5</b>
16. <b>Fiscal Deficit*** (13+14- (4+5+6)) = 7</b>	<b>567</b>	<b>(-)462</b>	<b>81</b>	<b>2</b>

<sup>a</sup> Broadly, sum of the product of all goods and services rendered by the State in monetary terms during a year before making any provision for Consumption of Fixed Capital (C.F.C.) is known as Gross State Domestic Product (₹ 22,248 crore).

\* Includes share of net proceeds assigned to State received from the Government of India.

\*\* Expenditure on Capital Account includes capital expenditure (₹ 1,507 crore) and Loans and Advances disbursed (₹ 17 crore).

\*\*\* The Revenue Surplus is the excess of revenue receipt over revenue expenditure. The Fiscal Surplus may be defined as the less of revenue and capital expenditure (including loans and advance disbursed) over the revenue receipts, recoveries of loans and advances and other receipts.

## 1.6 What do the Deficits and Surpluses indicate?

### What do the deficits and surpluses indicate?

#### DEFICIT

Refers to the gap between Receipt and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence of Financial Management.

Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.

#### REVENUE DEFICIT/ SURPLUS

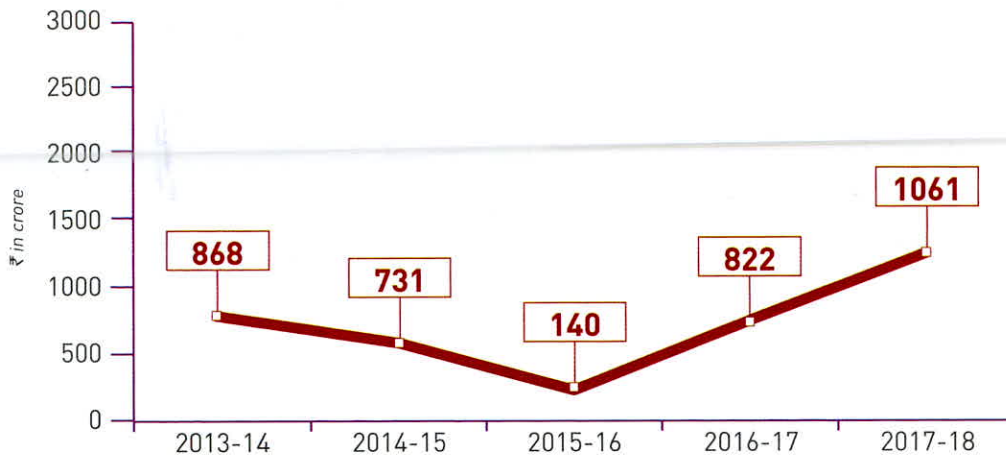
#### FISCAL DEFICIT/ SURPLUS

Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. As per the Accounts, the Government of Sikkim maintained Fiscal Surplus of 0.46 per cent for the year 2016-17 and Fiscal Deficit 2.08 per cent (₹ 462 crore) for the year 2017-18 against the 13th Finance Commission's stipulation of 3 per cent of GSDP.

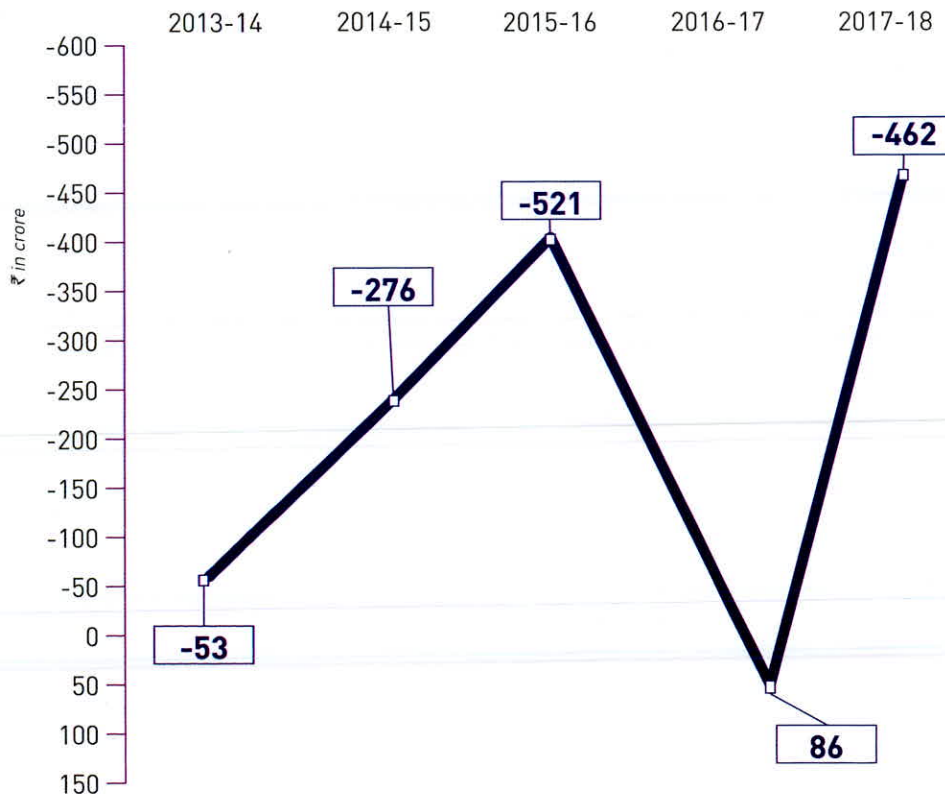
### 1.6.1 Trend of Revenue Deficit/ Surplus

#### Revenue Surplus



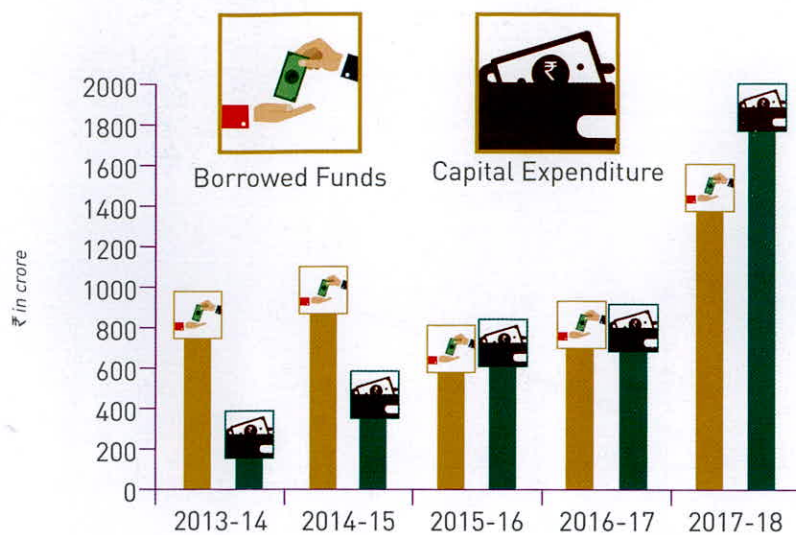
### 1.6.2 Trend of Fiscal Deficit

#### Fiscal Deficit/Surplus



### 1.6.3 Proportion of borrowed funds spent on Capital Expenditure

#### Borrowed funds spent on Capital Expenditure



It is desirable to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest thereon. The State Government, however, spent less expenditure on Capital account (₹ 1,507 crore) than the borrowings of current year (₹ 1,867 crore) and remaining borrowings (₹ 360 crore) were included in fiscal surplus.

## Chapter II

# Receipts

### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2017-18 were ₹ 5,213 crore.

### 2.2 Revenue Receipts

#### ● TAX REVENUE

Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.

Includes interest receipts, dividends, profits, royalties etc.

#### ● NON-TAX REVENUE

#### ● GRANTS-IN-AID

Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' received from Foreign Governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

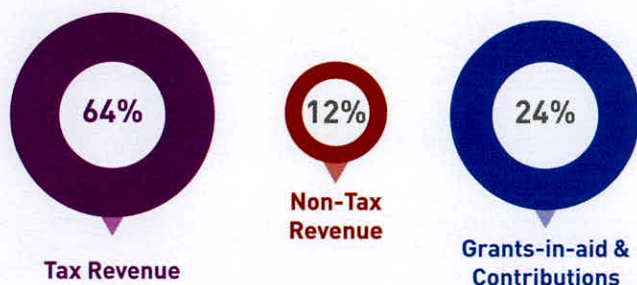
## 2.2.1 Revenue Receipt Components (2017-18)

(₹ in crore)

Components	Actuals	Percentage to Revenue Receipt
<b>A. Tax Revenue*</b>	<b>3,323</b>	<b>63.76</b>
Taxes on Income and Expenditure	514	27.04
Taxes on Property and Capital Transactions	22	0.42
Taxes on Commodities and Services	1,331	25.54
<b>B. Non-Tax Revenue</b>	<b>654</b>	<b>12.54</b>
Interest Receipts, Dividends and Profits	118	3.26
General Services	134	2.57
Social Services	13	0.24
Economic Services	390	7.48
<b>C. Grants-in-aid &amp; Contributions</b>	<b>1,236</b>	<b>23.70</b>
<b>Total –Revenue Receipts</b>	<b>5,213</b>	<b>100.00</b>

\* Includes share of net proceeds assigned to State received from the Government of India.

## Revenue Receipts



## 2.2.2 Trend of Revenue Receipts

(₹ in crore)

Components	Actuals	Percentage to Revenue Receipt
Taxes on Sales, Trade etc.	2.50	1.12
Corporation Tax	8.36	3.77
Taxes on Income other than Corporation Tax	6.78	3.05
State Excise	1.50	0.67
Service Tax	3.13	1.40
Union Excise Duties	2.61	1.17
Customs	2.70	1.21
Taxes on Vehicles	0.29	0.13
Stamps and Registration Fees	0.14	0.05

During the year, Net Tax Revenue was more than Budget Estimates by ₹ 176 crore.

The major variations are as under:-

(₹ in crore)

Where Actual Receipts was less than Budget Estimates		Where Actual Receipts was more than Budget Estimates	
Customs	79	Corporation Tax	104
Union Excise Duties	104	Taxes on Income other than Corporation Tax	30
Other Taxes and Duties on Commodities and Services	6	State Excise	5
Service Tax	79	Central Goods and Services Tax	35

### 2.3 Trend of Receipts

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Tax Revenues	1,288 (10)	1,337 (9)	2,438 (15)	2,722 (14)	3,323 (15)
Non-Tax Revenues	794 (6)	698 (5)	413 (2)	451 (2)	654 (3)
Grants-in-Aid	2,244 (18)	2,427 (17)	934 (6)	1,437 (8)	1,236 (6)
<b>Total Revenue Receipts</b>	<b>4,326</b> (35)	<b>4,462</b> (31)	<b>3,785</b> (23)	<b>4,610</b> (24)	<b>5,213</b> (24)
<b>GSDP</b>	<b>12,377**</b>	<b>14,518***</b>	<b>16,637***</b>	<b>18,852#</b>	<b>22,248**</b>

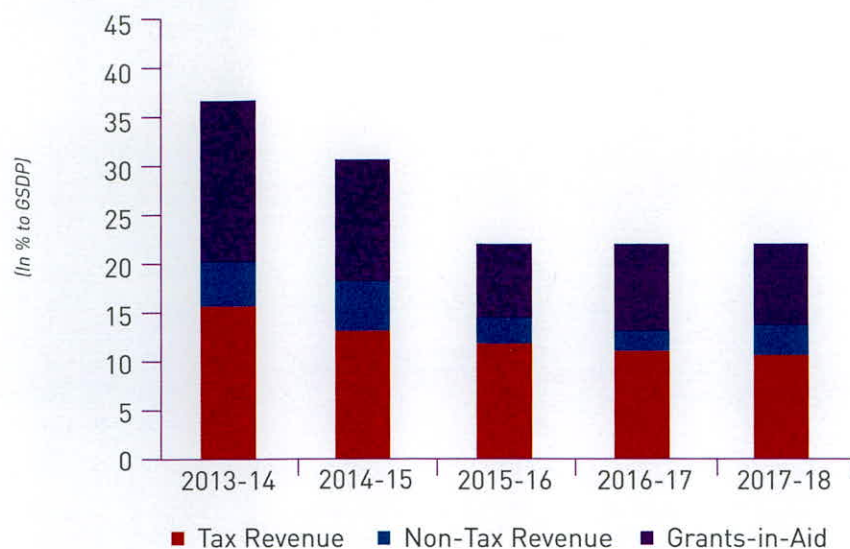
Note: Figures in parentheses represent percentage to GSDP

\* Provisional      \*\* Quick Estimates      \*\*\* Advanced Estimates

# Under the process of approval by the Government of Sikkim.

During 2017-18, the GSDP increased by 18.01 per cent in comparison to previous year and growth in revenue collection was 13.06 per cent. The tax revenue increased by 22.08 per cent, Non-Tax Revenues and Grants-in-aid increased by 45.01 per cent and 86.01 per cent respectively in comparison to previous year.

## Components under Revenue Receipts as proportion to GSDP



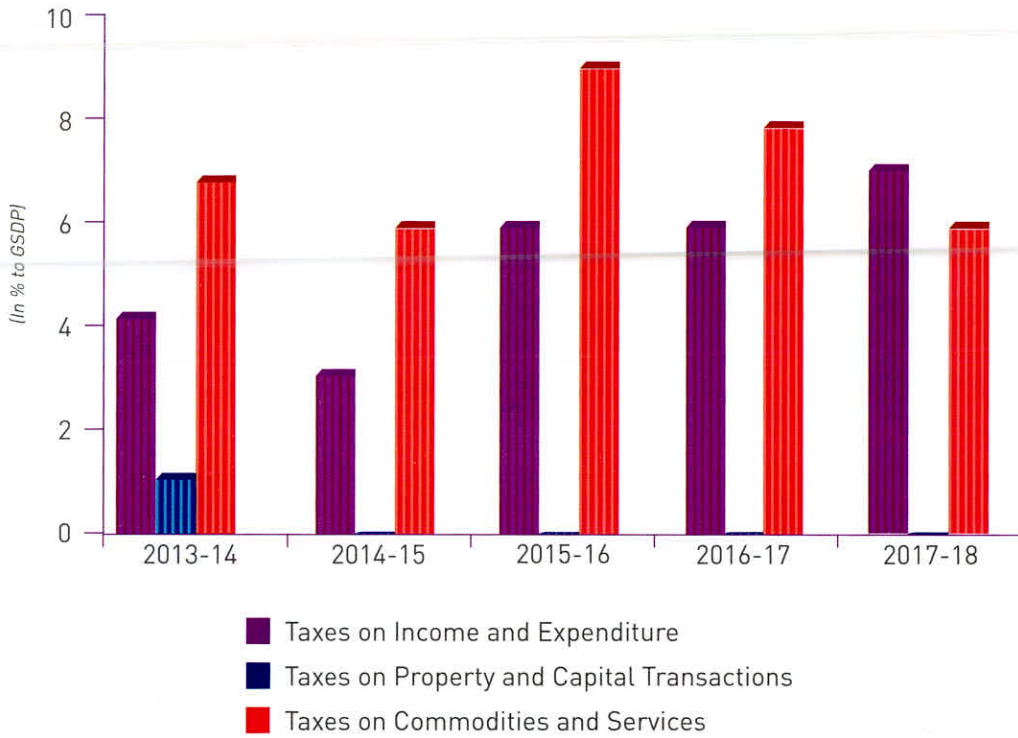
## Sector-wise Tax Revenue

	2013-14	2014-15	2015-16	2016-17	2017-18
Taxes on Income and Expenditure	434 (3.5)	492 (3.4)	1,016 (6.1)	1,114 (5.9)	1,514 (6.8)
Taxes on Property and Capital Transactions	11 (0.1)	14 (0.1)	10 (0.1)	20 (0.1)	22 (0.10)
Taxes on Commodities and Services	843 (6.8)	831 (5.7)	1,412 (8.5)	1,588 (8.4)	1,331 (5.9)
Total Tax Revenues	1,288 (10.4)	1,337 (9.2)	2,438 (14.7)	2,722 (14.4)	3,323 (14.9)
<b>GSDP</b>	<b>12,377</b>	<b>14,518</b>	<b>16,637</b>	<b>18,852</b>	<b>22,248</b>

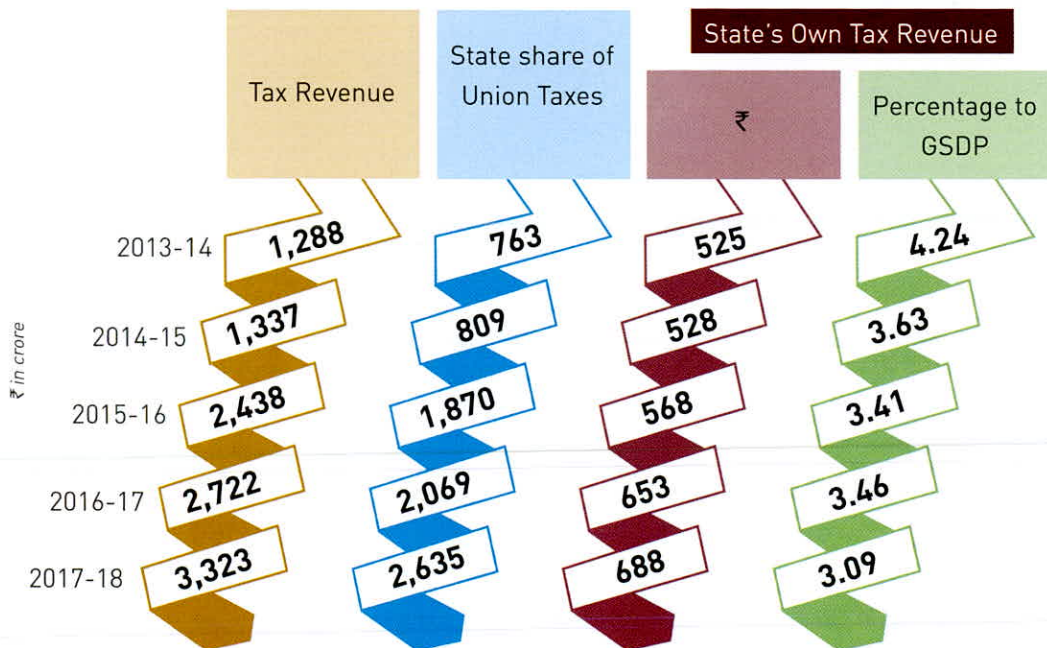
Note: Figures in parentheses represent percentage to GSDP.



## Trend of Major Taxes in proportion to GSDP



## 2.4 Performance of State's own Tax Revenue Collection



## 2.5 Efficiency of Tax Collection

### A. Taxes on Property and Capital Transactions

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Collection	11	14	10	20	22
Expenditure on Collection	14	14	12	9	9
Efficiency of Tax Collection (in per cent)	127	100	120	45	41

### B. Taxes on Commodities and Services

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Collection	843	831	1,411	1,588	1,331
Expenditure on Collection	74	141	62	92	70
Efficiency of Tax Collection (in per cent)	9	17	4	6	5

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is good. However, the collection efficiency of taxes on property and capital transactions needs to be improved.

## 2.6 Trend in State's Share of Union Taxes over the past five years

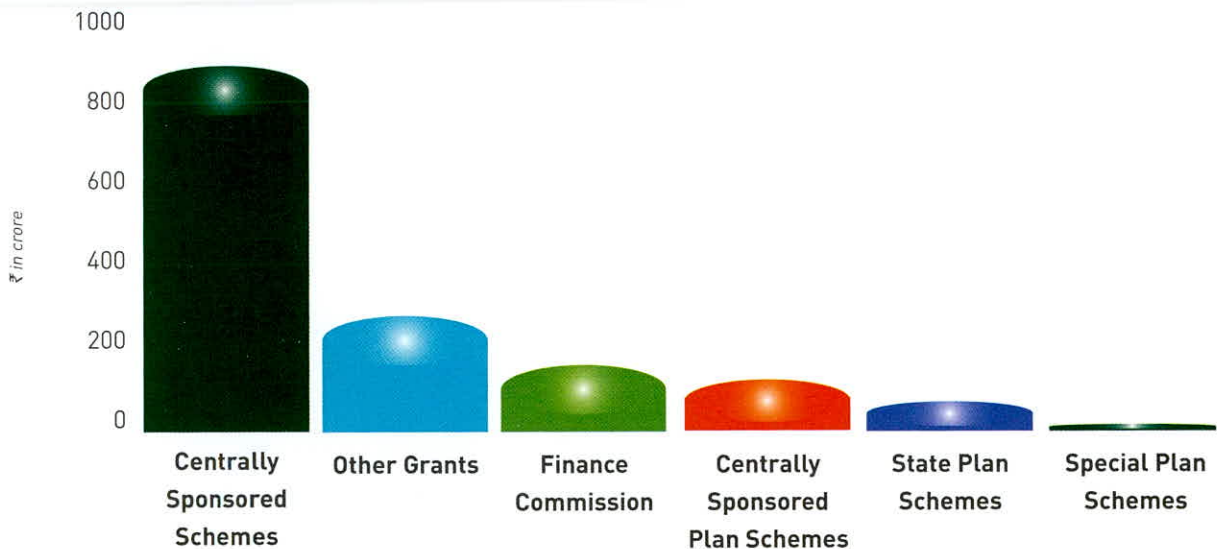
(₹ in crore)

Major Head description	2013-14	2014-15	2015-16	2016-17	2017-18
Corporation Tax	257	282	593	638	836
Taxes on Income other than Corporation Tax	169	202	415	468	678
Taxes on Wealth	1	1	...	1	1
Customs	124	131	298	288	270
Union Excise Duties	88	74	245	352	261
Service Tax	124	119	318	322	312
Other Taxes and Duties on Commodities and Services	...	...	1	...	1
<b>State Share of Union Taxes</b>	<b>763</b>	<b>809</b>	<b>1,870</b>	<b>2,069</b>	<b>2,635</b>
<b>Total Tax Revenue</b>	<b>1,288</b>	<b>1,337</b>	<b>2,438</b>	<b>2,722</b>	<b>3,323</b>
<b>Per cent of Union Taxes to Total Tax Revenue</b>	<b>59</b>	<b>61</b>	<b>77</b>	<b>76</b>	<b>79</b>

## 2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and comprise grants for State Plan Schemes and Central Plan Schemes approved by the NITI Aayog and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2017-18 under Grants-in-Aid were ₹ 1,236 crore as shown below:

### Grants-in-Aid



## 2.8 Public Debt

Trend of Public Debt (net) over the past five years is as follows:



Note: Negative figures indicate that repayment is in excess of receipts.

In 2017-18, 27 loans totaling ₹ 3,619 crore were raised at par at interest rates varying from 7.00 per cent to 9.75 per cent. Out of these loans, 26 loans will redeem in 2028 and one will redeem in 2029.

# Chapter III

## Expenditure

### 3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the Government. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities.

#### GENERAL SERVICES

Includes Justice, Interest Payment, Police, Jail, PWD, Pension etc.

Includes Education, Health & Family Welfare, Water Supply, Welfare of SC,ST, OBC and Minorities, Social Security, Nutrition and Relief on account of Natural Calamities etc.

#### SOCIAL SERVICES

#### ECONOMIC SERVICES

Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport, Science and Technology etc.

### 3.2 Revenue Expenditure

Revenue Expenditure of ₹ 4,152 crore for 2017-18 fell short of budget estimates by ₹ 461 crore due to less disbursement. The State Government had obtained supplementary grant of ₹ 391 crore (₹ 254 crore in August 2017, ₹ 137 crore in January 2018) to meet increased expenditure on existing schemes as well on new services. However, actual expenditure was less than the original budget estimates.

The shortfall/excess of revenue expenditure against budget estimates during the past five years is given below:

(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Budget Estimates	3,983	4,839	4,259	4,624	4,613
Actuals	3,458	3,731	3,645	3,788	4,152
Gap	525	1,108	614	836	461
Percentage of gap over BE	13	23	14	18	10

Around 65.97 per cent of the revenue expenditure was “committed” to Salaries (₹ 1,479 crore), Interest Payments (₹ 374 crore), Pensions (₹ 505 crore), Subsidies (₹ 2.00 crore), Grants-in-aid Salary (₹ 279 crore), Social Security and other Pensions (National Old Age Pension Scheme and National Family Benefit Scheme) (₹ 35 crore) and Wages (₹ 65 crore).

The position of committed and uncommitted revenue expenditure over the last five years is given below:

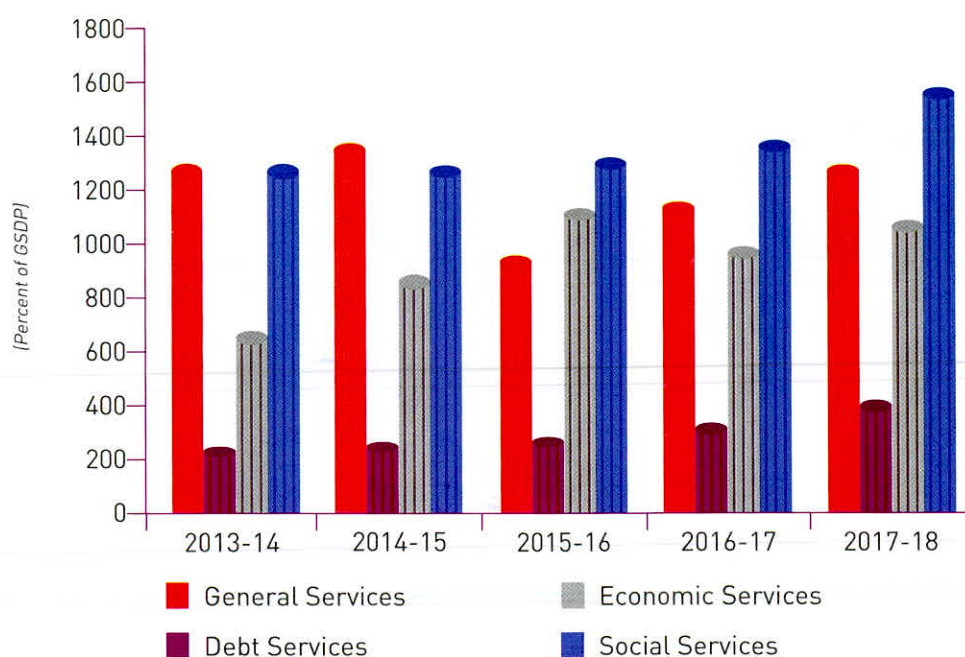
(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue expenditure	3,458	3,731	3,645	3,788	4,152
Committed revenue expenditure*	1,921	2,169	2,417	2,539	2,739
Uncommitted revenue expenditure	1,537	1,562	1,228	1,249	1,413

\* From 2014-15, expenditure on “Grants-in-aid (salary)” and “Social Security and other Pensions” have been included in Committed revenue expenditure. Earlier these were included in Uncommitted revenue expenditure

### 3.2.1 Major components of Revenue Expenditure (2013-2018)

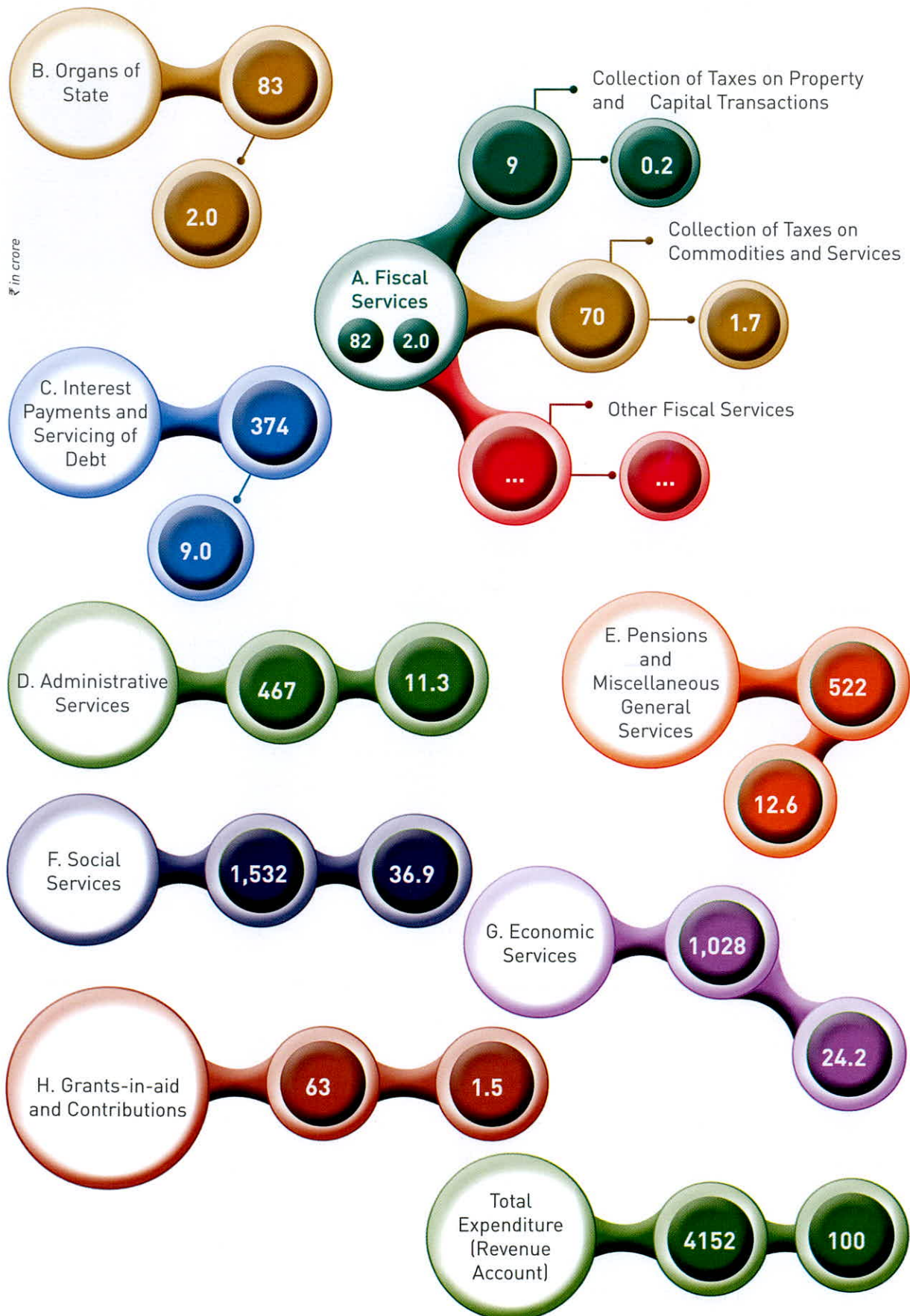
#### Trend of Major components of Revenue Expenditure



\* General Services excludes MH 2049 (Interest payments) and includes MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions).

The expenditure increased in all sectors during the last five years.

### 3.2.2 Sectoral Distribution of revenue Expenditure



### 3.3 Capital Expenditure

Capital disbursements of ₹ 1,507 crore for 2017-18, at 6.8 per cent of GSDP, fell short of budget estimate by ₹ 200 crore.

#### 3.3.1 Sectoral distribution of Capital Expenditure

During 2017-18, the State Government has spent ₹ 197 crore on various water supply schemes, ₹ 623 crore on construction of roads & bridges.

#### 3.3.2 Sectoral distribution of capital and revenue expenditure

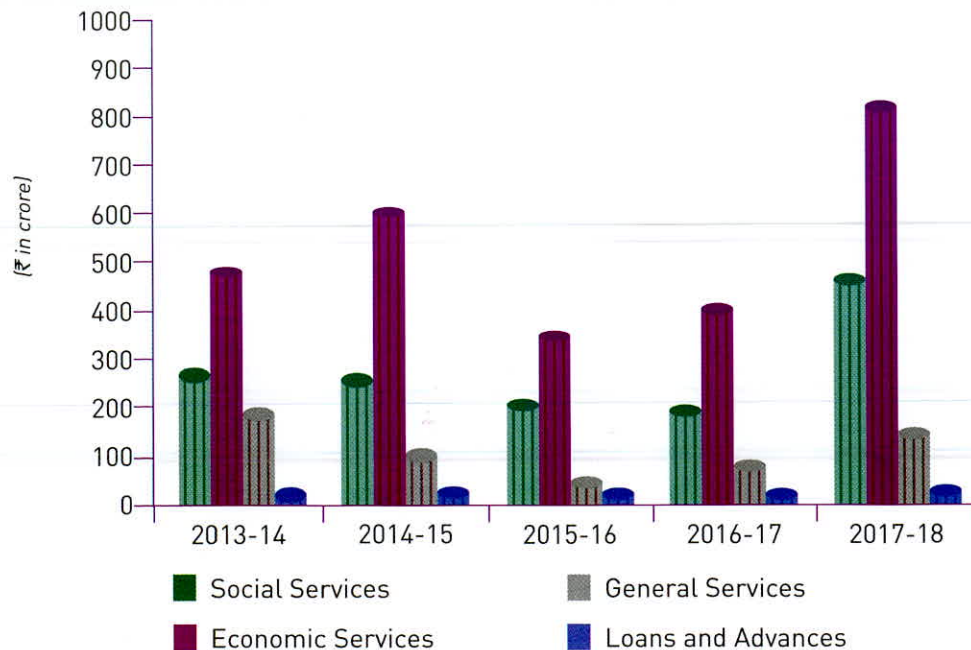
The comparative sectoral distribution of capital and revenue expenditure over the past five years is illustrated below:

(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
General Services	170	110	64	71	150
	(18.6)	(11.2)	(10.1)	(9.6)	(9.8)
Social Services	266	270	201	243	535
	(29.2)	(27.5)	(31.7)	(33.0)	(35.1)
Economic Service	476	601	369	406	822
	(52.2)	(61.3)	(58.2)	(55.0)	(54.0)
Loans and Advances	10	27	27	17	17
	(1.1)	(2.8)	(4.3)	(2.3)	(1.1)
<b>Total</b>	<b>922</b>	<b>1,008</b>	<b>661</b>	<b>737</b>	<b>1,524</b>

Note: Figures in parentheses represent percentage to total capital expenditure.

#### Trend of Major Components of Capital Expenditure

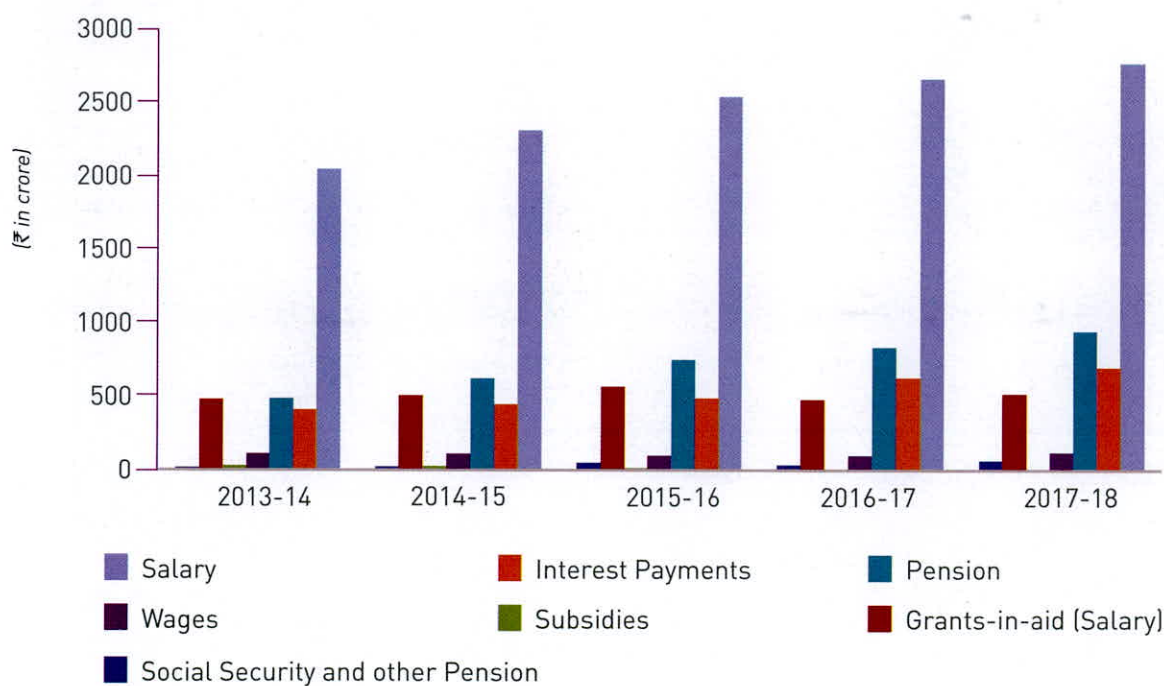


### 3.4 Committed Expenditure

(₹ in crore)

Component	2013-14	2014-15	2015-16	2016-17	2017-18
Committed Expenditure	1,921	2,169	2,417	2,539	2,739
Revenue Expenditure	3,458	3,731	3,645	3,788	4,152
Committed expenditure to Revenue Receipts (In Per cent)	44.4	48.6	63.9	55.1	52.5
Committed expenditure to Revenue expenditure (In Per cent)	55.6	58.1	66.3	67.0	66.0

#### Trend of Committed Expenditure



The upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.



## Chapter IV

# Appropriation Accounts

### 4.1 Summary of Appropriation Accounts

(₹ in crore)

Nature of expenditure	Original grant	Supplementary grant	Total	Actual expenditure	Saving (-) Excess (+)	Surrender
Revenue Voted	4,313	391	4,704	3,749	(-)955	(-)807
Charged	412	...	412	403	(-) 9	(-) 10
Capital Voted	131	709	840	1524	684	(-)383
Charged	...	...	...	...	...	...
Public Debt Charged	343	...	343	343	...	...
Loans and Advances Voted	17	...	17	17	...	(-) 0.10
Appropriation to Contingency Fund Voted	...	...	...	...	...	...
<b>Total</b>	<b>5,216</b>	<b>1,100</b>	<b>6,316</b>	<b>6,036</b>	<b>(-)280</b>	<b>(-)1,210</b>

### 4.2 Trends of Savings/Excesses during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2013-14	(-) 705	(-) 499	(-) 12	*...	(-) 1,193
2014-15	(-) 1,262	(-) 776	(-) 2	(-) 1	(-) 2,042
2015-16	(-) 820	(-) 552	(-) 4	(+) 5	(-)1,371
2016-17	(-) 1,264	(-) 533	(-) 3	(-) 1	(-)1,801
2017-18	(-) 963	(-) 475	(-) 7	*...	(-)1,445

\* Negligible amount.

### 4.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/programmes.

Some grants with persistent and significant savings are given below:

(₹ in crore)

Grant	Nomenclature	2013-14	2014-15	2015-16	2016-17	2017-18
01	Food Security and Agriculture Development	35	30	40	36	47
02	Animal Husbandry, Live Stock, Fisheries and Veterinary Services	8	16	27	32	7
11	Food, Civil Supplies and Consumer Affairs	8	13	19	49	2
12	Forest Environment & Wild Life Management	38	38	60	41	98
19	Irrigation & Flood Control	72	86	70	87	134
22	Land Revenue and Disaster Management	33	42	47	35	56
29	Development Planning, Economic Reforms & North Eastern Council Affairs	4	70	35	86	28
38	Social Justice, Empowerment & Welfare	23	33	44	39	57
39	Sports and Youth Affairs	24	41	40	32	...
41	Urban Development and Housing	6	60	39	63	16

During 2017-18, supplementary grants totaling ₹ 391 crore (9.42 per cent of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
01	Food Security and Agriculture Development	Revenue	94	46	48
02	Animal Husbandry, Livestock, Fisheries and Veterinary Services	Revenue	51	4	48
07	Human Resource Development	Revenue	614	28	565
12	Forest, Environment and Wild Life Management	Revenue	216	1	119
14	Home	Revenue	56	4	51
15	Horticulture and Cash Crops Development	Revenue	51	14	79
19	Irrigation and Flood Control	Revenue Capital	168	19	44
22	Land Revenue and Disaster Management	Capital	129	9	82
30	Police	Revenue	310	6	297
31	Energy and Power	Revenue	230	3	211
35	Rural Development Department	Revenue	238	42	210
38	Social Justice, Empowerment and Welfare	Revenue Capital	156	19	118

## Chapter V

# Assets and Liabilities

### 5.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition/purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

#### 5.1.1 Investments and Returns

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 102 crore at the end of 2017-18. However, dividends received during the year was ₹ 3 crore (2.94 per cent) on investment. During 2017-18, an amount of ₹ 5 crore has been invested in Power Development Corporation and income from dividend increased by ₹ 1 crore.

#### 5.1.2 Cash Balance and Investment of Cash Balances

Cash Balance with State Bank of Sikkim and other banks stood at ₹ 112 crore on 31 March 2017 and decreased to ₹ 13 crore at the end of March 2018. The position of cash balance and investment of cash balance is as under:

[₹ in crore]

Component	As on 1 April 2017	As on 31 March 2018	Net increase(+)/ decrease (-)
Cash Balances	112	597	(+ )485
Investment from cash balance	1,910	1,948	(+ ) 38
Other cash balances	1	1	...
(a) Departmental Balances	1	1	...
(b) Permanent Cash imprest	...	...	...
Investment from earmarked fund balances	132	597	(+ )465
(a) Guarantee Redemption Fund	42	47	(+ ) 3
(b) Other Funds	90	58	(- ) 32
Interest realized*	3	3	...

\* It includes interest on investments out of Guarantee Redemption Fund.

### 5.1.3 Loans and Advances by the State Government

Total loans and advances made by the State Government at the end of 2017-18 was ₹ 192 crore. During 2017-18, ₹ 1 crore has been received towards repayment of loans and advances from other co-operatives. Effective steps to recover the outstanding loans would help the Government's fiscal position.

Information regarding recoveries in arrears in respect of principal and interest is required to be furnished by the concerned departments every year to the Accountant General by June which was not furnished by the department.

## 5.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be fixed from time to time by the State Legislature.

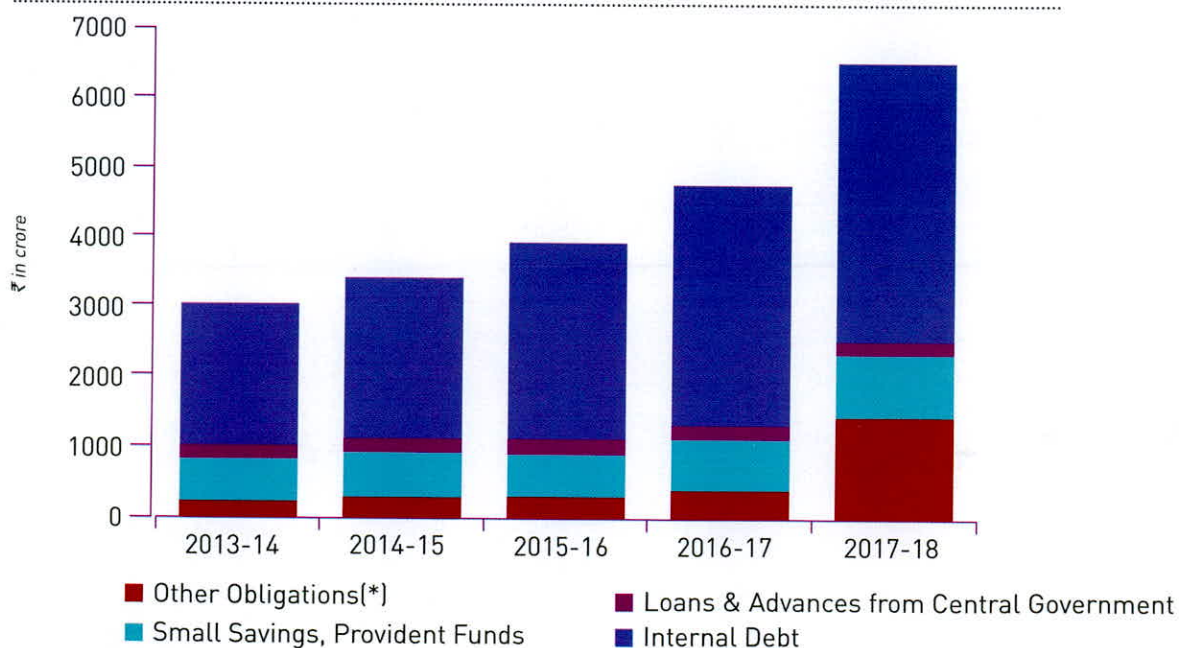
Details of the Public Debt and other liabilities of the State Government are as under (Figures are progressive balances to end of the year):

(₹ in crore)

Year	Public Debt	Percentage of GSDP	Public Account (*)	Percentage of GSDP	Total Liabilities	Percentage of GSDP
2013-14	2,186	18	882	07	3,068	25
2014-15	2,510	17	971	07	3,481	24
2015-16	2,969	18	992	06	3,961	24
2016-17	3,506	19	1,163	06	4,669	25
2017-18	4,217	19	1,234	6	5,451	25

(\*) Excludes Advances, Suspense and Miscellaneous and Remittance balances.

### Government Liabilities



(\*) Other Obligations includes Reserve Funds and Deposits.

Public debt and other liabilities of the Government jumped from 24 per cent of GSDP at the end of 2015-16 to 25 per cent of GSDP at the end of 2017-18. The Public Debt to GSDP ratio, however, was within the FRBM target of 30.

### 5.3 Guarantees (Contingent Liabilities)

In addition to directly raising loans, State Government also guarantee loans raised by Government companies and corporations from the market and financial institutions for implementation of various plan schemes and programmes. These guarantees are projected outside the State budget. The position of guarantees by the State Government for repayments of loans (payment of principal and interest thereon) raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies, etc., is given below:

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed	Guarantees outstanding at the end of year
2013-14	157	121
2014-15	157	113
2015-16	157	89
2016-17	518	441
2017-18	649	565

Note: Details are available at Statement No.20 of Finance Accounts and these are based on information received from the State Government, and where available, from the respective institutions.

Guarantee fees are calculated at 1 per cent. During 2017-18, the State Government transferred ₹ 2 crore to the Guarantee Redemption Fund. Now, the total balance of ₹ 47 crore, including Guarantee fee was invested under Guarantee Redemption Fund.

## Chapter VI

# Other Items

### 6.1 Financial assistance to local bodies and others

During the past five years, Grants-in-aid to local bodies etc., increased from ₹ 355 crore in 2013-14 to ₹ 369 crore in 2017-18. Grants to Zilla Parishads, Gram Panchayats and Municipalities (₹ 279 crore) represented 76 per cent of total grants given during the year.

Details of Grants-in-aid released in the last five years are as under:

(₹ in crore)

S. No		2013-14	2014-15	2015-16	2016-17	2017-18
1	Zilla Parishads	10	14	5	...	...
2	Municipalities and Municipal Corporations	...	42	...	...	...
3	Gram Panchayats	23	27	338	257	279
4	Others	322	321	4	48	90
	<b>Total</b>	<b>355</b>	<b>404</b>	<b>347</b>	<b>305</b>	<b>369</b>

### 6.2 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of figures available with the departments and the figures appearing in the accounts compiled by the Senior Deputy Accountant General (A&E). This exercise is to be conducted by the respective Heads of Departments/ Controlling officers. During 2017-18, all 47 Controlling Officers have reconciled the total expenditure of ₹ 5,659 crore (net). Similarly, all Controlling Officers have reconciled the total Government receipts of ₹ 5,213 crore for the year 2017-18.

### 6.3 Rush of expenditure

The financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under ten Heads of Account during March 2018 ranged between 7 per cent and 97 per cent of the total expenditure during the year indicating a tendency to utilize the budget at the close of the financial year.

The flow of expenditure during the four quarters of 2017-18 in the above mentioned Heads was as below:

(₹ in crore)

Head of Account	Description	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	During March	Percentage of 3/2018 w.r.t. total expenditure of 2017-18
2045	Other Taxes and Duties on Commodities and Services	0.43	0.38	0.35	53.12	54.28	52.86	97.38
2049	Interest Payment	61.88	84.76	58.82	156.72	362.18	105.73	29.19
2071	Pensions and Other Retirement benefits	138.17	116.35	104.00	146.67	505.19	67.11	13.28
2202	General Education	192.51	245.05	175.05	199.01	811.62	55.13	6.79
2401	Crop Husbandry	13.97	19.48	24.35	56.59	114.39	43.69	38.19
2851	Village and Small Industries	5.82	5.15	5.04	43.86	59.87	40.54	67.71
4059	Capital Outlay on Public Works	9.50	37.34	10.85	81.06	138.75	75.26	54.24
4202	Capital Outlay on Education, Sports, Art and Culture	1.74	17.25	12.39	66.20	97.58	54.19	55.53
4801	Capital Outlay on Power Projects	0.10	9.77	10.76	55.66	76.29	52.17	68.38
5054	Capital Outlay on Roads and Bridges	132.55	81.04	216.59	192.41	622.59	164.80	26.47

#### 6.4 Submission of accounts by Treasuries

Although the monthly accounts are generated through Sikkim Integrated Financial Management System (SIFMS) by the State Government, the accounts received in this office are in hard copy format. All the data are being captured manually into the VLC system. However, there would be no further upgradation in the existing SIFMS. Development of new SIFMS by the State Government is under process wherein AG Modules (interface with VLC and SIFMS) are to be included.

#### 6.5 Utilisation Certificates for Grants-in-aid

Under the Sikkim Financial Rules, 1979, Utilisation Certificates (UCs), in respect of grants provided for specific purposes should be obtained by departmental officers from grantees, which, after verification, should be forwarded to the Senior Deputy Accountant General (A&E) within 12 months from the date of their sanction unless specified otherwise. UCs outstanding beyond the specified periods indicates absence of assurance on utilisation of the grants for intended purposes. Outstanding position of UCs is as follows:

Year	Number of Utilisation Certificate awaited	Amount (₹ in crore)
Up to 2015-16	1,163	61.16
2016-17	121	51.20
2017-18*	251	81.35
<b>Total</b>	<b>1,535</b>	<b>193.71</b>

\* Except where the sanction order states otherwise, utilisation certificates in respect of grants disbursed during 2017-18 will become due only during 2018-19.

## **6.6 Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills**

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through Abstract Contingent (AC) Bills. Such AC bills are required to be settled within a maximum of three months through submission of Detailed Contingent (DC) Bills. At the end of 31 March 2018, 2733 DC Bills amounting to ₹ 78 crore were outstanding. Further, 2010 DC Bills involving ₹ 47 crore were pending for more than a year. To the extent of non-receipt of DC Bills, the expenditure shown during the year cannot be vouched as final.

## **6.7 Commitments on account of Incomplete Capital Works**

A total expenditure of ₹ 628 crore was incurred up to the year 2017-18 by the State Government on various incomplete projects costing more than rupees ten crore each which were taken up by the Water Resources, Public Works, Public Health Engineering, Human Resources Development, Urban Development and Housing and Energy and Power Departments.