



**State Finances Audit Report  
of  
the Comptroller and Auditor General of India  
For the year ended March 2019**

**Government of Sikkim  
*Report No. 1 of 2020***

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## PREFACE

1. This Report has been prepared for submission to the Governor of Sikkim under Article 151 (2) of the Constitution of India for being laid in the Legislature of the State.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2019. Information has been obtained from the Government of Sikkim wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.





**EXECUTIVE  
SUMMARY**

# EXECUTIVE SUMMARY

## Background

This Report on the Finances of the Government of Sikkim is being brought out with a view to assess the financial performance of the State during the year 2018-19. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into the performance of schemes/programmes of the Government. In order to give a perspective to the analysis, an effort has been made to compare with the normative assessment made by the XIV Finance Commission (XIV FC). A comparison has been made to see whether the State has given adequate fiscal priority to developmental as well as Social Sector and Capital Expenditure and whether the expenditure has been effectively absorbed by the intended beneficiaries.

## The Report

Based on the audited accounts of the Government of Sikkim for the year ended March 2019, this Report provides an analytical review of the annual accounts of the State Government. The Report has three Chapters.

**Chapter I** is based on the audit of Finance Accounts and makes an assessment of the Government of Sikkim's fiscal position as on 31 March 2019. It provides an insight into trends in committed expenditure, borrowing pattern and a brief account of Central funds transferred directly to the State implementing agencies through off Budget route.

**Chapter II** is based on audit of Appropriation Accounts and gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

**Chapter III** is an inventory of Government of Sikkim's compliance with various reporting requirements and financial rules.

The Report also has an appendage of additional data collated from several sources in support of the findings.

## Audit Findings

### *Chapter-I: Finances of the State Government*

The Fiscal position of the State viewed in terms of Key Fiscal Parameters-Revenue Surplus, Fiscal Deficit, Primary Deficit, etc., indicated that the State had been able to maintain Revenue Surplus during the last five years and suffered Fiscal Deficit during 2018-19. Revenue Surplus recorded decrease (₹ 367.15 crore) during the year as compared to the previous year. This was due to significant increase of 25.89 per cent (₹ 1074.72 crore) in Revenue Expenditure as against the increase of 13.57 per cent (₹ 707.57 crore) in the Revenue Receipts only during 2018-19 as compared to 2017-18.



Further, Fiscal Deficit of ₹ 461.88 crore during 2017-18 increased to ₹ 642.32 crore during 2018-19.

➤ **Revenue Receipts**

Revenue Receipts increased by ₹ 707.57 crore (13.57 *per cent*) from ₹ 5,212.79 crore in 2017-18 to ₹ 5920.36 crore in 2018-19. During 2018-19, 73.81 *per cent* of the Revenue Receipts were from Government of India as Central transfers in the form of State's share of taxes and Grants-in-aid contributions while only 26.19 *per cent* revenue was collected from State's own sources (*i.e.* Tax and Non-Tax Revenue). The Tax Revenue Receipts at ₹ 892.92 crore was lower by ₹ 1334.08 crore than the projections made by XIV FC (₹ 2,227 crore). However, Non-Tax Revenue was higher by ₹ 198.78 crore as against the projections made by XIV FC (₹ 459 crore). Public Debt Receipts and Public Debt Repayments increased by ₹ 91.75 crore and ₹ 33.25 crore respectively over the previous year.

➤ **Expenditure**

During 2018-19, the Total Expenditure increased by 15.66 *per cent* from ₹ 5,675.58 crore in 2017-18 to ₹ 6,564.45 crore during 2018-19. Revenue Expenditure constituted 79.62 *per cent*, Capital Expenditure constituted 19.67 *per cent* and loans and advances constituted 0.71 *per cent* of Total Expenditure during 2018-19. The expenditure on Social and Economic Sectors, which is considered as Development Expenditure, accounted for 67.31 *per cent* of Total Expenditure in 2018-19. Capital Expenditure decreased by 14.30 *per cent* (₹ 215.47 crore) over the previous year.

➤ **Incomplete Projects**

There were 201 Incomplete Projects (estimated cost ₹ 1,508.53 crore) as on 31 March 2019 on which an expenditure amounting to ₹ 666.41 crore had been incurred, out of which, 90 projects were due for completion by 31 March 2019.

➤ **Cash Balances**

The State's Cash Balance investment was on increasing trend, as at the end of 2014-15, the balance was ₹ 1,050 crore which had increased to ₹ 2,656 crore at the end of 2018-19, an increase of 152.95 *per cent* (₹ 1,606 crore) and despite having monthly Cash Balance Investment ranged between ₹ 1,886 crore to ₹ 2,656 crore during 2018-19, the Government resorted to market borrowings to the tune of ₹ 1,088.00 crore during the 2018-19.

➤ **Off Budget Borrowings**

Off-budget Borrowing amounting to ₹ 504.40 crore was availed through three Government entities during 2018-19 and as on 31 March 2019 off budget borrowings including interest amounting to ₹ 878.50 crore mobilised by five Government entities was outstanding. During 2018-19 the Net Availability of debt receipts was 43.22 *per cent* of borrowings of the year which was lower than Net Availability of borrowings for use of



previous year of 62.40 *per cent*. This indicated slight decline in the Debt Sustainability of the State as compared to previous year.

➤ **Fiscal Correction Path**

Revenue Surplus was higher than the targets proposed in the budget whereas it was less than the target fixed by XIV FC. There was Fiscal Deficit during the current year. Ratio of total outstanding debt of the Government to GSDP was higher than the target fixed by XIV FC but slightly lower than the targets proposed in the budget and projected in Five-Year Fiscal Plan/MTFP.

➤ **Fiscal Liabilities**

Fiscal Liabilities of the State increased by 16.22 *per cent* from ₹ 5,451.04 crore in 2017-18 to ₹ 6,335.06 crore in 2018-19. The Fiscal Liabilities grew at faster rate than the GSDP during 2018-19.

Debt-GSDP Ratio for the year 2018-19 was 23.65 *per cent* which was higher than the recommended target (19.32 *per cent*) of XIV FC.

➤ **Investment and Returns**

The return from investments was 4.15 *per cent* during 2018-19. Six companies/corporations were earning profits as per their latest finalised annual accounts, while the remaining had incurred losses.

**Chapter- II: Financial Management and Budgetary Control**

In Sikkim, Budget Manual containing the procedures for preparation of the estimates of budget, subsequent action in respect of the budget communication, distribution of grants, monitoring the progress of revenue and control over expenditure, *etc.* has not been laid down.

The State Government has not laid down a Budget Manual containing the procedures for preparation of the estimates of budget, subsequent action in respect of the budget communication, distribution of grants, monitoring the progress of revenue and control over expenditure, *etc.* Against the total provision of ₹ 8,427.95 crore during 2018-19, an expenditure of ₹ 7,083.41 crore was incurred. This resulted in an unspent provision of ₹ 1,344.54 crore (15.95 *per cent*). Excess expenditure of ₹ 83.28 crore during 2012-13 to 2018-19 required regularisation under Article 205 of the Constitution. The supplementary provision of ₹ 231.83 crore in 26 cases was found to be unnecessary.

**Chapter- III: Financial Reporting**

During the year 2018-19, all the Controlling Officers reconciled the Government receipts and expenditure with the figures in the books of the Accountant General.

However, the practice of not furnishing UCs in a timely manner resulted in pendency of large number of UCs. At the end of March 2019, 1108 UCs involving an aggregate amount of ₹ 101.90 crore were pending for submission even after a lapse of one to 16



years by various departments. Advances amounting to ₹ 120.77 crore remained unsettled as on March 2019 distorting the amount of expenditure being shown as spent. During the year 2018-19, the State government booked 6.53 *per cent* of total revenue receipts and 12.36 *per cent* of total expenditure under Minor Head 800- Other Receipts and Minor Head 800-Other Expenditure. Non-furnishing of detailed information about financial assistance given to various institutions and non-submission of accounts by 19 Autonomous Bodies/Authorities as per timelines indicated that financial rules were not fully complied with. There were also delays in placement of SARs to Legislature. There were five cases of misappropriation involving Government money in respect of three Departments with the money value of ₹ 1.06 crore at the end of 2018-19 where the final action was pending.

### ***Recommendations***

- *State Government should ensure transfer of due amount of New Pension System to NSDL in a timely manner.*
- *State Government should frame a policy on prudent cash balance management. State Government should consider restricting market borrowings by utilising the existing cash balances to the extent possible before resorting to market borrowings at higher rates of interest.*
- *State Government may review the working of the State PSUs making recurring losses and take appropriate action for their revival / closure.*
- *The Budget should be more realistic and cases of persistent non-utilisation of funds, excessive provision of funds should be avoided.*
- *All the existing cases of excess expenditure need to be got regularised at the earliest and, in future, expenditure should be limited within budget allocations strictly.*
- *Finance Department should chalk out action plan for ensuring submission of all pending UCs. Further release of grant should be linked with submission of outstanding UCs.*
- *Finance Department should make special efforts to settle old outstanding AC bills.*
- *There is a need to ensure that the Separate Audit Reports of the Autonomous Bodies are placed in the Legislature on time.*



**CHAPTER-I:  
FINANCES OF THE  
STATE GOVERNMENT**



# CHAPTER I

## Finances of the State Government

### 1.1 Profile

Sikkim is a sparsely populated State situated in the Eastern Himalayas. It became a part of the Indian Union on 16 May, 1975. It has a total area of 7,096 sq. km which constitutes 0.22 *per cent* of the total geographical area of India; and as per 2011 Census, the State's population was 6.11 lakh (approx.). Sikkim being landlocked, National Highway-10 is the only lifeline, which connects the State with the rest of the country. Sikkim has four districts and nine sub-divisions. The State is a Special Category State (SCS) and has been included in the North Eastern Council (NEC) since December 2002.

The State's Gross Domestic Product (GSDP) in 2018-19 at current prices was ₹ 26,786 crore. General data relating to the State as well as interstate financial data of the North Eastern Region States is given in **Appendix 1.1 (Part-A)**.

### 1.2 Gross State Domestic Product Trend Analysis

The trends in annual growth of Gross Domestic Product (GDP) of India and GSDP of the State at current prices and constant prices (Base year 2011-12) are given below:

**Table 1.1 GDP of India and GSDP of the State**

Year	2014-15	2015-16	2016-17	2017-18	2018-19
All India GDP (₹ in crore)	1,24,67,959	1,37,64,037	1,52,53,114	1,67,73,145	1,90,10,164
Growth rate of GDP (in per cent)	10.99	10.40	10.82	9.97	13.34
GSDP of State at current prices (₹ in crore)	15,407	18,034	20,687	23,495*	26,786**
Growth rate of GSDP at current prices (in per cent)	11.14	17.05	14.71	13.57	14.01
GSDP of State at constant prices (₹ in crore)	13,071	14,370	15,397	16,467	17,629
Growth rate of GSDP at constant prices (in per cent)	7.90	9.93	7.15	6.95	7.06
Per capita GDP of India					1,42,719
Per capita GSDP of Sikkim					4,05,844

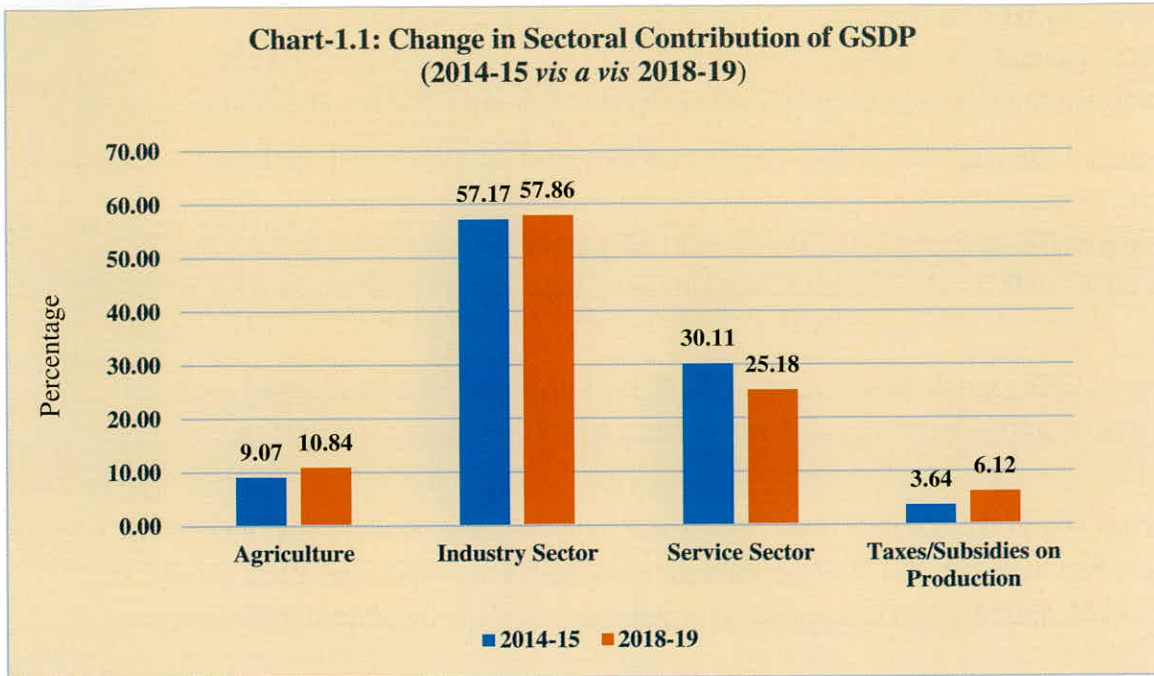
Source: GDP/GSDP figures issued by MoSPI dated 01.08.2019 \* Provisional figures; \*\* Quick Estimates

The GSDP (current price) increased from ₹ 23,495 crore in 2017-18 to ₹ 26,786 crore in 2018-19, representing an increase of 14 *per cent*. The per capita GSDP of the State was more than that of India.

#### 1.2.1 Sectoral Analysis of GSDP

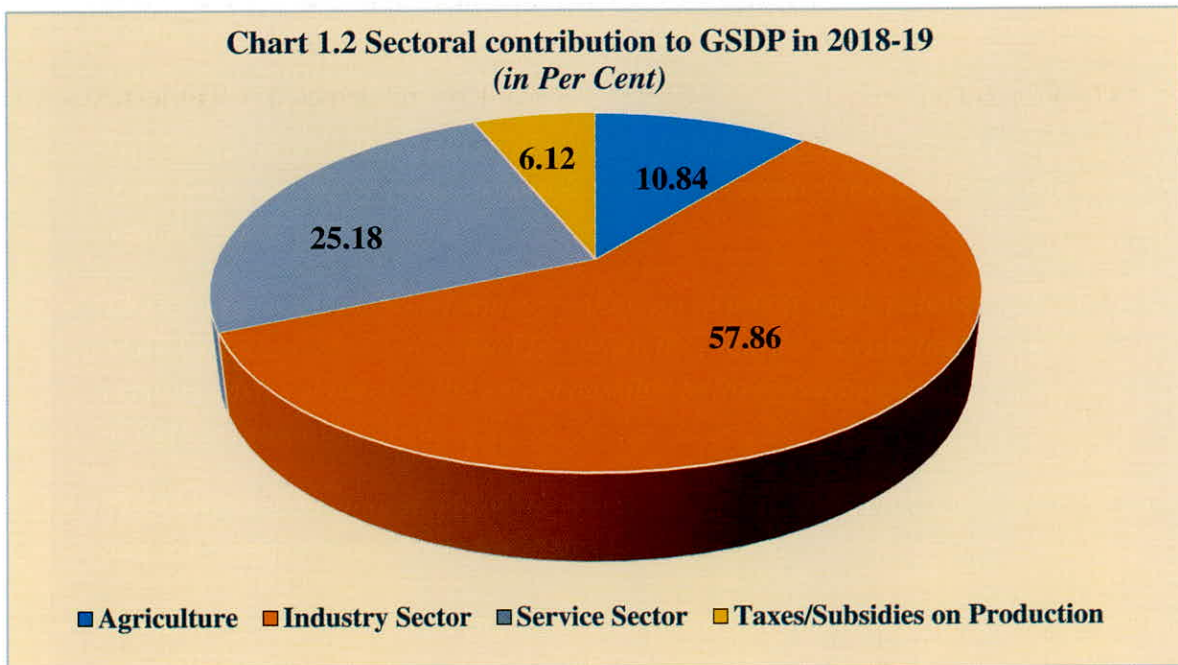
The following chart depicts the change in sectoral contribution in GSDP from 2014-15 to 2018-19.





It can be seen that as compared to 2014-15 proportion of Agriculture, Industry and Taxes on Products/ Subsidies on Products in the GSDP have increased, while the proportion of Service Sector has decreased in 2018-19.

The **Chart 1.2** shows the contribution of various sectors to GSDP in 2018-19.



Industry Sector was the highest (57.86 per cent) contributor to GSDP, which was followed by Service Sector (25.18 per cent) in 2018-19. The contribution of Agriculture Sector was only 10.84 per cent.



### 1.3 Fiscal Reforms Path in Sikkim

The State Government enacted the Sikkim Fiscal Responsibility and Budget Management (FRBM) Act in September 2010 (last amended in April 2016), and the rules under the Sikkim FRBM Act were notified in March 2011.

Targets of major fiscal variables as per Sikkim FRBM Act for 2018-19 and their compliance are depicted in **Table 1.2** below:

**Table 1.2: Targets under Sikkim FRBM Act for 2018-19**

Fiscal Variables	Targets	Achievement
Revenue Surplus	Maintain revenue account balance from 2011-12 onwards	₹ 693.79 crore
Fiscal Deficit (Percent of GSDP)	3.00	2.40 <sup>#</sup>
Ratio of Outstanding Debt to GSDP	19.32	23.65 <sup>#</sup>
Outstanding Guarantees*	₹ 1957.68 crore	₹ 425.45 crore

Source: Finance Accounts and Finance Department

<sup>#</sup>Excluding off-budget borrowings (refer to para 1.14.3.2)

\*As per the Sikkim Ceiling on Government Guarantees Act, 2000, total outstanding guarantees shall not exceed thrice the State's tax receipts of the second preceding year at the beginning of the year.

The Government had not adhered to targets in respect of Outstanding Debt set in FRBM Act. Further information collected by Audit, as detailed in para 1.14.3.2, revealed that numerous government entities had resorted to Off-budget Borrowings of ₹504.40 crore during 2018-19; and balance of these borrowings stood at ₹ 875.50 crore at the end of 2018-19. This resulted in understatement of Fiscal Liabilities in Government accounts.

Further the fiscal performance of the State against projections of XIV Finance Commission (XIV FC), Budget and targets of Mid Term Fiscal Plan are depicted in **Table-1.3**.

**Table 1.3: Fiscal Discipline**

Fiscal variables	2018-19			
	XIV FC projections for the State	Targets proposed in the Budget	Targets as per Mid-Term Fiscal Plan (MTFP)	Actual
Revenue Surplus (₹ in crore)	1691	624.66	723.22*	693.79
Fiscal Deficit (Percent of GSDP)	3.00	3.00	3.00	2.40
Ratio of outstanding debt to GSDP	19.32	26.36	26.36	23.65

\*2.7 per cent of GSDP

Revenue Surplus of ₹ 693.79 crore was less than the projections of XIV FC (₹ 1,691 crore) as well as targets as per Mid Term Fiscal Plan (₹ 723.22 crore). However, it was higher than the budget proposal (₹ 624.66 crore). The State had kept the Fiscal Deficit within the projection and targets of XIV FC, Budget and MTFP during the year 2018-19. As regards Outstanding Debt, the projection of XIV FC was exceeded, but was within targets of the Budget and MTFP.

### 1.4 Analysis of Finances of State Government

This section provides a broad perspective of the finances of the Government of Sikkim (GoS) during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years.

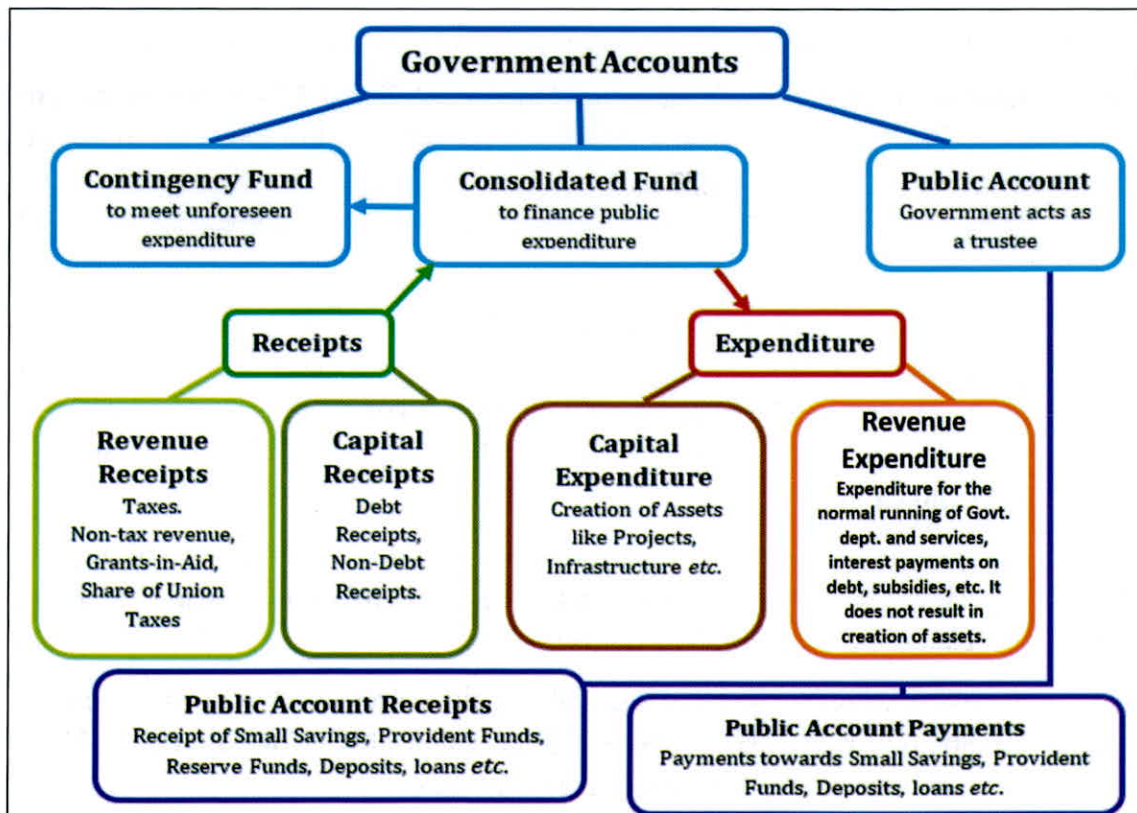


The analysis has been made based on State Finance Accounts and the information obtained from State Government. The structure and form of Government Accounts, layout of Finance Accounts, methodology adopted for the assessment of fiscal position and State Profile are given in **Appendix 1.1 (Parts A, B & C)**. The time series data on key fiscal variables/parameters and fiscal ratios relating to the State Government finances for the period 2014-19 are presented in **Appendix 1.2**.

The Government Accounts are maintained in three parts for maintaining the records of all sorts of financial transactions *viz* Consolidated Fund, Contingency Fund and Public Account. Consolidated Fund of the State includes Revenue Receipts and Expenditure, Capital Receipts and Disbursement and Debts, Loans and Advances. The Contingency Fund of the State is in the nature of an imprest. The fund is placed at the disposal of the Governor to enable him to pay advances out of this fund for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature, under appropriation made by law. Each such fund is financed from time to time by such sums as may be determined by the Act of the Legislature establishing the fund. Receipts and Disbursement in respect of certain transactions such as Small Savings, Provident fund, Reserve funds, Deposits, Suspense, Remittances, *etc.* which do not form part of the Consolidated Fund are kept in the Public Account set up under Article 266 (2) of the Constitution of India and are not subject to vote by the State Legislature.

The structure of Government Accounts is given below.

Chart 1.3: The Structure of Government Accounts





### 1.4.1 Summary of Fiscal Transactions

Table 1.4 presents the summary of the State Government's fiscal transactions while Appendix 1.3 (A) & (B) provides details of receipts and disbursements as well as the overall fiscal position during the current year (2018-19) *vis-à-vis* the previous year (2017-18).

Table 1.4: Sources and Application of Funds

Sources			Application		
	2017-18	2018-19		2017-18	2018-19
<b>Section-A: Revenue</b>					
<b>Revenue Receipts</b>	<b>5,212.79</b>	<b>5,920.36</b>	<b>Revenue Expenditure</b>	<b>4,151.85</b>	<b>5,226.57</b>
Tax Revenue	688.33	892.92	General Services	1,528.13	1,960.24
Non-Tax Revenue	654.38	657.78	Social Services	1,532.15	2,071.77
Share of Union Taxes & Duties	2,634.66	2,794.67	Economic Services	1,028.25	1,128.16
Grants from Government of India	1,235.42	1,574.99	Grants-in-Aid and Contributions	63.32	66.40
<b>Section-B: Capital</b>					
<b>Misc. Capital Receipts</b>	<b>0.00</b>	<b>0.00</b>	<b>Capital Outlay</b>	<b>1,506.78</b>	<b>1,291.31</b>
Recoveries of Loans and Advances	0.91	1.77	Loans and Advances disbursed	16.95	46.57
Public Debt Receipts	1,053.46	1,145.21	Repayment of Public Debt	342.63	375.88
Contingency Fund	0.00	0.00	Contingency Fund	(-) 0.31	0.00
Public Account Receipts <sup>1</sup>	7,429.63	7,997.31	Public Account Disbursements <sup>2</sup>	7,120.85	7,838.63
Opening Cash Balance	2,436.83	2,994.87	Closing Cash Balance	2,994.87	3,280.56
<b>Total</b>	<b>16,133.62</b>	<b>18,059.52</b>		<b>16,133.62</b>	<b>18,059.52</b>

Source: Finance Accounts 2017-18 and 2018-19

Following are the significant changes during 2018-19 over the previous year.

- Revenue Receipts increased by 13.57 per cent (₹ 707.57 crore) over the previous year. The increase was due to increase in Grants-in-Aid from Government of India by 27.49 per cent (₹ 339.57 crore); Tax revenue by 29.72 per cent (₹ 204.59 crore); State share of Union Taxes and Duties (₹ 160.01 crore) and Non-Tax revenue (₹ 3.40 crore).
- Revenue Expenditure increased by 25.89 per cent (₹ 1,074.72 crore) over the previous year. There was significant increase in expenditure under Social services by 35.22 per cent (₹ 539.62 crore), and General services by 28.28 per cent (₹ 432.11 crore) while Economic services increased by 9.72 per cent (₹ 99.91 crore) compared to the previous year.
- Compared to previous year, the capital outlay of the State decreased by 14.30 per cent (₹ 215.47 crore), which was due to decrease in Social services (₹ 171.08 crore) and General services (₹ 77.05 crore).
- Recovery of Loans and Advances during the current year increased marginally by ₹ 0.86 crore while disbursement of loans and advances increased by ₹ 29.62 crore (174.75 per cent) compared to the previous year.

<sup>1</sup> Gross Public Accounts Receipts during the year.

<sup>2</sup> Gross Public Accounts Disbursement during the year.



- Public Debt receipts and Public Debt repayments increased by ₹ 91.65 crore and ₹ 33.25 crore respectively over the previous year.
- Public Account receipts increased by ₹ 567.68 crore and disbursement increased by ₹ 717.77 crore over the previous year.
- Closing Cash Balance increased by ₹ 285.70 crore over the previous year.

#### 1.4.1.1 Trend of Receipts and Expenditure relative to GSDP

The trends of Revenue Receipts (RR), Revenue Expenditure (RE) and Capital Expenditure (CE) relative to GSDP at current prices are presented in the following table:

**Table 1.5: Trends in Revenue Receipt, Revenue Expenditure, and Capital Expenditure relative to GSDP**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>GSDP of State at current prices (₹ in crore)</b>	15,407	18,034	20,687	23,495	26,786
<b>Revenue Receipts relative to GSDP</b>					
RR at current prices (₹ in crore)	4,088	3,784	4,610	5,213	5,920
Rate of growth of RR at current prices (in per cent)	4.98	(-) 7.44	21.83	13.08	13.56
RR / GSDP (in per cent)	26.53	20.98	22.28	22.19	22.10
<b>Revenue Expenditure relative to GSDP</b>					
RE at current prices (₹ in crore)	3,357	3,645	3,788	4,152	5,227
Rate of growth of RE at current prices (in per cent)	10.98	8.58	3.92	9.61	25.89
RE/ GSDP (in per cent)	21.79	20.21	18.31	17.67	19.51
<b>Capital Expenditure relative to GSDP</b>					
CE at current prices (₹ in crore)	980.71	633.98	720.29	1,506.78	1291.31
Rate of growth of CE at current prices (in per cent)	7.57	(-) 35.47	13.74	109.31	(-) 14.33
CE/ GSDP (in per cent)	6.37	3.51	3.48	6.41	4.82

As is evident from the table above, both Revenue Receipts (except in 2015-16) and Revenue Expenditure have increased during the last five years, however, there was fluctuating trend in the Capital Expenditure during last five years.

As a percentage of GSDP, the proportions of Revenue Receipts decreased from 26.53 per cent to 22.10 per cent; and proportion of Revenue Expenditure to GSDP decreased from 21.79 per cent to 19.51 per cent; and that of Capital Expenditure to GSDP decreased from 6.37 per cent to 4.82 per cent during the period 2014-15 to 2018-19. Further, the growth rate of both Revenue Receipts and Revenue Expenditure increased in 2018-19 as compared to the preceding year. Capital Expenditure, which had significantly increased in 2017-18, saw a decline in 2018-19.



## 1.5 Budget 2018-19

### 1.5.1 Actual vis-à-vis Budget Estimates

The Budget papers presented by the State Government provide estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviation from the Budget Estimates (BE) are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some beyond the control of the Government.

**Table 1.6** presents the consolidated picture of finances of the State during 2017-18 (actuals) and 2018-19 {Budget Estimates (BE), Revised Estimates (RE) and actuals}.

**Table 1.6: Variation in Major Items – Actual of 2018-19 vis-à-vis Actual of 2017-18, Budget Estimates and Revised Estimates of 2018-19**

(₹ in crore)

Parameters	2017-18	2018-19			Percentage of Excess (+)/ Shortfall (-) during 2018-19 with reference to	
	Actual	BE	RE	Actuals	Actuals of 2017-18	RE
Tax Revenue	688.33	770.31	783.26	892.92	29.72	14.00
Non-Tax Revenue	654.38	481.92	645.88	657.78	0.52	1.84
Revenue Receipts	5212.70	5980.93	6776.76	5920.36	13.58	(-)12.64
Revenue Expenditure	4151.85	5356.27	5881.02	5226.57	25.89	(-) 11.13
Interest Payments	362.17	463.54	463.54	433.05	19.57	(-) 6.58
Revenue Surplus (+)/Deficit (-)	1060.94	624.66	895.74	693.79	(-)34.61	(-) 22.55
Fiscal Deficit (-)/Surplus (+)	(-)461.88	(-) 694.01	(-) 907.81	(-)642.32	(-)39.07	(-)29.25
Primary Deficit (-)/ Surplus (+)	(-)99.72	(-) 230.47	(-) 444.27	(-)209.27	(-) 109.86	(-) 52.90

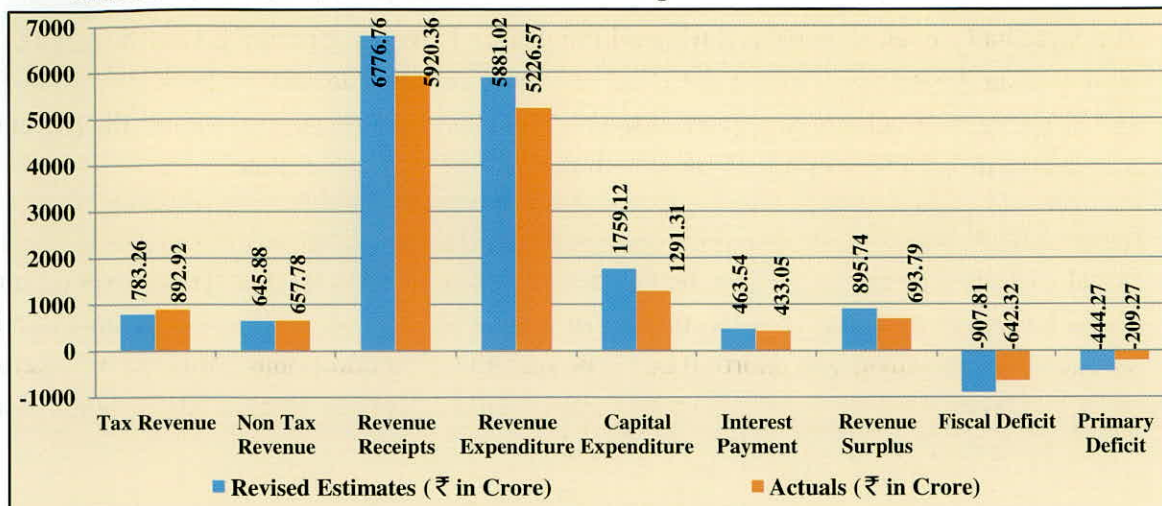
Source: Budget Estimates and Finance Accounts.

- During 2018-19, actual Revenue Receipts showed a shortfall (12.64 per cent) vis-a-vis the RE.
- Revenue Expenditure of the State Government during 2018-19 was less than the RE by 11.13 per cent (₹ 654.45 crore).
- The year 2018-19 ended with a Revenue Surplus of ₹ 693.79 crore against RE of ₹ 895.74 crore.
- Fiscal Deficit increased by 36.07 per cent (₹ 180.44 crore) as compared to previous year. This was mainly due to the fact that the increase in Total Expenditure was more compared to increase in Revenue Receipts and Non-debt Capital Receipts during the current year, relative to the previous year.
- Primary Deficit (₹ 209.27 crore) vis-à-vis RE (₹ 444.27 crore) was 52.90 per cent less (₹ 235 crore).

**Chart 1.4** presents the revised budget estimates and actuals of some important fiscal parameters for the year 2018-19:



Chart 1.4: Selected Fiscal Parameters: Revised Budget Estimates vis-à-vis Actuals in 2018-19



Source: Finance Accounts, Estimate of receipts and Explanatory memorandum to the Annual Budget 2018-19

### 1.5.2 Gender Budget

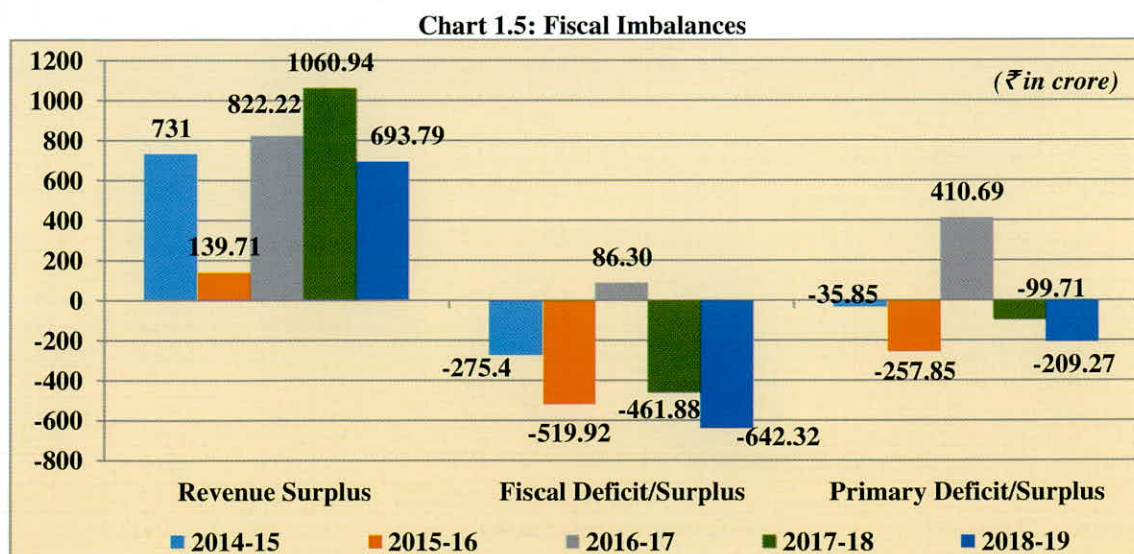
Gender Budget is yet to be formulated in Sikkim.

### 1.6 Fiscal Balances

Three key fiscal parameters –Revenue, Fiscal and Primary Deficits, indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of Revenue and Fiscal Deficits vis-à-vis targets set under FRBM Act/Rules for the financial year 2018-19.

#### 1.6.1 Trends in Deficits

Charts 1.5 presents the trends in deficit indicators over the period 2014-15 to 2018-19.





### 1.6.2 Revenue Surplus

The State had Revenue Surplus during all the years of five-year period 2014-15 to 2018-19 with fluctuating trends. During 2018-19 Revenue Surplus decreased by ₹ 367.15 crore (34.61 per cent) as compared to previous year. The Government had maintained the Revenue Surplus during 2018-19 in compliance with the FRBM Act of the State.

### 1.6.3 Fiscal Deficit

Fiscal Deficit represents the gap between the Non-debt receipts and Total Expenditure. Fiscal Deficit normally represents the net incremental liabilities of the Government or its additional borrowings. The shortfall could be met either by additional Public Debt (internal or external) or by the use of surplus funds from Public Accounts. Fiscal Deficit trends along with the trends of the key components are indicated in **Table 1.7**

**Table 1.7: Fiscal Deficit and its parameters**

Period	Non-Debt Receipts	Total Expenditure	Fiscal surplus(+)/deficit(-)	Fiscal deficit/surplus as per cent to		
				GSDP	Non-Debt Receipt	Total Expenditure
₹ in crore						
2014-15	4,088.52	4,363.92	(-) 275.40	(-)1.79	(-) 6.74	(-) 6.31
2015-16	3,785.67	4,305.59	(-) 519.92	(-)2.88	(-)13.73	(-) 12.08
2016-17	4,611.67	4,525.37	(+) 86.30	(+)0.38	(+) 1.87	(+) 1.91
2017-18	5,213.70	5,675.58	(-) 461.88	(-) 1.97	(-) 8.86	(-) 8.14
2018-19	5,922.13	6,564.45	(-) 642.32	(-) 2.40	(-) 10.85	(-) 9.78

Source: Finance Accounts

During the last five years (2014-15 to 2018-19), the State had Fiscal Surplus only in 2016-17 and in the rest of the years, there were Fiscal Deficits. The Fiscal Deficit during 2018-19 was 2.40 per cent of GSDP, which was within the target limit of 3.00 per cent fixed in the FRBM Act.

### 1.6.4 Components of Fiscal Deficit and its financing pattern

The financing pattern of Fiscal Deficit has undergone a compositional shift as reflected in **Table 1.8**. Decomposition of Fiscal Deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above Revenue and Non-Debt Receipts.

**Table 1.8: Components of fiscal deficit and its financing pattern**

Particulars		(₹ in crore)				
		2014-15	2015-16	2016-17	2017-18	2018-19
<b>Decomposition of Fiscal Deficit(-)/Surplus (+)</b>		<b>(-) 275.40</b>	<b>(-) 519.92</b>	<b>(+) 86.30</b>	<b>(-) 461.88</b>	<b>(-) 642.32</b>
1	Revenue Surplus Deficit (-)/Surplus (+)	(+) 731.00	(+) 139.71	(+) 822.22	(+)1,060.94	(+) 693.79
2	Misc. Capital Receipt	0	0	0	0	0
3	Net Capital Expenditure	(-) 980.71	(-) 633.98	(-)720.29	(-)1,506.78	(-)1291.31
4	Net Loans and Advances	(-) 25.69	(-) 25.65	(-) 15.63	(-)16.04	(-) 44.80
<b>Financing pattern of Fiscal Deficit*</b>						
1	Internal Debt	(+) 330.76	(+) 465.89	(+) 540.56	(+) 718.43	(+) 774.65
2	Loans from GoI	(-) 6.00	(-) 7.14	(-) 3.48	(-) 7.60	(-) 5.33
4	Small Savings, PF, etc.	(+) 24.55	(+) 37.65	(+) 83.30	(+) 80.57	(+) 93.93
5	Deposits and Advances	(-) 7.84	(+) 21.64	(+) 80.11	(+) 24.17	(+) 15.52
6	Suspense and Miscellaneous	(+) 59.72	(-) 5.42	(-) 827.70	(-) 13.18	(-) 587.95
7	Remittances	(+) 9.09	(+) 82.51	(-) 70.96	(+) 179.89	(-) 130.65
8	Reserve funds	(+) 117.45	(-) 38.35	(+) 9.55	(-) 35.72	(+) 5.25
9	Increase (-)/ decrease (+) in Cash Balance	(-) 253.34	(-) 36.86	(+) 102.63	(-) 484.99	(+) 476.90
10	Net of Contingency Fund transactions	1	0	(-) 0.31	(+) 0.31	0.00
<b>Total</b>		<b>275.40</b>	<b>519.92</b>	<b>(-)86.30</b>	<b>461.88</b>	<b>642.32</b>

Source: Finance Accounts \*All these figures are net of disbursements/outflows during the year.



The Fiscal Surplus of ₹ 86.30 crore in 2016-17 turned into Fiscal Deficit of ₹ 461.88 crore in 2017-18 and further increased to ₹ 642.32 crore during 2018-19.

### 1.6.5 Primary Deficit

While Fiscal Deficit represents the need for additional resources in general, a part of such resources may be needed to finance interest payments. Interest payments represent the expenditure of past obligations and are independent of current allocative priorities. To look at the imbalances of current nature, these payments need to be separated and deducted from the total imbalances. The Primary Deficit for the last five years are indicated in **Table 1.9**.

**Table 1.9: Primary Deficit**

(₹ in crore)

Period	Fiscal Deficit (-)/ Surplus (+)	Interest payments	Primary Deficit (-)/ Surplus (+)
2014-15	(-) 275.40	239.55	(-) 35.85
2015-16	(-) 519.92	262.07	(-) 257.85
2016-17	(+) 86.30	324.39	(+) 410.69
2017-18	(-) 461.88	362.17	(-) 99.71
2018-19	(-) 642.32	433.05	(-) 209.27

Source: Finance Accounts

During five-year period of 2014-15 to 2018-19, the State had Primary Surplus only during 2016-17 and in other years the State had Primary Deficit.

### 1.6.6 Quality of Deficit/Surplus

The ratio of Revenue Deficit to Fiscal Deficit indicates extent to which borrowed funds were used for current consumption. Persistently high ratio of Revenue Deficit to Fiscal Deficit indicates that the asset base of the State is continuously shrinking and a part of borrowings (Fiscal Liabilities) are not having any asset backup. The State had Revenue Surplus during all the years of the period 2014-15 to 2018-19, implying that the borrowed funds had been used for asset creation.

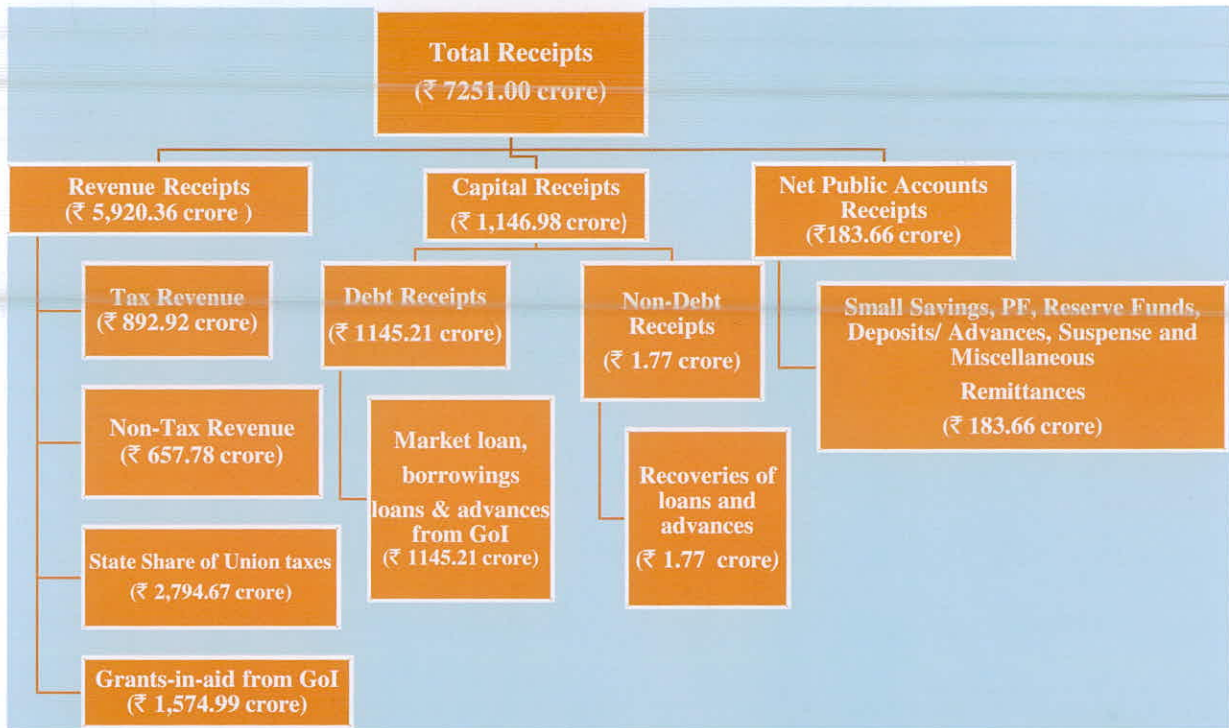
## 1.7 Resources of the State

### 1.7.1 Components of resources of the State

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue Receipts consist of Tax revenues, Non-Tax revenues collected by the State itself, State's share of Union Taxes and Duties and Grants-in-Aid from Government of India (GoI). Capital Receipts comprise of Miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks) and loans and advances from GoI. Besides, the funds available in the public accounts after disbursement are also utilised by the Government to finance its deficit. **Chart 1.6** presents the receipts of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.7** depicts trends in various components of the receipts of the State during 2014-19.



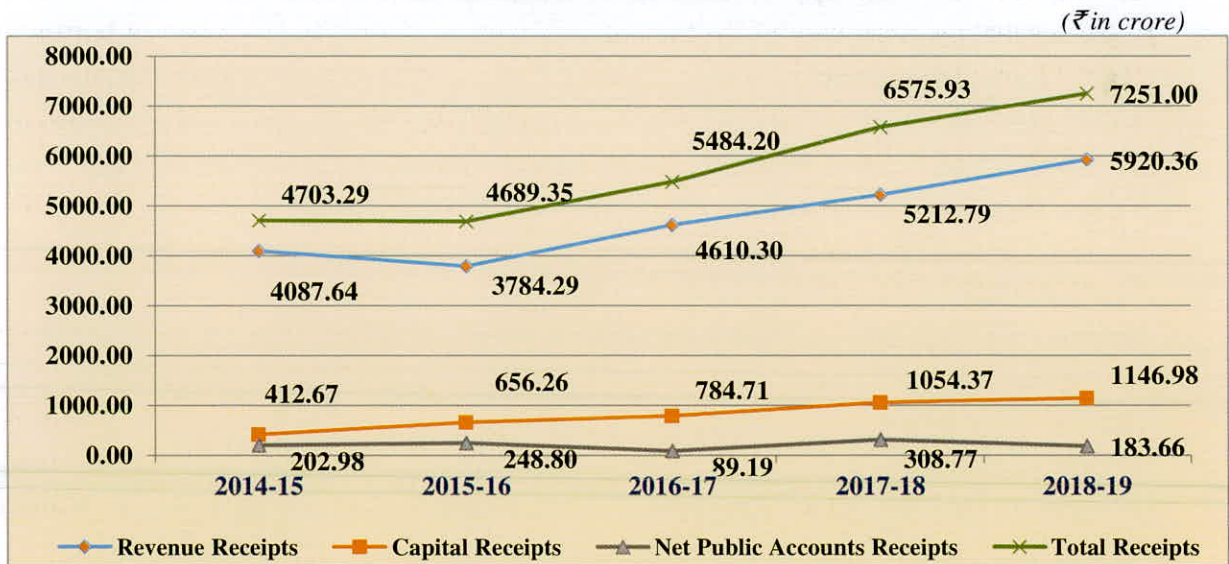
Chart 1.6: Components and Sub-components of Resources



1.7.2 Trend in growth of resources of the State

The Chart below depicts the growth profile of resources of the State.

Chart 1.7: Trends in Components of Receipts during 2014-19.



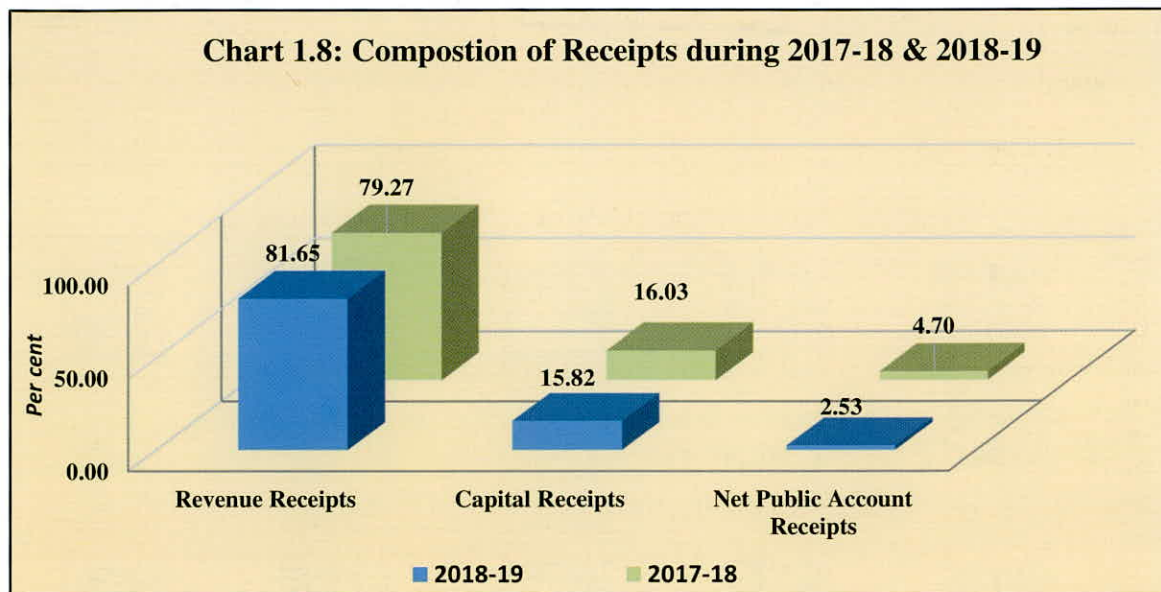
Source: Finance Accounts

The total Receipts during the current year increased by ₹ 675.07 crore (10.27 per cent) over the previous year. The increase was mainly due to increase in Revenue Receipts {Tax Revenue increased by ₹ 204.59 crore (29.72 per cent); Non-tax receipts by ₹ 3.40 crore (0.54 per cent); Grants-in-Aid from GoI by ₹ 339.57 crore (27.49 per cent) and Central Tax Transfers by ₹ 160.01 crore (9.79 per cent)} when compared to the previous year.



As regards trend in last five years, the total receipts of the State increased by 54.17 per cent from ₹ 4703.29 crore in 2014-15 to ₹ 7251.00 crore in 2018-19.

The Debt Capital Receipts which create future repayment obligation increased by 178.11 per cent from ₹ 411.79 crore (9.15 per cent of total receipts) in 2014-15 to ₹ 1145.21 crore (16.20 per cent of total receipts) in 2018-19. The net Public Account Receipts fluctuated widely during the period 2014-19, with a net Receipt of ₹ 183.66 crore during 2018-19. **Chart 1.8** depicts the comparative composition of receipts during 2017-18 and 2018-19.



### 1.8 Revenue Receipts

The Revenue Receipts of the State Government consist of Tax and Non-tax revenues raised by the State and Central Transfers, which include Grants-in-Aid and share of the State in Central Taxes. **Table 1.10**, **Chart 1.9** and **Chart 1.10** depict the components of Revenue Receipts and their trend over the period 2014-19. The details are also shown in **Appendix 1.4**.

**Table 1.10: Trends in Revenue Receipts**

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue Receipts</b>	<b>4,087.64 (4.99)</b>	<b>3,784.29 (-7.42)</b>	<b>4,610.30 (21.83)</b>	<b>5,212.79 (13.07)</b>	<b>5920.36 (13.57)</b>
Tax revenue	527.54 (0.50)	566.82 (7.45)	652.56 (15.13)	688.33 (5.48)	892.92 (29.72)
Non Tax revenue	323.77 (-10.46)	412.99 (27.56)	451.64 (9.36)	654.38 (44.89)	657.78 (0.52)
State share of Taxes and Duties	809.33 (6.12)	1870.28(131.09)	2069.19 (10.64)	2634.66 (27.33)	2794.67 (6.07)
Grants-in-Aid	2427.00 (8.14)	934.20 (-61.51)	1436.91 (53.81)	1235.42 (-14.02)	1574.99 (27.49)

Source: Finance Accounts; Figures in brackets indicate rate of annual growth in per cent.

Over the five-year period (2014-19) the Central tax transfers and Grants-in-Aid on average constituted 74 per cent of total Revenue Receipts of State Government.



Chart 1.9: Trends in Revenue Receipts and its Components

₹ in crore)

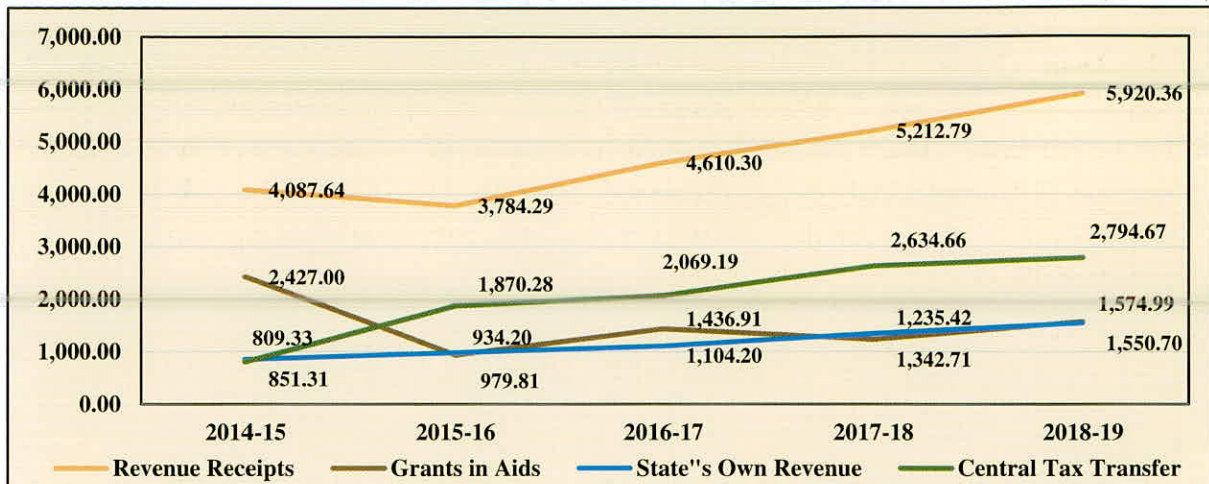
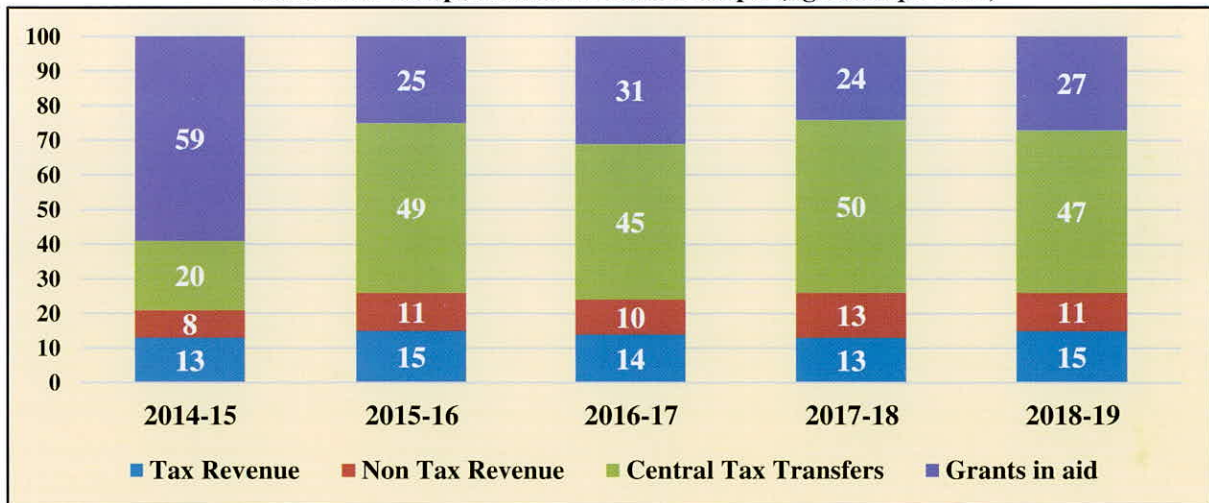


Chart 1.10: Composition of Revenue Receipts (figures in per cent)

**General Trends:**

- Revenue Receipts of the State increased by 44.84 per cent from ₹ 4,087.64 crore in 2014-15 to ₹ 5920.36 crore in 2018-19, at an annual average rate of 8.97 per cent. During 2018-19, Revenue Receipts grew by ₹ 707.57 crore (13.57 per cent) over the previous year.
- About 26.19 per cent of Revenue Receipts during 2018-19 came from State's Own Resources while Central Tax Transfers and Grants-in-Aid together contributed 73.81 per cent. This was indicative of the fact that the Government of Sikkim's fiscal position is largely influenced by the Tax Transfers and Grants-in-Aid from GoI.
- Tax Revenue constituted 15.08 per cent of the total Revenue Receipts and increased by ₹ 204.59 crore during 2018-19, recording a growth of 29.72 per cent over the previous year. The percentage of Tax Revenue to total Revenue Receipt showed stability and remained in the range of 12.91 per cent to 15.08 per cent during the period 2014-15 to 2018-19.



- Non-Tax Revenue in 2018-19 constituted 11.11 *per cent* of the total Revenue Receipts and increased marginally by ₹ 3.40 crore with growth rate of 0.52 *per cent* over the previous year. Non-tax Revenue as percentage of the Revenue Receipts ranged between 7.92 *per cent* and 12.55 *per cent* during 2014-15 to 2018-19.

### 1.8.1 Buoyancy and growth trends of Revenue Receipts relating to GSDP

The trends in Revenue Receipts relative to GSDP are as reflected in the following Table 1.11.

Table 1.11: Trends in Revenue Receipts relative to GSDP

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Receipts (RR)	4,087.64	3,784.29	4,610.30	5,212.79	5920.36
Rate of growth of RR ( <i>per cent</i> )	4.99	(-)7.42	21.83	13.07	13.57
GSDP	15,407	18,034	22,687	23,495*	26,786**
Rate of growth of GSDP ( <i>per cent</i> )	11.14	17.05	14.71	13.57	14.01
Rate of growth of State's Own Taxes ( <i>per cent</i> )	0.50	7.45	15.13	5.48	29.72
RR/GSDP ( <i>per cent</i> )	26.53	20.98	20.32	22.19	22.10
<b>Buoyancy ratio<sup>3</sup></b>					
Revenue Receipt buoyancy <i>w.r.t.</i> GSDP	0.45	(-)0.44	1.48	0.96	0.97
State's Own Tax buoyancy <i>w.r.t.</i> GSDP	0.05	0.44	1.03	0.40	2.12
<b>Revenue buoyancy <i>w.r.t.</i> State's Own Taxes</b>	<b>9.99</b>	<b>(-)1</b>	<b>1.44</b>	<b>2.39</b>	<b>0.47</b>

Source: Finance Accounts, GSDP figures issued by MoSPI dated 01.08.2019) \* Provisional figures; \*\* Quick Estimates

The rate of growth of Revenue Receipts ranged between 4.99 *per cent* and 21.83 *per cent* during the period from 2014-15 to 2018-19. The Revenue Receipts of the State increased by ₹1832.72 crore from ₹ 4087.64 crore in 2014-15 to ₹ 5920.36 crore in 2018-19. There were, however, wide inter-year variations in the growth rates. The rate of growth of Revenue Receipts was 13.57 *per cent* in 2018-19 compared to growth rate of 13.07 *per cent* during the preceding year. The buoyancy ratio of Revenue Receipts in 2018-19 with reference to GSDP increased marginally compared to previous year. The buoyancy ratio of the State's Own Tax Revenue with reference to GSDP increased sharply because Own Tax Revenue in 2018-19 grew at robust growth rate of 29.72 *per cent* as compared to previous year. Buoyancy ratio of State's Own Taxes with reference to Revenue Receipts was 0.47 during the year 2018-19 against buoyancy ratio of 2.39 in 2017-18.

### 1.8.2 Central Transfers

Central Transfers was the main source of Revenue Receipts for the State of Sikkim, as the State share of Central Taxes and Grants-in-Aid from GoI together contributed 73.81 *per cent* (₹ 4369.66 crore) of the total Revenue Receipts (₹ 5920.36 crore) during 2018-19.

<sup>3</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, State Own Tax Buoyancy at 2.12 implies that State Own Tax increased by 2.12 percentage points, if the GSDP increased by one per cent.



**Table 1.12: Central Transfers (State's share of Central Taxes and Grants-in-Aid from GoI) in comparison to Total Revenue Receipts**

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
State Share of Union Taxes and Duties	809.33	1,870.28	2,069.19	2634.66	2794.67
Grants in Aid from GoI	2427.00	934.20	1436.91	1235.42	1574.99
<b>Total Central Transfers</b>	<b>3236.33</b>	<b>2,804.48</b>	<b>3,506.10</b>	<b>3870.08</b>	<b>4369.66</b>
<b>Total Revenue Receipts</b>	<b>4,087.64</b>	<b>3,784.29</b>	<b>4,610.30</b>	<b>5212.79</b>	<b>5920.36</b>
Percentage of Central Transfers to total Revenue Receipts	79.17	74.11	76.05	74.24	73.81

Source: Finance Accounts

Though share of Central Transfers in total Revenue Receipts of the State showed decreasing trend since 2016-17, it continues to be nearly 74 per cent of total Revenue Receipts of the State.

### 1.8.2.1 State's Share of Union Taxes and Duties

As per XIV FC recommendations, the share of the States in shareable Central Taxes increased from 32 per cent (XIII FC award period) to 42 per cent. The State share during the XIII FC award period was 0.24 per cent for all shareable taxes and Service Tax which increased to 0.37 per cent during XIV FC award period.

State's share of Union Taxes and Duties increased by ₹ 160.01 crore (6.07 per cent) over the previous year and constituted 47.20 per cent of Revenue Receipts. The increase was mainly due to transfer of increased amount under 'Central Goods and Services Tax' (₹ 689.78 crore), 'Taxes on Income other than Corporation Tax' (₹ 715.80 crore), 'Corporation Tax' (₹ 971.97 crore) and other Taxes and Duties on Commodities and Services (₹ 1.44 crore) during 2018-19 compared to previous year. The tax-wise trend of Central Tax Transfers during the period 2014-15 to 2018-19 is given below:

**Table 1.13: Central Tax Transfers**

Share of Net Proceeds of Taxes	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Corporation Tax	282.58	592.56	638.61	835.64	971.97
Taxes on Income other than Corporation Tax	201.79	415.18	467.69	670.05	715.80
Other Taxes On Income and Expenditure	-	-	-	-	5.06
Central Goods and Service Tax (CGST)	-	-	-	35.28	689.78
Integrated Goods and Service Tax (IGST)	-	-	-	249.56	55.10
Customs	130.87	298.51	287.79	270.25	198.12
Union Excise Duties	73.90	245.23	351.79	261.34	131.66
Service Tax	119.42	317.83	322.69	311.52	25.39
Other Taxes and Duties on Commodities and Services	-	0.90	0.00	0.01	1.44
Wealth Tax	0.77	0.07	0.62	1.01	0.35
<b>Total</b>	<b>809.33</b>	<b>1870.28</b>	<b>2069.19</b>	<b>2,634.66</b>	<b>2794.67</b>

Source: Finance Accounts

### 1.8.2.2 Grants-in-Aid from GoI

Details of Grants-in-Aid released by the Union Government during 2014-15 to 2018-19 are given in **Table 1.14**.



Table 1.14: Grants-in-Aid from GoI

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Plan Grants	73.51	74.49	64.72	--	--
Grants for State Plan Schemes	1,738.54	321.57	684.64	6.26	--
Grants for Central Plan Schemes	2.91	2.32	--	--	--
Grants for Centrally Sponsored Plan Schemes	577.80	507.94	658.75	39.50	4.19
Grants for Special Plan Schemes	34.24	27.88	22.09	0.52	--
Grants for Centrally Sponsored Schemes	--	--	0.31	919.17	1147.81
Grants under Finance Commission				70.52	125.86
Other Grants	-	-	6.40	199.45	297.13
<b>Total</b>	<b>2427.00</b>	<b>934.20</b>	<b>1,436.91</b>	<b>1235.42</b>	<b>1574.99</b>

(The distinction between Plan and Non Plan has been discontinued from 2017-18.)

Grants-in-Aid from GoI increased by 27.49 per cent (₹ 339.57 crore) from ₹ 1235.42 crore in 2017-18 to ₹ 1574.99 crore in the current year. Grants for Centrally Sponsored Schemes increased by ₹ 228.64 crore during the current year.

### 1.8.3 State's own resources

The State's performance in mobilisation of resources from its Own Tax and Non-Tax sources is important in the long run for attaining self-sufficiency or reducing dependency on GoI.

The State's actual Tax and Non-Tax receipts for the year 2018-19 vis-à-vis assessment made by XIV FC are given in Table 1.15.

Table 1.15: XIV FC recommendation and Budget estimates of Own Revenue vis-à-vis the Actuals (₹ in crore)

Particulars	XIV FC projection	Budget Estimates	Actuals
Tax Revenue	2227	770.31	892.92 (15.08)
Non-Tax Revenue	459	481.92	657.78 (11.11)

(Figures in brackets denote percentage of Revenue Receipts)

Though actual realisation of both Tax Revenue and Non-Tax Revenue exceeded Budget Estimates, Non-Tax Revenue exceeded XIV FC projection as well which is a good sign for the State's own resources.

#### 1.8.3.1 Tax Revenue

The trends in the major constituents of Tax Revenue during the period 2014-19 are shown in Table 1.16.

Table 1.16: Own Tax Revenue

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Taxes on Sales, Trade etc.	282.10(-1.48)	325.72(15.46)	364.82(12.00)	249.66 (-31.57)	188.20(-24.62)
State Goods & Service Tax (SGST)	Not Applicable			171.39	405.72(136.72)
State Excise	131.36(8.89)	142.08(8.16)	156.24(9.97)	150.47 (- 3.69)	183.09(21.68)
Stamps and Registration Fees	6.77(4.80)	8.51 (25.70)	12.57(47.71)	13.57(7.96)	14.95(10.17)
Taxes on Vehicles	19.42(4.86)	22.36 (15.14)	24.90(11.36)	29.37(17.95)	33.11(12.73)
Land Revenue	6.15(81.42)	1.85(-69.92)	6.39 (245.41)	7.44(16.43)	9.09(22.18)
Other taxes	81.74(-8.75)	66.30(-18.89)	87.64(32.19)	66.43(- 24.20)	58.76 (-11.55)
<b>Total</b>	<b>527.54</b>	<b>566.82</b>	<b>652.56</b>	<b>688.33</b>	<b>892.92</b>
Rate of growth	0.50	7.45	15.13	5.48	29.72

Source: Finance Accounts. Figures in brackets indicate rate of growth in per cent.



The State's Own Tax Revenue witnessed robust growth rate of 29.72 *per cent* in 2018-19, primarily on account of SGST. The growth rate of Tax Revenue in Sikkim was higher than that of General Category as well as Special Category States, which had growth rates of 12.72 *per cent* and 23.22 *per cent* respectively.

### 1.8.3.2 Collection of Revenue under State Goods and Services Tax

The Sikkim Goods and Services Tax (SGST) Act, 2017 came into effect from 01 July 2017. The Base Year figure for the year 2015-16 was ₹ 245.45 crore. The projected revenue of the State for the year 2018-19 in accordance with Section 6 of GST (Compensation to States) Act, 2017, (base year figure compounded by 14 *per cent* annually) was ₹ 363.65 crore. Hence, revenue of ₹ 363.65 was to be projected in the year 2018-19.

The actual revenue collected by the State under GST (SGST and IGST) including arrears of Pre-GST taxes<sup>4</sup> (subsumed into the SGST) during 2018-19 was ₹ 428.00 crore. Details of collection of revenue by the State during 2018-19 were as shown in the **Table 1.17**.

**Table 1.17: Details of Revenue collected during 2018-19**

SI No.	Particulars	Amount *(₹ in crore)
1.	Protected revenue for the year (2018-19)	363.65
2.	Goods and Service Tax (SGST and IGST)	405.72
3.	Arrears Pre-GST Taxes	22.28
<b>Total</b>		<b>428.00</b>

Source: Finance Accounts, \*Provisional figures

As the actual revenue collected (₹428.00 crore) was more than the projected revenue (₹ 363.65 crore<sup>5</sup>), compensation under GST (Compensation to States) Act, 2017 was not payable to Sikkim.

As Sikkim does not have banking arrangement with RBI, State at present receives SGST and IGST revenues from RBI through Central Bank of India (CBI) at Gangtok. After the transfer of funds by RBI to CBI, the Budget Section of the State Finance Department, issues challans for crediting proceeds into government account (Head 0006-101). Cross-verification of bank statement of CBI with the challans revealed that challans for the following seven debits had not been issued.

**Table 1.18: Details of challans**

Date of debit in CBI account	Amount (in ₹)
28 May 2018	23,90,913
01 June 2018	19,45,463
20 July 2018	1,11,15,781
16 August 2018	44,66,831
01 November 2018	27,87,250
09 January 2019	6,08,94,996
16 March 2019	17,21,666
<b>Total</b>	<b>₹ 8,53,22,900</b>

<sup>4</sup> Value Added Tax, Central Sales Tax, Environment Cess, Medicine, and Toilet Preparation are the revenue receipts subsumed to GST.

<sup>5</sup> ₹245.45 (1+14/100)<sup>3</sup> = ₹363.65 crore



In reply, the Department stated that the amount had now been credited to the Government Account during February 2020. However, the reasons for not crediting the amount in due time were being examined.

As per the instruction of Controller General of Accounts, Ministry of Finance, the proceeds of SGST is to be credited under Head 0006-101 and Apportionment of IGST-Transfer in Tax Component to SGST is to be credited under Head 0006-106. But in Sikkim both the proceeds of SGST and Apportionment of IGST are being credited in the same head 0006-101.

With automation of the collection of Goods and Services Tax (GST) having taken place, it is essential for Audit to effect transition from sample checks to analysis of all data to fulfil the CAG's Constitutional mandate of certifying the Accounts. The required access to data is yet to be provided. Not having access to the data pertaining to all GST transactions has come in the way of comprehensively auditing the GST receipt. The accounts for the year 2018-19 are, therefore, certified on the basis of test audit, as was done when records were manually maintained, as a one-time exception.

### 1.8.3.3 State's Non-Tax Revenue

The main components of Non-Tax Revenue raised in the State during 2014-15 to 2018-19 are given in **Table 1.19**.

**Table 1.19: Composition of Non-Tax Revenue**

Revenue Heads	₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Receipts from Power	113.56 (2.78)	147.68 (3.90)	170.03 (3.69)	310.26 (5.95)	269.44 (4.55)
Interest Receipts	66.44 (1.63)	72.52 (1.92)	78.38 (1.70)	114.76 (2.20)	125.33 (2.12)
Dividends and Profits	0.87 (0.02)	12.70 (0.34)	2.01(0.04)	2.92 (0.06)	4.38 (0.07)
Other Non-Tax Receipts <sup>6</sup>	142.90 (3.50)	180.09 (4.76)	201.22 (4.36)	226.44 (4.34)	258.63 (4.37)
Own resources to RR (in percentage)	20.83	25.89	23.95	25.76	26.19
<b>Total (Per cent of RR)</b>	<b>323.77 (7.93)</b>	<b>412.99 (10.92)</b>	<b>451.64 (9.80)</b>	<b>654.38 (12.55)</b>	<b>657.78 (11.11)</b>

Source: Finance Accounts. Figures in brackets indicate percentage to total Revenue Receipts.

Non-Tax Revenue, which constituted 11.11 per cent of total Revenue Receipts during the year, had a modest increase of ₹ 3.40 crore (0.52 per cent) from 2017-18 to 2018-19, though it exceeded the budget estimate by ₹ 175.86 crore. Revenues from Power witnessed decrease of ₹ 40.82 crore (13.16 per cent) during 2018-19 as compared to previous year due to non-payment of free power revenue by Independent Power Projects (IPPs).

Interest Receipts have shown increase of 9.21 per cent as compared to previous year and an increase of 88.64 per cent compared to 2014-15. Other Non-tax receipts also increased from 142.90 crore in 2014-15 to 258.63 crore in 2018-19, an increase of 80.99 per cent. The

<sup>6</sup> Miscellaneous General Services, Road Transport, Police, Public Works, Forestry and Wild Life, Contributions and Recoveries towards Pension and Other, Retirement Benefits, Tourism, Urban Development, Other Administrative Services, Water Supply and Sanitation, Plantations, Medical and Public Health, Education, Sports, Art and Culture, Animal Husbandry, Stationery and Printing, Other Rural Development Programmes, Labour and Employment, Housing, Social Security and Welfare, Industries, Crop Husbandry, Minor Irrigation, Public Service commission, Village and Small Industries, Non-ferrous Mining and Metallurgical industries, Information and Publicity, Other General Economic Services, Co-operation, Food Storage and Warehousing, Fisheries and Other Social Services



proportion of Own Resources to Revenue Receipts increased from 20.83 *per cent* in 2014-15 to 26.19 *per cent* during 2018-19.

#### 1.8.4 Cost Recovery from Socio-Economic Services

The details of Cost Recovery in respect of Education, Health and Family Welfare, Water Supply and Sanitation, Irrigation and Animal Husbandry during 2014-15 and 2018-19 are given in **Table 1.20**.

**Table 1.20: Cost Recovery from Socio-Economic Services**

(₹ in crore)

Services	Non-tax Revenue Receipts (NTR)		Revenue Expenditure (RE)		Cost recovery (ratio of NTR/ RE in <i>per cent</i> )	
	2014-15	2018-19	2014-15	2018-19	2014-15	2018-19
Education, Sports, Art and Culture	1.22	2.32	728.73	994.64	0.17	0.23
Health and Family Welfare	1.97	2.37	198.50	316.24	0.99	0.75
Water Supply and Sanitation	3.25	4.29	207.46	431.06	1.57	1.00
Minor Irrigation	0.07	0.31	18.13	30.96	0.39	1.00
Animal Husbandry	1.17	1.74	30.69	54.32	3.81	3.20

Source: Finance Accounts

The Cost Recovery in respect of Education, Sports, Art and Culture during the year was 0.23 *per cent* being the lowest and the highest Cost Recovery being 3.20 *per cent* pertained to Animal Husbandry. Comparison of Cost Recovery between current year with that of 2014-15, revealed that the Cost Recovery had increased in respect of Education, Sports, Art & Culture (from 0.17 *per cent* to 0.23 *per cent*) and in Minor Irrigation (from 0.30 *per cent* to 1.00 *per cent*), whereas, it had decreased in respect of Health and Family Welfare (from 0.99 *per cent* to 0.75 *per cent*), Water Supply and Sanitation (from 1.57 *per cent* to 1.00 *per cent*) and Animal Husbandry (from 3.81 *per cent* to 3.20 *per cent*).

#### 1.8.5 XIV Finance Commission Grants

The core mandate of the Finance Commission, as laid out in Article 280 of the Constitution, is to make recommendations regarding the distribution between the Union and the States of the Net Proceeds of Taxes and the principles which should govern the Grants-in-Aid of the revenues to the States out of the Consolidated Fund of India. The XIV FC was constituted on 2 January 2013, whose major recommendations were: increase in States' Share in the Net Proceeds of Union Tax revenues to 42 *per cent* from 32 *per cent* earlier; eight Centrally Sponsored Schemes (CSS) delinked from support from the Centre; distribution of grants to States for local bodies based on 2011 population data (90 *per cent* weightage) and area (10 *per cent* weightage) for the period 2015-20. Comparative statement of transfers to the State on account of awards of XIV FC during 2016-17 to 2018-19 is given in **Table 1.21**.



Table 1.21: Statement of Release of Award of XIV FC

('₹ in crore)

Grants for	Amount released		
	2016-17	2017-18	2018-19
Share of Union taxes	2,069.19	2,634.66	2,794.67
Finance Commission Grants (a+b+c)	62.48	70.53	125.86
a) Local Bodies Grant	27.91	36.63	38.53
b) General Performance Grant	4.87	3.30	0.00
c) Disaster relief and others	29.70	30.60	87.33
<b>Total</b>	<b>2,131.67</b>	<b>2,705.19</b>	<b>2,920.53</b>

Source: Information furnished by Finance Department

## 1.9 Capital Receipts

The trends in growth and composition of Capital Receipts are given in Table 1.22 below.

Table 1.22: Trends in Composition and Growth of Capital Receipts

('₹ in crore)

Sources of State's Receipts		2014-15	2015-16	2016-17	2017-18	2018-19
<b>Capital Receipts (CR)</b>		<b>412.67</b>	<b>656.26</b>	<b>784.71</b>	<b>1,054.37</b>	<b>1146.98</b>
Recovery of Loans and Advances		0.88	1.38	1.37	0.91	1.77
Public Debt Receipts	Market Loans	408.12	652.05	776.61	1050.93	1140.09
	Other Internal Sources	--	--	--	--	--
	Loans and Advances from GoI	3.67	2.83	6.73	2.53	5.12
Rate of growth of CR (in per cent)		38.83	59.03	19.57	34.46	8.78

Source: Finance Accounts

Capital Receipts increased by 177.94 per cent (₹734.31 crore) from ₹ 412.67 crore in 2014-15 to ₹ 1146.98 crore in 2018-19. The rate of growth of Capital Receipts decreased from 34.46 per cent in 2017-18 to 8.78 per cent in 2018-19. Market loans constituted the major share of Capital Receipts during the current year which increased from ₹ 1050.93 crore in 2017-18 to ₹ 1140.09 crore during 2018-19. Non-debt Capital Receipts in the form of recoveries of Loans and Advances marginally increased by ₹ 0.86 crore during 2018-19 over previous year.

## 1.10 Application of Resources

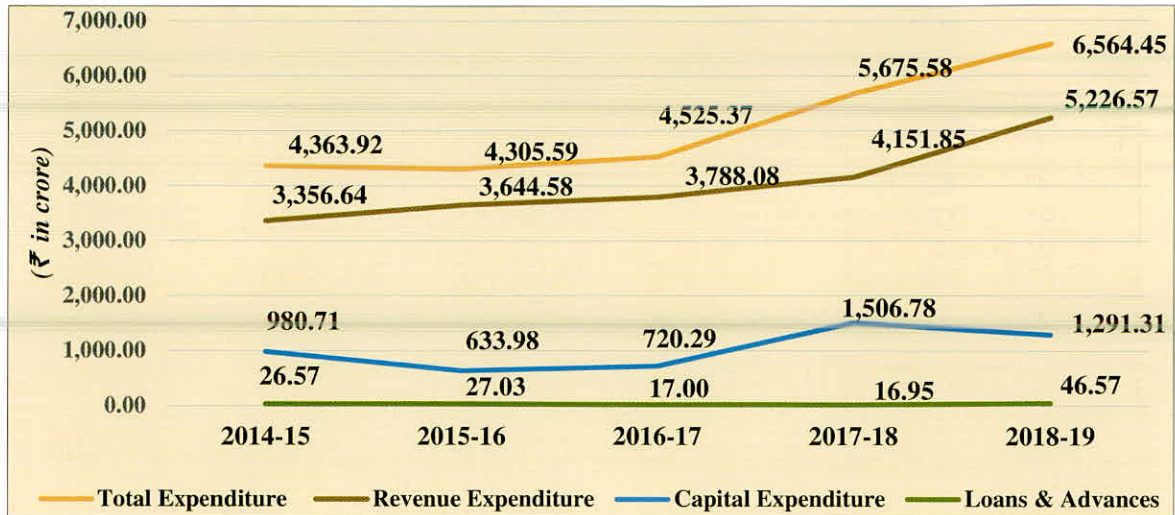
Analysis of the allocation of expenditure at the State Government level assumes significance as it is an important aspect of fiscal policy to achieve developmental goals. Within the framework of fiscal responsibility legislation, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. At the same time, it is important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of vital expenditure, especially expenditure directed towards Development and Social Sectors.

### 1.10.1 Growth and Composition of Expenditure

Chart 1.11 presents the trends in Total Expenditure under Revenue, Capital and Loans and Advances, while Chart 1.12 exhibits the share of these components in Total Expenditure.

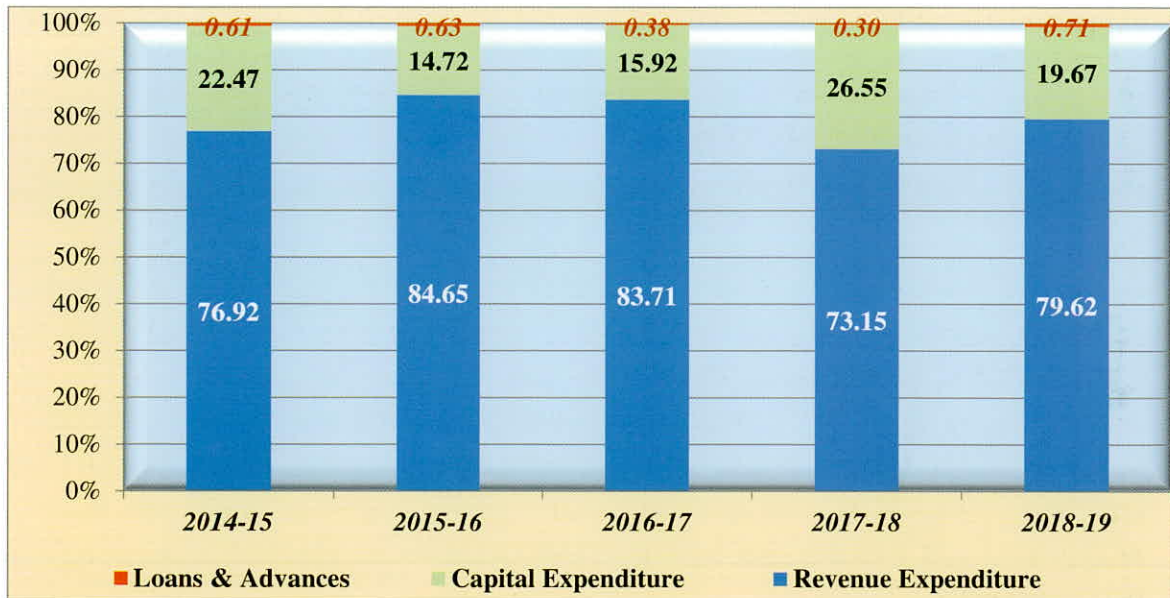


Chart 1.11: Trend of Total Expenditure



Source: Finance Accounts

Chart 1.12: Composition of Total Expenditure



### General Trends:

- Revenue Expenditure of the State increased by 55.71 per cent from ₹3356.64 crore in 2014-15 to ₹5,226.57 crore in 2018-19 at an annual average rate of 11.14 per cent.
- Against increase of ₹1,074.72 crore (25.89 per cent) in Revenue Expenditure during 2018-19 over the previous year, the Revenue Receipts grew by ₹707.57 crore (13.57 per cent) indicating that Revenue Receipts had not kept pace with Revenue Expenditure.
- Revenue Expenditure constituted 79.62 per cent of the Total Expenditure in 2018-19. The percentage of Revenue Expenditure to Total Expenditure was in the range of 73.15 per cent to 84.65 per cent during the period 2014-15 to 2018-19.



During 2018-19 this proportion was 79.62 per cent which was higher than previous year's proportion of 73.15 per cent.

- Capital Expenditure in 2018-19 constituted 19.67 per cent of the Total Expenditure and decreased by ₹215.47 crore, with growth rate of -14.30 per cent over the previous year. Capital Expenditure as percentage of Total Expenditure fluctuated from year to year and ranged between 14.72 per cent and 26.55 per cent during 2014-15 to 2018-19.
- Total Expenditure increased by 50.43 per cent (₹ 2,200.53 crore) from ₹ 4,363.92 crore in 2014-15 to ₹ 6,564.45 crore in 2018-19.
- Growth rate of Total Expenditure of the State in 2018-19 was 15.66 per cent over the previous year. This rate was 12.84 per cent for India and 13.97 per cent for the Special Category States.

### 1.10.2 Buoyancy of expenditure

Growth rates of Total, Revenue and Capital Expenditures during 2014-15 to 2018-19, and their buoyancy with reference to GSDP and Revenue Receipts are presented in **Table 1.23**.

**1.23: Total Expenditure - Basic parameters**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Rate of growth of TE (per cent)	10.55	(-)1.34	5.10	25.42	15.66
Rate of growth of GSDP (per cent)	11.14	17.05	14.71	13.57	14.01
TE/GSDP (ratio)	28.32	23.87	19.95	24.16	24.51
Revenue Receipts/ TE (ratio)	93.67	87.89	101.88	91.85	90.19
Rate of growth of RE (per cent)	10.96	8.58	3.94	9.60	25.89
Revenue Expenditure/ TE (ratio)	76.92	84.65	83.71	73.15	79.62
Rate of growth of RR (per cent)	4.99	(-)7.42	21.83	13.07	13.56
Rate of growth of CE (per cent)	7.54	(-)35.35	13.61	109.19	(-) 14.33
<b>Buoyancy of TE with (ratio)</b>					
GSDP	0.95	(-)0.08	0.35	1.87	1.12
Revenue Receipts	2.11	0.18	0.23	1.94	1.15
<b>Buoyancy of RE with (ratio)</b>					
GSDP	0.98	0.50	0.27	0.71	1.85
Revenue Receipts	2.20	(-)1.16	0.18	0.73	1.91
<b>Buoyancy of CE with (ratio)</b>					
GSDP	0.68	(-)2.07	0.93	8.05	(-) 1.02
Revenue Receipts	1.51	4.76	0.62	8.35	(-) 1.06

Source: Finance Accounts

From the above table, the following were noticed:

- The buoyancy of Total Expenditure with respect to GSDP stood at 1.12 in 2018-19, which indicated higher rate of growth of Total Expenditure (15.66 per cent) as compared to growth rate of GSDP (14.01 per cent).
- The buoyancy of Total Expenditure with respect to Revenue Receipts decreased from 1.94 in 2017-18 to 1.15 in 2018-19, which was a positive indicator.

### 1.10.3 Revenue Expenditure

Revenue Expenditure had a predominant share in Total Expenditure. Revenue Expenditure is incurred to maintain the current level of services and payment for the past obligations.



The overall Revenue Expenditure, its rate of growth, its ratio to GSDP and to Revenue Receipts and its buoyancy are indicated in the above Table 1.23.

Revenue Expenditure increased by ₹ 1869.93 crore (55.71 per cent) from ₹ 3356.64 crore in 2014-15 to ₹ 5226.57 crore in 2018-19, at an average annual rate of 11.42 per cent. It increased by 25.89 per cent from ₹ 4,151.85 crore in 2017-18 to ₹ 5,226.57 crore in 2018-19.

The increase in Revenue Expenditure (₹ 1074.72 crore) during 2018-19 was on account of net expenditure increase under General Services (₹ 432.11 crore), Social Services (₹ 539.62 crore), Economic Services (₹ 99.91 crore) and Grants-in-Aid & contributions (₹ 3.08 crore).

Ratio of Revenue Expenditure to Total Expenditure had decreased from 84.65 per cent in 2015-16 to 73.15 per cent in 2017-18 and again rose to 79.62 per cent in 2018-19.

### 1.10.3.1 Committed Expenditure

Committed Expenditure of the State Government on revenue account mainly consisted of Interest Payments, Expenditure on Salaries and Pension. Table 1.24 presents trends in Expenditure on these components during 2014-19.

Table 1.24: Component of Committed Expenditure

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Total Salaries, of which:</b>	<b>1,236.37</b>	<b>1662.03</b>	<b>1680.37</b>	<b>1757.78</b>	<b>2266.40</b>
<i>Non-Plan head and Plan head</i>	<i>1236.37</i>	<i>1357.66</i>	<i>1423.47</i>	<i>1478.98<sup>7</sup></i>	<i>1944.32</i>
<i>Salaries paid through GIAs</i>	<i>0.00</i>	<i>304.37</i>	<i>256.90</i>	<i>278.80</i>	<i>322.08</i>
<b>Interest payments</b>	<b>239.55</b>	<b>262.07</b>	<b>324.39</b>	<b>362.17</b>	<b>433.05</b>
<b>Expenditure on Pension</b>	<b>333.08</b>	<b>402.35</b>	<b>446.43</b>	<b>505.18</b>	<b>737.24</b>
<b>Total</b>	<b>1809.00</b>	<b>2326.45</b>	<b>2451.19</b>	<b>2625.13</b>	<b>3436.69</b>
<b>As per cent of Revenue Receipts</b>					
Salaries	30.25	43.92	36.45	33.72	38.28
Interest payments	5.86	6.93	7.04	6.95	7.31
Pension	8.15	10.63	9.68	9.69	12.45
<b>Total</b>	<b>44.26</b>	<b>61.48</b>	<b>53.17</b>	<b>50.36</b>	<b>58.04</b>
<b>As per cent of Revenue Expenditure</b>					
Salaries	36.83	45.60	44.36	42.30	43.36
Interest payments	7.14	7.19	8.56	8.72	8.29
Pension	9.92	11.04	11.79	12.17	14.11
<b>Total</b>	<b>53.89</b>	<b>63.83</b>	<b>64.71</b>	<b>63.19</b>	<b>65.76</b>

Source: Finance Accounts

The share of Committed Expenditure as compared to Revenue Receipts increased from 44.26 per cent in 2014-15 to 58.04 per cent in 2018-19 and as compared to Revenue Expenditure, its share increased from 53.89 per cent i.e. ₹ 1,809 crore in 2014-15 to 65.76 per cent i.e. ₹ 3,436.69 crore in 2018-19.

<sup>7</sup> Since 2017-18, no Plan & Non Plan Head of accounts were operated.



**(A) Expenditure on Salaries**

Apart from salaries payment from the normal head of accounts, the State Government releases assistance to PRIs, Zilla Parishads *etc.* for payment of salaries of teachers of Junior High Schools and Primary Schools. These schools function under the administrative control of the Education Department. The year-wise details of such grants given by the State Government since 2015-16 are depicted in the following table.

**Table 1.25: Salaries payment through Grants-in-Aids**

(₹ in crore)

Years	Particulars	Paid to	Amount
2015-16	Grants in Aid for Salaries	Gram Panchayat as Assistance	304.37
2016-17	Grants in Aid for Salaries	Gram Panchayat as Assistance	250.57
		Zilla Parishad as Assistance	6.33
		<b>Total</b>	<b>256.90</b>
2017-18	Grants in Aid for Salaries	Gram Panchayat as Assistance	137.71
		Zilla Parishad as Assistance	141.09
		<b>Total</b>	<b>278.80</b>
2018-19	Grants-in-Aid for Salaries	Gram Panchayat as Assistance	311.48
		Zilla Parishad as Assistance	10.60
		<b>Total</b>	<b>322.08</b>

Share of Expenditure on salaries of Sikkim as compared to Revenue Receipts increased from 30.25 *per cent* in 2014-15 to 38.28 *per cent* (2018-19); and as compared to Revenue Expenditure, its share increased from 36.83 *per cent i.e.* ₹ 1,236.37 crore in 2014-15 to 43.36 *per cent i.e.* ₹ 2266.40 crore in 2018-19.

**(B) Pension Payments**

Pension Payments (including other retirement benefits) indicated an increasing trend during the five-year period 2014-19. Pension Payments during the current year increased by ₹ 232.06 crore, an increase of 45.94 *per cent* over the previous year. Further, Pension Payments accounted for 14.11 *per cent* of Revenue Expenditure during 2018-19.

**National Pension System**

State Government employees recruited on and after 01 April 2006 are eligible for the National Pension System, which is a Defined Contributory Pension Scheme. In terms of the Scheme, the employee contributes 10 *per cent* of Basic Pay and Dearness Allowance, with a matching contribution by the State Government. The entire amount is to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

The details of employee's share, Government contribution, interest accrued thereon and transfer to the trustee Bank/NSDL up to 2013-14 and during the period from 2014-15 to 2018-19 are given in **Table 1.26**.



Table 1.26: Details of Contribution and Transfers to NSDL under NPS

(*₹ in crore*)

Year	Opening Balance	Details of contribution by		Total contribution	Transfer to NSDL	Short transfer/ Closing Balance	Rate of Interest applicable <sup>8</sup>	Interest due on Opening Balance**
		Employees	Government					
Upto 2013-14	36.97	48.63	43.66	92.29	62.27	30.02		9.28
2014-15	30.02	20.80	20.79	41.59	44.62	26.99	8.80	2.64
2015-16	26.99	27.81	27.74	55.55	59.10	23.44	8.80	2.38
2016-17	23.44	33.10	33.07	66.17	61.10	28.51	8.00	1.88
2017-18	28.51	38.09	40.70	78.79	79.63	27.67	7.60	2.17
2018-19	27.67	46.94	49.48	96.42	94.54	29.55	7.60	2.10
<b>Total</b>		<b>215.37</b>	<b>215.44</b>	<b>430.81</b>	<b>401.26</b>			<b>20.45</b>

Source: Data furnished by Government of Sikkim. \*\* Interest has been calculated on the estimation that the Opening Balance was not transferred during the year

Audit analysed the overall functioning of NPS which revealed the following.

As of 31 March 2019, Government of Sikkim collected ₹ 215.37 crore from employees as contribution towards NPS and contributed ₹ 215.44 crore as Government's share towards the Scheme. Further, against the total collected funds of ₹ 430.81 crore (Employees share - ₹ 215.37 crore plus Government share - ₹ 215.44 crore, the Government transferred ₹ 401.26 crore only (Employees share - ₹ 200.87 crore plus Government share - ₹ 197.36 crore) to designated authority (NSDL); and did not transfer ₹ 29.55 crore to NSDL for further investment as per the provisions of the scheme. Thus, there was a short transfer of ₹ 29.55 crore to the NSDL. Further, the State Government has created interest liability on the amount not transferred to NSDL, incorrectly used the funds that belong to its employees and created uncertainty in respect of benefits due to the employees affected/ avoidable financial liability of Government in future; thus leading to possible failure of the scheme itself.

Further, delays in investment of NPS contributions with Fund Managers creates an atmosphere of uncertainty about the return to accrue to the employees concerned for such periods on the investment of their NPS contribution, and also affects accuracy and transparency of accounts.

Besides, the State Government has acquired interest liability since the commencement of the scheme i.e. from 2006-07, amounting to ₹ 20.45 crore due to short transfer of funds to NSDL, as the above Major Head is classified as 'Deposits bearing Interest' in Government Accounts.

### (C) Comparison of Ratio of Expenditures on Salaries and Pensions to Revenue Expenditure

Comparison of ratio of expenditures on Salaries and Pensions to Revenue Expenditure of Sikkim with other States of North Eastern Region in 2018-19 is depicted in the following table.

<sup>8</sup> GPF rate of interest during the respective year.



**Table 1.27: Comparison of ratio of expenditures on Salaries and Pensions to Revenue Expenditure**

	Assam	Nagaland	Meghalaya	Arunachal Pradesh	Manipur	Mizoram	Tripura	Sikkim
Ratio of Salaries to Revenue Exp.	46.78	39.49	32.70	35.18	37.69	36.50	45.80	43.36
Ratio of Pension to Revenue Exp.	14.26	12.40	9.80	7.20	15.74	12.93	17.13	14.11

After Tripura and Assam, Sikkim spent highest share of Revenue Expenditure on Salaries and its share of Pension payments in Revenue Expenditure was higher than the states of Arunachal, Meghalaya, Nagaland and Mizoram.

#### (D) Interest Payments

Interest Payments of ₹ 433.04 crore in 2018-19 consisted of interest paid on Internal Debt and Market Loans (₹ 344.53 crore), Small Savings, Provident Fund, etc. (₹ 79.12 crore) and Loans received from GoI (₹ 9.39 crore). Interest Payments during 2018-19 were less than the assessment of XIV FC (₹ 452 crore).

#### 1.10.3.2 Financial Assistance to Local Bodies and Others

The quantum of assistance provided by way of grants to local bodies and others entities during 2018-19, and previous four years, is presented in **Table 1.28**.

**Table 1.28: Financial Assistance to Local Bodies and other Institutions**

Financial Assistance to Institutions	2014-15	2015-16	2016-17	2017-18	2018-19
Educational Institutions (Non-Government Aided School, etc.)	0.05	0.00	0.00	0.00	0.00
Zilla Parishads and Other Panchayati Raj Institutions	276.10	314.38	256.91	278.80	322.10
Cooperative Societies	0.24	1.37	1.38	0.00	0.00
Other Institutions and Bodies <sup>9</sup> (including Statutory Bodies)	2.43	2.03	46.61	90.47	89.29
<b>Total</b>	<b>278.82</b>	<b>317.78</b>	<b>304.90</b>	<b>369.27</b>	<b>411.39</b>
Assistance as percentage of Revenue Expenditure	8.31	8.72	8.05	8.89	7.87

Source: Finance Accounts

The total assistance during 2018-19 increased by 11.41 per cent over the previous year mainly due to increase in assistance to Zilla Parishads and Other Panchayati Raj Institutions from ₹ 278.80 crore to ₹ 322.10 crore.

#### 1.11 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e., adequate provision for providing public services), efficiency of expenditure and the effectiveness of expenditure.

<sup>9</sup> The main recipients of assistance were Gram Panchayats (₹311.49 crore) and Zilla Parishads (₹10.61 crore) and Polytechnic Institutes (₹10.50 crore).



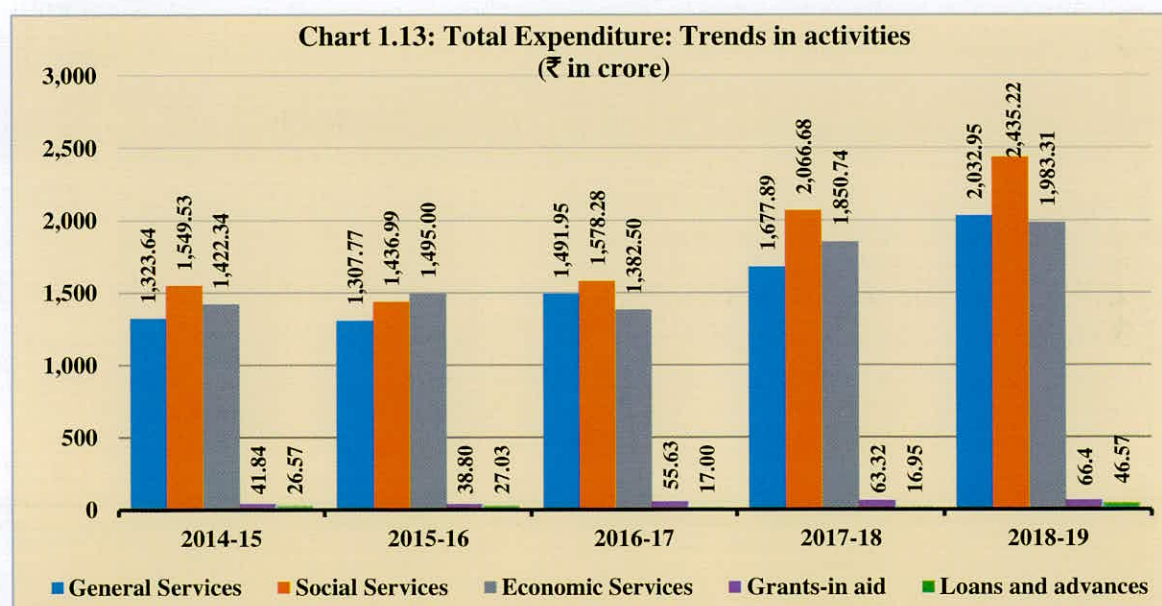
### 1.11.1 Trends in expenditure by activities

In terms of activities, Total Expenditure is composed of expenditure on General Services (including Interest Payments), Social Services, Economic Services, Grants-in-Aid and Loans and Advances. Relative shares of these components in Total Expenditure are indicated in **Table 1.29** below as well as in **Chart 1.13**.

**Table 1.29: Components of Expenditure – Relative Share**

Parameters	2014-15	2015-16	2016-17	2017-18	2018-19
Total Expenditure (₹ in crore)	4363.92	4305.59	4525.37	5675.58	6564.45
Share (in per cent) of various components in Total Expenditure:					
General Services	30.33	30.37	32.97	29.56	30.97
<i>Of which, Interest Payments</i>	5.49	6.09	7.17	6.38	6.60
Social Services	35.51	33.38	34.87	36.41	37.10
Economic Services	32.59	34.72	30.55	32.61	30.21
Grants-in-Aid	0.96	0.90	1.23	1.12	1.01
Loans and Advances	0.61	0.63	0.38	0.30	0.71

Source: Finance Accounts



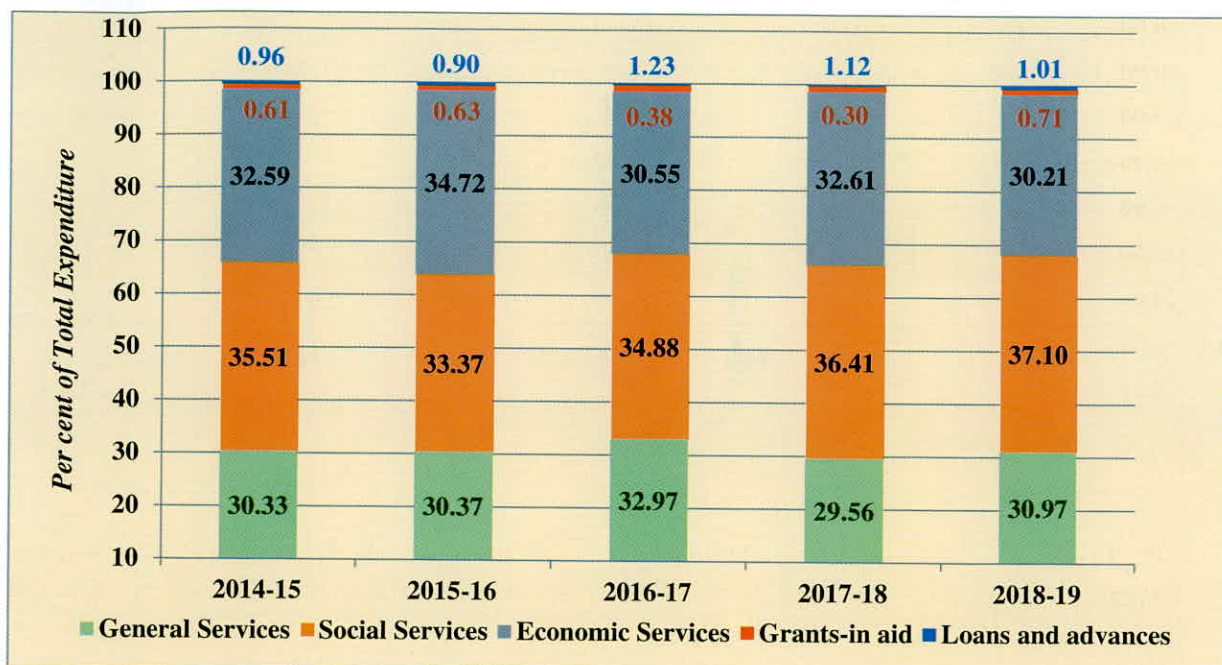
Source: Finance Accounts

The share of expenditure on General Services, which are considered as Non-developmental, in Total Expenditure increased from 29.56 per cent in 2017-18 to 30.97 per cent in 2018-19. On the other hand, the share of Developmental Expenditure *i.e.*, expenditure on Social and Economic Services decreased from 69.02 per cent in 2017-18 to 67.31 per cent in 2018-19. Interest Payments as a percentage of Total Expenditure ranged between 5.49 per cent and 7.17 per cent during 2014-15 to 2018-19.

The share of expenditure on Social Services *vis-à-vis* total expenditure consistently increased from 2015-16 (33.37 per cent) to 2018-19 (37.10 per cent), which was a positive sign. The graphical representation of these expenditures as percentage of Total Expenditure is given in the chart below.



Chart 1.14: Percentage of Activity-wise Expenditures to Total Expenditure



### 1.11.2 Adequacy of Public Expenditure

Enhancing human development levels requires the States to step up their expenditure on key Social Services like Education, Health, etc. Low fiscal priority (ratio of expenditure on the category to aggregate expenditure) can be stated to have been accorded to a particular sector if the ratio is decreasing over the years.

Table 1.30 presents analysis of the fiscal priority of the State Government with regard to Development Expenditure, Social Expenditure and Capital Expenditure and their comparison with Special Category States in 2014-15, 2017-18 and the current year 2018-19.

Table 1.30: Fiscal priority of the State in 2014-15, 2017-18 and 2018-19

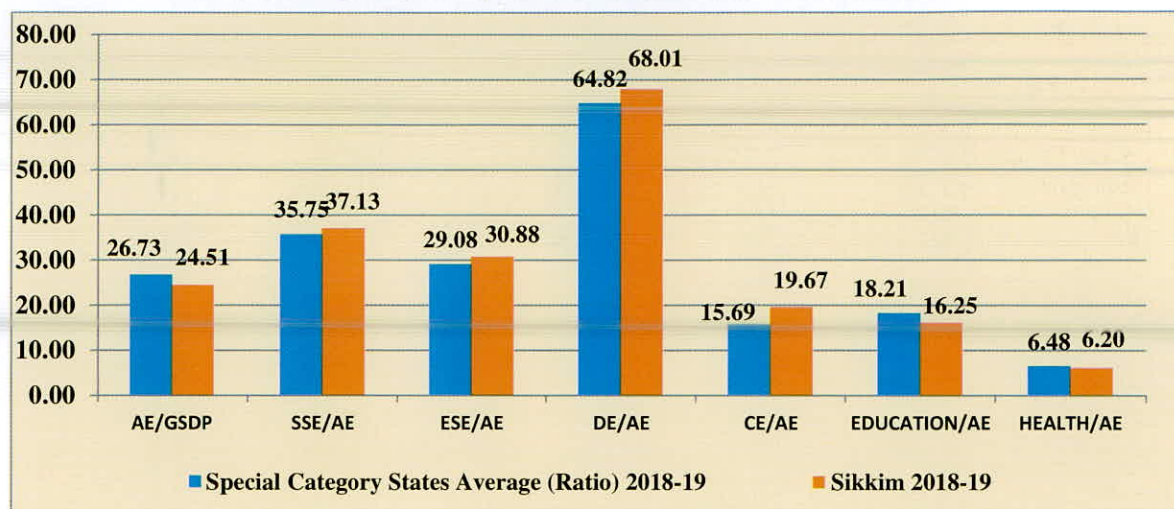
Fiscal priority of the State	(in per cent)						
	AE/GSDP*	DE/AE	SSE/AE	ESE/AE	CE/AE	Education/AE	Health/AE
Sikkim 2014-15	28.32	68.71	35.77	32.94	22.47	17.69	5.95
Special Category States'(SCS) Average 2014-15	26.00	66.76	36.27	30.49	14.46	18.52	5.60
Sikkim 2017-18	24.16	69.31	36.48	32.83	26.55	16.66	8.13
SCS' Average 2017-18	25.86	64.17	34.99	29.18	15.73	18.04	6.22
Sikkim 2018-19	24.51	68.01	37.13	30.88	19.67	16.25	6.20
SCS Average 2018-19	26.73	64.82	35.75	29.08	15.69	18.21	6.48

AE: Aggregate Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure ESE: Economic Sector Expenditure, CE Capital Expenditure., Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and loans and advances disbursed.

GSDP: Figures available on Ministry of Statistics and Programme Implementation (MoSPI) website as on 1 August 2019, except Arunachal Pradesh, Assam, Gujrat, Jammu & Kashmir, Kerala, Maharashtra, Manipur, Meghalaya, Nagaland and Tripura where the figures have been provided by respective PAsG/AsG.



Chart 1.15: Quality of Expenditure of the State vis-a-vis SCS in 2018-19



The ratios of Developmental Expenditure, Economic Sector Expenditure and Capital Expenditure against Aggregate Expenditure respectively in Sikkim were higher than the expenditures of Special Category States in 2014-15, 2017-18 and 2018-19. The ratio of Social Sector Expenditure to Aggregate Expenditure was slightly lower in 2014-15 but outpaced the expenditure of Special Category States in 2017-18 and 2018-19. The ratio of expenditure on Education to Aggregate Expenditure of the State was less in comparison to Special Category States during 2018-19. Even the ratio of expenditure on Health to Aggregate Expenditure was lower in 2018-19 in comparison to Special Category States.

Further, **Table 1.31** presents the trends in Development Expenditure relative to the Aggregate Expenditure of the State during the five-year period of 2014-15 to 2018-19.

Table 1.31: Development Expenditure

Particulars	₹ in crore				
	2014-15	2015-16	2016-17	2017-18	2018-19
Total Expenditure (TE)	4,363.92	4,305.59	4,525.37	5,675.58	6564.45
Development Expenditure (DE)	2,998.37	2,958.95	2,977.78	3,933.92	4464.55
Percentage of DE to TE	68.71	68.72	65.80	69.31	68.01
<b>Composition of DE</b>					
Revenue	2,100.68(70.06)	2,361.98(79.83)	2,311.68(77.63)	2,560.40 (65.08)	3199.93 (71.67)
Capital	871.19(29.06)	570.01(19.26)	649.10(21.80)	1,357.02 (34.50)	1218.60 (27.30)
Loans and Advances	26.50(0.88)	26.96(0.91)	17.00(0.57)	16.50 (0.42)	46.02 (1.03)

Source: Finance Accounts. Figures in brackets indicate percentage of Development Expenditure.

As a percentage of Total Expenditure, Development Expenditure did not change much from 68.71 per cent in 2014-15 to 68.01 per cent in 2018-19. During 2014-15 to 2018-19, on an average, 73 per cent of the Development Expenditure was on Revenue Account while Capital Expenditure including Loans and Advances accounted for balance 27 per cent.

In 2018-19, Development Revenue Expenditure (₹ 3,199.93 crore) included, *inter alia*, expenditure on Salary (₹1,944.32 crore) and Subsidy (₹ 2.67 crore).

The efficiency of Aggregated Expenditure on selected parameters in some major areas under Social and Economic Services is depicted in **Table 1.32**.



Table 1.32: Efficiency of expenditure use

(Ratio in per cent)

Particulars	2017-18		2018-19	
	Ratio of CE to TE	Share of salaries (excluding wages and O & M) in RE	Ratio of CE to TE	Share of salaries (excluding wages and O & M) in RE
<b>Social Services (SS)</b>				
Education, Sports, Art and Culture	10.32	81.11	6.57	83.86
Health and Family Welfare	52.85	60.43	22.28	57.48
Water Supply, Sanitation, Housing and Urban Development	45.89	9.00	30.03	7.41
Others	6.66	23.33	5.10	25.43
<b>Total (SS)</b>	<b>25.81</b>	<b>58.66</b>	<b>14.91</b>	<b>54.54</b>
<b>Economic Services (ES)</b>				
Agriculture and Allied Activities	4.44	50.85	3.05	45.52
Irrigation and Flood Control	4.20	23.19	62.63	51.26
Power and Energy	26.66	45.19	23.65	59.83
Transport	77.30	18.55	73.41	18.39
Others	25.67	41.28	25.82	41.98
<b>Total (ES)</b>	<b>44.14</b>	<b>40.04</b>	<b>42.18</b>	<b>48.44</b>
<b>Total (SS+ES)</b>	<b>34.50</b>	<b>40.34</b>	<b>27.29</b>	<b>42.32</b>

Source: Finance Accounts.

TE-Total Expenditure [(CE+RE of the sub-sectors)]; CE-Capital Expenditure (sub sector); RE-Revenue Expenditure (sub sectors).

Capital Expenditure on Social Services decreased drastically from ₹ 534.53 crore in 2017-18 to ₹ 363.45 crore in 2018-19, while in respect of Economic Services it increased from ₹ 822.49 crore to ₹ 855.15 crore during this period. The ratio of Capital expenditure to Total expenditure in both the sectors viz. Social and Economic Service sectors during 2018-19 had decreased as compared to previous year, but the decrease in respect of Social Services was significant.

## 1.12 Financial Analysis of Aggregated Expenditure and Investments

In the post Mid Term Fiscal Plan (MTFP) framework, the Government is expected to keep its fiscal deficit (borrowing) not only at low levels but also to meet its Capital Expenditure/Investment (including Loans and Advances) requirements from own resources. In addition, the State Government needs to initiate measures to earn adequate return on its investments and recover cost of borrowed funds rather than bearing the same in its budget in the form of implicit subsidy, and also needs to take requisite steps to infuse transparency in financial operations. This section presents a broad financial analysis of investments and other Capital Expenditure undertaken by the Government during 2018-19 vis-à-vis previous years.

### 1.12.1 Incomplete Projects

Projects remaining incomplete indicate that the benefits as envisaged in project proposals have not fructified and scarce resources remain locked without any return.

According to the information available in Appendix IX and Statement 16 of the Finance Accounts for the year 2018-19, as on 31 March 2019, there were 201 ongoing projects in respect of five departments i.e. incomplete projects. Except for five departments, the list of



incomplete projects was not furnished by other departments of the State Government, thus actual number of incomplete projects could not be ascertained. The department-wise information pertaining to incomplete projects of five departments as on 31 March 2019 is given in **Table 1.33**.

**Table 1.33: Department-wise Profile of Incomplete Projects**

(₹ in crore)

Department	No. of incomplete projects as on 31 March 2019	Initial budgeted cost	Actual expenditure as on 31 March 2019	Projects scheduled to be completed by March 2019			
				No of Projects	Percentage of Physical Progress	Actual expenditure as on 31 March 2019	Percentage of Financial Progress
Education	88	176.93	95.96	42	47.73	55.19	31.19
Urban Development	66	406.18	189.10	26	39.39	151.17	37.22
Rural Development	15	184.19	100.04	Information not furnished by the Department			
Power	13	210.67	153.19	10	76.92	126.17	59.89
Building & Housing	19	530.56	128.12	12	63.16	68.29	12.87
<b>Total</b>	<b>201</b>	<b>1508.53</b>	<b>666.41</b>	<b>90</b>		<b>400.82</b>	

Source: Finance Accounts

Out of these 201 incomplete projects, 90 projects were scheduled to be completed by 31 March 2019 and 51 projects were scheduled to be completed after 31 March 2019. Further, information regarding target year of completion in respect of 60 projects (Education :40 projects with sanctioned cost of ₹ 77.06 crore, Urban Development: five projects with sanctioned cost of ₹15.94 crore and Rural Development: 15 projects with sanctioned cost of ₹ 184.19 crore) was not furnished by the Department, though called for. Out of these 60 projects, 11 projects (sanctioned cost of ₹ 81.46 crore) are pending for more than five years while remaining 49 projects are pending for less than five years.

Age-wise analysis of delay in completion of projects from the stipulated date of their completion showing status as on 31 March 2019 is given in **Table 1.34**.

**Table 1.34: Age Profile of Incomplete Projects**

(In number)

Sl. No.	Delay of projects in number of years from stipulated date of completion	Number of incomplete projects
1	0 to 3 years	59
2	3 to 5 years	18
3	5 to 7 years	11
4	Above 7 years	2
	<b>Total</b>	<b>90</b>

Cumulative expenditure incurred on these 201 projects as on 31 March 2019 was ₹ 666.41 crore. Expenditure of ₹ 400.82 crore (as on 31 March 2019) was incurred on 90 incomplete projects which were due to be completed by 31 March 2019, against estimated cost of ₹ 559.77 crore.

Blocking of funds on incomplete projects/ works beyond their scheduled date of completion, adversely impinged on the quality of expenditure and deprived the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these



projects during the respective years proved ineffectual with the State having to bear additional burden for debt servicing and interest liabilities. Effective steps need to be taken to complete all these above projects without further delay.

### 1.12.2 Investment and Returns

As of March 2019, Government had invested ₹ 105.46 crore in Statutory Corporations, Banks, Joint Stock Companies and Co-operatives as detailed in succeeding paragraphs. The return during 2018-19 was 4.15 per cent as detailed in **Table 1.35** below.

**Table 1.35 Return on Investment**

Particulars	₹ in crore				
	2014-15	2015-16	2016-17	2017-18	2018-19
Investment at the end of the year	97.42	97.42	97.42	102.43	105.46 <sup>10</sup>
Return	0.87	12.70 <sup>11</sup>	2.01	2.92	4.38
Return (per cent)	0.89	13.04	2.06	2.85	4.15
Average rate of interest on Government borrowings (per cent)	7.31	7.04	7.52	7.16	7.35
Difference between rates of interest and return	6.42	(-)6.00	5.46	4.31	3.20

Source: Finance Accounts

Returns during current year were due to receipt of dividend from companies and bank (State Bank of Sikkim: ₹ 1.33 crore, Sikkim Distilleries Limited: ₹ 1.45 crore, Denzong Cinema: ₹ 0.01 crore and Multipurpose Co-operative Society ₹ 1.59 crore).

The details of investment of ₹ 105.46 crore up to the end of 2018-19 by the State Government in Statutory Corporations (three), Joint Stock Companies (21) and Banks and Co-operative Societies (nine) are detailed in **Appendix 1.5**.

#### 1.12.2.1 State Public Sector Undertakings being audited by CAG of India

As on 31 March 2019, there were 16 SPSUs (including 12 Companies and four Statutory Corporations) which were being audited by the Comptroller and Auditor General (CAG) of India, besides there were four non-working SPSUs for which audit entrustment had not been extended by the State Government.

As per latest finalised accounts of the SPSUs, State Government had invested ₹ 2,235.94 crore (₹ 2,233.91 crore as equity and ₹ 2.03 crore as loan) in 15 working SPSUs, while one SPSU<sup>12</sup> registered in December 2017 had not submitted its accounts till September 2019. Six companies/ corporations were earning profits as per their latest finalised annual accounts, while the remaining had incurred losses.

Government had invested ₹ 67.35 crore in the following companies which had been incurring recurring losses (**Table 1.36**).

<sup>10</sup> During 2018-19 amount invested: ₹ 3.03 crore (Power Development Corporation: ₹ 2.50 crore, Sikkim SC/ST/OBC Finance Development Corporation ₹ 0.41 crore and IFFCO ₹ 0.12 crore).

<sup>11</sup> Higher returns during 2015-16 was due to receipt of dividend from Companies, Bank and Co-operatives (State Bank of Sikkim- ₹ 5.34 crore, Sikkim Distilleries Ltd- ₹ 7.24 crore, Denzong Cinema- ₹ 0.01 crore, Multipurpose Co-operative Society- ₹ 0.11 crore)

<sup>12</sup> Gangtok Smart City Development Ltd.



Table 1.36: Investment in Government Companies under Perennial Loss

(₹ in crore)

Sl. No.	Name of the Government Company	Investment up to 2018-19		Cumulative loss	Year of accounts approved by Board
		Equity and loans	Subsidy/ Grants		
1	Sikkim Power Investment Corporation Limited (SPICL)	0.01	Nil	782.84	2017-18
2	Sikkim Power Development Corporation	67.34	Nil	115.44	2017-18
	<b>Total</b>	<b>67.35</b>	<b>Nil</b>	<b>898.28</b>	

Source: Financial Statements of the Companies \*Accumulated loss as per the latest Annual Accounts approved by the Board.

The aggregate net worth of these 15 SPSUs was ₹1,696.53 crore, as per their latest finalised accounts. The net worth in respect of four Companies was negative (₹(-)786.66 crore) as the accumulated losses had completely eroded the equity capital as well as the reserves.

#### 1.12.2.2 State PSUs-finalisation of Accounts and enhancing financial viability

The XIII FC recommended that all States should endeavour to ensure clearance of the accounts of all Public Sector Undertakings (PSUs).

Under Section 96 of the Companies Act, 2013, the Government Companies are required to adopt their annual accounts within six months of the close of the financial year, *i.e.*, by 30 September every year.

The Companies Act, 1956/ Companies Act 2013 has not been extended to the State of Sikkim. The Government Companies in Sikkim are registered under the Registration of Companies Act, Sikkim, 1961 while the Statutory Corporations are governed by the Proclamations of the erstwhile Chogyal (King) of Sikkim. The Act of 1961 and Proclamations do not contain provision on time schedule for adoption of accounts by the PSUs. Out of 16 working state PSUs, only four<sup>13</sup> State PSUs have been incorporated under the Companies Act 2013, having their registered offices outside the State. As on 30 September 2019, two accounts<sup>14</sup> of one state PSU registered under the Companies Act 2013 were pending for finalisation. In respect of the other state PSUs, 23 accounts of 12 state PSUs were not finalised due to delay in their preparation/approval by the Board of Directors of the respective state PSUs. The state PSUs whose accounts were pending for finalisation are listed in **Appendix-1.6**.

Though there was improvement as compared to previous year when 52 accounts were pending, State Government should ensure that arrears of accounts are cleared so that clear financial picture of the Companies can be assessed.

#### 1.12.3 Loans and Advances by the State Government

In addition to investments in Companies, Corporations and Co-operative Institutions, Government also provides loans and advances to Institutions/Organisations/Government

<sup>13</sup> Teesta Urja Limited, Teesta Valley Transmission Limited, Gangtok Smart City Development Limited (GSCDT) and Namchi Smart City limited (NSCL).

<sup>14</sup> GSCDL for 2017-18 and 2018-19.



Servants. **Table 1.37** presents the position of outstanding Loans and Advances as of March 2019 and interest receipts *vis-à-vis* interest payments during the last five years.

**Table 1.37: Loans and Advance and Interest Received by the State Government**

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Opening balance</b>	<b>109.48</b>	<b>135.17</b>	<b>160.83</b>	<b>176.46</b>	<b>192.49</b>
Amount advanced during the year	26.57	27.03	17.00	16.95	46.57
Amount repaid during the year	0.88	1.37	1.37	0.92	1.77
<b>Closing balance</b>	<b>135.17</b>	<b>160.83</b>	<b>176.46</b>	<b>192.49</b>	<b>237.29</b>
Net addition	(+)25.69	(+)25.66	(+)15.63	(+) 16.03	(+) 44.80
<b>Interest receipts</b>	<b>1.76</b>	<b>00*</b>	<b>00*</b>	<b>0.00*</b>	<b>0.00</b>
Interest receipts as <i>per cent</i> to outstanding loans and advances	1.30	00*	00*	0.00*	0.00
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	5.76	5.38	5.90	5.56	5.80
Net outgo on Interest Payments as proportion of outstanding fiscal liabilities ( <i>per cent</i> ).	4.46	5.38	5.90	5.56	5.80

Source: Finance Accounts. \*No interest on loans & advances was received.

Out of amount of ₹ 46.57 crore advanced during the year 2018-19, ₹ 44.02 crore was advanced to Financial Institutions, ₹ 2.00 crore was advanced as Educational Loans for higher studies in Colleges and Universities, and ₹ 0.55 crore was paid towards House Building Advance to Government Servants.

No interest on loans and advances was received by the Government during the financial year 2018-19.

### 1.13 Public Accounts

Receipts and disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, *etc.*, which do not form part of the Consolidated Fund, are kept in the Public Accounts set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in such cases. The net balance of fund is available for the Government's use. The details of balance in Public Account during 2014-19 is given in **Table 1.38**.

**Table 1.38: Details of balances in Public Accounts**

(₹ in crore)

Resources under various heads	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Public Accounts balances</b>					
a.Small savings, Provident fund, <i>etc.</i>	710.19	747.85	831.15	911.72	1005.65
b.Reserve funds	430.61	441.38	507.06	505.99	566.20
c.Deposits and Advances	137.34	158.98	240.12	264.28	279.81
d.Suspense and Miscellaneous	158.75	254.99	186.04	211.26	330.92
e.Remittances	213.40	295.91	224.95	404.84	274.19
<b>Total</b>	<b>1650.29</b>	<b>1899.11</b>	<b>1989.32</b>	<b>2298.09</b>	<b>2456.77</b>

Source: Finance Accounts

As may be seen from the above table, the net receipts from Public Account increased by ₹ 158.68 crore (6.90 *per cent*) in 2018-19 over the previous year (2017-18). The increase in net Public Account Receipts was due to Suspense and Miscellaneous (₹ 119.66 crore), Reserve Fund (₹ 60.21 crore), Deposits and Advances (₹ 15.53 crore) and Small Savings, Provident *etc.* (₹ 93.93 crore) off set by decrease in Remittances (₹ 130.65 crore).



### 1.13.1 Transactions under Reserve Funds

Reserve and Reserve Funds are created for specific and well defined purposes in the accounts of Government. These funds are fed by contributions or grants from the Consolidated Fund or from outside agencies.

Analysis of transactions of Reserve Funds is presented in the subsequent paragraphs.

#### 1.13.1.1 Consolidated Sinking Fund

The State Government constituted a Consolidated Sinking Fund for redemption of the open market loans of the Government commencing from 2004-05. As per guidelines of the Fund, the Government is required to contribute to the fund at the rate of one to three *per cent* of the outstanding open market loans as at the end of the previous year. The scope of this fund has been extended to cover all outstanding liabilities of the Government through a notification by the State issued on 18 August 2007 on the basis of recommendations of the XII FC. For the year 2018-19, the flow of Consolidated Sinking Fund is detailed below.

Table 1.39: Flow of Consolidated Sinking Fund during 2018-19

(₹ in crore)

Opening balance (01 April 2018)	Additions to the Fund (contribution and interest)		Payments out of the Fund	Closing balance (31 March, 2019)	Amount invested by SBS during the year
	Required contribution (one per cent of outstanding open market loans as on 31 March 2018) as per guidelines of the State Government	Actual contribution made			
386.79	36.21	12.00 (contribution) 29.96 (interest)	Nil	428.75	428.75

Source: Finance Accounts Vol I

For the year 2018-19, the requirement for annual contribution ₹ 36.21 crore (at one *per cent* of outstanding open market loans of ₹ 3621.24 crore) in terms of the guidelines of the State Government. During the year, Government transferred ₹ 12 crore to the fund against the minimum required contribution of ₹ 36.21 crore, as per its guidelines. As on 31 March 2019, the fund had a balance of ₹ 428.74 crore (including ₹ 29.96 crore as accrued interest), which had been invested in fixed deposits in nationalised banks as per the directions of the RBI.

#### 1.13.1.2 Guarantee Redemption Fund

The State Government constituted Guarantee Redemption Fund in the year 2005 for meeting payment obligations arising out of the guarantees issued by the Government in respect of Bonds issued and borrowings by the State Undertakings or other bodies, in case the same are revoked. The Government is required to contribute an amount equal to at least one-fifth of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees issued during the year. However, it is open to the Government to increase contribution to the fund at its discretion. The detailed account of the Fund as on 31 March 2019 is given following table.



**Table 1.40: Guarantee Redemption Fund**

(₹ in crore)

Particulars	Amount	Particulars	Amount
Opening Balance	46.89	Amount expended from the Fund	Nil
Addition	2.00		
Interest	3.46	Closing Balance	52.35
Total	52.35	Amount invested	52.35

Source: Finance Accounts

The Fund had a corpus of ₹ 46.89 crore as opening balance in the beginning of the year 2018-19 and ₹ 2.00 crore was transferred to the fund. The Fund earned an interest of ₹ 3.46 crore during the year, totalling ₹ 52.35 crore at the end of 2018-19, which was entirely invested in term deposits with the State Bank of Sikkim (SBS).

### 1.13.1.3 State Disaster Response Fund

The State Government replaced the Calamity Relief Fund with the State Disaster Response Fund (SDRF) in 2010-11 as per the recommendations of the Thirteenth Finance Commission. In terms of the guidelines of the Fund, the Centre and Sikkim Government (Special Category States) are required to contribute to the Fund in the proportion of 90:10. Further, if the State does not have adequate balance under SDRF, the Government of India provides additional assistance from the National Disaster Response Fund (NDRF). The flow of the Fund, during the year 2018-19, is given below.

**Table 1.41: Flow of State Disaster Response Fund during the year 2018-19**

(₹ in crore)

Year	Opening balance (01 April)	Contribution by Centre	State's Share	Additional assistance from NDRF	Accrued interest (on investment of Fund)	Total availability during the year	Amount spent (MH 2245-05)	Closing balance
1	2	3	4	5	6	7=(1 to 6)	8	9=7-8
2014-15	15.54	24.89	2.76	1.02	0.11	44.32	26.26	18.06
2015-16	18.06	27.99	3.01	-	6.15	55.21	37.95	17.26
2016-17	17.26	29.70	3.30	-	2.20	52.46	27.51	24.95
2017-18	24.95	30.60	3.40	-	1.27	60.22	46.90	13.32
2018-19	13.32	32.40	3.60	54.93	2.23	106.48	83.89	22.59

Source: Finance Accounts

During the year 2018-19 an aggregate amount of ₹ 93.16 was transferred to the SDRF (Central share: ₹ 32.40 crore and State share of ₹ 3.60 crore, and interest receipts of ₹ 2.23 crore on investment and assistance from NDRF ₹ 54.93 crore) and an expenditure of ₹ 83.89 crore was incurred on natural calamities under Head 2245-05 leaving a balance amount of ₹ 22.59 crore as on 31 March 2019.

### 1.13.1.4 Cess under Sikkim Transport Infrastructure Development Fund

“Sikkim Transport Infrastructure Development Fund” was established in August 2004, for the purpose of developing, maintaining and improving transport infrastructure in Sikkim, to which Cess on sale of Motor Spirit (Petrol and High Speed Diesel) is credited. During the year 2018-19, the Government had collected Cess of ₹ 30.38 crore, out of which ₹ 25.00 crore was transferred to the Fund leading to short transfer of ₹ 5.38 crore.



As on 1 April 2018, the Fund had opening balance of ₹ 79.79 crore and an amount of ₹ 35.37 crore was utilised from the Fund during the year leaving a closing balance of ₹ 69.42 crore at the end of year.

#### **1.13.1.5 Educational Cess**

Government levies Educational Cess on alcoholic beverages manufactured in Sikkim as well as imported from other states for consumption in Sikkim, for purpose of promoting education. During the year 2018-19 the total collection was ₹ 7.38 crore (M.H. 0045-112-03). However, since no receipts were transferred to this Fund during this year, the utilisation of Cess is not readily ascertainable.

#### **1.13.1.6 Sikkim Ecology and Environmental Fund**

In order to protect and improve environment in Sikkim, the Government established a fund known as “Sikkim Ecology and Environment Fund” in 2007. Accordingly, Cess is levied on every dealer, manufacturer, Government department, PSUs, Autonomous Bodies or other organisation who bring non-bio-degradable materials (as specified) from outside the State for selling, business, manufacturing, producing any products or for use of whatsoever purpose in the State.

During 2018-19, Cess of ₹ 6.77 crore (M.H. 0045-112-02) was collected but no amount was transferred to the Fund. The Government utilised, ₹ 1.10 crore by booking expenditure under M.H. 3435-03-101-61, transferred by way of debit to the Fund during 2018-19. Closing balance at the end of year was ₹ 79.33 crore.

#### **1.13.1.7 State Disaster Mitigation Fund**

The State Government established the Sikkim State Disaster Mitigation Fund (SDMF) on 24 February 2018. The Fund is to be utilised for prevention and mitigation of various hazards that may turn into disaster. SDMF had opening balance of ₹ 0.50 crore as on 1 April 2018 and the State Government transferred ₹ 1.00 crore to the SDMF during the year. After meeting the expenditure of ₹ 1.00 crore during the year, the fund had a closing balance of ₹ 0.50 crore as on 31 March 2019.

#### **1.13.2 Cash Balances and Investment of Cash Balances**

Under a resolution passed by the State Government in the year 1968-69, the State Bank of Sikkim (SBS) is vested with the responsibility of receiving money on behalf of State Government and making all Government payments and keeping custody of the cash balances of the Government. The arrangement continued after merger of Sikkim into the Indian Union.

Position of cash balances and investments of cash balances of the State Government at the end of 2017-18 and 2018-19 is shown in **Table 1.42**.



Table 1.42: Cash Balances and Investment of Cash Balances

Particulars	(₹ in crore)	
	As of 31 March 2018	As of 31 March 2019
<b>(a) General Cash Balance</b>		
• Cash in Treasuries	-	-
• Deposits with Reserve Bank	-	-
• Deposits with State Bank of Sikkim	548.77	70.20
• Deposits with other Banks	48.39	50.07
• Remittances in transit - local	-	-
<b>Total</b>	<b>597.16</b>	<b>120.27</b>
<b>Investments held in Cash Balance Investment Account</b>	<b>1,948.39</b>	<b>2,656.00</b>
<b>Total (a)</b>	<b>2,545.55</b>	<b>2,776.27</b>
<b>(b) Other Cash Balances and Investments</b>		
• Cash with departmental officers viz. Public Works Department Officers, Forest Department Officers, District Collectors	0.95	0.95
• Permanent Advances for contingent expenditure with Departmental Officers	0.44	0.45
• Investment of Earmarked Funds	447.93	502.89
<b>Total (b)</b>	<b>449.32</b>	<b>504.29</b>
<b>Grand Total (a)+(b)</b>	<b>2,994.87</b>	<b>3,280.56</b>

Source: Finance Accounts

As per the Finance Accounts of 2018-19, as on 31 March 2019, Government's cash balance with banks was ₹ 120.27 crore, out of which, balance of ₹ 70.20 crore and ₹ 50.07 crore were with SBS and other banks respectively. However, as per the records of the SBS, the Cash Balance of the Government stood at ₹ 38.78 crore leaving an un-reconciled balance of ₹ 31.42 crore.

The investments held in the Cash Balance Investment Account of the Government were increasing continuously as the average annual cash balance increased by 156 per cent from ₹ 900.00<sup>15</sup> crore in 2014-15 to ₹ 2,302.20<sup>16</sup> crore in 2018-19.

The Government had invested substantial cash in term deposits of varying durations ranging from seven to 411 days during 2018-19 at interest rates ranging between 3 and 8.1 per cent. Analysis by Audit revealed that though the Government had substantial cash invested in term deposits, yet the Government had obtained Market Loans on six occasions during 2018-19 as depicted in the **Table 1.43**.

Table 1.43: Investment of Cash Balances and Market Loans availed in 2018-19

Months	Investment of cash balances			Amount of Market Loans availed
	Opening Balance	Closing Balance	Increase/ decrease in investment	
April	1,948	2,130	182	--
May	2,130	1,920	(-)210	--
June	1,920	1,930	10	--
July	1,930	2,286	356	300
August	2,286	2,316	30	--
September	2,316	2,596	280	200

<sup>15</sup> Average annual cash balance for the year 2014-15:  $\{(OB: ₹750 \text{ crore} + CB: ₹1050 \text{ crore})/2\} = ₹900 \text{ crore}$ .

<sup>16</sup> Average annual cash balance for the year 2018-19:  $\{(OB: ₹1,948.39 \text{ crore} + CB: ₹2,656 \text{ crore})/2\} = ₹2,302.20 \text{ crore}$ .



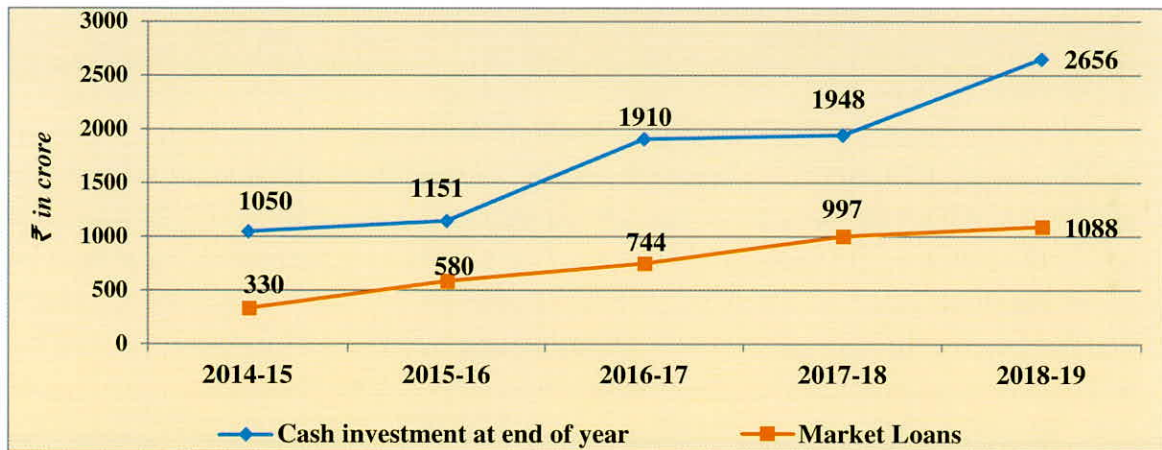
Months	Investment of cash balances			Amount of Market Loans availed
	Opening Balance	Closing Balance	Increase/ decrease in investment	
October	2,596	2,306	(-)290	125
November	2,306	2,396	90	100
December	2,396	2,146	(-)250	--
January	2,146	2,026	(-)120	92
February	2,026	1,886	(-)140	--
March	1,886	2,656	770	271

As seen from above table, despite having cash balance ranged between ₹1,886 crore and ₹ 2,656 crore in the investment account during 2018-19, the Government resorted to market borrowings of ₹ 1,088 crore during the year at the average rate of interest of 8.54 per cent. The State Government had earned an interest of ₹ 116.69 crore from the cash balance investments during 2018-19.

Further, cash balance investment was on an increasing trend, as at the end of 2014-15, the balance was ₹ 1,050 crore which had increased to ₹ 2,656 crore at the end of 2018-19.

Comparative position of cash balances invested and market loans availed at the end of each year of the period 2014-15 to 2018-19 is shown in **Chart 1.16** below:

**Chart 1.16 : Market Loans vis-à-vis investment of Cash Balance**



The XIII Finance Commission (Para 7.127) had recommended that the states with large Cash Balances should make efforts to utilise their Cash Balances before resorting to fresh borrowings. The State, however, resorted to market borrowings at higher interest rates, contrary to the Finance Commission recommendation.

Audit scrutiny revealed (November 2019) that the Government had taken Market Loans of ₹ 997.21 crore in 2017-18 and ₹ 1088.00 crore in 2018-19 with the average rate of interest of 7.56 and 8.54 per cent respectively. (The details in the **Appendix-1.7**). On the other hand, it invested cash balances at the lower interest rates (average rate of interest) of 4.45 and 5.55 per cent respectively during these two years. Had the Government not availed Market Loans it could have saved ₹ 26.77 crore (**Appendix-1.7**) on account of interest during these two years.

Audit further observed that in the Finance Accounts under Major Head 8673 (Cash Balance Investment) the closing balance for the year 2017-18 and 2018-19 was shown as ₹1,948.39



crore and ₹ 2,656 crore respectively. However, as per the statement of Cash Balance Investment furnished by the department the closing balance for the year 2017-18 and 2018-19 were shown as ₹ 1,928.39 crore and ₹ 2,610.00 crore respectively. Thus, there was an overall difference of ₹ 46.00 crore (₹ 20.00 crore in 2017-18 and ₹ 26.00 crore in 2018-19) which was not reconciled yet.

The Finance Department did not state any reasons for keeping such huge amount in Cash Balance invested in term deposits. The department did not have any policy regarding the utilisation of Cash Balances. Further, department could not produce any details of reconciliation of Cash Balance Investment between Finance Department and Banks where the money had been invested.

### **1.13.3 Outstanding balance under the Head 'Cheques and Bills'**

The Head 'Cheques and Bills' is an intermediate account for initial record of transactions which are to be cleared eventually. Outstanding balance under the major head 8670-Cheques and Bills represents the amount of un-encashed cheques. The opening balance under this head as on 1 April 2018 was ₹ 209.29 crore and during the year, cheques worth ₹ 4,973.26 crore were issued and cheques worth ₹ 4,858.21 crore were encashed leaving a closing balance of ₹ 324.34 crore as on 31 March 2019.

## **1.14 Assets and Liabilities**

### **1.14.1 Growth and Composition of Assets and Liabilities**

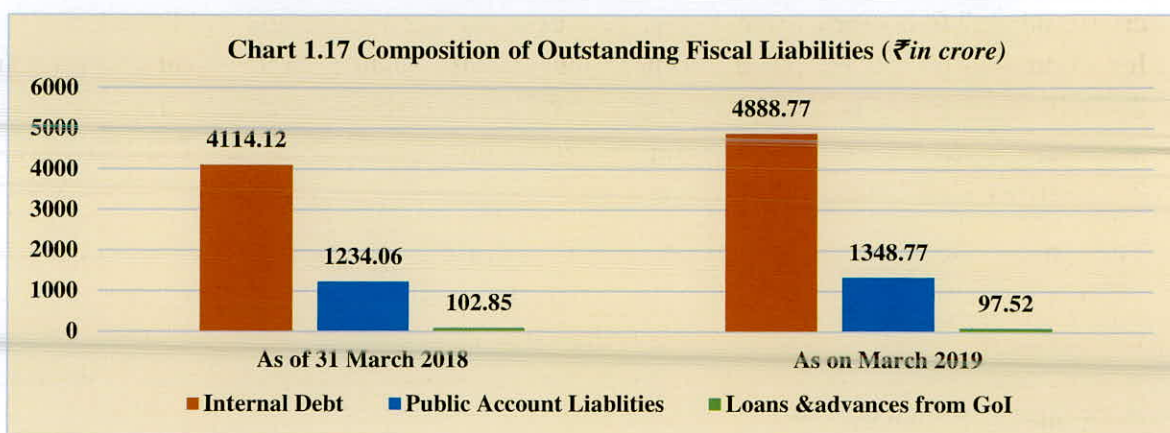
Under existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. Total Liabilities, include the liabilities under the Consolidated Fund and the Public Accounts of the State. **Appendix 1.3(B)** gives an abstract of such Assets and Liabilities as on 31 March 2019 compared with the corresponding position of previous year. The comparative position of assets and liabilities for the period 2016-17 to 2018-19 are summarised in **Appendix 1.8**.

The growth rate of assets was 11.28 *per cent* whereas the growth rate of liabilities excluding surplus on Government Accounts and Contingency Fund was 16.22 *per cent* in 2018-19 as compared to the previous year.

### **1.14.2 Fiscal Liabilities**

The Fiscal Liabilities of the Government comprise of Internal Debt, Loans and Advances from Government of India and Public Account liabilities. The outstanding Fiscal Liabilities increased from ₹ 3,481.46 crore during 2014-15 to ₹ 6,335.06 crore during 2018-19 registering an increase of 81.97 *per cent* (₹ 2,853.60 crore). The composition of Fiscal Liabilities during 2018-19 *vis-à-vis* the previous year is depicted in **Chart 1.17**. The trends in outstanding Fiscal Liabilities of the State are presented in **Appendix 1.2**.





Source: Finance Accounts

Fiscal Liabilities of the State, their rate of growth, ratio of these liabilities to GSDP, Revenue Receipts and Own Resources as well as buoyancy of Fiscal Liabilities with respect to these parameters are brought out in **Table 1.44**.

**Table 1.44: Fiscal liabilities-basic parameters**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Fiscal Liabilities <sup>17</sup> (₹ in crore)	3,481.46	3,961.16	4,671.18	5,451.04	6,335.06
Rate of growth (per cent)	13.46	13.78	17.92	16.69	16.22
Revenue Receipts (₹ in crore)	4,087.64	3,784.29	4,610.30	5,212.79	5,920.36
<b>Percentage of Fiscal Liabilities to</b>					
GSDP	22.60	21.96	22.58	23.20	23.65
Revenue Receipts	85.17	104.67	101.32	104.57	107.00
Own resources	408.95	404.28	423.04	405.97	408.53
<b>Buoyancy ratio of Fiscal Liabilities to</b>					
GSDP	1.21	0.81	1.22	1.23	1.16
Revenue Receipts	2.70	(-)-1.86	0.82	1.28	1.20
Own Resources	(-)-3.39	0.91	1.41	0.77	1.05

Source: Finance Accounts

Fiscal Liabilities of 2018-19 comprised of Internal Debt of ₹ 4,888.77 crore (77.17 per cent), Loans and Advances from GoI of ₹ 97.52 crore (1.54 per cent) and Public Account liabilities of ₹ 1,348.77 crore (21.29 per cent).

The Fiscal Liabilities had grown at a faster pace as compared to both GSDP and Revenue Receipts during the year 2017-18 and 2018-19.

### 1.14.3 Contingent Liabilities

#### 1.14.3.1 Status of Guarantees

Guarantees are contingent liabilities on the Consolidated Fund of the State in case of default by the borrower for whom the guarantees are extended. The details of Guarantees for the last five years are given in **Table 1.45**.

<sup>17</sup> excluding Off-budget Borrowing



Table 1.45: Guarantees given by the State Government

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maximum amount guaranteed	156.70	156.90	517.90	648.71	3849.19 <sup>#</sup>
Outstanding amount of guarantees (including interest) at the beginning of year	122.09	112.14	89.17	441.49	425.45
Maximum amount of guarantee as per criteria of Sikkim Government Guarantee Act 2000	1,306.44	1,574.76	1,582.62	1,700.46	1957.68

Source: Finance Accounts<sup>#</sup> 2017-18 figure (₹564.83 cores) in respect of outstanding guarantees was amended due to revised information furnished by the State Finance Department.

According to the Sikkim Government Guarantee Act, 2000, the total outstanding Government Guarantee as on the 1<sup>st</sup> day of April of any year shall not exceed thrice the State's Tax receipts of the second preceding year and that the State Government shall charge guarantee commission of minimum one *per cent* which shall not be waived under any circumstances. The total Guarantees (principal plus interest) outstanding as on 01 April 2019 was ₹ 425.45 crore, which was within the prescribed limit of thrice the total Tax Receipts of 2016-17 (₹ 652.56 crore x 3= ₹ 1,957.68 crore).

### 1.14.3.2 Off-Budget Borrowings

The borrowings of the State Government are governed by Article 293(1) of the Constitution of India. The State stood guarantor for loans availed by Government Companies/ Corporations/ Societies. These Companies/ Corporations/ Societies borrowed funds from the market/ financial institutions for implementation of various State programmes projected outside the State budget. The borrowings of these concerns ultimately turn out to be the liabilities of the State Government termed 'Off-budget Borrowings' and the Government has to repay the loans availed of by these Companies/ Corporations/ Societies including interest.

As per information collected by the Audit, Off-budget Borrowing amounting to ₹ 504.40 crore was availed through three Government entities during 2018-19; and as on 31 March 2019, Off budget Borrowings including interest amounting to ₹ 878.50 crore mobilised by five Government entities were outstanding. The details are given below.

Table 1.46: Entity-wise position of Off-budget Borrowings

(₹ in crore)

Sl. No.	Company/Corporation/ Department/ Board	Opening Balance as on 1 April 2018	Borrowings during 2018-19	Repayment during 2018-19	Outstanding as on 31 March 2019 (including interest)
		Total			
1	Sikkim Industrial Development and Investment Corporation Limited	117.33	176.30	6.83	286.80 <sup>18</sup>
2		52.15	0	0.66	51.49 <sup>19</sup>

<sup>18</sup> ₹40.99 crore taken for purchase of land at Pakyong airport on behalf of Land Revenue and Disaster Management. ₹130.81 crore taken for upgradation and carpeting of roads on behalf of Roads and Bridges Department, ₹115 crore taken for upgradation and carpeting of roads on behalf of Roads and Bridges Department.

<sup>19</sup> ₹14.50 crore taken for payment to Consortium of banks for purchase of land at Pakyong airport on behalf of Land Revenue and Disaster Management ₹36.99 crore taken for payment of HUDCO loan instalment for purchase of land. Includes ₹1.99 crore as interest.



Sl. No.	Company/Corporation/ Department/ Board	Opening Balance as on 1 April 2018	Borrowings during 2018- 19	Repayment during 2018- 19	Outstanding as on 31 March 2019 (including interest)
		Total			
3	State Trading Corporation of	0	194.00	0.44	194.31 <sup>20</sup>
4	Sikkim	2.60 <sup>21</sup>	0	0.17	2.43 <sup>22</sup>
5	Sikkim Housing and Development Board	86.43	134.10	0	221.42 <sup>23</sup>
6	Power Department	116.75	0	0	116.75 <sup>24</sup>
7	State Institute of Capacity Building (SICB), Karfector, Skill Development Department	5.30	0	0	5.30 <sup>25</sup>
<b>Grand total</b>		<b>380.56</b>	<b>504.40</b>	<b>8.10</b>	<b>878.50</b>

These borrowings had not been availed by the Government entities for their own purposes, but for funding government activities as is shown in the footnotes.

On being pointed out by Audit, Finance Department stated that the borrowings were done by PSUs for funding the capital nature of works of various departments. It added that it had given Guarantees for borrowings at Sl. Nos. 1, 3 and 5 after obtaining the approval of the Government and for borrowings at Sl. Nos. to 2,4,6 and 7 it had given its consent for temporary funding arrangement to be reimbursed by respective departments.

Resorting to off-budget borrowings led to non-incorporation of these borrowings in accounts of the Government and violated the FRBM Act. Non-inclusion of these borrowings in accounts led to understatement of fiscal liabilities by ₹ 878.50 crore as on 31 March 2019 and fiscal deficit by ₹ 504.40 crore for the year 2018-19.

## 1.15 Debt Management

### 1.15.1 Debt Profile

The receipts and payments of debt of the Government such as internal debt, loans and advances from Government of India and other liabilities (*i.e.* small savings, provident funds, reserve funds and deposits) as per Statement 17 (receipt, payment of debt and interest paid on debt) of the Finance Accounts during the period 2014-19 are given in **Table 1.47**.

**Table 1.47: Receipts and payments of debt during 2014-19**

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>A. Debt receipts</b>					
(a) Internal Debt	408.12	652.05	776.61	1050.93	1140.09
(i) Market loans	330.00	580.00	744.00	997.21	1088.00
(ii) Other loans	78.12	72.05	32.61	53.72	52.09
(b) Loans and advances from GoI	3.67	2.83	6.73	2.54	5.11

<sup>20</sup> ₹ 194.31 crore taken for procurement of equipment of multi-speciality hospital on behalf of Health Department. Includes ₹ 0.75 crore as interest.

<sup>21</sup> Includes ₹ 0.60 crore as interest.

<sup>22</sup> ₹ 2.43 crore taken for REDRH scheme for supply of material on behalf of Rural Development Department. Includes ₹ 0.43 crore as interest.

<sup>23</sup> ₹ 221.42 crore taken for Chief Minister Rural Housing Mission on behalf of Rural Development Department.

<sup>24</sup> ₹ 116.75 crore taken for settlement of payments for purchase of power by Power Department.

<sup>25</sup> ₹ 5.30 crore taken for meeting the salary expenses of SICB.



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
(c) Other liabilities <sup>26</sup>	572.53	2433.66	1255.63	963.50	861.83
<b>Total</b>	<b>984.32</b>	<b>3088.54</b>	<b>2038.97</b>	<b>2016.97</b>	<b>2007.03</b>
<b>B. Debt repayment (including interest)</b>					
(a) Internal Debt	251.64	243.17	477.71	609.99	709.97
(i) Market loans	152.03	129.55	363.63	490.86	600.48
(ii) Other loans	99.61	113.62	114.08	119.13	109.49
(b) Loans and advances from GoI	20.71	20.85	21.69	20.14	19.83
(c) Other liabilities	566.22	2502.67	669.27	994.27	826.25
<b>Total</b>	<b>838.57</b>	<b>2766.69</b>	<b>1168.67</b>	<b>1624.40</b>	<b>1556.05</b>

Source: Finance Accounts.

During the current year, against total debt receipts of ₹ 2,007.03 crore, the government repaid ₹ 1,556.05 crore as principal and interest on internal debt (₹ 709.97 crore), loans and advances from Central Government (₹ 19.83 crore) and other liabilities (₹ 826.25 crore). As a result, borrowed fund of ₹ 450.99 crore was available at the end of the year.

### 1.15.2 Maturity Profile

As per Annexure to Statement 17 of the Finance Accounts for the year 2018-19, the Maturity Profile of the State debt is as indicated in **Table 1.48**.

**Table 1.48 : Maturity Profile**

Debt maturity	Maturity Profile	Amount (₹ in Crore)			Per cent of Outstanding Public Debt
		Internal Debt	Loans & Advances from GoI	Total	
During 2019-20	0-1 year	403.13	8.19	411.32	8.25
Between 2020-21 & 2021-22	Over 1 year to 2 years	177.48	17.93	195.41	3.92
Between 2022-23 & 2023-24	Over 3 years to 5 years	423.40	17.40	440.80	8.84
Between 2024-25 & 2025-26	Over 6 years to 7 years	980.38	15.32	995.70	19.97
2026-27 onwards	Over 7 years and above	2904.38	38.68	2943.06	59.02
<b>Total</b>		<b>4888.77</b>	<b>97.52</b>	<b>4986.29</b>	<b>100</b>

Source: Finance Accounts

The maturity profile of outstanding stock of public debt as on 31 March 2019 indicated that out of the outstanding public debt of ₹ 4,986.29 crore, 40.98 per cent (₹ 2,043.23 crore) is payable within the next seven years. The remaining 59.02 per cent was in the maturity bracket of above seven years. Of the total outstanding public debt, internal debt consisting of market borrowings, loans from LIC, GIC, NABARD, etc. constituted 98.04 per cent (₹ 4,888.77 crore).

The details of schedule of repayment and actual repayments of debt made during the last seven years are as under.

<sup>26</sup> Small Savings, Provident Funds, Reserve Funds, Deposits, etc.



Table 1.49 : Schedule of repayment and actual repayment of Debt

Particulars	( $\text{₹}$ in crore)						
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Scheduled payment of debt as per Maturity Profile	72.05	75.24	87.01	195.93	246.17	327.33	375.07
Actual payment	71.12	88.74	87.03	196.12	246.26	342.63	375.88

Source: Finance Accounts

The past track record of repayments as per schedule in conjunction with the proportion of debt repayable in the forthcoming seven years, is indicative of an adequate debt servicing position.

### 1.15.3 Debt Sustainability

Debt sustainability is defined as the ability of the State to service its debt in future. Sustainability of debt therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with increase in capacity to service the debt.

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt/ GSDP ratio, burden of interest payments (measured by interest payments to revenue receipts *per cent*) and maturity profile of State Government securities. The rate of growth of GSDP ranged between 11.14 *per cent* and 17.05 *per cent* during 2014-15 to 2018-19 whereas average interest rate on outstanding debt ranged between 8.12 *per cent* and 8.38 *per cent* during 2014-15 to 2018-19. GSDP growth rate since 2015-16 is much more than the interest paid by the State Government on public debt. **Table 1.50** analyses the debt sustainability of the State for the period of five years beginning from 2014-15.

Table 1.50: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2014-15	2015-16	2016-17	2017-18	2018-19
Total outstanding Debt at year end ( $\text{₹}$ in crore)	3481.44	3961.14	4671.18	5451.04	6335.06
Rate of growth of outstanding Debt ( <i>in per cent</i> )	13.46	13.78	17.92	16.69	16.22
GSDP ( $\text{₹}$ in crore)	15,407	18,034	20,687	23,494	26,786
Rate of growth of GSDP ( <i>in per cent</i> )	11.14	17.05	14.71	13.57	14.01
Debt/GSDP ratio ( <i>in per cent</i> )	22.60	21.97	22.58	23.20	23.65
Tax Revenue ( $\text{₹}$ in crore)	527.54	566.82	652.56	688.33	892.92
Debt Repayment/ Tax Revenue ( <i>in per cent</i> )	158.96	488.10	255.71	235.99	174.27
Average interest rate on o/s debt ( <i>in per cent</i> )	7.31	7.04	7.52	7.16	7.35
Interest payment/ Revenue Receipt <i>in per cent</i>	5.86	6.93	7.04	6.95	7.31
Debt repayment/ Debt receipts	0.85	0.90	0.82	0.81	0.78
Total Debt receipts ( $\text{₹}$ in crore)	984.32	3088.54	2038.97	2016.99	2007.04
Total Debt Payment including interest ( $\text{₹}$ in crore)	838.57	2766.69	1668.67	1624.39	1556.05
Net Debt available to the State ( $\text{₹}$ in crore)	145.75	321.85	370.30	392.60	450.99

Source: Finance Accounts; GSDP (2017-18: Provisional figures, 2018-19: Quick Estimates)



**Table 1.50** reveals that the Debt-GSDP ratio ranged between 21.97 per cent and 23.65 per cent during 2014-15 to 2018-19, whereas Debt-repayment as a percentage of Tax Revenue ranged between 158.96 per cent and 488.10 per cent during 2014-19. At 23.65 per cent, the Debt<sup>27</sup>-GSDP ratio during 2018-19 (**Appendix 1.2**) was above the target of outstanding debt to GSDP (19.32 per cent) determined by XIV FC. Net Debt available to the State were positive during the five years period ending 2018-19 and it increased by 14.87 per cent (₹ 58.39 crore) in 2018-19 compared to the previous year. The trends in Debt-repayment/ Debt receipts ratio fluctuated widely during 2014-19 and decreased to 0.78 during 2018-19 against 0.81 during the previous year (**Appendix 1.2**). The burden of interest payment, which ranged from 5.86 to 7.31 per cent of the Revenue Receipts, has been less than 10 per cent as recommended by the XIV FC in the Fiscal Consolidation Roadmap<sup>28</sup>.

Sustainability of debt of the Government of Sikkim is also assessed in terms of the Domar model in Table 1.51, where the sustainability of debt is based on the relationship between the key fiscal values - public debt, growth rate, interest rate and primary balance. As per this model, for debt to be sustainable, the rate of interest payable on the outstanding debt should be lower than the rate of growth of GSDP (Domar gap); and there should be a primary surplus.

Debt sustainability of Government of Sikkim is given below as per the Domar model.

**Table 1.51: Debt sustainability as per the Domar model**

Year	Growth Rate (g) of GSDP	Average Interest Rate (r)	g-r	Primary Deficit (-) / Surplus (+) (₹ in crore)	Remarks
2014-15	11.14	7.31	3.83	(-) 35.85	As $g-r > 0$ and $s < 0$ , public debt will converge to a stable level
2015-16	17.05	7.04	10.01	(-) 257.85	
2016-17	14.71	7.52	7.19	(+) 410.69	As $g-r > 0$ and $s > 0$ , public debt will converge to a stable level less than zero leading to public savings
2017-18	13.57	7.16	6.41	(-) 99.71	As $g-r > 0$ and $s < 0$ , public debt will converge to a stable level
2018-19	14.01	7.35	6.66	(-) 209.27	

Note: Since the CPI rate for the State is not available in almost all the NER States, the average interest rate, as featured in the SFARs of the respective years, has been taken as 'r' rather than the real interest rate. GSDP is nominal.

The consistently positive Domar gap combined with the indicator analysis above as well as the fiscal consolidation roadmap recommended by the XIV FC is suggestive of a sustainable debt position. However, at the same time it is necessary for Government of Sikkim to exercise caution concerning its debt.

<sup>27</sup> Internal debt, Loans & Advances from GoI and Other Liabilities (Small Savings, Provident Funds, Reserve Funds, Deposits).

<sup>28</sup> Chapter 14: Fiscal Environment and Fiscal Consolidation Roadmap, Paragraph No. 14.64 (ii) of XIV Finance Commission Report.



### 1.16 Effective Revenue Surplus & Fiscal Deficit

The impact on Revenue Surplus and Fiscal Deficit of the Government Sikkim during the year 2018-19 consequent to under-booking of expenditure or non-crediting of receipts is detailed in **Table 1.52**.

**Table 1.52: Impact on Revenue Surplus & Fiscal Deficit**

(₹ in crore)

Item	Impact on Revenue Surplus		Impact on Fiscal Deficit	
	Over-statement	Under-statement	Over-statement	Under-statement
Short contribution to Consolidated Sinking Fund	24.21	--	--	24.21
Interest on the Deposits (interest bearing) not credited to the Deposit Accounts	2.21	--	--	2.21
Interest liability due to short transfer fund to NSDL	20.45	--	--	20.45
GST not credited to Government Account during the year	--	8.53	8.53	--
<b>Total Impact</b>	<b>38.34 (Overstatement)</b>		<b>38.34 (Understatement)</b>	

As could be seen from the table above, the Revenue Surplus and Fiscal Deficit were overstated and understated by an amount of ₹ 38.34 crore respectively due to short contribution under Consolidated Sinking Fund, Interest on the Deposits (interest bearing) could not be credited to the Deposit Accounts, Interest liability due to short transfer of funds to NSDL and GST not credited to Government Account. Further, non-inclusion of off budget borrowings in accounts led to understatement of fiscal deficit by ₹ 504.40 crore for the year 2018-19 as stated in Para 1.14.3.2.

### 1.17 Conclusion

- During the five-year period of 2014-19, State had consistently maintained Revenue Surplus, but it decreased by 34.61 per cent (₹ 367.15 crore) in 2018-19 compared to the previous year. The State had a Fiscal Deficit during four years in the five-year period 2014 -19 (except 2016-17), and the deficit increased by 39.07 per cent to ₹ 642.32 crore in 2018-19 from 2017-18.
- The Government had not transferred ₹ 29.55 crore under National Pension System to the NSDL as on 31 March 2019. Thus current liability stood deferred to future year(s) and created an atmosphere of uncertainty about the rate of return to accrue to the employees concerned.
- The Government had achieved the targets set under FRBM Act for 2018-19 in respect of Revenue Surplus, Fiscal Deficit and Outstanding Guarantees, but Outstanding Debt was more than the target set in the Act. Additionally the Government resorted to Off-budget Borrowings of ₹ 504.40 crore during 2018-19 and balance of such borrowings stood at ₹ 875.50 crore at the end of 2018-19.
- Fiscal Liabilities of the State increased by 16.22 per cent from ₹ 5,451.04 crore in 2017-18 to ₹ 6,335.06 crore in 2018-19. The Fiscal Liabilities grew at faster rate than the GSDP during 2018-19.

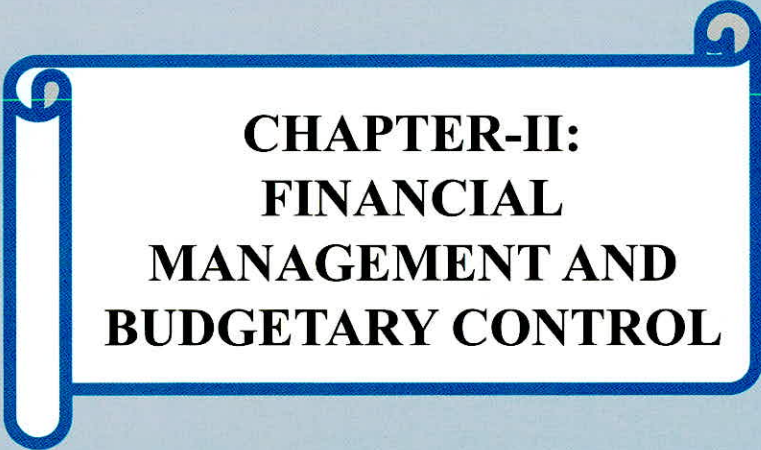


- GST revenue amounting to ₹ 8.53 crore of 2018-19 transferred by RBI to Central Bank of India (CBI), was not credited to Government Account till January 2020. This was indicative of weak internal controls in the Finance Department of the State.
- The Government had huge cash balances persistently and substantial cash balances were invested in term deposits yielding low rate of interest, while at the same time it borrowed money from the market at higher rates of interest. There was difference in cash balance as per accounts of the Government and the records of State Bank of Sikkim.
- The return from investments made in State Public Sector Undertakings (SPSUs) was only 4.15 per cent during 2018-19 and some of the PSUs were incurring recurring losses.
- There were 201 Incomplete Projects (estimated cost ₹ 1,508.53 crore) as on 31 March 2019 on which an expenditure amounting to ₹ 666.41 crore had been incurred, out of which, 90 projects were due to be completed by 31 March 2019.

#### 1.18 Recommendations

- *The State Government should ensure due amount of New Pension System is transferred to NSDL in a timely manner.*
- *The Government should adhere to targets of FRBM Act, set for outstanding debts. Further, in order to depict complete picture of liabilities in the Government accounts, resorting to off-budget borrowings should be stopped.*
- *The Government should put in place a mechanism to ensure the amounts received from Government of India, through RBI are deposited into Government account without delay.*
- *The Government should frame a policy on prudent cash balance management. State Government should consider restricting market borrowings by utilising the existing cash balances to the extent possible before resorting to market borrowings at higher rates of interest.*
- *The Government should review the working of State PSUs making recurring losses and take appropriate action for their closure/ revival.*
- *Monitoring should be strengthened to ensure completion of projects within scheduled time.*





**CHAPTER-II:  
FINANCIAL  
MANAGEMENT AND  
BUDGETARY CONTROL**



## CHAPTER II

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

**2.1.1** Effective financial management ensures that policy decisions are implemented at the administrative level without wastage or diversion of funds and with reasonable assurance about successful implementation of policy at the ground level. This Chapter reviews the appropriations and allocative priorities of the State Government and comments on the transparency and effectiveness of its budgetary processes.

Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts are complementary to Finance Accounts.

Audit of appropriations seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during the year 2018-19 against 47 grants/appropriations is given in **Table 2.1**.

**Table 2.1: Summarised position of actual expenditure *vis-à-vis* budgetary provision for the year 2018-19**

(₹ in crore)

Nature of expenditure		Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Amount surrendered	Amount surrendered on 31 March	Percentage of savings surrendered (Col. 7/6)
1		2	3	4	5	6	7	8	9
Voted	I Revenue	4911.60	763.32	5674.92	4829.64	(-) 845.28	749.99	623.84	88.73
	II Capital	1329.08	529.69	1858.77	1392.68	(-) 466.09	400.58	288.39	85.94
	III Loans/ advances	0.55	0	0.55	0.55	0.00	0.00	0	0
<b>Total Voted</b>		<b>6241.23</b>	<b>1293.01</b>	<b>7534.24</b>	<b>6222.87</b>	<b>(-) 1311.37</b>	<b>1150.57</b>	<b>912.23</b>	<b>87.74</b>
Charged	I Revenue	517.27	0.55	517.82	484.66	(-) 33.16	30.97	29.11	93.40
	II Capital	375.32	0.57	375.89	375.88	(-) 0.01	0.00	0.01	0
	III Public Debt- Repayment	0.00	0.00	0	0	0.00	0	0.00	0
<b>Total Charged</b>		<b>892.59</b>	<b>1.12</b>	<b>893.71</b>	<b>860.54</b>	<b>(-) 33.17</b>	<b>30.97</b>	<b>29.12</b>	<b>93.40</b>
<b>Grand Total</b>		<b>7133.82</b>	<b>1294.13</b>	<b>8427.95</b>	<b>7083.41</b>	<b>(-) 1344.54</b>	<b>1181.54</b>	<b>941.35</b>	<b>87.88</b>

Source: Appropriation Accounts 2018-19



During the year 2018-19, savings amounted to 15.95 per cent of total grants and appropriations. The overall savings of ₹ 1344.54 crore was net result of total savings of ₹ 1344.86 crore in 41 grants and three appropriations under Revenue Section and 25 grants and one appropriation under Capital Section, offset by excess of ₹ 0.32 crore in one grant (₹ 0.12 crore -Grant No. 39) and one appropriation (Governor ₹ 0.20 crore) under Revenue Section.

Further, against the overall savings of ₹ 1344.54 crore, an amount of ₹ 1181.54 crore (87.88 per cent) was surrendered during 2018-19, of which ₹ 941.35 crore (79.67 per cent) was surrendered on the last day of the year i.e., 31 March 2019. Thus, this surrendered amount were not available for other needy departments who could have used it.

The savings/excess were intimated (3 July 2019) to the Controlling Officers requesting them to explain the significant variations. Out of 726 sub-heads, explanations in respect of 493 savings and 195 excess cases were received up to 31 July 2019 and explanations regarding the balance one saving and 22 excess cases were received after 31 July 2019.

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriation vis-à-vis Allocative Priorities

Audit scrutiny revealed that in 26 cases, savings exceeded one crore and was also more than 20 per cent of total provision (**Appendix 2.1**). Against the total savings of ₹ 1,344.86 crore, savings of ₹ 454.43 crore (33.79 per cent)<sup>1</sup> occurred in five cases (three Revenue and two Capital) relating to four grants, where in each case savings were ₹ 50 crore and above. Details are indicated in the following **Table 2.2**.

Table 2.2: List of Grants with Savings of ₹ 50 crore and above

Sl. No.	Grant No.	Name of Grant/Appropriation	Original	Supplementary	Total	Actual expenditure	Saving
(₹ in crore)							
<b>REVENUE - VOTED</b>							
1	15	Horticulture & Cash Crops Department- Revenue Voted	156.62	7.69	164.31	101.71	62.60
2	19	Irrigation & Flood Control Department- Revenue Voted	120.94	2.00	122.94	31.15	91.79
3	35	Rural Management and Development Department- Revenue Voted	277.44	194.68	472.12	339.17	132.95
<b>CAPITAL - VOTED</b>							
4	33	Water Security and Public Health Engineering Department-- Capital	108.63	0.93	109.56	57.37	52.19
5	35	Rural Management and Development Department-- Capital Voted	455.41	65.51	520.92	406.02	114.90
<b>Total</b>							<b>454.43</b>

Source: Appropriation Accounts

It may be seen from the above table that in four cases, Supplementary Grants were obtained even though the Actual expenditure was less than Original Provision. Further, out of total

<sup>1</sup> Exceeding ₹50 crore in each case.



savings of ₹ 454.43 crore, ₹ 247.85 crore (54.55 per cent) related to Grant No. 35 (Rural Development Department) only.

Savings were mainly due to i) non-receipt and less receipt of funds from Government of India (GoI), ii) non-receipt of anticipated medical bills for payment, iii) non-progress of works and non-submission of bills, and iv) non-release of resources by the Finance Department. The savings indicate not only unrealistic budget estimation but also lack of monitoring of fund flow as well as execution of works.

### 2.3.2 Surrenders up to 100 per cent

Substantial surrenders (cases where more than 50 per cent of total provision were surrendered) were made in respect of 82 sub-heads. Out of the total provisions amounting to ₹ 711.90 crore in those 82 sub-heads, ₹ 594.15 crore constituting 83.46 per cent of total budget provision were surrendered, which included 36 sub-heads under which 100 per cent allocation (₹ 152.76 crore) was surrendered. Out of 82 sub-heads, 78 sub-heads pertained to developmental works, which got hampered due to non-utilisation of budgetary allocation. The details of such cases as well as reasons thereof are given in **Appendix 2.2 (A)** and **Appendix 2.2 (B)**.

### 2.3.3 Unnecessary Supplementary Provision

Supplementary provision aggregating ₹231.83 crore obtained in 26 cases (18 Revenue Grants and eight Capital Grants) with ₹10 lakh or more in each case during July, September and December 2018 proved unnecessary as the total expenditure did not come up to the level of original provision as detailed in **Appendix 2.3**.

### 2.3.4 Excess over Provisions requiring Regularisation

Excess expenditure over grants approved by the Legislature is in violation of the will of the Legislature and is against the basic principle of democracy that not a rupee can be spent without the approval of the House of the People/State Legislative Assembly, and, therefore needs to be viewed seriously.

As per Articles 204 and 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC).

During 2018-19 there was excess expenditure aggregating ₹ 0.32 crore relating to one grant and one appropriation, as depicted in **Table 2.3**.

**Table 2.3: Excess over Provisions of 2018-19 Requiring Regularisation**

					(₹ in crore)	
Sl. No.	Number and title of Grant/Appropriation		Total grant/appropriation	Expenditure	Excess	
<b>VOTED Grants -</b>						
1	39	Sports and Youth Affairs	14.19	14.31	0.12	
<b>CHARGED – Appropriation</b>						
1		Governor	9.06	9.26	0.20	
<b>Total</b>			<b>23.25</b>	<b>23.57</b>	<b>0.32</b>	

Source: Appropriation Accounts



Moreover, Appropriation Accounts up to 2011-12 had been discussed by the PAC. It was observed that the State Government had yet to get regularised the excess expenditure amounting to ₹ 82.96 crore covering 39 grants and one appropriation pertaining to the years 2012-13 to 2017-18 (November 2019) as detailed in **Table 2.4**.

**Table 2.4: Excess over Provision Requiring Regularisation**

(₹ in crore)

Year	Number of		Amount of excess over provision	Status of Regularisation
	Grants	Appropriations		
2012-13	<b>17 Grants and 1 Appropriation-</b> Grant Nos. 3,5,9,16,17,24,25,26,27,31,32,33,34,35,36,40,42	Governor	22.10	Under examination by PAC
2013-14	<b>15 Grants</b> - Grant Nos. 3,5,7,8,9, 10, 16,24,26,30, 31,32,34,35,42	-	55.77	Under examination by PAC
2014-15	<b>05 Grants</b> -Grant Nos 3,8,31,33,42	-	4.28	Under examination by PAC
2015-16	<b>01 Grant</b> - Grant no 36	-	0.05	Under examination by PAC
2017-18	<b>01 Grant</b> - Grant no 34	-	0.76	Under examination by PAC
<b>Total</b>			<b>82.96</b>	

Source: Appropriation Accounts

### 2.3.5 Persistent Savings

Review of overall utilisation of budget provisions relating to 45 grants and two appropriations during 2014-15 to 2018-19 revealed that the Government had substantial savings ranging between 15.95 per cent and 29.73 per cent of total budget allocation as shown in **Appendix 2.4**.

In 18 cases involving 14 grants, it was noticed that there were persistent savings of more than one crore and 10 per cent or more of the total grant in each case. The savings ranged between one crore and ₹ 161.61 crore during 2014-15 to 2018-19, as detailed in **Appendix 2.5**.

Savings were mainly due to i) non-payment of salary to the newly appointed Marketing Assistants for non-submission of 14 digit id numbers, ii) late release of funds by GoI, iii) non-payment of pay arrear, iv) slow progress of civil works, v) non-implementation of various schemes, vi) delayed approval of various schemes, vii) non-clearance of proposal by Finance Department, viii) non-receipt of anticipated bills for payment, ix) non-utilisation of funds due to release of funds in the end of the year, x) non-receipt of claim, xi) non-occurrences of major calamity during the years, xii) due to austerity measures adopted, xiii) delay in land acquisition process and in some cases, reasons were not intimated by the departments.

Although the issue of persistent savings is being highlighted in the Reports of the CAG on State Finances every year, no corrective measure has been taken by the departments. This shows that there is complete lack of monitoring, especially as the savings are taking place year after year. The Finance Department should take serious measures to eliminate persistent savings.



### 2.3.6 Anticipated savings not surrendered

As per Rule 84 of SFR, the spending departments are required to surrender the grants/appropriations or portion thereof as and when savings are anticipated.

Against the overall savings of ₹ 1344.54 crore, an amount of ₹ 1181.54 crore (87.88 per cent) was surrendered during 2018-19, of which ₹ 941.35 crore (79.67 per cent) was surrendered on the last day of the year i.e., 31 March 2019. Thus, this surrendered amount were not available for other departments who could have productively used it.

Further, in 18 grants (with savings of ₹ one crore and above), out of total savings of ₹ 753.93 crore, only ₹ 615.36 crore was surrendered leaving ₹ 138.57 crore (18.38 per cent) un-surrendered, details of which are given in **Appendix 2.6**. Besides, in 53 Major Heads under 25 grants/ appropriations, (with surrender in excess of one ₹ crore or more), ₹ 934.01 crore (details given in **Appendix 2.7**) was surrendered on the last working day of 2018-19, which was in total disregard of financial rules. Rural Development Department surrendered ₹ 233.28 crore (₹ 126.95 crore Revenue and ₹ 106.33 crore Capital) on last working day of the financial year.

Non-surrendering or surrendering of savings on the last day of financial year shows lax financial control, as surrendered funds could have been utilised fruitfully for other purposes.

### 2.3.7 Excessive/ unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. As per the Appropriation Accounts, re-appropriations under 21 sub-heads proved excessive or insufficient and resulted in saving/ excess of over ₹10 lakh as detailed in **Appendix 2.8**.

The main reasons for re-appropriation were payment of pay and allowances, payment of arrears of revised pension in one instalment, payment of arrears of pay and allowances. Reasons for excess was due to payment of arrears arising out of re-fixation of pay.

### 2.3.8 Major Announcements made in the Budget Speech for Financial Year 2018-19

The Government in its Budget for the financial year 2018-19 made several announcements for which no provisions were made in the Budget. Some of instances are highlighted below.

- ‘Chief Minister’s Start-up Scheme (CMSS)’ with a commitment to creating job opportunities and facilitating generation of employment to unemployed youth or school dropouts in various sector with a financial assistance upto ₹ 20 lakh with an announcement of a total allocation of ₹ 79.00 crore for the scheme.
- ‘Kisan Pension Scheme’ with the provision of pension for the farmers who are actively engaged in organic farming upon reaching the age of 50 years will be provided a monthly pension of ₹1000 per month.
- Construction of Transit Accommodation/ Labour Shed-cum-night shelter for the registered workers at the worksite.
- Construction of Jyestha Nagarik Sewa Samman Kendra at Namchi (Old Age Home), South Sikkim and one Old Age Home each in other Districts subsequently.
- Under Culture sector, construction of world-class Library, the Gyan Mandir in Gangtok, Ethnic Cultural Centre to be developed at Buriakhop, West Sikkim, Cultural Centre for



Magar Community of Sikkim, two Gaushalas one each at Rhenock and Buriakhop. Study Centres for communities of Tamang, Bhujel and Sherpa to be established in the State.

- Though the Budget announcement was made of ₹ 7 crore (Gyan Mandir in Gangtok); ₹ 7 crore (Ethnic Cultural Centre to be developed at Buriakhop); ₹ 2 crore (Cultural Centre for the Magar community); ₹ 3 crore for two Gaushalas one each at Rhenock and Buriakhop but it was seen that for various announcements made under the Culture Sector by the Government, only ₹ 8.45 lakh was allocated and spent on Gaushalas.
- It was also announced to establish a Drug Testing Laboratory at Chuwatar at a cost of ₹ 8.80 crore and Trauma Centres at Namchi, Singtam and Mangan. However, the Government had kept budget provision of ₹ 2.15 crore and ₹ 4.64 crore only for setting up of Drug Testing laboratory and Trauma Centres respectively and could spend only ₹ 1.16 crore towards establishment of Drug Testing laboratory and failed to utilise the fund allocated for setting up of Trauma Centres.

Thus, announcements made in Budget speech without allocating any funding in the budget, were mere hollow promises and vitiated the sanctity of the budget.

## 2.4 Conclusion

Against the total provision of ₹ 8,427.95 crore during 2018-19, an expenditure of ₹ 7,083.41 crore was incurred, resulting in overall savings of ₹ 1,344.54 crore, which stood at 15.95 per cent of total grants and appropriations. This shows poor financial management by the State. It also indicates that budget estimates were not prepared properly and that the activities were not executed in a well-planned manner. Further, excess expenditure of ₹ 83.28 crore during 2012-13 to 2018-19 required regularisation from the Legislature. During 2018-19 supplementary provision of ₹ 231.83 crore in 26 cases was unnecessary, ₹ 934.01 crore under 53 schemes was surrendered on the last working day of the financial year. Substantial surrenders aggregating to ₹ 594.15 crore constituting 83.46 per cent of total budget provision of ₹ 711.90 crore were noticed in 78 sub-heads. Fourteen departments had persistent savings of more than ₹ one crore or more during 2014-15 to 2018-19. Advances amounting to ₹ 120.77 crore remained unsettled as on March 2019 distorting the amount of expenditure being shown as spent.

## 2.5 Recommendations

- *The budget estimates should be prepared more realistically. Further, there is need to ensure that works are executed as per schedule and funds are released as per allocations.*
- *The government needs to examine the reasons of persistent and substantial savings, so that budgetary allocations as authorised by Appropriation Acts are utilised to maximum extent.*
- *All the existing cases of excess expenditure need to be regularised at the earliest and, in future, expenditure should be limited within budget allocations strictly.*
- *The utilisation of budget should be monitored closely, to ensure that all anticipated savings are surrendered promptly so that the funds can be utilised by other departments who are in need of funds.*





**CHAPTER-III:  
FINANCIAL REPORTING**



## CHAPTER III

### FINANCIAL REPORTING

This chapter provides an overview and status of compliance of the departments of the State Government with various financial rules, procedures and directives during the current year.

#### 3.1 Delay in submission of Utilisation Certificates

Rule 115 of Sikkim Financial Rules, 1979 states that in the case in which conditions are attached with the utilisation of a Grant in the form of specification or particular objects or expenditure or the time within which the money must be spent, or otherwise, the sanctioning authority shall be primarily responsible for certifying to the Accountant General, where necessary, the fulfilment of conditions attaching to grant, unless there is any special rule or order to the contrary.

Further, Rule 116 (1) of the Sikkim Financial Rules, 1979 stipulates that every grant made for a specific object is subject to implied conditions: (i) that the grant shall be spent upon the object within a reasonable time of one year from the date of issue of the letter sanctioning grant and (ii) that any portion of the amount which is not ultimately required for expenditure upon that object shall be duly surrendered to Government.

Utilisation Certificates (UCs) outstanding beyond the specified periods indicate absence of assurance on utilisation of the grants for intended purposes and the expenditure shown in the accounts to that extent cannot be treated as final.

Status of outstanding UCs as per the records of the office of the Senior Deputy Accountant General (Accounts & Entitlement) {(Sr. DAG) (A&E)} Sikkim is at **Appendix 3.1**.

**Table 3.1: Outstanding Utilisation Certificates**

(₹ in crore)

Year	Total Grant Paid		UCs Received		UCs Awaited	
	No.	Amount	No.	Amount	No.	Amount
Up to 2016-17 <sup>1</sup>	8484	1597.88	7493	1546.11	991	51.77
2017-18	281	95.18	164	45.05	117	50.13
2018-19*	230	87.06	32	16.75	198	70.31
<b>Total</b>	<b>8995</b>	<b>1780.12</b>	<b>7689</b>	<b>1607.91</b>	<b>1306</b>	<b>172.21</b>

Source: Finance Accounts and VLC data

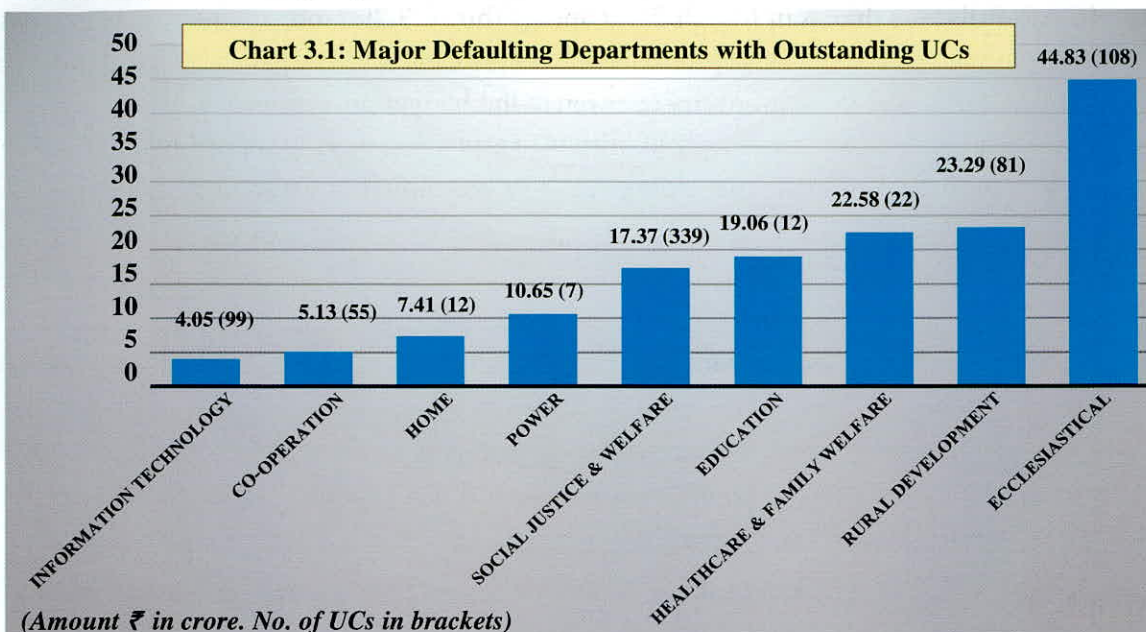
\* Except where the sanction order states otherwise, utilisation certificates in respect of grants disbursed during 2018-19 become due only during 2019-20.

It can be seen from the above table that 1,306 UCs involving an amount of ₹ 172.21 crore were awaited as on 31 March 2019. Out of these, at the close of March 2019 accounts, 1108 UCs worth ₹ 101.90 crore were outstanding as on 31 March 2019 and 198 UCs for ₹ 70.31 crore pertaining to 2018-19 are due in 2019-20 only.

<sup>1</sup> The oldest UCs pertains to the year 2002-03 amounting to ₹ 1.24 crore.



List of major defaulting departments who had not submitted UCs are as below:



Source: VLC Data

Grantor obtains assurance through means of UCs about proper utilisation of the funds placed at the disposal of the Grantee for the sanctioned purpose. Any delay in furnishing UCs to the Grantor or an inaccuracy in such reporting essentially undermines the control mechanism designed to prevent the diversion from the intended purposes as well as timely utilisation of grants. To the extent of non-receipt of UCs, the expenditure shown in accounts cannot be treated as final nor can it be confirmed that the amount has been expended for the purpose sanctioned. Moreover, high pendency of UCs was fraught with the risk of misappropriation and fraud.

### 3.2 Pendency in submission of Detailed Contingent (DC) Bills against Abstract Contingent (AC) Bills

Government of Sikkim, Finance Department Office Circular No. 168/Fin (Accts) dated 27 December 1983 states that Drawing and Disbursing Officers (DDOs) are required to present Detailed Contingent (DC) Bills containing vouchers in support of final expenditure within three months of the withdrawal of Abstract Contingent (AC) Bills. Besides, the DDOs should not make payments through AC Bills unless DC Bills for previous month have been submitted to the Controlling Officers. Non-submission of DC Bills renders the expenditure under AC Bills opaque. Details of AC Bills outstanding as on 31 March 2019 are given below.

Table 3.2: Details of AC Bills

Year	AC Bills Drawn		DC Bills submitted		Unadjusted AC Bills	
	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)
Upto 2016-17 <sup>2</sup>	16622	457.72	14724	420.19	1898	37.53
2017-18	1312	38.39	949	23.07	363	15.32
2018-19	1131	77.78	385	9.86	746	67.92
<b>Total</b>	<b>19065</b>	<b>573.89</b>	<b>16058</b>	<b>453.12</b>	<b>3007</b>	<b>120.77</b>

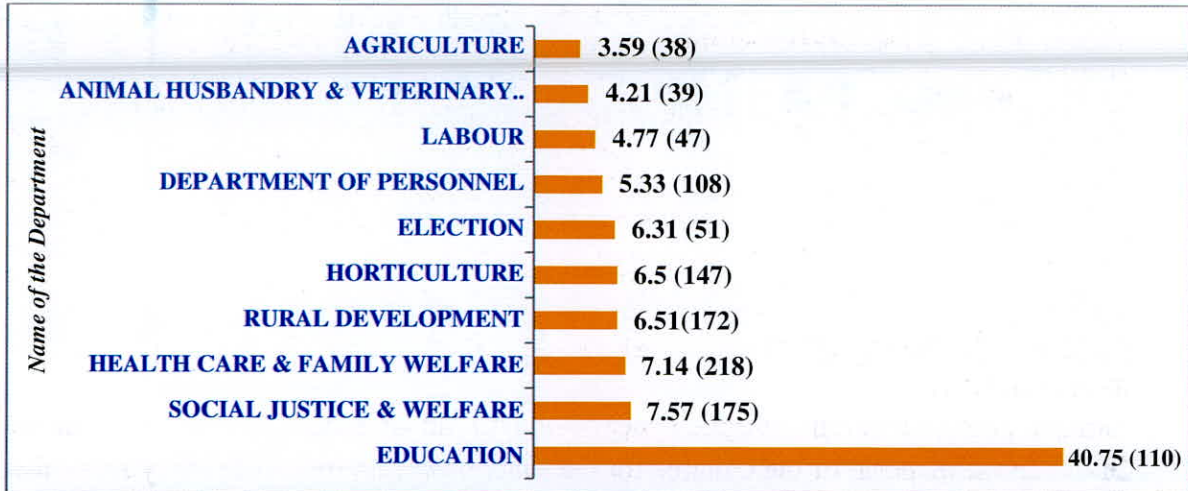
Source: VLC data of office of the Sr. DAG (A&E).

<sup>2</sup> The oldest outstanding AC bills pertains to the year 2001-02 amounting to ₹0.18 crore.



During 2018-19, out of ₹ 77.78 crore drawn against 1131 AC Bills, ₹ 18.43 crore against 146 AC Bills was drawn in March 2019 and of this, ₹ 3.29 crore against 36 AC Bills was drawn on the last day of the financial year. Significant draws against AC Bills in March indicates that it was done primarily to exhaust the budget provisions. Advance drawn and not accounted for increased the possibility of wastage/misappropriation/ malfeasance, etc. The departments with high outstanding AC bills are shown in **Chart 3.2**.

**Chart 3.2 Departments with high outstanding AC Bills as on 31 March 2019**



(Amount ₹ in crore and Outstanding number of AC Bills in Bracket)

Due to the non-submission of DC bills, there was no assurance that expenditure has actually been incurred before the close of the financial year, for the stated purpose. Department-wise pending DC bills for the years up to 2018-19 are detailed in **Appendix 3.2**.

The office of Sr. DAG (A&E) has been highlighting the status of outstanding DC bills to the Finance Department on monthly basis, however the outstanding balances persisted.

The Education Department was a major defaulting department with highest amount of outstanding AC bills amounting to ₹40.75 crore (33.74 per cent of total outstanding AC bills) with 110 numbers of outstanding AC bills. In terms of number of outstanding AC bills the Police Department with 374 numbers and Home Department with 289 numbers of outstanding AC bills are the top defaulters.

### 3.3 Indiscriminate use of Minor Head 800

Minor Head 800-Other Expenditure/ Other Receipts is intended to be operated only when appropriate minor heads have not been provided in the accounts. Routine operation of Minor Head -800 is to be discouraged., since it renders the accounts opaque. During year 2018-19, the State government booked ₹ 386.32 crore under Minor Head-Other Receipts in 30 Receipt Heads and ₹ 805.89 crore under Minor Head- Other Expenditure in 32 Expenditure Heads, constituting 6.53 per cent of total revenue receipts and 12.36 per cent of total expenditure. It was seen that substantial proportions (more than 50 percent of total amount in the Major Head) were booked under the Minor Head 800 in 16 Receipts Heads and 12 Expenditure Heads as shown in **Appendix 3.3**.



### 3.4 Outstanding balances under Suspense and Remittances Heads

Certain intermediary/adjusting Heads of Account known as "Suspense Heads" are operated in Government Accounts to reflect transactions of receipt and payments which cannot be booked to a final Head of Account due to lack of information as to their nature, or for other reasons. These Heads of Account are finally cleared by minus debit or minus credit, by debit or credit to the final Heads of Account. Similarly, Remittance Heads are only adjusting heads for temporary parking of transactions till their eventual clearance. If these amounts remain uncleared, the balance under these heads would go on accumulating and reflect a distorted picture of Government Accounts.

The outstanding balances under Suspense and Remittance heads for three years is shown in the following **Table 3.3**.

**Table 3.3: Outstanding Balances under Suspense and Remittance Heads**

(Amount ₹ in crore)

Particulars	2016-17		2017-18		2018-19	
<b>(I) Major Head (MH) 8658- Suspense</b>						
<b>Minor Head</b>	<b>Dr.</b>	<b>Cr.</b>	<b>Dr.</b>	<b>Cr.</b>	<b>Dr.</b>	<b>Cr.</b>
101-PAO Suspense	11.75	7.13	17.57	13.68	21.48	20.57
<b>Net</b>	<b>Dr. 4.53</b>		<b>Dr. 3.89</b>		<b>Dr. 0.91</b>	
102- Suspense Account (Civil)	0.35	3.95	14.15	14.57	28.66	29.56
<b>Net</b>	<b>Cr. 3.60</b>		<b>Cr 0.42</b>		<b>Cr.0.90</b>	
112- Tax Deducted at Source	25.83	30.57	46.44	51.70	50.82	57.17
<b>Net</b>	<b>Cr. 7.74</b>		<b>Cr 5.26</b>		<b>Cr. 6.35</b>	
123- AIS Suspense	0.01	0.30	0.01	0.31	0.01	0.33
<b>Net</b>	<b>Cr. 0.29</b>		<b>Cr. 0.30</b>		<b>Cr. 0.32</b>	
135- Cash Settlement between AG Sikkim and other states	2.11	0.80	2.47	2.34	2.83	2.75
<b>Net</b>	<b>Dr. 1.31</b>		<b>Dr. 0.13</b>		<b>Dr. 0.08</b>	
<b>(II) MH 8658- Cash Remittance and adjustment between officers rendering accounts to same Accounts Officers</b>						
<b>Minor Head</b>						
102 Public Works Remittances	1276.49	1518.09	1957.16	2338.37	2162.11	2416.17
<b>Net</b>	<b>Cr. 241.60</b>		<b>Cr. 381.21</b>		<b>Cr. 254.06</b>	
103 Forest Remittances	52.23	50.76	36.36	48.50	33.22	29.90
<b>Net</b>	<b>Dr. 1.47</b>		<b>Cr. 12.14</b>		<b>Cr. 16.68</b>	
108 Other Remittances	90.68	75.51	74.05	85.56	121.05	124.50-
<b>Net</b>	<b>Dr. 15.17</b>		<b>Cr. 11.51</b>		<b>Cr. 3.45</b>	

Source: Finance Accounts Vol-I

Outstanding debit balance under 101-PAO Suspense head would mean that payments have been made by the AG on behalf of a PAO, which were yet to be recovered. Outstanding credit balance would mean that payments have been received by the AG on behalf of a PAO, which were yet to be paid. The net debit balance under this head showed decreasing trend during 2016-19 and decreased from ₹ 4.53 crore 2016-17 to ₹ 0.91 crore in 2018-19. On clearance/settlement of this, the cash balance of the State Government will increase.

Receipts on account of TDS are credited to Major Head 8658 – Suspense accounts under Minor Head 112 – TDS Suspense. These credits are to be cleared by the end of each financial year and credited to the Income Tax Department. However, there was outstanding credit balance of ₹ 6.35 crore under this head as on 31 March 2019.



### 3.5 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

#### 3.5.1 Non-submission/ delay in submission of accounts by Autonomous Bodies/ Authorities

In order to identify new institutions which, attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) {C&AG (DPC)} Act, 1971, the State Government/Heads of the Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. None of the departments had submitted this information though specifically called for.

The substantially funded Autonomous Bodies/Authorities are required to submit their annual accounts for audit by the CAG under the provision, *ibid*. A total of 39 annual accounts of 19 Autonomous Bodies/Authorities for the period from 2014-15 to 2017-18 had not been received in the office of Principal Accountant General till November 2019 as detailed in **Appendix 3.4**. The age-wise delay in submission of accounts is detailed in the table below.

**Table 3.4: Statement Showing Age-wise Non-furnishing of Accounts**

Sl.No.	Range of delays in number of years	Total number of accounts
1	Five years and above	02
2	Between three years and less than five years	08
3	Between one year and less than three years	10
4	Upto one year	19
<b>Total</b>		<b>39</b>

Due to non-finalisation of accounts, the same could not be audited. Thus, it could not be ensured whether the grants and expenditure had properly been accounted for and whether the purpose for which the grants were provided had actually been achieved.

Due to non-finalisation of accounts, the stakeholders were not able to assess financial status of these bodies. Besides, delay in finalisation of accounts carries the risk of financial irregularities remaining undetected apart from violation of the provision of the respective legislations under which these bodies were constituted.

Thus, there is a need for the Autonomous Bodies/ Authorities to submit their accounts to Audit in a timely manner.

#### 3.5.2 Submission of Accounts by Autonomous Bodies: Audit entrusted to C&AG

The audit of accounts of seven Autonomous Bodies<sup>3</sup> (ABs) has been entrusted to the CAG under Section 20(1) of the C&AG (DPC) Act, 1971 in the State.

Twenty-four accounts of above seven ABs were pending for submission to Audit with pendency ranging between one and 12 years. Sikkim Khadi and Village Industries Board

<sup>3</sup> (i) Sikkim Buildings & other Construction Workers Welfare Board; (ii) Sikkim Khadi & Villages Industries Board; (iii) Sikkim Housing Development Board; (iv) Sikkim Commission for Backward Classes; (v) Sikkim Biodiversity Board; (vi) State Compensatory Afforestation Fund Management and Planning Authority and (vii) Sikkim Human Rights Commission



had highest pendency as it had not submitted accounts of 12 years. The AB-wise details of pendency are given in **Appendix 3.5**.

### **3.5.3 Placement of Separate Audit Reports before the State Legislature**

The audit of accounts of four bodies in the State has been entrusted to the CAG of India under Sections 19(3) and 20(1) DPC for which Separate Audit Reports (SARs) are prepared for placing before the Legislature under Section 19 A (3) of DPC and provisions of the Acts governing these bodies.

Eleven SARs issued by the office of Pr. Accountant General (Audit), were pending for being laid before the State Legislature. The details of years up to which accounts have been audited and SARs issued, dates of issue of SARs are given in **Appendix 3.6**.

## **3.6 Funds outside the Consolidated Fund of the State**

### **3.6.1 Building and other Construction Worker's Welfare Board (BOCW)**

As per provisions of Building and Other Construction Worker's (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act), the State Government constituted (February 2010) Sikkim Building and Other Construction Worker's Welfare Board (SBOCW) to carry out welfare schemes for building and other construction workers. The Government levied Cess at the rate of one *per cent* on construction works as mandated by the Building and Other Construction Workers Welfare Cess Act 1996.

During the period from 2010-11 to 2018-19, cess collection was ₹ 112.84 crore, out of which ₹ 23.13 crore (20.50 *per cent* of the total collection) has been spent by the Board on welfare of the workers viz.; Educational Scholarship, Maternity benefits, Medical assistance, Personal Protective equipment, *etc.* Administrative and other than welfare schemes<sup>4</sup> expenses during the period amounted to ₹ 4.34 crore (3.85 *per cent* of the total collection). The Board has been able to spend less than 25 *per cent* of collection.

The cess so collected is not credited into the Government Accounts but is deposited into the Board's Bank Account in the State Bank of Sikkim.

## **3.7 Funds transferred directly to Implementing Agencies in the State**

As per GoI decision (8 July 2015), all assistance to Centrally Sponsored Schemes (CSS) and Additional Central Assistance (ACA) under the various schemes would be released directly to the State Government and not to the Implementing Agencies (SIA)<sup>5</sup> in the State and hence these funds would be routed through the State Budget from 2015-16 onwards. However, during 2018-19, the GoI transferred ₹ 18.83 crore directly to Implementing Agencies in the state (Details in **Appendix 3.7**). The out-side the budget funds transferred

<sup>4</sup> Section 24 (3) of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 states that no Board shall, in any financial year, incur expenses towards salaries, allowances and other remuneration to its members, officers and other employees and for meeting the other administrative expenses exceeding five per cent of its total expenses during the financial year.

<sup>5</sup> State Implementing Agencies include Organisations/ Institutions such as Non-Governmental Organisation which are authorised by the State Government to receive the funds from the GoI for implementing specific programmes in the State.



by GoI to SIAs during 2018-19 was less as compared to the previous year's amount which stood at ₹ 29.89 crore.

Out of ₹ 18.83 crore, major portion *i.e.* ₹ 10 crore (53.11 *per cent*) was transferred for MPLAD (Member of Parliament Local Area Development) Scheme.

As the funds were not routed through the State Budget/ State Treasury System, the Annual Finance Accounts did not capture these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/ parameters derived from them did not represent the complete picture. Further, direct transfers from the GoI to the SIAs run the risk of poor oversight.

With the release of these funds directly to the Implementing Agencies in the State, the resources of the State during the year 2018-19 stood at ₹ 15,083.48 crore (including the net receipts of ₹ 15,064.65 crore in the State) as on 31 March, 2019.

### **3.8 Reconciliation of Departmental Figures**

To exercise effective control over expenditure, to keep it within budget grants and to ensure accuracy of accounts, all the Chief Controlling Officers (CCOs) are required to reconcile the receipt and expenditure recorded in their books every month during the financial year with the figures accounted for in the office of Sr. Deputy Accountant General (Accounts). All the CCOs had completed their reconciliation for all Revenue and Capital Expenditure of ₹ 6,517.89 crore; and Revenue Receipts of ₹ 5,920.36 crore for the financial year 2018-19.

### **3.9 Reconciliation of Cash Balances**

The Cash Balance of the State as per records of Sr. Deputy Accountant General (A&E) Sikkim was ₹ 70.20 crore on 31 March 2019 whereas as per the State Bank of Sikkim, the balance was ₹ 38.78 crore, resulting in net difference of ₹ 31.42 crore. The difference was mainly due to non-reconciliation of figures by the State Treasuries with the State Bank of Sikkim.

### **3.10 Misappropriation, Losses, etc.**

There were five cases of misappropriation involving Government money amounting to ₹ 106.44 lakh {RDD (₹ 97.40 lakh), Transport Department (₹ 8.78 lakh) and Finance Department (₹ 0.26 lakh)} at the end of 2018-19 where the final action was pending. The department-wise break-up of pending cases and age-wise analysis of misappropriation cases are as following.



**Table 3.5: Profile of pending cases of misappropriation, loss, defalcation, etc.**

Age-profile of the pending cases				Nature of the cases	Action taken by the Department	Amount Received
Range in years	Number of cases	Name of the Department	Amount involved ₹ in lakh			
0-5	02	RDD	7.99	Cash transaction was not recorded in the cash book	Action yet to be taken by the Department	Nil
			89.41	Short supply of stock materials by Block Office to the Beneficiaries	Enquiry conducted by the O/o the ADC (Dev), Rabongla, South Sikkim	Nil
5-10	02	Finance	00.26	Cash embezzlement by staff	The person involved in the case is still untraceable.	Nil
		Transport	01.78	Shortage of POL during transportation in SNT tanker	Driver of the SNT tanker involved. Departmental enquiry under process	Nil
15-20	01	Transport	07.00	Shortage of POL during transportation in SNT tanker	Case referred to Vigilance Department for investigation	Nil
<b>Total</b>	<b>05</b>		<b>106.44</b>			<b>Nil</b>

Source: Departmental and audited figures

### 3.11 Follow Up Action on State Finances Audit Report

The preparation of Report on State Finances started in 2008-09 and the Reports for the years 2009-10 and 2010-11 had been discussed by the Public Accounts Committee (PAC). PAC recommended compliance with the recommendations as contained in the Report of the Comptroller and Auditor General of India on State Finances for 2009-10. In respect of the Report for the year 2010-11, the PAC stated that it would appreciate the setting up of a prudent financial management mechanism and that persistent planning may be required wherever there is need to do so. Reports on State Finances for the years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 have not been discussed by the PAC.

### 3.12 Conclusion

During the year 2018-19, all the Controlling Officers reconciled the Government receipts and expenditure with the figures in the books of the Sr. DAG (A&E).


However, the practice of not furnishing UCs in a timely manner resulted in pendency of large number of UCs. At the end of March 2019, 1108 UCs involving an aggregate amount of ₹ 101.90 crore were pending for submission even after a lapse of one to sixteen years by various departments. Advances amounting to ₹ 120.77 crore remained unsettled as on March 2019 distorting the amount of expenditure being shown as spent. During year 2018-19, the State government booked 6.53 per cent of total revenue receipts and 12.36 per cent of total expenditure under Minor Head 800- Other Receipts and Minor Head 800-Other Expenditure. Non-furnishing of detailed information about financial assistance given to various institutions and non-submission of accounts by 19 Autonomous Bodies/Authorities as per timelines indicated that financial rules were not fully complied with. There were also delays in placement of SARs to Legislature. There were five cases of misappropriation involving Government money in respect of three Departments with the money value of ₹ 1.06 crore at the end of 2018-19 where final action was pending.



### 3.13 Recommendations

- *The Finance Department should chalk out action plan for ensuring submission of all pending UCs. Further release of grant should be linked with submission of outstanding UCs.*
- *Finance Department should make special efforts to settle old outstanding AC bills. At same time, the DDOs should be asked to ensure that the DC bills are submitted within prescribed time, in order to stem accretion of unadjusted AC bills. Advances should be monitored closely for effective control and old outstanding AC bills should be adjusted by making special efforts.*
- *In order to make accounts transparent, the Government should open appropriate Minor Heads instead of booking substantial amounts under Minor Head 800.*
- *The Government should direct the concerned bodies as well as their controlling authorities to ensure that the accounts are prepared and submitted for Audit on time. Appropriate action should be taken against defaulting bodies.*
- *The Government needs to put in place necessary mechanism to ensure timely submission of SARs before the Legislature.*
- *The Government should lodge First Information Report in all the cases of defalcation/mis-appropriation/ loss to the Government and it may be ensured that timely action is taken in all such cases as a deterrent in preventing such cases in future.*

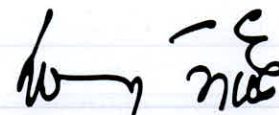
Gantok:  
The 24 July 2020



(SUSHIL KUMAR)  
Principal Accountant General (Audit), Sikkim

Countersigned

New Delhi:  
The 28 July 2020



(RAJIV MEHRISHI)  
Comptroller and Auditor General of India





**APPENDICES**



**Appendix 1.1: Part A**  
**State Profile**  
(Reference: Paragraph 1.1 & 1.4)

General Data					
Sl. No.	Particulars	Sikkim	All India		
1	Area in sq. Km	7096	31,87,240		
2	Population in lakh (As per 2011 Census)	6.11	12108.55		
3	Density of Population (2011 Census) <sup>1</sup> (person per sq.km)	86	382		
4	Population below poverty line <sup>2</sup>	8.20	21.9		
5	Literacy rate <sup>3</sup> (percentage)	81.40	73.0		
6	Infant mortality (per 1,000 live births) <sup>4</sup>	12	33		
7	Human Development Index (All India) <sup>5</sup>		0.643		
	a. 2017		0.647		
8	Gross State Domestic Product (GSDP) 2018-19 at current prices As per Ministry of Statics and Programme Implementation, GOI (₹ in crore)	26786	1,90,10,164		
9	Per capita GDP CAGR (2011.1.2 to 2018-19) in percentage	12.15	10.4		
11	Per capital GDP 2018-19 (in ₹)	405844	142719		
12	Decadal Population Growth (2009-19) in percentage	11.30	12.84		
13	<b>Financial Data</b>	<b>CAGR in per cent</b>			
		<b>CAGR (2009-10 to 2017-18)</b>		<b>Growth Rate (2017-18 to 2018-19)</b>	
		Special category States		Sikkim	
		Special category States		Sikkim	
a.	Revenue Receipts	13.51	10.50	11.64	13.57
b.	Tax Revenue	17.65	15.09	23.22	29.72
c.	Non Tax Revenue	8.57	4.87	19.16	0.52
d.	Total Expenditure	11.95	11.53	13.97	15.32
e.	Capital Expenditure	9.64	11.11	13.68	14.31
f.	Revenue Expenditure on Education	13.97	9.49	16.16	18.47
g.	Revenue Expenditure on Health	15.37	8.79	17.91	33.06
h.	Salary and Wages	12.81	7.56	14.70	31.46
i.	Pension	19.15	18.99	13.33	45.94

**Financial Data comparison of Sikkim with the other states of North Eastern Region**

(₹ in crore)

Sl. No	Particulars	Assam	Nagaland	Meghalaya	Arunachal Pradesh	Manipur	Mizoram	Tripura	Sikkim
a.	Revenue Expenditure	56899	12521	10256	12429	9749	7506	11889	5227
b.	Capital Expenditure	11034	1596	1417	5727	1731	1868	1481	1291
c.	Loans & Advances	328	5.27	89.49	20.17	0.13	247.48	1.12	46.57
d.	Expenditure on Education (Revenue)	15609	1749.70	2035.40	1707.88	1331.64	1348.54	2437.02	994.65
	Expenditure on Education (Capital)	67	40.36	2.56	205.05	34.10	70.67	17.02	70.03
e.	Expenditure on Health (Revenue)	4252	580.80	1022.74	1060.85	573.17	454.84	798.52	316.24
	Expenditure on Health (Capital)	390	7.42	42.52	56.76	15.75	91.28	131.29	90.67
f.	Salary and Wages	26617	4945	3354	4372	3674	2739	5445	1944
g.	Pension	8112	1552.79	1004.91	894.37	1534.26	970.37	2036.49	737.24
h.	GSDP at current rates	315372	26637	34389	26031	26979	22933	50545	26786
i.	Capital expenditure ratio with GSDP	3.50	5.99	4.12	22.00	6.42	8.15	2.93	4.82
j.	Revenue Expenditure ratio with GSDP	18.04	47.01	29.82	47.75	36.14	32.73	23.52	19.51

<sup>1</sup> Table 2.3 Statistical Year Book 2018 -MoSPI

<sup>2</sup> Economic Survey 2018-19 Vol. II Page A 168 (Table-9.8)

<sup>3</sup> Economic Survey 2018-19 Vol. II Page A 164 (Table-9.4)

<sup>4</sup> Economic Survey 2018-19 Vol. II Page A 160 (Table-9.1)

<sup>5</sup> HDI Report 2019 by UNDP



**Appendix 1.1: Part B**  
**Layout of Finance Accounts**  
(Reference: Paragraph 1.4)

Finance Accounts is prepared in two volumes with volume I presenting the summarised financial statements of Government and volume II presenting the detailed statements. The layout is detailed below. Further, volume II contains details such as comparative expenditure on salaries and subsidies by major head, Grants-in-aid and assistance given by the State Government, externally aided projects, expenditure on plan scheme, direct transfer of Central scheme funds to implementing agencies, summary of balances, financial results of irrigation schemes, commitments on incomplete public works contracts and maintenance expenditure which are bought out in various appendices.

Statement	Layout
<b>Volume-I</b>	
1	Statement of Financial position
2	Statement of Receipts and Disbursement
3	Statement of Receipts (Consolidated Fund)
4	Statement of Expenditure (Consolidated Fund)
5	Statement of Progressive Capital expenditure
6	Statement of Borrowing and Other liabilities
7	Statement of Loans and Advances given by the State Government
8	Statement of Investments of the Government
9	Statement of Guarantees given by the Government
10	Statement of Grants-in-aid given by Government
11	Statement of Voted and Charged Expenditure.
12	Statement on Source and Application of Funds for Expenditure other than on Revenue Account
13	Summary of balances under Consolidated Fund, Contingency Fund and Public Accounts
<b>Volume-II Part-I</b>	
14	Detailed Statement of Revenue and Capital Receipts by Minor Heads
15	Detailed Statement of Revenue Expenditure by Minor Heads
16	Detailed Statements of Capital Expenditure by Minor Heads and Sub-Heads
17	Detailed Statement of Borrowings and Other Liabilities
18	Detailed Statement on Loans and Advances given by the Government of Sikkim
19	Detailed Statement of Investments of the Government
20	Detailed Statement of Guarantees given by the Government
21	Detailed Statement on Contingency Fund and Other Public Account transactions
22	Detailed Statement on Investment from Earmarked Balances
<b>Volume-II Part-II Appendices</b>	
I	Comparative Expenditure in Salary
II	Comparative Expenditure in Subsidy
III	Grants-in-aid/ Assistance given by the State Government (Institution wise and Scheme-wise)
IV	Details of Externally Aided Projects
V	Plan Scheme Expenditure-A. Central Schemes (Centrally Sponsored Schemes and Central Plan Schemes), B. State Plan Schemes
VI	Direct Transfer of Central Scheme funds to Implementing Agencies in the State (Funds routed outside State Budgets) (Unaudited figures)
VII	Acceptance and Reconciliation of Balances (As depicted in Statements 18 and 21)
VIII	Financial Results of Irrigation Schemes
IX	Commitments of the Government – List of Incomplete Capital Works
X	Maintenance Expenditure with segregation of Salary and Non-Salary portion
XI	Major Policy Decisions of the Government during the year or new schemes proposed in the Budget



## Appendix 1.1: Part C Structure of Government Accounts

(Reference: Paragraph 1.4)

**The accounts of the State Government are kept in three parts viz., Consolidated Fund, Contingency Fund and Public Account**

**Part I: Consolidated Fund:** All revenues received by the State Government, all loans raised by issue of treasury bills, internal loans and all moneys received by the Government in repayment of loans shall form one Consolidated Fund entitled the Consolidated Fund of the State established under Article 266 (1) of the Constitution of India.

**Part II: Contingency Fund:** Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the fund.

**Part III: Public Account:** Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature.

### List of Terms used in Chapter I and Basis for their Calculation

Terms	Basis of Calculation
Buoyancy of a parameter	
Buoyancy of a parameter (X) with respect to another parameter	Rate of Growth of the parameter (X)/Rate of Growth of the parameter (Y).
Rate of Growth (ROG)	$(\text{Current year Amount}/\text{Previous year Amount} - 1) \times 100$ .
Average	Trend of growth over a period of 5 years
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be.
Development Expenditure	Social Services + Economic Services
Interest received <i>as per cent</i> to loans outstanding	$\text{Interest received}/[(\text{opening balance} + \text{closing balance of loans and advances})/2] \times 100$ .
Revenue Deficit	Revenue receipt - revenue expenditure.
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances - Revenue Receipts - Miscellaneous Capital Receipts.
Primary Deficit	Fiscal deficit - Interest payments.
Balance from Current Revenue (BCR)	Revenue receipts <i>minus</i> plan grants and non-plan revenue expenditure excluding debits under 2048 - Appropriation for reduction or avoidance of debt.
Compound Annual Growth Rate (CAGR)	The compound annual growth rate is calculated by taking the $n^{\text{th}}$ root of the total percentage growth rate, where n is the number of years in the period being considered. $\text{CAGR} = [\text{Ending Value}/\text{Beginning Value}]^{(1/\text{no. of years})} - 1$
GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices.
Buoyancy Ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.7 implies that revenue receipts tend to increase by 0.7 percentage points, if the GSDP increases by one <i>percent</i> .



<b>Terms</b>	<b>Basis of Calculation</b>
Core Public and Merit Goods	<p>Core public goods are those which all citizens enjoy in common in the sense that each individual's consumption of such goods lead to no subtractions from any other individual's consumption of that goods, e.g. enforcement of law and order, security and protection of our rights; pollution free air, other environmental good, road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation, etc.</p> <p>"The analysis of expenditure data is disaggregated into developmental and non-developmental expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the social and economic services constitute developmental expenditure, while expenditure on general services is treated as non-developmental expenditure</p>
Debt Sustainability	<p>The Debt sustainability is defined as the ability of the State to maintain a constant debt- GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.</p>
Non-debt Receipts	<p>Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.</p>
Net Availability of Borrowed Funds	<p>Defined as the ratio of the debt redemption (principal+ interest payments) to total debt receipts indicates the extent to which the debt receipts are used in debt redemption and gives the net availability of borrowed funds.</p>



## Appendix 1.2

### Time Series Data on the State Government Finances

(Reference: Paragraph 1.4, 1.14.2 and 1.15.3)

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>4,087.64</b> (99.98)	<b>3,784.29</b> (99.96)	<b>4,610.30</b> (99.97)	<b>5,212.79</b> (99.98)	<b>5920.36</b> (99.97)
<b>(i) Tax Revenue</b>	<b>527.54</b> (12.91)	<b>566.82</b> (14.98)	<b>652.56</b> (14.15)	<b>688.33</b> (13.20)	<b>892.92</b> (15.08)
Taxes on Sales, Trade, etc.	282.10 (53.47)	325.72 (57.46)	364.82 (55.91)	249.66 (31.57)	188.20 (21.08)
State Goods & Service Tax (SGST)	0	0	0	171.39 (100)	405.72 (45.44)
State Excise	131.36 (24.90)	142.08 (25.07)	156.24 (23.94)	150.47 (21.86)	183.09 (20.50)
Taxes on Vehicles	19.42 (3.68)	22.36 (3.94)	24.90 (3.82)	29.37 (4.27)	33.11 (3.71)
Stamps and Registration fees	6.77 (1.28)	8.51 (1.50)	12.57 (1.93)	13.57 (1.97)	14.95 (1.67)
Land Revenue	6.15 (1.17)	1.85 (0.33)	6.39 (0.98)	7.44 (1.08)	9.09 (1.02)
Other Taxes on Income and Expenditure	7.93 (1.50)	7.92 (1.40)	7.82 (1.20)	8.04 (1.17)	15.63 (1.75)
Other Taxes	73.81 (13.99)	58.38 (10.30)	79.82 (12.23)	58.40 (8.48)	43.13 (4.83)
<b>(ii) Non Tax Revenue</b>	<b>323.77</b> (7.92)	<b>412.99</b> (10.91)	<b>451.64</b> (9.80)	<b>654.38</b> (12.55)	<b>657.78</b> (11.11)
<b>(iii) State's share of Union taxes and duties</b>	<b>809.33</b> (19.80)	<b>1,870.28</b> (49.42)	<b>2,069.19</b> (44.88)	<b>2,634.66</b> (50.54)	<b>2794.67</b> (47.20)
<b>(iv) Grants in aid from Government of India</b>	<b>2,427.00</b> (59.37)	<b>934.20</b> (24.69)	<b>1,436.91</b> (31.17)	<b>1,235.42</b> (23.70)	<b>1574.99</b> (26.60)
<b>2. Miscellaneous Capital Receipts</b>	-	-	-	-	-
<b>3. Recoveries of Loans and Advances</b>	<b>0.88</b> (0.02)	<b>1.38</b> (0.04)	<b>1.37</b> (0.03)	<b>0.91</b> (0.02)	<b>1.77</b> (0.03)
<b>4. Total Revenue and Non debt Capital Receipts (1+2+3)</b>	<b>4,088.52</b> (90.85)	<b>3,785.67</b> (85.25)	<b>4,611.67</b> (85.48)	<b>5,213.70</b> (83.19)	<b>5922.13</b> (83.80)
<b>5. Public Debt Receipts</b>	<b>411.79</b> (9.15)	<b>654.88</b> (14.75)	<b>783.34</b> (14.52)	<b>1,053.46</b> (16.81)	<b>1145.21</b> (16.20)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	408.12 (99.11)	652.05 (99.57)	776.61 (99.14)	1,050.93 (99.76)	1140.09
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	3.67 (0.89)	2.83 (0.43)	6.73 (0.86)	2.53 (0.24)	5.12
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>4,500.31</b> (46.92)	<b>4,440.55</b> (38.43)	<b>5,395.01</b> (45.99)	<b>6,267.16</b> (45.76)	<b>7067.34</b> (46.84)
<b>7. Contingency Fund Receipts</b>	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	-
<b>8. Public Account Receipts (Gross)</b>	<b>5,090.42</b> (53.08)	<b>7114.68</b> (61.57)	<b>6,335.06</b> (54.01)	<b>7,429.63</b> (54.24)	<b>8022.31</b> (53.16)
<b>8A. Public Account Receipts (Net) (8-19)</b>	<b>202.98</b>	<b>248.80</b>	<b>89.19</b>	<b>308.77</b>	<b>183.66</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>9,590.73</b>	<b>11,555.23</b>	<b>11,730.08</b>	<b>13,696.79</b>	<b>15089.65</b>
<b>9A. Total Receipts of the State (net) (6+7+8A)</b>	<b>4,703.28</b>	<b>4,689.35</b>	<b>5,484.20</b>	<b>6,575.93</b>	<b>7251</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>3,356.64</b> (76.92)	<b>3,644.58</b> (84.65)	<b>3,788.08</b> (83.71)	<b>4,151.85</b> (73.15)	<b>5226.57</b> (79.62)
Plan	1,136.72 (33.86)	1,270.68 (34.86)	1,250.98 (33.02)	-	-
Non Plan	2,219.92 (66.14)	2,373.9 (65.14)	2,537.10 (66.98)	-	-
General Services (including interest payments)	1,214.12 (36.13)	1,243.80 (34.13)	1,420.77 (37.51)	1,528.13 (36.81)	1960.24 (37.51)



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Social Services	1,279.72 (38.13)	1,236.19 (33.92)	1,335.07 (35.24)	1,532.15 (36.90)	2071.77 (39.64)
Economic Services	820.96 (24.46)	1,125.79 (30.89)	976.61 (25.78)	1,028.25 (24.77)	1128.16 (21.59)
Grants-in-aid and contributions	41.84 (1.25)	38.80 (1.06)	55.63 (1.47)	63.32 (1.53)	66.4 (1.27)
<b>11. Capital Expenditure</b>	<b>980.71</b> <b>(22.47)</b>	<b>633.98</b> <b>(14.72)</b>	<b>720.29</b> <b>(15.92)</b>	<b>1,506.78</b> <b>(26.55)</b>	<b>1291.31</b> <b>(24.71)</b>
Plan	980.71 (100)	633.98 (100)	720.29 (100)	--	
Non Plan	0.00	0.00	0.00	--	
General Services	109.52 (11.17)	63.97 (10.09)	71.18 (9.88)	149.76 (9.94)	72.71 (5.63)
Social Services	269.81 (27.51)	200.80 (31.67)	243.21 (33.77)	534.53 (35.47)	363.45 (28.15)
Economic Services	601.38 (61.32)	369.21 (58.24)	405.89 (56.35)	822.49 (54.59)	855.15 (66.22)
<b>12. Disbursement of Loans and Advances</b>	<b>26.57</b> <b>(0.61)</b>	<b>27.03</b> <b>(0.63)</b>	<b>17.00</b> <b>(0.38)</b>	<b>16.95</b> <b>(0.30)</b>	<b>46.57</b> <b>(0.71)</b>
<b>13. Total (10+11+12)</b>	<b>4,363.92</b> <b>(90.44)</b>	<b>4,305.59</b> <b>(95.64)</b>	<b>4,525.37</b> <b>(94.84)</b>	<b>5,675.58</b> <b>(94.31)</b>	<b>6564.45</b> <b>(94.44)</b>
<b>14. Repayments of Public Debt</b>	<b>87.03</b> <b>(1.80)</b>	<b>196.13</b> <b>(4.36)</b>	<b>246.26</b> <b>(5.16)</b>	<b>342.63</b> <b>(5.69)</b>	<b>375.88</b> <b>(5.42)</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	77.36 (88.89)	186.16 (94.92)	236.05 (95.85)	332.49 (97.04)	365.44 (97.22)
Net Transactions under Ways and Means Advances and Overdraft	-	-	-	-	
Loans and Advances from Government of India	9.67 (11.11)	9.97(5.08)	10.21 (4.15)	10.14 (2.96)	10.44 (2.78)
<b>15. Appropriation to Contingency Fund</b>	-	-	-	-	-
<b>16. Gross Expenditure on Lotteries</b>	<b>374.31</b> <b>(7.76)</b>	-	-	-	-
<b>17. Total disbursement out of Consolidated Fund (13+14+15 +16)</b>	<b>4,825.26</b> <b>(49.68)</b>	<b>4,501.72</b> <b>(39.60)</b>	<b>4,771.63</b> <b>(43.31)</b>	<b>6,018.21</b> <b>(45.81)</b>	<b>6940.33</b> <b>(46.96)</b>
18. Contingency Fund disbursements	(-)1.00 (-0.01)	0	0.31 (0.00)	(-) 0.31 (0.00)	
19. Public Account disbursements	4,887.44 (50.33)	6,865.88 (60.40)	6,245.87 (56.69)	7,120.86 (54.19)	7838.63 (53.04)
<b>20. Total disbursement by the State (17+18+19)</b>	<b>9,711.71</b>	<b>11,367.60</b>	<b>11,017.81</b>	<b>13,138.76</b>	<b>14778.96</b>
<b>Part C: Deficits</b>					
21. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	731.00	139.71	822.22	1,060.94	693.79
22. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)275.40	(-)519.92	86.30	(-) 461.88	(-) 642.32
23. Primary Deficit (-)/ Primary Surplus (+)(22-24)	(-)35.85	(-)257.85	410.69	(-) 99.71	(-) 209.27
<b>Part D: Other data</b>					
24. Interest Payments (included in revenue expenditure)	239.55	262.07	324.39	362.17	433.05
25. Financial Assistance to Local Bodies etc.	278.82	317.78	304.90	369.27	411.39
26. Ways and Means Advances/Overdraft availed (days)	-	-	-	-	-
27. Interest on Ways and Means Advances/Overdraft	-	-	-	-	-
<b>28 Gross State Domestic Product (GSDP)</b>	<b>15,406.72</b>	<b>18,033.94</b>	<b>22687</b>	<b>23495</b>	<b>26786</b>
<b>29. Outstanding Fiscal Liabilities (year end)</b>	<b>3,481.46</b>	<b>3,961.16</b>	<b>4,671.18</b>	<b>5,451.04</b>	<b>6,335.06</b>
30. Outstanding Guarantees (beginning of year) (including interest)	122.09	112.14	89.17	441.49	425.45
31. Maximum amount Guaranteed (year end)	156.70	156.7	517.90	648.71	3849.19
32. Number of Incomplete Projects	297	265	413	146	201



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
33. Capital blocked in Incomplete Projects	1,257.24	1,080.92	717.78	302.96	666.41
<b>Part E: Fiscal Health Indicators</b>					
<b>I Resource Mobilisation</b>					
Revenue Receipts/GSDP	0.27	0.21	0.23	0.23	0.22
Own Tax Revenue/GSDP	0.03	0.03	0.03	0.03	0.03
Own Non-Tax Revenue/GSDP	0.02	0.02	0.02	0.03	0.02
State's share in Central taxes and Duties/GSDP	0.05	0.11	0.10	0.12	0.10
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	0.28	0.24	0.23	0.26	0.23
Total Expenditure/Revenue Receipts	1.07	1.14	0.98	1.09	1.11
Revenue Expenditure/Total Expenditure	0.77	0.85	0.84	0.73	0.80
Expenditure on Social Services/Total Expenditure	0.36	0.33	0.35	0.36	0.37
Expenditure on Economic Services/Total Expenditure	0.33	0.35	0.31	0.33	0.30
Capital Expenditure/Total Expenditure	0.22	0.15	0.16	0.27	0.20
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.20	0.13	0.14	0.24	0.19
<b>III Management of Fiscal Imbalances (in per cent)</b>					
Revenue deficit (surplus)/GSDP	4.74	0.77	4.11	4.77	2.59
Fiscal deficit/GSDP	-1.79	-2.88	0.38	-1.97	(-) 2.40
Primary Deficit (surplus) /GSDP	-0.23	1.43	2.05	(-) 0.45	(-) 0.78
Revenue Deficit(surplus) /Fiscal Deficit	-265.43	-26.87	952.75	(-) 229.70	(-) 108.01
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	0.23	0.22	0.21	0.23	0.24
Fiscal Liabilities/RR	0.85	1.05	1.01	1.05	1.07
<b>V Other Fiscal Health Indicators</b>					
Return on Investment (₹ in crore)	0.87	12.7	2.01	2.92	4.38
Balance from Current Revenue (₹ in crore)	473.87	562.68	713.01	NA**	--
Assets/Fiscal Liabilities	2.87	2.74	2.63	2.64	2.53

Note: Figures in brackets represent percentage to the total of each sub-heading.



**Appendix 1.3 (A)**  
**Abstract of Receipts and Disbursements for the Year 2018-19**  
*(Reference: Paragraph 1.4.1)*

(₹ in crore)

Receipts			Disbursements				
2017-18	Section A: Revenue		2018-19	2017-18	2018-19	Total	
<b>5,212.79</b>	<b>I-Revenue Receipts</b>		<b>5920.36</b>	<b>4,151.85</b>	<b>I-Revenue Expenditure</b>		<b>5226.57</b>
688.33	Tax revenue	892.92		<b>1,528.13</b>	<b>General Services</b>	<b>1960.24</b>	
654.38	Non-tax revenue	657.78		<b>1,532.15</b>	<b>Social Services</b>	<b>2071.77</b>	
2,634.66	State's share of Union Taxes	2794.67		843.79	Education, Sports, Art and Culture.	994.64	
1,235.42	Grants-in-aid	1574.99		237.67	Health and Family Welfare	316.24	
0.00	Non-Plan Grants	-		232.70	Water Supply, Sanitation, Housing and Urban Development	431.06	
6.26	Grants for State Plan Schemes	(-) 0.30		15.62	Information and Broadcasting	15.47	
39.50	Grants for Centrally Sponsored Plan Schemes	4.49		34.92	Welfare of Scheduled Caste, Scheduled tribes and Other Backward Classes	69.61	
0.52	Grants for Special Plan Schemes	-		6.55	Labour and Labour Welfare	8.35	
919.17	Grants for Centrally Sponsored Schemes	1147.81		122.25	Social Welfare and Nutrition	206.70	
70.52	Grants for Finance Commission	125.86		38.66	Others	29.70	
199.45	Other Grants	297.13		<b>1,028.25</b>	<b>Economic Services</b>	<b>1128.16</b>	
				300.13	Agriculture and Allied Activities	427.69	
				175.66	Rural Development	140.78	
				0.30	Special Areas Programmes	0.13	
				43.56	Irrigation and Flood Control	30.96	
				209.92	Energy	205.27	
				69.59	Industry and Minerals	37.82	
				183.75	Transport	227.67	
				4.87	Science Technology and Environment	11.27	
				40.47	General Economic Services	46.57	
				<b>63.32</b>	Grants in Aid and Contribution	<b>66.40</b>	
-	<b>II-Revenue deficit carried over to Section- B</b>	-		<b>1,060.94</b>	<b>II-Revenue surplus carried over to Section- B</b>		<b>693.79</b>
<b>5,212.79</b>			<b>5920.36</b>	<b>5,212.79</b>			<b>5920.36</b>
	<b>Section-B</b>						
<b>2436.83</b>	<b>III-Opening Cash balance including Permanent Advances and Cash Balance Investment</b>		<b>2994.87</b>		<b>III-Capital Outlay</b>		<b>1291.31</b>
<b>0.00</b>	<b>IV-Miscellaneous Capital receipts</b>		<b>0.00</b>	<b>149.76</b>	<i>General services</i>	<b>72.71</b>	



Receipts			Disbursements				
2017-18	Section A: Revenue		2018-19	2017-18	2018-19	Total	
				534.53	Social Services	363.45	
				97.58	Education, Sports, Art and Culture	70.03	
				224.03	Health and Family Welfare	90.67	
				197.36	Water Supply, Sanitation, Housing and Urban Development	185.03	
				0.00	Information & Broadcasting	0.00	
				13.56	Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	10.30	
				2.00	Social Welfare	7.42	
				0.00	Others	0.00	
				822.49	Economic Services	855.15	
				13.96	Agriculture and Allied Activities	13.46	
				12.67	Rural Development	5.34	
				25.07	Special Areas Programmes	37.06	
				1.91	Irrigation and Flood Control	51.88	
				76.29	Energy	63.58	
				2.10	Industry and Minerals	0.67	
				625.57	Transport	628.57	
				0	Science and Environment	0.00	
				64.92	General Economic Services	54.59	
0.91	V-Recoveries of Loans and Advances		1.77	16.95	IV- Loans and Advances Disbursements	-	46.57
1,060.94	VI-Revenue Surplus brought down		693.79				
1,053.46	VII-Public Debt Receipts		1145.21	342.63	VI-Repayment of Public Debt		375.88
	External debt				External debt		
1050.93	Internal Debt other than Ways and Means Advances and Overdraft	1140.09		332.49	Internal Debt other than Ways and Means Advances and Overdraft	365.44	
	Net transaction under Ways and Means Advances including Overdraft			0	Net transaction under Ways and Means Advances including Overdraft	0.00	
2.53	Loans and Advances from Central Government	5.12		10.14	Repayment of Loans and Advances to Central Government	10.44	
0.00	VIII-Amount transferred to Contingency Fund			(-) 0.31	VII-Expenditure from Contingency Fund	0.00	-
7,429.63	IX-Public Account Receipts		7997.31	7,120.86	VIII-Public Account Disbursements		7838.63
309.66	Small Savings and Provident fund		323.01	229.09	Small Savings and Provident Funds	229.08	
130.16	Reserve Funds		181.57	131.23	Reserve Funds	121.36	
4,227.64	Suspense and Miscellaneous		4974.75	4,202.43	Suspense and Miscellaneous	4855.09	



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Receipts				Disbursements			
2017-18	Section A: Revenue		2018-19	2017-18	2018-19	Total	
2,247.47	Remittance		2185.73	2,067.58	Remittances	2316.37	
514.70	Deposits and Advances		332.25	490.53	Deposits and Advances	316.73	
				<b>2,994.87</b>	<b>IX- Cash balance at the end</b>		<b>3280.56</b>
					Cash in Treasuries and Local Remittances	-	
				597.16	Deposits with Reserve Bank/other Bank	120.27	
				1.39	Departmental Cash Balance including permanent Advances	1.40	
				2,396.32	Cash Balance Investment and Investment from Earmarked Funds.	3158.89	
<b>11,981.78</b>	<b>Total</b>		<b>12832.95</b>	<b>11,981.78</b>	<b>Total</b>		<b>12832.95</b>



**Appendix 1.3 (B)**  
**Summarised Financial Position of the Government of Sikkim as on 31 March 2019**  
*(Reference: Paragraph-1.4.1 and 1.14.1)*

(₹ in crore)

As on 31.03.2018	Liabilities		As on 31.03.2019
4,114.12	Internal Debt		4888.77
3,621.24	Market Loans bearing Interest	4416.22	
-	Market Loans not bearing Interest	-	
83.34	Loans from Life Insurance Corporation of India	73.14	
409.54	Loans from other Institutions	399.41	
--	Overdrafts from Reserve Bank of India		
<b>102.85</b>	Loans and Advances from Central Government		<b>97.52</b>
0.55	Non-Plan Loans	0.43	
99.94	Loans for State Plan Schemes	94.63	
0.90	Loans for Centrally Sponsored Plan Schemes	0.77	
1.46	Other Loans	1.24	
--	Centrally Sponsored Scheme	0.45	
<b>1.00</b>	Contingency Fund		<b>1.00</b>
<b>911.72</b>	Small Savings, Provident Funds, etc.		<b>1005.65</b>
<b>264.28</b>	Deposits		<b>279.81</b>
<b>505.99</b>	<b>Reserve Funds</b>		<b>566.20</b>
<b>211.26</b>	Suspense and Miscellaneous Balances		<b>330.92</b>
<b>404.84</b>	Remittance Balances		<b>274.19</b>
<b>6799.69</b>	Surplus on Government Accounts Last year balance		<b>8554.44</b>
1,060.94	Add Revenue Surplus		
<b>14,376.69</b>	<b>Total</b>		<b>15998.50</b>
	<b>Assets</b>		
<b>11,188.30</b>	Gross Capital Outlay on Fixed Assets		<b>12479.61</b>
102.43	Investments in shares of Companies, Corporations, etc.	105.46	
11,085.87	Other Capital Outlay	12374.15	
<b>192.49</b>	Loans and Advances -		<b>237.30</b>
<b>1.03</b>	Advances		<b>1.03</b>
<b>2,994.87</b>	Cash		<b>3280.56</b>
597.16	Deposits with other Bank	120.27	
	Cash in Treasuries and Local Remittances	-	
	Deposits with Reserve Bank		
0.95	Departmental Cash Balance	0.95	
0.44	Permanent Advances	0.45	
1,948.39	Cash Balance Investments	2656.00	
447.93	Earmarked funds Investment	502.89	
<b>14,376.69</b>	<b>Total</b>		<b>15998.50</b>



**Appendix 1.4**  
**Tax and Non-Tax Revenue Collected during 2014-19**  
(Reference: Paragraph 1.8)

(₹ in crore)

Sl. No.	Head of Revenue	2014-15		2015-16		2016-17		2017-18		2018-19		Percentage of increase (+) or decrease (-) in 2018-19 over 2017-18	
		BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual
<b>Tax Revenue</b>													
1	Sales Tax/Value Added Tax (VAT) including	259.45	282.1	300	325.72	361	364.82	388.26	249.66	154.00	188.20	- 60.34	- 24.62
2	Sikkim Goods & Services Tax	-	-	-	-	-	-	0	171.39	<b>363.65</b>	405.72		
3	Taxes on Income and Expenditure other than Corporation Tax	8.01	7.93	8.51	7.92	9	7.82	10	8.04	10.00	15.63	0.00	94.40
4	State Excise	120.93	131.36	135	142.08	144.45	156.24	155	150.47	158.54	183.09	2.28	21.68
5	Stamps and Registration Fees	7.7	6.77	7.64	8.51	7.64	12.57	7.82	13.58	13.34	14.95	70.59	10.09
6	Taxes on Vehicles	18.82	19.42	21.07	22.36	24	24.9	28.5	29.37	31.05	33.11	8.95	12.73
7	Other Taxes and Duties on Commodities and Services	75.6	73.81	81.26	58.38	93.07	79.82	72.84	58.4	32.63	43.13	- 55.20	- 26.15
8	Land Revenue	6.89	6.15	6.89	1.85	6.89	6.39	7.09	7.44	7.10	9.09	0.14	22.18
	<b>Total</b>	<b>497.4</b>	<b>527.54</b>	<b>560.37</b>	<b>566.82</b>	<b>646.05</b>	<b>652.56</b>	<b>669.51</b>	<b>688.33</b>	<b>770.31</b>	<b>892.92</b>	<b>15.06</b>	<b>29.72</b>
<b>Non-tax Revenue</b>													
1	Power	121.1	113.56	125.1	147.68	140.1	170.04	160.1	310.26	190.10	269.44	18.74	-13.16
2	Interest Receipts	31.05	66.44	31.21	72.52	37.21	78.38	50.41	114.76	50.41	125.33	0.00	9.21
3	Police	55.32	17.6	55.35	61.68	52.42	41.43	52.74	45.39	57.11	46.64	8.29	2.75
4	Road Transport	43	27.63	39.35	41.55	47	48.71	55	52.08	59.00	53.96	-7.27	3.61
5	Forestry and Wild Life	15.35	11.45	12.06	12.79	12.06	16.02	13.5	14.21	13.50	17.53	0.00	23.36
6	Other Administrative Services	10.25	13.59	10.4	7.3	2.38	9.32	4.83	5.3	7.79	5.04	61.28	4.91
7	Public Works	5.68	3.66	6.83	4.25	4.22	8.65	4.37	15.38	4.59	28.01	5.03	82.12
8	Plantations	5	2.31	5.18	3.86	5.18	5.21	5.18	2.19	7.00	2.41	35.14	10.05
9	Water Supply and Sanitation	3.91	3.25	3.99	3.8	4.26	4.04	5	4.88	10.00	4.23	100.00	- 13.32
10	Tourism	2.8	2.64	3.14	3.96	3.8	5.42	4.5	5.14	4.64	6.16	3.11	19.84
11	Medical and Public Health	2.5	1.97	2.5	2.15	2.5	2.59	2.5	2.11	2.50	2.37	0.00	12.32
12	Other Rural Development Programmes	1.5	1.65	1.5	0.94	1.5	0.51	1.5	0.91	1.50	0.98	0.00	7.69
13	Stationery and Printing	1.9	1.75	2.03	1.83	1.81	2.16	1.85	3.08	1.95	1.52	5.41	- 50.65
14	Crop Husbandry	0.91	0.56	0.91	0.7	0.91	0.57	0.91	0.34	0.63	0.37	- 30.77	8.82
15	Education, Sports, Art and Culture	1.34	1.22	1.17	1.16	1.12	2.05	1.15	2.32	1.17	2.32	1.74	0.00
16	State Lotteries	Gross	787.23	418.64	-	-	-	-	-	-	-	-	-
		Net	36	44.33	37.4	20.02	33.55	45	50	55.03	55.00	-10.00	5.07
17	Others	10.08	10.16	12.2	26.79	12.24	11.54	12.92	21	15.03	33.65	16.33	60.24
	<b>Total</b>	<b>1,098.92</b>	<b>698.08</b>	<b>350.36</b>	<b>412.98</b>	<b>362.26</b>	<b>451.64</b>	<b>426.46</b>	<b>654.38</b>	<b>481.92</b>	<b>657.78</b>	<b>13.00</b>	<b>0.52</b>
	<b>Grand Total</b>	<b>1,596.32</b>	<b>1,225.62</b>	<b>910.73</b>	<b>979.80</b>	<b>1,008.31</b>	<b>1,104.20</b>	<b>1,095.97</b>	<b>1,342.71</b>	<b>1252.23</b>	<b>1550.70</b>	<b>14.26</b>	<b>15.49</b>



**Appendix 1.5**  
**Statement showing Investment at the end of 2018-19**

(Reference: Paragraph 1.12.2)

(₹ in lakh)

Sl. No.	Name of the Companies/Corporations	Amount
<b>Statutory Corporations</b>		
1	State Bank of Sikkim	53.38
2	Sikkim Mining Corporation	6,11.50
3.	State Trading Corporation of Sikkim	1,61.38
<b>Companies</b>		
4.	Sikkim Time Corporation	13,71.54
5	Sikkim Industrial Development and Investment Corporation	16,82.50
6	Sikkim Livestock Development Corporation	22.00
7	Sikkim Livestock Development and Processing Corporation	35.00
8.	Sikkim Tourism Development Corporation	7,04.87
9.	Sikkim Power Development Corporation	18,86.16
10	Sikkim SC/ST/OBC Finance Development Corporation	4,95.59
11	Sikkim Jewels Ltd.	11,54.03
12	Sikkim Distilleries Ltd.	2,41.59
13.	Star Cinema	1.75
14.	Denzong Cinema	1.75
15.	Sikkim Flour Mills Limited	2,44.16
16	Cold Storage	27.90
17.	Indian Telephone Industries	25.94
18.	Ginger Processing Plant	1.00
19.	Investment in B.O.G.Ltd.	14.03
20.	Chanmari Workshop and Automobiles Ltd.	30.00
21	M/S Sikkim Precision Industries Ltd	4,30.00
22	Sikkim Himalayan Orchid Ltd.	16.00
23	Sikkim Flora Ltd.	15.00
24	Sikkim Handloom & Handicrafts	1,02.40
25	Joint Ventures	50.92
26	Wood Working Centre, Singtam	1.02
27	Food Security & Agri. Dev. Deptt. and Indian Farmers Fertilizer Co-operative Ltd. IFFCO	12.25
<b>Bank and Co-operative Societies</b>		
28	State Bank of India	0.26
29	Sikkim Marketing Federation (SIMFED)	93.83
30	Multipurpose Co-operative Society	113.80
31	Investment in Sikkim State Co-operative Bank (SISCO)	9,35.60
32	Sikkim Dairy Co-operative Society (Sikkim Milk Union)	3.00
33	Sang Martam Tea growers C S Ltd	1.00
<b>Total</b>		<b>105,46.15</b>



**Appendix 1.6**  
**Delay in completion/adoption of Accounts by the Board of Directors**  
*(Reference: Paragraph 1.12.2.2)*

Sl. No.	Name	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total arrears
1	Sikkim Poultry Development Corporation Limited (SPDCL)						1	1
2	Sikkim Hatcheries Limited (SHL)						1	1
3	Sikkim Livestock Processing and Development Corporation (SLPDC)	1	1	1	1	1	1	6
4	Schedule Caste, Schedule Tribe and Other Backward Classes Development Corporation Limited (SABCCO)		1	1	1	1	1	5
5	Sikkim Industrial Development and Investment Corporation Limited (SIDICO)						1	1
6	Gangtok Smart City Development Limited (GSDL)					1	1	2
7	Namchi Smart City Limited (NSCL)						0	0
8	Teesta Urja Limited (TUL)						0	0
9	Teestavalley Power Transmission Limited (TPTL)						0	0
10	Sikkim Power Investment Corporation Limited (SPICL)						1	1
11	Sikkim Power Development Corporation Limited (SPDC)						1	1
12	Sikkim Tourism Development Corporation (STDC)					1	1	2
13	State Bank of Sikkim (SBS)					0	1	1
14	State Trading Corporation of Sikkim (STCS)						0	0
15	Government Fruit Preservation Factory (GFPPF)					0	1	1
16	Temi Tea Estate						1	1
	<b>Total</b>							<b>23</b>

Note: Namchi Smart City Limited, Gangtok Smart City Limited, Teesta Urja Limited & Teesta Valley Power Transmission Limited are registered under Companies Act 2013. The remaining are registered under Sikkim Companies Act.



### Appendix 1.7 Investment & Market Loan during 2017-18

(Reference: Paragraph 1.13.2)

Sl. No.	Month	Amount of investment (₹ in crore)		Rate of interest (%)		Total investment (₹ in crore)	Market Loan		Difference in rate of interest (%) (Col. 5/6 - Col. 9)	Excess payment of interest on ML (₹ in crore) (Col. 8 X Col. 10)
		SBS	SISCO	SBS	SISCO		Amount (₹ in crore)	Rate of interest		
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
1	May 2017	150.00	230.00	5.1 to 6.55	4.25 to 6.15	380.00	200.00	7.51	0.96	1.92
2	August 2017	200.00	150.00	3.5	5.85 to 6.05	350.00	200.00	7.33	1.28	2.56
3	October 2017	180.00	225.13	3.5 to 5.25	5.5 to 6	405.13	270.00	7.55	1.55	4.19
4	November 2017	176.07	65.00	4.75 to 5.75	5.5 to 6.25	241.07	75.00	7.53	1.28	0.96
5	January 2018	330.00	291.43	3.5 to 6	4.75 to 6	621.43	252.21	7.88	1.88	4.74
<b>Total :-</b>		<b>1039.07</b>	<b>965.56</b>			<b>2004.63</b>	<b>1005.21</b>			<b>14.37</b>

### Investment & Market Loan during 2018-19

Sl. No.	Month	Amount of investment (₹ in crore)		Rate of interest (%)		Total investment (₹ in crore)	Market Loan		Difference in rate of interest (%) (Col. 5/6 - Col. 9)	Excess payment of interest on ML (₹ in crore) (Col. 8 X Col. 10)
		SBS	SISCO	SBS	SISCO		Amount (₹ in crore)	Rate of interest		
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
1	July 2018	290.00	290.00	3 to 7	4.5 to 7.4	580.00	300.00	8.59	1.19	3.57
2	September 2018	360.00	200.00	3 to 7	7.1	560.00	200.00	8.7	1.60	3.20
3	October 2018	100.00	100.00	3 to 5.5	5.25 to 6.9	200.00	125.00	8.85	1.95	2.44
4	November 2018	160.00	150.00	3.5 to 6.9	3.5	310.00	100.00	8.62	1.72	1.72
5	January 2019	100.00	100.00	6.5 to 7	3.5 to 6.9	200.00	92.00	8.27	1.27	1.17
6	March 2019	820.00	240.00	4 to 6.5	6.5 to 8.1	1060.00	271.00	8.21	0.11	0.30
<b>Total :-</b>		<b>1833.00</b>	<b>1084.00</b>			<b>2917.00</b>	<b>1096.00</b>			<b>12.40</b>



**Appendix 1.8**  
**Summarised position of Assets and Liabilities**  
 (Reference: Paragraph 1.14.1)

(₹ in crore)

Liabilities	2016-17	2017-18	2018-19	Assets	2016-17	2017-18	2018-19
<b>Consolidated Fund</b>							
a. Internal Debt	3,395.68	4,114.12	4888.77	i) Gross Capital Outlay	9,681.52	11,188.30	12479.61
b. Loans and Advances from GoI	110.45	102.85	97.52	ii) Loans and Advances	176.46	192.49	237.30
	<b>3,506.13</b>	<b>4,216.97</b>	<b>4986.29</b>	iii) Advances with Deptt. Officers	1.03	1.03	1.03
<b>Public Accounts</b>							
a. Small Savings, Provident Funds, etc.	831.15	911.72	1005.65	Cash	2,436.83	2,994.87	3280.56
b. Reserve Funds	507.06	505.99	566.20				
c. Deposits	240.12	264.28	279.81				
d. Remittance Balance	224.95	404.84	274.19				
e. Suspense and Miscellaneous Balances	186.04	211.26	330.92				
	<b>1,989.32</b>	<b>2,298.09</b>	<b>2456.77</b>				
<b>Total</b>	<b>5,495.45</b>	<b>6,515.06</b>	<b>7,443.06</b>				
Surplus on Government Accounts	5,977.47	6,799.69	7860.65				
Revenue Surplus	822.22	1,060.94	693.79				
Contingency Fund	1.00	1.00	1.00	<b>Contingency Fund</b>	0.31	---	---
<b>Grand Total</b>	<b>12,296.15</b>	<b>14,376.69</b>	<b>15,998.50</b>		<b>12,296.15</b>	<b>14,376.69</b>	<b>15,998.50</b>

Source: Finance Accounts



**Appendix 2.1**  
**Statement of various Grants /Appropriations where saving were more than ₹ One crore each and more than 20 per cent of the Total Provision**

(Reference: Paragraph 2.3.1)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Total Provision	Saving	Percentage of Savings to Provision
1	2	Animal Husbandry & Veterinary Services Department- Capital Voted	4.50	1.00	22.22
2	3	Buildings & Housing Department- Capital Voted	47.38	13.07	27.59
3	5	Co-operation Department- Capital Voted	41.47	11.11	26.79
4	6	Ecclesiastical Department – Revenue Voted	37.45	8.69	23.20
5	7	Education Department – Capital Voted	55.20	26.35	47.74
6	11	Food & Civil Supplies Department- Capital Voted	14.86	14.49	97.51
7	12	Forestry & Environment Department- Capital Voted	5.80	2.07	35.69
8	14	Home Department- Capital Voted	9.71	2.83	29.15
9	15	Horticulture Department– Revenue Voted	164.31	62.60	38.10
10	16	Commerce and Industries Department– Revenue Voted	61.56	28.62	46.49
11	17	Information and Public Relation Department - Capital Voted	0.10	0.10	100.00
12	19	Water Recourses & River Development Department– Revenue Voted	122.94	91.79	74.66
13	22	Land Revenue and Disaster Management Department - Capital Voted	35.84	10.43	29.10
14	29	Planning& Development Department – Revenue Voted	16.76	3.69	22.02
15	29	Planning & Development Department - Capital Voted	46.75	9.69	20.73
16	30	Police Department - Capital Voted	4.69	2.75	58.64
17	31	Power Department - Capital Voted	85.34	21.76	25.50
18	33	Water Security and Public Health Engineering Department - Capital Voted	109.56	52.19	47.64
19	35	Rural Development Department– Revenue Voted	472.12	132.95	28.16
20	35	Rural DevelopmentDepartment -Capital Voted	520.92	114.90	22.06
21	38	Social Justice & Welfare Department- Capital Voted	36.42	17.13	47.03
22	39	Sports & Youth Affairs Department- Capital Voted	18.16	7.72	42.51
23	40	Tourism Department- Capital Voted	79.31	24.72	31.17
24	41	Vigilance Department- Capital Voted	96.01	35.48	36.95
25	47	Skill Development and Entrepreneurship Department – Revenue Voted	26.07	11.87	45.53
26	47	Skill Development and Entrepreneurship Department- Capital Voted	30.70	28.30	92.18
		<b>Total</b>	<b>2143.93</b>	<b>736.30</b>	



**Appendix 2.2 (A)**  
**Statement showing results of review of Substantial Surrenders**  
**(50 per cent or more of total provision) made during the year**  
*(Reference: Paragraph 2.3.2)*

(₹ in lakh)

Sl. No.	Grant No.	Name of Grant	Name of the scheme (Head of Account)	Original Provision	Amount of Surrender	% of surrender
1	2	Animal Husbandry & Veterinary Services Department	Intensive Poultry Dev (103)	136.65	120.16	88
		Provision of ₹120.16 lakh was surrendered stated to be due to excess provision under different programme heads after rationalization of heads of accounts.				
2	2	Animal Husbandry & Veterinary Services Department	Extension of sheep breeding Centre (104)	40.94	40.48	99
		Provision of ₹40.48 lakh was surrendered in March 2019 was stated to be due to excess provision under different programme heads after rationalization of heads of accounts.				
3	2	Animal Husbandry & Veterinary Services Department	Pasture Dev	163.87	129.28	79
		Surrendered by ₹129.28 lakh was stated that the fund transferred from wages owing to regularization of MR employees and excess provision under different programme heads after rationalization of heads of accounts.				
4	2	Animal Husbandry & Veterinary Services Department	Dairy Dev (2404)	74.19	57.26	77
		Withdrawal of fund of ₹57.26 lakh through surrendered in March 2018 was stated to be due to excess provision under different programme heads after rationalization of heads of accounts.				
5	3	Building and Housing	CE (Buildings) Establishment (61)	2369.48	177.95	75
		Surrender was mainly due to delay in revision in pay				
6		Building and Housing	Dev. of Infrastructure Facilities for Judiciary including Gram Nayayalaya (31)	753.58	496.58	66
		Due to less release of resource by Government of India				
7	7	Education Department	National Education Mission (109)	6,975.46	5233.61	75
		Reduction of provision by ₹5233.61 lakh by way of surrender in March 2019 was stated to be due to non-receipt of anticipated central share from MHRD.				
8	7	Education Department	National Education Mission (103)	2160	2080	96
		Surrender of ₹2080.00 lakh in March 2019 was stated to be due to non-receipt of anticipated central share and matching share.				
9	7	Education Department	National Education Mission (201)	534.79	373.78	70
		Reduction of provision by ₹373.78 lakh by way of surrender in March 2019 was stated to be due to non-receipt of anticipated equivalent Central Fund.				
10	7	Education Department	National Education Mission (103)	588.20	451.17	77
		Reduction of provision by ₹451.17 lakh by way of surrender in March 2019 was stated to be due to non-receipt of anticipated equivalent Central Fund and non-submission of bills.				
11	10	Finance Department	Stamps Non Judicial (101)	5	5	100
		Entire provision of 5.00 lakh was surrendered due to non-printing of stamps				
12	10	Finance Department	Other Expenses Misc Gen Services (800)	14261.37	12338.76	87
		Surrender of ₹12338.76 stated to be due to compliance of austerity measure by restricting tour outside the state.				
13	11	Food & Civil Supplies Department	Food Security Allowance (63)	1	1	100
		Entire provision of ₹1.00 lakh was surrendered in March 2019 due to absence of situation of compensating to consumer				
14	11	Food & Civil Supplies Department	National Food Security Mission (102)	245	245	100
		Entire provision of ₹245.00 lakh was surrendered in March 2019 was stated to be due to delay in selection of construction site.				
15	11	Food & Civil Supplies Department	Conservation of Natural Resources and Eco –	100	100	100



Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of surrender
			(Head of Account)			
			systems (101)			
		Entire provision of ₹100.00 lakh was surrendered in March 2019; stated to be due to non-receipt of fund from Government of India.				
16	12	Forest & Environment Department	Scheme funded under Sikkim Ecology Fund (101)	2080	1970.09	95
		₹1970.09 lakh surrendered in March 2019; it was stated that the expenditure was restricted as per the Annual plan of operation.				
17	12	Forest & Environment Department	National Afforestation Programme (101)	286.89	199.59	70
		₹199.59 lakh was surrendered in March 2019; stated to be due to non-receipt of fund from Government of India.				
18	14	Home Department	Strengthening of Judicial System	561.4	308.35	55
		Provision of ₹308.35 lakh was surrendered in March 2019 stated to be due to delay in implementation of the Projects by executing department & surrendered by Building & Housing Department.				
19	15	Horticulture Department	National Mission on Sustainable Agriculture	6,000.00	6,000.00	100
		Entire provision of ₹6,000.00 lakh surrendered due to non-receipt of fund from central Ministries.				
20	16	Commerce & Industries Department	Setting up of Heritage/handicraft museum at Namchi	150	150	100
21	16	Commerce & Industries Department	Hand-made Paper Unit at Melli, South Sikkim (NEC)	185	185	100
		Entire provisions of ₹150 lakh and ₹185 lakh in the above two cases were surrendered in March 2019; stated to be due to late submission of UC from Building and Housing Department.				
22	16	Commerce & Industries	Other Programmes	2510	2501.67	99
		₹2501.67 lakh surrendered; stated to be due to non-release of resource by FRED and closing down of some units.				
23	17	Information and Public Relation	Buildings	10	10	100
		Entire provision of ₹10.00 lakh was neither utilised nor surrendered by the department.				
24	19	Water Resources Deptt.	Original works	8463.82	7270.81	86
		₹72,70.81 lakh surrendered in March 2019; stated to be due to less receipt of central share.				
25	19	Water Resources Deptt.	Pradhan Mantri Krishi Sinchai Yojana-HarKhetdopani	100.08	100.08	100
		₹1,00.08 lakh surrendered in the Month of March 2019; stated to be due to non-receipt of central share.				
26	19	Water Resources Deptt.	Suspense	20	20	100
		Entire provision of ₹20.00 lakh was surrendered; stated to be as directed by Pr.Secretary, FRED.				
27	19	Water Resources Deptt.	Rationalisation of Minor Irrigation Statistics (100% CSS)	1776.01	1692.82	95
		₹16,92.82 lakh surrendered in the Month of March 2019; stated to be due to non-receipt of Central Share and non-receipt of medical bills in time.				
28	20	Judiciary	Charged	264.98	165.59	62
29	22	Land Revenue and Disaster Management Department	Re-construction of damaged/collapsed Rural Houses	380	380	100
		Entire Provision of ₹3,80 lakh was surrendered in the month of March 2019; stated to be due to non-receipt of claim from the concerned department.				
30	22	Land Revenue and Disaster Management Department	Gratuitous Relief	800	422.46	53
31	22	Land Revenue and Disaster Management Department	Repair and restoration of damages roads & bridges	1000	872.57	87
32	22	Land Revenue and Disaster Management Department	Repair and restoration of damages water supply, drainage & sewerage works	250	174.69	70
		Surrender of ₹4, 22.46 lakh, ₹8,72.57 lakh and ₹174.69 lakh in the above three cases in March 2019 was stated to be due to non-occurrence of major calamity during the year.				
33	22	Land Revenue and Disaster Management Department	National Land Record Management Programme	314.08	314.08	100
		Entire Provision of ₹3, 14.08 lakh was surrendered in March 2019; stated to be due to non-receipt of fund from Government of India.				
34	22	Land Revenue and Disaster	Land Bank Scheme	500	500	100



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Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of surrender
			(Head of Account)			
		Management Department				
		Entire provision (₹5.00 lakh) was surrendered(March 2019) due to austerity measure adopted by the Deptt.				
35	29	Planning & Development Department	Border Area Development Programmes	110	97.22	88
		₹97.22 lakh was surrendered stated to be due to non-requisition of resource for all sanctioned works by the implementing Departments.				
36	30	Police Department	Construction of Police Memorial	50	50	100
		Entire provision of ₹50.00 lakh was surrendered in March 2019 stated to be due to non-receipt of any claim.				
37	30	Police Department	Police Housing	368.67	225	61
		Surrender of ₹225.00 lakh in March 2019; stated to be as per instruction of FRED.				
38	31	Power Department	Administration of Energy Conservation Act	50	50	100
		Entire provision of ₹50.00 lakh was surrendered in March 2019; stated to be due to absence of any proposal for expenditure under this scheme.				
39	31	Power Department	Hydel Generation	0.13	0.13	100
40	31	Power Department	NEC funding for Schemes under Ministry of New and Renewable Energy	0.10	0.10	100
		Entire provision of ₹0.13 lakh and ₹0.10 lakh were surrendered; stated to be due to non-receipt of fund from Government of India.				
41	31	Power Department	Construction of D/C 132 KV Transmission Lines from LLHP to Nathula with LILO at Bulbuley (NLCPR)	92.72	68.53	74
		Reduction of provision by ₹68.53 lakh by way of surrender in March 2019; stated to be due to non-receipt of fund from Government of India.				
42	31	Power Department	Drawing of New 66 KV Double Circuit Transmission Line from LLHP to Tadong 66/11 KV sub-station, East Sikkim (NLCPR)	161.99	161.99	100
		Reduction of entire provision of ₹1, 61.99 lakh by way of surrender in March 2019; stated to be due to non-receipt of fund from Government of India.				
43	33	Public Health Engineering Department	Gangtok Water Supply Schemes East	73.29	73.29	100
		Surrender of ₹73.29 lakh in March 2019, stated to be due to non-receipt of fund from Government of India.				
44	33	Public Health Engineering Department	Pakyong Water Supply Schemes East	177.02	147.43	83
		Surrender of provision by ₹1,47.43 lakh in March 2019; stated to be due to non-receipt of fund from Government of India.				
45	33	Public Health Engineering Department	Schemes under 10% Lump sum Provision for NE States including Sikkim (100% CSS)	414.08	412.28	100
46	33	Public Health Engineering Department	Water Supply Scheme for South District	2793.58	2687.28	96
47	33	Public Health Engineering Department	Water Supply Scheme for East District	75.86	50.21	66
		Surrender of provision by ₹4,12.28 lakh, ₹26,87.28 lakh, and ₹50.21 lakh in above three cases in March 2019 was stated to be due to non-receipt of fund from Government of India.				
48	34	Roads & Bridges Department	Suspense	100	100	100
		Entire provision of ₹100.00 lakh was surrendered; stated to be due to non-receipt of bills.				
49	34	Roads & Bridges Department	Construction of Steel Bridge at Sangkhola Sumin Road	4.26	4.26	100
		Entire provision of ₹4.26 lakh was surrendered in March 2019 stated to be due to non-receipt of bills.				
50	34	Roads & Bridges Department	Construction of Steel Bridge in South Sikkim	570.57	395.32	69
		Reduction in provision by ₹5,24.44 lakh (total effect of re-appropriation by ₹1,29.12 lakh); stated that				



Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of surrender
			(Head of Account)			
		progress of work not achieved as projected and surrender of 3,95.32 lakh due to non-receipt of anticipated funds from Government of India.				
51	34	Roads & Bridges Department	Construction of Bridges in West Sikkim	187.2	187.2	100
		Entire provision of ₹1, 87.20 lakh was surrendered in March 2019 stated due to non-receipt of anticipated funds from Government of India.				
52	34	Roads & Bridges Department	Roads for Interstate or Economic Importance	250.04	198.04	79
		An amount of ₹1,98.04 lakh was surrendered in March 2019 stated to be due to less progress of the works, non-receipt of bills and non-receipt of anticipated funds from Government of India.				
53	35	Rural Development Department	Housing	525	500	95
		Surrender of ₹5, 00.00 lakh in March 2019 was stated to be due to non-receipt of fund from Government of India.				
54	38	Social Justice & Welfare Department	Tribal Area Sub Plan	163	82.46	51
		Surrender of ₹ 82.46 lakh in March 2019 was stated to be due to works not sanctioned following enforcement of Model code of conduct from 10.03.2019.				
55	38	Social Justice & Welfare Department	Education Support	14	14	100
		Entire provision of ₹14.00 lakh was surrendered in March 2019 was stated to be due to non-receipt of fund from Government of India.				
56	38	Social Justice & Welfare Department	Umbrella Scheme for Education of ST Student	0.5	0.5	100
		Entire provision of ₹0.50 lakh was surrendered in March 2019 was stated to be due to non-receipt of fund from Government of India.				
57	38	Social Justice & Welfare Department	Umbrella Scheme for Education for Minorities	3	2.71	90
		Surrender of provision by ₹ 2.71 lakh in March 2019 was stated to be due to non-receipt of fund from Government of India.				
58	38	Social Justice & Welfare Department	Rajeev Gandhi Schemes for Empowerment of Adolescent Girls (RGSEAG)SABLA(CSS)	81.95	77.2	94
		Surrender of provision by ₹77.20 lakh in March 2019 was due to non-receipt of bills in time and less receipt of fund from Government of India.				
59	38	Social Justice & Welfare Department	Other Women's Welfare Programme	3.40	2.40	71
		Surrender of provision by ₹2.40 lakh in March 2019 was stated to be due to non-receipt of any application.				
60	38	Social Justice & Welfare Department	Pension Schemes	402	306.56	76
		Surrender of provision by ₹ 306.56 lakh in March 2019 was stated to be due to less numbers of beneficiaries.				
61	38	Social Justice & Welfare Department	Tribal Area Sub Plan	200	162.43	81
		Surrender ₹162.43 lakh in March 2019 was due to surrender by the UDD without executing works.				
62	38	Social Justice & Welfare Department	Special Component Plan for Scheduled Castes	50	50	100
		Surrender of entire provision of ₹50.00 lakh in March 2019 was due to surrender by the UDD without executing works.				
63	38	Social Justice & Welfare Department	Tribal Area Sub Plan	50	38.59	77
		Surrender of ₹38.59 lakh in March 2019 was due to surrender by the UDD without incurring expenditure.				
64	38	Social Justice & Welfare Department	Tribal Area Sub Plan	341.16	240.69	71
		Surrender of provision by ₹2,40.69 lakh in March 2019 was stated to be due to non-receipt of bills.				
65	38	Social Justice & Welfare Department	construction	179.06	151.92	85
		Surrender of provision by ₹151.92 lakh in March 2019 was stated to be due to non-receipt of bills.				
66	38	Social Justice & Welfare Department	Tribal Area Sub Plan	99	64	65
		Surrender of provision by ₹64.00 lakh in March 2019 was stated to be due to non-receipt of any proposal from R & B department.				
67	40	Tourism and Civil Aviation	Infrastructure Development	691.02	513.58	74



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Sl. No.	Grant No.	Name of Grant	Name of the scheme (Head of Account)	Original Provision	Amount of Surrender	% of surrender
		Department	for Destinations and Circuits			
		Surrender of provision by ₹513.58 lakh in Mach 2019 was stated to be non-availability of unspent balance.				
68	40	Tourism and Civil Aviation Department	Tourist Destination Projects	1520.28	858.08	56
		The provision was surrendered by ₹858.08 lakh in March 2019 due to non-submission of bill.				
69	41	Urban Development Department	Swachh Bharat Mission	398.06	398.06	100
		Surrender of provision of ₹3,98.06 lakh in March 2019 was attributed to non-receipt of fund from GoI.				
70	41	Urban Development Department	National Urban Livelihood Mission	393.4	259.95	66
		Surrender of provision of ₹2,59.95 lakh in March 2019 was attributed to non-receipt of projected fund Central and State Share.				
71	41	Urban Development Department	Construction of Parking place at Namthang	1596.88	1092.78	68
		Surrender of provision of ₹10,92.78 lakh was mainly due to non-receipt of fund from Government of India.				
72	43	Panchayat Raj Institutions	Performance grant recommended by the 14th FC	374	374	100
		Entire provision of ₹3,74.00 lakh was surrendered in March 2019 due to non-receipt of fund from Ministry of Panchayati Raj.				
73	46	Municipal Affairs	Performance grant recommended by 14th FC	252	252	100
		Surrender of entire provision by ₹252.00 lakh in Mach 2019 was stated to be due to non-receipt of Performance Grant 2018-19.				
74	47	Skill Development & Entrepreneurship Department	Skill Development Mission	1427.56	1133.51	79
		Surrender of provision by ₹11,33.51 lakh in March 2019 was stated to be due to non-existence of schemes and delay in obtaining approval of the Government.				
75	47	Skill Development Department	ITI, Kewzing	13	13	100
		Entire provision of ₹13.00 lakh surrendered in March 2019 was stated to be due to delay in start of ITI Kewzing.				
76	47	Skill Department	Construction of ITI at Kewzing, South Sikkim	294.56	294.56	100
77	47	Skill Development & Entrepreneurship Department	Construction of three hostels and three boundary walls	205.3	205.3	100
		Surrender of entire provision of ₹2,94.56 lakh and ₹2,05.30 lakh in March 2019 in the above two cases was stated to be due to non-receipt of fund of GoI and withholding of State share by Finance Department.				
78	47	Skill Development Department	Upgradation of Govt ITI Namchi into Model ITI	237.45	197.34	83
		Surrendered ₹1,97.34 lakh in March 2019 due to non-receipt of fund of Government of India.				
79	47	Skill Development Department	Construction of Pharmacy Training Centre at ITI, Rangpo	270	270	100
80	47	Skill Development Department	Construction of Centre of Excellence at Rangpo under VTIP scheme	18	18	100
81	47	Skill Development Department	Construction of ITI at Chambung West Sikkim	855	855	100
82	47	Skill Development Department	State Industry Integrated Training cum Production and Service Centre at Sokeythang	990	990	100
		Surrender of entire provision of ₹2,70.00 lakh, ₹18.00 lakh, ₹8,55.00 lakh and ₹9,90.00 lakh in the above four cases was stated to be due to non-receipt of fund of Government of India.				
			<b>Total</b>	<b>71189.75</b>	<b>59414.60</b>	<b>83.46</b>



## Appendix 2.2 (B)

## Statement showing results of review of Substantial Surrenders with 100 per cent Surrender made during the year 2018-19

(Reference: Paragraph 2.3.2)

(` in lakh)

Sl. No.	Grant No.	Name of Grant	Name of the scheme (Head of Account)	Original Provision	Amount of Surrender	% of Surrender
1	10	Finance Department	Stamps Non Judicial (101)	5	5	100
		Entire provision of ₹5.00 lakh was surrendered due to non-printing of stamps				
2	11	Food & Civil Supplies Department	Food Security Allowance (63)	1	1	100
		Entire provision of ₹1.00 lakh was surrendered in March 2019 was stated to be due to absence of situation of compensation to consumer				
3	11	Food & Civil Supplies Department	National food security Mission (102)	245	245	100
		Entire provision of ₹245.00 lakh surrendered in March 2019, was stated to be due to delay in selection of construction site.				
4	11	Food & Civil Supplies Department	Conservation of Natural Resources and Eco – systems (101)	100	100	100
		Entire provision of ₹100.00 lakh surrendered in March 2019 was stated to be due to non-receipt of fund from Government of India.				
5	15	Horticulture Department	National Mission on Sustainable Agriculture	6,000.00	6,000.00	100
		Entire provision of ₹6,000.00 lakh was surrendered due to non-receipt of fund from central Ministries.				
6	16	Commerce & Industries Department	Setting up of Heritage/handicraft museum at Namchi	150	150	100
7	16	Commerce & Industries Department	Hand-made paper unit at Melli, South Sikkim (NEC)	185	185	100
		Entire provisions of ₹150 lakh and ₹185 lakh in the above two cases surrendered in March 2019 was stated to be due to late submission of UC from Building and Housing Department.				
8	16	Commerce & Industries Department	Other Programmes	2510	2501.67	100
		₹2501.67 lakh surrendered was stated to be due to non-release of resource by Finance Department and closure of some units.				
9	19	Water Resources and River Development Department	Pradhan Mantri Krishi Sinchai Yojana-Har Khet dopani	100.08	100.08	100
		₹100.08 lakh surrendered in March 2019 was stated to be due to non-receipt of central share.				
10	19	Water Resources and River Development Department	Suspense	20	20	100
		Entire provision of ₹20.00 lakh surrendered was stated to be as directed by Pr.Secretary, Finance Department.				
11	22	Land Revenue and Disaster Management Department	Rural Housing	380	380	100
		Entire Provision of ₹380.00 lakh surrendered in March 2019 was stated to be due to non-receipt of claim from the concerned department.				
12	22	Land Revenue and Disaster Management Department	National Land Record Management Programme	314.08	314.08	100
		Entire Provision of ₹3,14.08 lakh surrendered in March 2019 was stated to be due to non-receipt of fund from Government of India.				
13	22	Land Revenue and	Land Bank Scheme	500	500	100



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Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of Surrender
			(Head of Account)			
		Disaster Management Department				
		Entire provision of ₹5,00.00 lakh was surrendered in March 2019 due to austerity measure adopted by the Department.				
14	30	Police Department	Construction of Police Memorial	50	50	100
		Entire provision of ₹50.00 lakh surrendered in March 2019 was stated to be due to non-receipt of any claim.				
15	31	Power Department	Administration of Energy Conservation Act	50	50	100
		Entire provision of ₹50.00 lakh surrendered in March 2019 was stated to be due to absence of any proposal for expenditure under this scheme.				
16	31	Power Department	Hydel Generation	0.13	0.13	100
17	31	Power Department	NEC funding for Schemes under Ministry of New and Renewable Energy	0.1	0.1	100
		Entire provision of ₹0.13 lakh and ₹0.10 lakh surrendered was stated to be due to non-receipt of fund from Government of India.				
18	31	Power Department	Drawing of New 66KV Double Circuit Transmission Line from LLHP to Tadong 66/11KV sub-station, East Sikkim (NLCPR)	161.99	161.99	100
		Reduction of entire provision of ₹161.99 lakh by way of surrender in March 2019 was stated to be due to non-receipt of fund from Government of India.				
19	33	Public Health Engineering Department	Gangtok Water Supply Schemes East	73.29	73.29	100
		Surrender of ₹73.29 lakh in March 2019 was stated to be due to non-receipt of fund from Government of India.				
20	33	Public Health Engineering Department	Schemes under 10% Lump sum Provision for NE States including Sikkim (100% CSS)	414.08	412.28	100
		Surrender of provision by ₹412.28 lakh in March 2019 was stated to be due to non-receipt of fund from Government of India.				
21	34	Roads & Bridges Department	Suspense	100	100	100
		Entire provision of ₹100.00 lakh surrendered stated to be due to non-receipt of bills.				
22	34	Roads & Bridges Department	Construction of Steel Bridge at Sangkhola Sumin Road	4.26	4.26	100
		Entire provision of ₹4.26 lakh surrendered in March 2019 was stated to be due to non-receipt of bills.				
23	34	Roads & Bridges Department	Construction of Bridges in West Sikkim	187.2	187.2	100
		Entire provision of ₹187.20 lakh surrendered in March 2019 was stated to be due to non-receipt of anticipated funds from Government of India.				
24	38	Social Justice & Welfare Department	Education Support	14	14	100
		Entire provision of ₹14.00 lakh surrendered in March 2019 was stated to be due to non-receipt of fund from Government of India.				
25	38	Social Justice & Welfare Department	Umbrella Scheme for Education of ST Student	0.5	0.5	100
		Entire provision of ₹0.50 lakh surrendered in March 2019 was stated to be due to non-receipt of fund from Government of India.				
26	38	Social Justice & Welfare Department	Special Component Plan for Scheduled Castes	50	50	100
		Surrender of entire provision of ₹50.00 lakh in March 2019 was stated to be due that the provision was surrendered by the UDD without executing works.				



Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of Surrender
			(Head of Account)			
27	41	Urban Development Department	Swachh Bharat Mission	398.06	398.06	100
		Surrender of entire provision of ₹398.06 lakh in March 2019 was attributed to non-receipt of projected fund from Government of India.				
28	43	Panchayat Raj Institutions	Performance grant recommended by the 14th FC	374	374	100
		Entire provision of ₹374.00 lakh surrendered in March 2019 was stated to be due to non-receipt of fund from Ministry of Panchayati Raj.				
29	46	Municipal Affairs	Performance grant recommended by the 14th FC	252	252	100
		Surrender of entire provision by ₹252.00 lakh in March 2019 was stated to be due to non-receipt of performance Grant 2018-19.				
30	47	Skill Development Department	Industrial Training Institute., Kewzing	13	13	100
		Entire provision of ₹13.00 lakh surrendered in March 2019 was stated to be due to delay in start of ITI Kewzing.				
31	47	Skill Development Department	Construction of ITI at Kewzing, South Sikkim	294.56	294.56	100
32	47	Skill Development Department	Construction of three hostels and three boundary walls	205.3	205.3	100
		Surrender of entire provision of ₹294.56 lakh and ₹205.30 lakh in March 2019 in the above two cases was stated to be due to non-receipt of fund of Government of India and withholding of State share by Finance Department.				
33	47	Skill Development Department	Construction of Pharmacy Training Centre at ITI, Rangpo	270	270	100
34	47	Skill Development Department	Construction of Centre of Excellence at Rangpo under Vocational Trg. Improvement project	18	18	100
35	47	Skill Development Department	Construction of ITI at Chambung West Sikkim	855	855	100
36	47	Skill Development Department	State Industry Integrated Training cum Production and service centre at Sokeythang	990	990	100
		Surrender of entire provisions of ₹270.00 lakh, ₹18 lakh, ₹855.00 lakh and ₹990.00 lakh in the above four cases were due to non-receipt of fund of Government of India.				
			<b>Total</b>	<b>15275.50</b>	<b>15275.50</b>	



**Appendix 2.3**

**Statement showing cases where Supplementary Provisions proved unnecessary**

(₹10 lakh or more in each case)

(Reference: Paragraph 2.3.3)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Original	Actual Expenditure	Savings out of original provision	Supplementary	Supplementary obtained
<b>A – REVENUE (VOTED)</b>							
1	1	Agriculture	99.34	90.19	9.15	4.60	December 2018
2	2	Animal Husbandry & Veterinary Services	66.18	62.53	3.65	5.19	December 2018
3	3	Buildings & Housing	33.30	31.44	1.87	0.40	July 2018
4	7	Education	724.4	680.31	44.09	57.75	July, September and December 2018
5	11	Food & Civil supplies	22.71	20.74	1.97	0.10	July 2018
6	12	Forest & Environment	168.11	139.17	28.94	5.03	July and December 2018
7	14	Home	61.86	60.96	0.9	3.77	July, September and December 2018
8	15	Horticulture	156.62	101.71	54.91	7.69	July, September and December 2018
9	16	Commerce & Industries	61.32	32.94	28.38	0.24	July and December 2018
10	19	Water Resources Department	120.94	31.15	89.79	2.00	December 2018
11	20	Judiciary	21.45	21.35	0.1	1.07	July, September and December 2018
12	29	Planning & Development	16.61	13.07	3.54	0.15	July 2018
13	30	Police	390.11	373.44	16.67	6.02	July, September and December 2018
14	31	Power	210.04	206.24	3.8	5.07	July, September and December 2018
15	37	Transport	63.14	62.93	0.21	0.29	July and September 2018
16	40	Tourism	28.31	26.94	1.37	1.3	July and September 2018
17	43	PRI	391.7	388.36	3.34	7.84	July 2018
18	46	Municipal Affairs	16.89	13.91	2.98	0.27	July 2018
		<b>Total – REVENUE</b>	<b>2653.03</b>	<b>2357.38</b>	<b>295.66</b>	<b>108.78</b>	
<b>B- CAPITAL (VOTED)</b>							
19	3	Buildings & Housing	43.47	34.31	9.15	3.91	July and December 2018
20	7	Education	40.98	28.85	12.13	14.22	July and September 2018
21	31	Power	74.77	63.58	11.19	10.57	July and September 2018
22	33	Public Health Engineering Deptt	108.63	57.37	51.26	0.93	July, September and December 2018



Sl. No.	Grant No.	Name of Grant/Appropriation	Original	Actual Expenditure	Savings out of original provision	Supplementary	Supplementary obtained
23	35	Rural Development	455.41	406.02	49.39	65.51	July, September and December 2018
24	38	Social Justice & Welfare	33.71	19.29	14.42	2.71	July, September and December 2018
25	40	Tourism & Civil Aviation	68.68	54.59	14.09	10.63	July, September and December 2018
26	41	Urban Development	81.44	60.53	20.91	14.57	July, September and December 2018
		<b>Total – CAPITAL</b>	<b>907.09</b>	<b>724.54</b>	<b>182.54</b>	<b>123.05</b>	
		<b>Grand total</b>	<b>3560.12</b>	<b>3081.92</b>	<b>478.20</b>	<b>231.83</b>	



Appendix 2.4

Summarised position of expenditure and savings for the period 2014-15 to 2018-19

(Reference: Paragraph 2.3.5)

(₹ in crore)

2014-15						
	Nature of Expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
<b>Voted</b>	I Revenue	4,631.99	87.14	4,719.13	3459.11	(-)1,260.02
	II Capital	1,669.79	114.31	1,784.10	1,007.21	(-)776.89
	III Loans and Advances	0.55	-	0.55	0.07	(-)0.48
	<b>Total Voted</b>	<b>6302.33</b>	<b>201.45</b>	<b>6,503.78</b>	<b>4,466.39</b>	<b>(-)2,037.39</b>
<b>Charged</b>	IV Revenue	275.38	0.44	275.82	273.38	(-)2.44
	V Capital	0.00	0	-	0.00	0.00
	VI Public Debt-	89.00	0	89.00	87.03	(-)1.97
	<b>Total charged</b>	<b>364.38</b>	<b>0.44</b>	<b>364.82</b>	<b>360.41</b>	<b>(-)4.41</b>
	<b>Grand total</b>	<b>6,666.71</b>	<b>201.89</b>	<b>6,868.60</b>	<b>4,826.80</b>	<b>(-)2,041.80</b>
						Percentage of savings as compared to total allocation 29.73 %
2015-16						
<b>Voted</b>	I Revenue	4,073.16	82.23	4,155.39	3,349.62	(-)805.77
	II Capital	1,085.63	126.83	1,212.46	660.94	(-)551.52
	III Loans and Advances	0.55	-	0.55	0.07	(-)0.48
	<b>Total Voted</b>	<b>5,159.34</b>	<b>209.06</b>	<b>5,368.40</b>	<b>4,010.63</b>	<b>(-)1,357.77</b>
<b>Charged</b>	IV Revenue	310.60	-	310.60	296.53	(-)14.07
	V Capital	0.00	0	0.00	0.00	0.00
	VI Public Debt-	200.04	0	200.04	196.12	(-)3.92
	<b>Total charged</b>	<b>510.64</b>	<b>0</b>	<b>510.64</b>	<b>492.65</b>	<b>(-)17.99</b>
	<b>Grand Total</b>	<b>5,669.98</b>	<b>209.06</b>	<b>5,879.04</b>	<b>4,503.28</b>	<b>(-)1,375.76</b>
						Percentage of savings as compared to total allocation 23.40 %
2016-17						
<b>Voted</b>	I Revenue	4394.48	293.60	4688.08	3426.75	(-)1261.33
	II Capital	877.65	391.06	1268.71	737.29	(-)531.42
	III Loans and advances	0.55	00.00	0.55	0.00	(-)0.55
	<b>Total Voted</b>	<b>5272.68</b>	<b>684.66</b>	<b>5957.34</b>	<b>4164.04</b>	<b>(-)1793.30</b>
<b>Charged</b>	IV Revenue	364.51	00.00	364.51	361.85	(-)2.66
	V Capital	0.00	0.00	0.00	0.00	0.00
	VI Public Debt-	247.24	00.00	247.24	246.26	(-)0.98
	<b>Total charged</b>	<b>611.75</b>	<b>0.00</b>	<b>611.75</b>	<b>608.11</b>	<b>(-)3.64</b>
	<b>Grand Total</b>	<b>5884.43</b>	<b>684.66</b>	<b>6569.09</b>	<b>4772.15</b>	<b>(-)1796.94</b>
						Percentage of savings as compared to total allocation 27.35 %
2017-18						
<b>Voted</b>	I Revenue	4,312.60	389.60	4,702.20	3,749.32	-952.88
	II Capital	1,311.10	693.81	2,004.91	1,523.28	-481.73
	III Loans and advances	0.55	0	0.55	0.45	-0.10
	<b>Total Voted</b>	<b>5,624.25</b>	<b>1,083.41</b>	<b>6,707.66</b>	<b>5,273.05</b>	<b>-1,434.71</b>
<b>Charged</b>	IV Revenue	412.68	0.82	413.50	403.39	-10.11
	V Capital	327.10	15.53	342.63	342.63	0.00
	VI Public Debt-					0.00
	<b>Total charged</b>	<b>739.78</b>	<b>16.35</b>	<b>756.13</b>	<b>746.02</b>	<b>-10.11</b>
	<b>Grand Total</b>	<b>6,364.03</b>	<b>1,099.76</b>	<b>7,463.79</b>	<b>6,019.07</b>	<b>-1,444.82</b>
						Percentage of savings as compared to total allocation 19.36 %
2018-19						
<b>Voted</b>	I Revenue	4911.60	763.32	5674.92	4829.64	- 845.28
	II Capital	1329.08	529.19	1858.27	1392.68	-465.59
	III Loans and advances	0.55	0	0.55	0.55	0.00
	<b>Total Voted</b>	<b>6241.23</b>	<b>1292.51</b>	<b>7533.74</b>	<b>6222.87</b>	<b>- 1310.87</b>
<b>Charged</b>	IV Revenue	517.27	0.55	517.82	484.66	-33.16
	V Capital	375.32	0.57	375.89	375.88	-0.01
	VI Public Debt-	0	0	0	0	0.00
	<b>Total charged</b>	<b>892.59</b>	<b>1.12</b>	<b>893.71</b>	<b>860.54</b>	<b>- 33.17</b>
	<b>Grand Total</b>	<b>7133.82</b>	<b>1293.63</b>	<b>8427.45</b>	<b>7083.41</b>	<b>- 1344.04</b>
						Percentage of savings as compared to total allocation 15.95 %

## Appendix 2.5

## Summarised position of Persistent Savings of more than ₹ One crore and 10 per cent or more of the total grant for the period 2014-15 to 2018-19

(Reference: Paragraph 2.3.5)

('₹ in crore)

Sl. No.	Grant No.	Name of the Department	Amount of Savings				
			2014-15	2015-16	2016-17	2017-18	2018-19
<b>REVENUE – VOTED</b>							
1	1	Food Security and Agriculture Development	20.01 (28.58)	30.59 (38.25)	28.16 (34.97)	46.66 (49.29)	13.74 (13.22)
2	2	Animal Husbandry and Veterinary Services	5.35 (12.01)	14.35 (24.69)	5.98 (12.15)	6.73 (12.20)	8.83 (12.37)
3	12	Forestry & Environment Management	109.25 (38.40)	126.55 (60.63)	87.53 (40.06)	98.02 (45.09)	33.97 (19.62)
4	19	Water Resources and River Development	130.37 (87.63)	70.44 (67.38)	131.36 (81.43)	133.80 (75.41)	91.79 (74.66)
5	22	Land Revenue and Disaster Management	93.31 (33.05)	67.77 (43.38)	57.41 (34.18)	56.05 (40.65)	27.85 (11.19)
6	38	Social Justice, Empowerment and Welfare	31.11 (26.44)	68.68 (39.32)	48.85 (33.24)	56.64 (32.34)	24.97 (12.10)
<b>CAPITAL – VOTED</b>							
7	2	Animal Husbandry, Livestock, Fisheries and Veterinary Services	2.99 (66.44)	2.79 (64.73)	15.20 (78.59)	3.12 (36.84)	<b>1.00</b> (22.22)
8	5	Cultural Affairs and Heritage	10.60 (49.56)	11.36 (70.73)	15.77 (59.35)	6.80 (19.15)	11.11 (26.79)
9	7	Education	21.02 (57.20)	20.31 (68.55)	21.72 (41.44)	24.47 (29.12)	26.35 (47.74)
10	12	Forestry & Environment Management	1.00 (58.14)	3.30 (51.40)	4.32 (78.54)	1.34 (67.00)	2.07 (35.69)
11	22	Land Revenue and Disaster Management	101.50 (56.29)	54.33 (52.22)	19.35 (36.34)	10.08 (16.54)	10.43 (29.10)
12	31	Energy and Power	37.40 (54.36)	60.25 (61.43)	53.14 (48.07)	72.97 (49.05)	21.76 (25.30)
13	33	Public Health Engineering	37.41 (50.79)	23.38 (42.17)	92.94 (66.17)	74.26 (55.89)	52.17 (47.64)
14	34	Roads & Bridges	146.79 (63.17)	99.46 (43.52)	<b>161.61</b> (65.46)	57.58 (16.42)	61.64 (14.46)
15	38	Social Justice, Empowerment and Welfare	15.56 (66.92)	26.55 (64.71)	22.29 (63.25)	32.82 (57.09)	17.13 (47.34)
16	39	Sports & Youth Affairs	7.11 (58.14)	6.23 (57.69)	3.71 (50.14)	8.50 (57.82)	7.71 (42.48)
17	40	Tourism & Civil Aviation	154.54 (36.72)	42.95 (32.71)	12.14 (23.20)	57.63 (47.08)	24.72 (31.17)
18	41	Urban Development Department	159.46 (69.34)	37.93 (48.28)	43.20 (50.69)	43.07 (33.94)	35.48 (36.95)

Source: Appropriation Accounts. Figures in the bracket indicate percentage to total provision.



**Appendix 2.6**

**Statement showing details of savings of ₹ One crore and above not surrendered**

(Reference: Paragraph 2.3.6)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Capital/Revenue	Saving	Surrender	Saving which remained to be surrendered
<b>Revenue</b>						
1	1	Agriculture Department	Revenue	13.74	11.11	2.63
2	6	Ecclesiastical Department	Revenue	8.69	0.03	8.66
3	7	Education Department	Revenue	101.84	97.6	4.24
4	10	Finance Department	Revenue	30.49	29.11	1.38
5	12	Forest &, Environment Department	Revenue	33.97	30.08	3.89
6	15	Horticulture Department	Revenue	62.6	60.35	2.25
7	22	Land Revenue and Disaster Management Department	Revenue	27.85	26.13	1.72
8	28	Department of Personnel	Revenue	2.8	0.1	2.7
9	29	Planning & Development Department	Revenue	3.69	2.24	1.45
10	30	Police Department	Revenue	22.68	16.98	5.7
11	33	Water Security and Public Health Engineering Department	Revenue	1.96	0.27	1.69
12	34	Roads & Bridges Department	Revenue	10.44	3.01	7.43
13	35	Rural Development Department	Revenue	132.95	127.68	5.27
14	38	Social Justice & Welfare Department	Revenue	24.97	19.81	5.16
15	41	Urban Development Department	Revenue	12.74	10.41	2.33
<b>Capital</b>						
16	3	Buildings and Housing Department	Capital	13.07	4.97	8.1
17	5	Cultural Affairs and Heritage Department	Capital	11.11	6.83	4.28
18	7	Education Department	Capital	26.53	22.86	3.67
19	22	Land Revenue and Disaster Management Department	Capital	10.43	5	5.43
20	34	Roads & Bridges Department	Capital	61.64	19.46	42.18
21	35	Rural Development Department	Capital	114.9	106.53	8.37
22	38	Social Justice & Welfare Department	Capital	17.13	14.8	2.33
23	39	Sports & Youth Affairs Department	Capital	7.71	0	7.71
<b>Total</b>				<b>753.93</b>	<b>615.36</b>	<b>138.57</b>

## Appendix 2.7

## Statement showing surrender of funds in excess of ₹ 1 crore on 31 March 2019

(Reference: Paragraph 2.3.6)

(₹ in lakh)

Sl. No.	Grant No.	Department	Major Heads	Details	Total Provision	Amount Surrender	Percentage of Total Provision
1		Agriculture	2401	Crop Husbandry	7232.79	713.20	9.86
2	1		2435	Other Agriculture Programmes	2740.52	397.77	14.51
3	2	Animal Husbandry	2403	Animal Husbandry	6342.13	304.28	4.80
4		Building	2059	Public Works	2937.35	178.01	6.06
5	3	& Housing	4059	Capital Outlay Public Works	4737.86	496.58	10.48
6	5	Culture	4202	Capital Outlay on Education, Sports, Art and Culture	4147.33	682.89	16.47
7	7	Education	2202	General Education	76172.14	8,554.94	11.23
8			4202	Capital Outlay on Education, Sports, Art and Culture	5519.91	2,285.83	41.41
9			2049	Interest Payment	46354.03	2,911.17	6.28
10	10	Finance	2052	Secretariat General Services	15114.15	4,382.32	28.99
11			2075	Miscellaneous General Services	15938.35	2,338.76	14.67
12			2408	Food Storage Warehousing	1905.43	198.49	10.42
13	11	Food & Civil Supplies	4408	Food Storage and Warehousing	1241.00	1,204.10	97.03
14			5475	Other General Economic Services	245.00	245.00	100.00
15			2402	Soil and Water Conservation	1765.57	397.09	22.49
16	12	Forest & Environment	2406	Forestry and Wildlife	12707.28	544.74	4.29
17			3435	Ecology and Environment	2841.55	2,065.97	72.71
18			4406	Forestry and Wild Life	580.17	199.59	34.40
19	14	Home Department	2014	Administration of Justice	576.40	308.35	53.50
20			4059	Capital Outlay on Public Works	970.97	283.17	29.16
21	15	Horticulture	2401	Crop Husbandry	16431.08	6,035.34	36.73
22	16	Commerce and Industries	2851	Village and Small Industries	5236.13	2,859.45	54.61
23	19	Water Resources Department	2702	Minor Irrigation	12283.65	9,127.77	74.31
24	20	Judiciary	2014	Administration of Justice	2252.02	265.78	11.80
25	22	Land Revenue	2216	Housing	380.00	380.00	100.00
26			2245	Relief on Account of Natural Calamities	19809.24	1,887.58	9.53
27			2506	Land Reforms	564.08	314.08	55.68
28			4059	Capital Outlay on Public Works	3583.78	500.00	13.95
29	29	Planning & Development	3451	Secretariat Economic Services	805.11	127.11	15.79
30			4575	Capital Outlay on Other Special Areas Programmes	4675.00	171.40	3.67
31	30	Police	2055	Police	38171.00	1,681.96	4.41
32			4055	Capital Outlay on Police	418.67	275.00	65.68
33	33	Public Health Engineering Department	4215	Capital Outlay on Water Supply and Sanitation	10955.25	1,354.85	12.37
34	34	Roads & Bridges	2059	Public Works	106.21	100.92	95.02
35			3054	Roads & Bridges	14174.54	199.88	1.41
36			5054	Capital Outlay on Roads and Bridges	40869.35	1,945.74	4.76



Sl. No.	Grant No.	Department	Major Heads	Details	Total Provision	Amount Surrender	Percentage of Total Provision
37	35	Rural Development	2216	Housing	19315.07	500.00	2.59
38			2505	Rural Employment	16025.00	12,195.38	76.10
39			4215	Water Supply and Sanitation	3627.71	573.26	15.80
40			5054	Roads and Bridges	43400.18	10,060.00	23.18
41	38	Social Justice & Welfare	2225	Welfare of Schedule Castes, Schedule Tribes and Other Backward classes	7705.88	386.24	5.01
42			2235	Social Security and Welfare	11310.98	1,322.61	11.69
43			2236	Nutrition	1356.00	189.57	13.98
44	40	Tourism	3452	Tourism	2960.82	264.98	8.95
45			5452	Capital Outlay on Tourism	7931.08	2,447.68	30.86
46	41	Urban Development	2217	Urban Development	17630.81	714.96	4.06
47			3475	Other General Economic Services	393.40	259.95	66.08
48			4217	Capital Outlay on Urban Development	9601.05	3,145.97	32.77
49	43	Panchayat Raj Institutions	2515	Other Rural Development Programmes	8342.78	710.81	8.52
50			3604	Compensation to Local Bodies Raj Inst	5643.42	394.31	6.99
51	46	Municipal Affairs	3604	Compensation to Local Bodies Raj Institutions	1715.36	324.82	18.94
52	47	Skill Development Department	2070	Other Administrative Services	2233.43	1,161.56	52.01
53			4059	Capital Outlay on Public Works	2870.31	2,830.20	98.60
<b>Total</b>					<b>5,42,848.32</b>	<b>93,401.41</b>	

## Appendix 2.8

Statement showing excessive/ unnecessary/insufficient Re-appropriation  
(savings/excess of over ₹ 10 lakh) of funds

(Reference: Paragraph 2.3.7)

(₹ in lakh)

Sl. No.	Number and Name of grant	Head of Account	Re-Appropriation	Saving	Excess
1	1-Food Security and Agriculture Development	2401-107-03	163.05	51.24	0
2	2-Animal Husbandry, Livestock, Fisheries and Veterinary Services	2403-101-63	183.54	25.49	
3	10-Finance, Revenue and Expenditure	2071-01-101	10204.37	0	11.17
4	13-Health Care, Human Services and Family Welfare	2210-001-60	570	51.01	
5	30-Police	2055-104-66	345.82	17.83	
6		2055-109	444	26.74	
7		2055-108-67	1733.49	16.51	
8	33- Water Security and Public Health Engineering	2215-101-60	18.82	25.38	0
9	35- Rural Management and Development	3054-105-60	62.64	209.72	0
10		2215-105-81	177.27	25.00	0
11		2501-001-45	257.14	13.09	
12		2501-001-46	209.99	25.24	
13		2501-001-47	82.50	43.89	
14		2501-001-48	245.74	10.32	
15		2515-003-60	28.68	28.68	
16		5054-04-36	42.64	21.20	
17	38-Social Justice, Empowerment and Welfare	2225-794-62	335	113.09	
18		2235-001-39	269.85	42.82	
19		423-101-39	6.47	38.39	
20	39-Sports and Youth Affairs	2204-001-06	9.92	00	12.61
21	40-Tourism and Civil Aviation	5452-102-61	147.38	70.35	
			<b>Total</b>	<b>855.99</b>	<b>23.78</b>



### Appendix 3.1

#### Statement showing outstanding Utilisation Certificates in respect of Grants disbursed up to 2018-19

(Reference: Paragraph 3.1)

(₹ in crore)

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No of Vouchers	Amount	Received		Outstanding	
					No of Vouchers	Amount	No of Vouchers	Amount
1	Agriculture Department	Upto 2016-17	258	2.29	95	2	163	0.30
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
2	Animal Husbandry and Veterinary Services	Upto 2016-17	133	6.23	108	6.12	25	0.09
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
3	Co-operation	Upto 2016-17	184	16.23	164	15.49	20	1.38
		2017-18	13	2.35	0	0	13	2.35
		2018-19	22	1.4	0	0	22	1.4
4	Cultural Affairs and Heritage	Upto 2016-17	1522	21.64	1437	20.82	85	0.82
		2017-18	117	1.2	81	0.81	36	0.39
		2018-19	15	1.75	1	0	14	1.74
5	Ecclesiastical	Upto 2016-17	533	97.02	526	94.94	7	2.07
		2017-18	50	31.12	9	9.9	41	21.23
		2018-19	60	21.53	0	0	60	21.53
6	Education	Upto 2016-17	1942	363.43	1935	363.37	7	0.07
		2017-18	17	16.65	15	15.11	2	1.54
		2018-19	15	26.49	5	9.03	10	17.46
7	Forestry & Environment Management	Upto 2016-17	36	4.85	31	4.75	5	0.1
		2017-18	0	0	0	0	0	0
		2018-19	1	1.48	0	0	1	1.48
8	Health and Family Welfare	Upto 2016-17	61	50.9	58	44.65	3	6.25
		2017-18	10	11.04	0	0	10	11.04
		2018-19	9	5.29	0	0	9	5.29
9	Home	Upto 2016-17	51	15.48	48	13.98	3	1.5
		2017-18	3	2.88	0	0	3	2.88
		2018-19	6	3.03	0	0	6	3.03
10	Horticulture Department	Upto 2016-17	134	3.81	134	3.81	0	0
		2017-18	1	0.5	0	0	1	0.5
		2018-19	1	0.5	0	0	1	0.5
11	Commerce and Industries	Upto 2016-17	193	38.34	179	35.31	14	3.03
		2017-18	9	4.16	9	4.16	0	0
		2018-19	8	2.51	7	2.46	1	0.05
12	Information and Public Relation	Upto 2016-17	22	2.3	18	2.28	4	0.03
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
13	Information Technology	Upto 2016-17	81	2.66	0	0	81	2.66
		2017-18	4	0.8	0	0	4	0.8
		2018-19	15	0.59	0	0	15	0.59
14	Water Resources Department	Upto 2016-17	1	0.01	0	0	1	0.01
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
15	Labour	Upto 2016-17	34	32.33	25	32.29	9	0.04
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
16	Land Revenue and Disaster Management	Upto 2016-17	16	1.03	16	1.03	0	0
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No of Vouchers	Amount	Received		Outstanding	
					No of Vouchers	Amount	No of Vouchers	Amount
17	Motor Vehicles	Upto 2016-17	25	0.26	25	0.26		0
		2017-18	15	0.14	15	0.14	0	0
		2018-19	4	0.03	0	0	4	0.03
18	Department of Personnel	Upto 2016-17	5	15	5	15	0	0
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
19	Planning and Development Department	Upto 2016-17	669	5.61	669	5.61	0	0
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
20	Police	Upto 2016-17	45	0.44	45	0.44	0	0
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
21	Power	Upto 2016-17	18	12.45	7	8.45	11	4
		2017-18	2	3.17	0	0	2	3.17
		2018-19	2	3.48	0	0	2	3.48
22	Roads & Bridges	Upto 2016-17	4	0.05	4	0.05	0	0
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
23	Rural Development	Upto 2016-17	435	132.93	362	119.75	73	13.18
		2017-18	3	5.06	0	0	3	5.06
		2018-19	5	5.05	0	0	5	5.05
24	Science and Technology	Upto 2016-17	98	34.34	84	31	15	3.34
		2017-18	1	0.35	1	0.35	0	0
		2018-19	4	0.55	0	0	4	0.55
25	Sikkim Nationalised Transport	Upto 2016-17	2	0.76	2	0.76	0	0
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
26	Social Justice, Empowerment and Welfare	Upto 2016-17	729	32.62	394	21.91	335	10.71
		2017-18	25	5.01	23	3.83	2	1.18
		2018-19	27	5.53	1	0.08	26	5.45
27	Sports & Youth Affairs	Upto 2016-17	170	3.84	64	2.26	106	1.58
		2017-18	3	0.35	3	0.35	0	0
		2018-19	27	1	12	0.18	15	0.82
28	Tourism	Upto 2016-17	81	13.81	66	13.64	15	0.17
		2017-18	5	2.01	5	2.01	0	0
		2018-19	3	1.85	0	0	3	1.85
29	Urban Development	Upto 2016-17	8	0.98	8	0.98	0	0
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
30	Panchayat Raj Institutions	Upto 2016-17	942	677.32	933	676.89	9	0.43
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
31	Municipal Affairs	Upto 2016-17	49	4.06	49	4.06	0	0
		2017-18	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0
32	Skill Development Department	Upto 2016-17	3	5	3	5	0	0
		2017-18	3	8.4	3	8.4	0	0
		2018-19	6	5	6	5	0	0
<b>Total</b>			<b>8995</b>	<b>1780.27</b>	<b>7690</b>	<b>1608.71</b>	<b>1306</b>	<b>172.20</b>

Source: VLC data , O/o The Sr. D.A,G (A&E), Sikkim



**Appendix 3.2**

**Statement showing pending AC bills for the years upto 2018-19**

(Reference: Paragraph 3.2)

Sl. No.	Grant No.	Department/Particulars	No. of AC bills	Amount (₹ in lakh)
1	0	Contingency Fund	3	40.01
2	1	Agriculture Department	38	359.42
3	2	Animal Husbandry & Veterinary Services Department	39	421.40
4	3	Buildings & Housing Department	57	20.14
5	4	Co-operation Department	15	27.56
6	5	Cultural Affairs and Heritage	12	23.76
7	6	Ecclesiastical Affairs Department	11	74.78
8	7	Education Department	110	4075.26
9	8	Election Department	51	630.81
10	9	Excise Department	7	4.62
11	10	Finance Department	106	44.95
12	11	Food & Civil Supplies Department	13	114.39
13	12	Forest & Environment Department	43	56.25
14	13	Health & Family Welfare Department	218	714.06
15	14	Home Department	289	305.13
16	15	Horticulture Department	147	650.11
17	16	Commerce & Industries Department	7	1.51
18	17	Information and Public Relation	22	16.46
19	18	Information Technology Department	28	45.15
20	19	Water Resources and River Development Department	17	3.60
21	20	Judiciary	74	60.95
22	21	Labour Department	47	477.11
23	22	Land Revenue & Disaster Management Department	55	15.28
24	23	Law Department	6	0.98
25	24	Legislature	40	28.55
26	25	Mines & Geology Department	8	24.31
27	26	Motor Vehicles	5	0.98
28	27	Legal, Legislative and Parliamentary Affairs	14	8.45
29	28	Department Of Personnel	108	532.65
30	29	Planning & Development Department	84	242.29
31	30	Police Department	374	312.32
32	31	Power Department	30	39.05
33	32	Printing & Stationery Department	7	204.83
34	33	Water Security and Public Health Engineering Department	60	24.63
35	34	Roads & Bridges Department	52	21.24
36	35	Rural Development Department	172	650.83
37	36	Science and Technology Department	36	8.56
38	37	Sikkim Nationalised Transport	3	0.05
39	38	Social Justice & Welfare Department	175	757.04
40	39	Sports & Youth Affairs Department	114	172.82
41	40	Tourism Department	88	284.96
42	41	Urban Development Department	37	11.39
43	42	Vigilance Department	10	18.59
44	43	Panchayat Raj Institutions	42	177.08
45	44	Governor	106	43.98
46	45	Sikkim Public Service Commission	21	56.19
47	47	Skill Development and Entrepreneurship Department	6	272.58
<b>Total</b>			<b>3,007</b>	<b>12077.06</b>

## Appendix – 3.3

## Statement of Major Head- amounts booked under Minor Head 800-Other Receipts/ Expenditure

(Reference: Paragraph 3.3)

(`in crore)

Major Head	Major Head Description	Total Receipts	Receipt booked under Head 800	Minor	Percentage booked under Minor Head 800
<b>Receipt Heads:</b>					
(1)	(2)	(3)	(4)		(5)
0801	Power	2,69.44	2,69.44		100
0059	Public Works	28.01	25.91		93
0406	Forestry and Wild Life	17.53	17.08		97
0029	Land Revenue	9.09	7.21		79
0217	Urban Development	5.69	5.69		100
1452	Tourism	6.16	5.07		82
0070	Other Administrative Services	5.04	4.31		85
0407	Plantations	2.41	2.41		100
0210	Medical and Public Health	2.37	2.09		88
0403	Animal Husbandry	1.74	1.12		64
0515	Other Rural Development	0.98	0.98		100
0235	Social Security and Welfare	0.53	0.53		100
0852	Industries	0.43	0.35		85
0702	Minor Irrigation	0.31	0.31		100
0853	Non-ferrous Mining and Metallurgical industries	0.22	0.22		100
0220	Information and Publicity	0.20	0.20		100
<b>Expenditure Heads</b>					
2216	Housing	2,03.71	1,95.32		96
2217	Urban Development	1,66.99	1,50.05		90
2245	Relief on Account of Natural Calamities	93.37	78.09		84
4801	Capital Outlay on Power Projects	63.58	61.08		96
4216	Capital Outlay on Housing	36.55	36.55		100
2435	Other Agriculture Programmes	20.22	20.22		100
4225	Capital Outlay on Welfare of SC/ST/OBC	10.30	9.89		96
2407	Plantations	8.79	8.79		100
2852	Industries	7.74	7.34		95
2506	Land Reforms	2.00	1.50		75
2810	Non-Conventional Sources of Energy	1.68	1.68		100
4401	Capital Outlay on Crop Husbandry	5.86	3.92		67

Source: Finance Accounts 2018-19



**Appendix 3.4**

**Statement showing names of Autonomous Bodies and Authorities, the Accounts of which had not been received under Section 14 (1) and 15 of C&AG DPC Act, 1971**

(Reference: Paragraph 3.5.1)

Sl. No.	Name of the Body/Authorities	Section under which audited	Years for which accounts are pending	Number of accounts pending
1	Sikkim Institute of Rural Development (SIRD), Karfactor	14	2018-19	1
2	Member Secretary, State Health & Family Welfare Society (NHM)	14	2017-18 & 2018-19	2
3	Sikkim Renewable Energy Development Agency (SREDA)	14	2016-17 to 2018-19	3
4	Project Director, National Aids Control Society, Gangtok	14	2018-19	1
5	Project Officer, Prevention & Control of Blindness	14	2016-17 to 2018-19	3
6	Member Secretary, Council of Science & Technology	14	2018-19	1
7	Principal, Institute of Hotel Management	14	2018-19	1
8	Sikkim Urban Development Agency, (SUDA)	14	2018-19	1
9	Small Farmers Agri-Business Consortium (SFAC)	14	2017-18 & 2018-19	2
10	CEO Sikkim Livestock Development Board	14	2017-18 & 2018-19	2
11	State Organic Mission	14	2018-19	1
12	Sikkim Organic Certification Agency	14	2016-17 to 2018-19	3
13	Mission Organic Value Chain for North Eastern Region (MOVCT)	14	2016-17 to 2018-19	3
14	State Institute of Capacity Building, Karfactor, Jorethang	14	2018-19	1
15	District Project Management Unit (Rural Livelihood Project), Jorethang	14	2018-19	1
16	District Project Management Unit (Rural Livelihood Project), Geyzing	14	2018-19	1
17	Indian Himalayan Centre for Adventure Tourism, Chemchey, South Sikkim	14	2014-15 to 2018-19	5
18	Himalayan Zoological Park	14	2014-15 to 2018-19	5
19	State Pollution Control Board	14	2017-18 & 2018-19	2
			<b>Total</b>	<b>39</b>

## Appendix 3.5

## Statement showing names of Autonomous Bodies and Authorities, the Accounts of which has not been received under Section 20(1) of C&amp;AG DPC Act, 1971

(Reference: Paragraph 3.5.2)

Sl. No.	Name of Bodies/Authorities	Audited under section of DPC Act	Accounts Due	Number of Accounts due
1	Sikkim Buildings & other Construction Workers Welfare Board	20 (1)	2017-18 & 2018-19	2
2	Sikkim Khadi & Villages Industries Board	20 (1)	2007-08 to 2018-19	12
3	Sikkim Housing Development Board	20 (1)	2013-14 to 2018-19	6
4	Sikkim Commission for Backward Classes	20 (1)	2018-19	1
5	Sikkim Biodiversity Board	20 (1)	2018-19	1
6	State Compensatory Afforestation Fund Management And Planning Authority	20 (1)	2018-19	1
7	Sikkim Human Rights Commission	20 (1)	2018-19	1
	<b>Total</b>			<b>24</b>



**Appendix 3.6**

**Statement showing placement of Separate Audit Reports**

(Reference: Paragraph 3.5.3)

Sl. No.	Name of Body	Provisions on Audit	Year upto which Accounts were rendered	Date of submission of accounts	Period upto which SAR issued	Date of issue of SAR (in brackets year of SAR)	Placement of last SAR	No. of SAR not placed before State Legislature
1	Sikkim State Electricity Regulatory Commission	Section 104(4) of the Electricity Act 2003	2018-19	24.07.2019	2018-19	12.12.2018 (2018-19)	2016-17	2
2	Sikkim State Legal Services Authority	Section 18(6) of the Legal Services Authorities Act, 1987	2017-18	16.11.2018	2017-18	02.08.2019 (2017-18)	2016-17	1
3	Sikkim Buildings & other Construction Workers Welfare Board	Section 27 (3) of the Buildings and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996	2016-17	24.05.2017	2016-17	07.05.2019 (2010-11 \$ 2011-12) 19.07.2019 (2012-13 to 2016-17)	Not placed	7
4	Sikkim Khadi & Villages Industries Board	GoS/Fin/Adm/01-02/13/33/473 dated 10.08.16	2006-07 <sup>6</sup>	26.02.2018	2006-07	12.03.2019 (2016-07)	Not placed	1

<sup>6</sup> Annual Account for the year 2006-07 to 2015-16 forwarded to this office on 26.02.2018 for taking up of audit. During the certification audit of 2006-07, certain discrepancies were noticed and same were incorporated in the SAR, Whereas, the remaining accounts (2007-08 to 2015-16) were returned to auditee units for revision.

## Appendix 3.7

## Statement showing funds transferred directly to Implementing Agencies in the State under the Programmes/Schemes outside the State Budget during 2018-19

(Reference: Paragraph .3.7)

Government of India Scheme	Implementing Agency	(₹ in lakh) 2018-19
Aid to Voluntary Organisations Working for the Welfare of Scheduled Tribes	Muyal Liang Trust (MLT)	41.64
-do-	Human Development Foundation of Sikkim, GRBA Road Chongey Tar, Gangtok, East Sikkim (HUMANSIKKIM)	43.38
Atal Innovation Mission (AIM) including Self Employment and Talent Utilization (SETU)	AIC SMU Technology Business Incubation Foundation	2,40.00
Bio Technology Research and Development	Sikkim Manipal University - (SMIMS)	15.51
CIC and RTI	Sikkim Information Commission	3.00
e-Courts Phase II	Registrar General High Court of Sikkim	80.40
Establishment Expenditure AYUSH	State Forest Development Agency, Sikkim	2,91.14
Establishment Expenditure Higher Education	Dr. Kabita Lama	0.38
-do-	Tika Ram Dhungel	0.39
Industrial Research and Development	Abhijeet Sharma	0.38
-do-	Sivik Samdup Maney Lhaxhang Managing Committee	12.50
-do-	Thubten Gatsal Ling Sumin Gumpa Managing Committee	10.00
-do-	Denzong Culture & Heritage Foundation	7.00
-do-	Tulshi Khanal	3.00
-do-	Sikkim Mahila Kalyan Sangh	2.50
Member of Parliament Local Area Development Scheme (MPLAD)	District Collector East District	10,00.00
National Service Scheme	Sikkim State NSS Cell	27.67
National Young Leaders Programme	Sikkim State NSS Cell	1.41
Schemes for differently Abled persons	DDRC, Gangtok, Sikkim	3.90
Scheme for Prevention of Alcoholism and Substance (Drugs) Abuse	Association for Social Health in India	35.86
- do -	Sajeevani Rehab Society	2.33
Space Science Promotion	Sikkim Manipal Institute of Technology	14.22
Space Technology	Sikkim Manipal Institute of Technology	0.50
Transport Planning and Capacity Building in Urban Transport	Sikkim Urban Development Agency	46.44
	<b>Total</b>	<b>18,83.55</b>

Source: 'Public Financial Management System (PFMS)' portal of the Controller General of Accounts. These are unaudited figures.