SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India on State Finances for the year 2024-25

Government of Sikkim

Report No. 1 of 2026

(State Finances Audit Report)

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Preface

This Report has been prepared for submission to the Governor of Sikkim under Article 151 of the Constitution.

The State Finances Audit Report of the Government of Sikkim intends to assess the financial performance of the State, during the financial year 2024-25 and to provide the State Legislature with inputs, based on audit analysis of financial data. The Report contains three Chapters.

Chapter I – Overview of the Finances of the State

This Chapter describes the basis and approach to the Report and provides a broad perspective of the finances of the State. It includes a macro-fiscal analysis of key indices and State's fiscal position including deficits/ surplus, debt profile and key Public Account transactions.

Chapter II – Budgetary Management

This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter III – Financial Reporting Practices

This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departments of the State Government.

The Reports containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on the Revenue Receipts are presented separately.

Basis and Approach to State Finances Audit Report

In terms of Article 151(2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State.

The Accountant General (Accounts and Entitlements) compiles the annual Finance Accounts and Appropriation Accounts of the State based on vouchers, challans, and initial and subsidiary accounts submitted by treasuries, offices, and departments under the control of the State Government, as well as statements received from the Reserve Bank of India. These accounts are independently audited by the Accountant General (Audit) and certified by the Comptroller and Auditor General of India.

Finance Accounts and Appropriation Accounts of the State constitute the core data for this report. Other sources include the following:

- Budget of the State: for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures.
- Results of audit carried out by the office of the Accountant General (Audit).
- Other data with departmental authorities and treasuries (accounting as well as MIS)
- GSDP data and other State related statistics
- State's Fiscal Responsibility and Budget Management (FRBM) Act
- Finance Commission recommendations.
- Various audit reports of the CAG of India.
- Best practices and guidelines of the Government of India (GoI).

An Entry Conference was held on 02 September 2025, with the Secretary cum Controller of Accounts, Finance Department, Government of Sikkim, wherein the audit approach followed in the preparation of the SFAR was explained. Exit meeting was held with Finance Department on 03 January 2026 wherein Audit findings were discussed. The responses of the Government have been incorporated in the Report appropriately.

Structure of the Government Account

The Accounts of the State Government are kept in three parts.

1. Consolidated Fund of the State (Article 266 (1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, *etc*.), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of

Constitutional authorities, loan repayments *etc*.), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

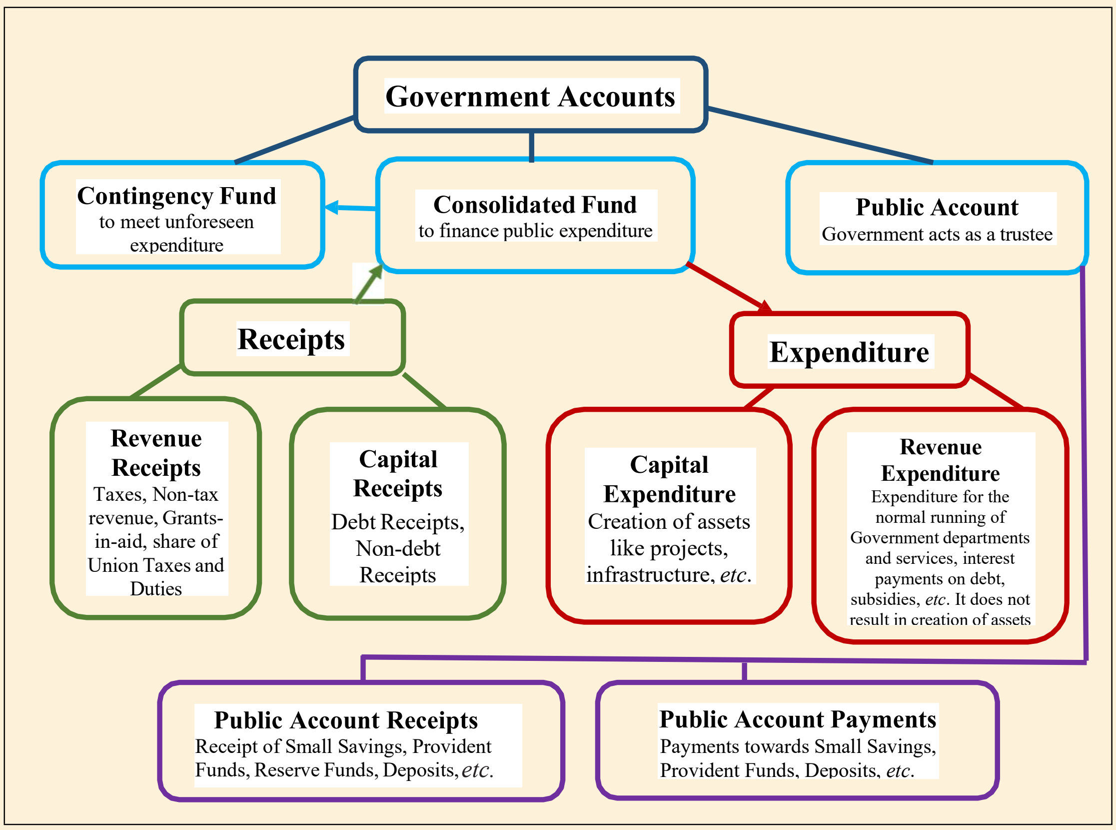
2. Contingency Fund of the State (Article 267 (2) of the Constitution of India)

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

3. Public Accounts of the State (Article 266 (2) of the Constitution)

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayable like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Structure of Government Account



EXECUTIVE SUMMARY

Executive Summary

This Report on the finances of the State of Sikkim provides an independent assessment of the fiscal position of the Sikkim for Financial year 2024-25. It analyses the State's overall financial health and reviews its revenue and expenditure trends, assesses the State's debt position and borrowing patterns, evaluate its compliance with fiscal responsibility laws and compares its performance against fiscal health indicators.

Sikkim's economy showed moderate growth during the Financial Year 2024-25, with GSDP registering growth of 11.15 *per cent* as against the previous financial year. State contributed (0.28 *per cent*) to GDP of India. This contribution has consistently increased from 0.24 to 0.28 *per cent* over last five years, which is a good sign for the State. We observed that the revenue receipts of the state grew (13.17 *per cent*), driven by higher tax collections, notably GST, and increased central tax devolution. However, non-tax revenue growth (4.08 *per cent*) was modest, and grants from the Centre increased in comparison to previous year. The state's own revenue performance improved (₹ 2,724.92 crore in 2024-25 from ₹ 2,622.58 crore in 2023-24) yet dependence on central grants-in-aid remains substantial.

Expenditure of the state was dominated by higher growth of revenue spending (9.10 *per cent*) particularly committed costs (73.40 *per cent*/ RE), leaving limited fiscal space for capital investment. Capital expenditure remained volatile and below budgeted levels, reflecting constraints in infrastructure investment. Subsidies decreased from ₹32.69 crore in 2023-24 to ₹22.45 crore during 2024-25. In 2024-25 there was a revenue surplus however, fiscal deficit was 5.59 *per cent* as against the limit of three *per cent*; debt was 28.09 *per cent* as against the ceiling limit of 28 *per cent*.

Besides, the state government also carried forward significant undischarged liabilities in respect of Interest liabilities, off-budget borrowing, short-transfer of State Government contribution to NPS *etc*., to the tune of ₹1,295.42 crore, 10.42 *per cent* of ₹12,431.62 crore (Total Expenditure) in the Financial Year 2024-25.

Audit through its various reports have already highlighted the increased efforts to be taken by state in realizing the arrears in tax revenue, reducing the compliance risks in the taxations, recycling the capital investments made in the SPSEs and rationalising the expenditure in tune with revenue growth.

The fiscal year also continued to witness large-scale savings in revenue/capital, charged and voted sections. No excess expenditure was witnessed during the year, however, excess expenditure of ₹ 16.82 crore pertaining to four grants for the previous financial years *i.e.* 2019-20 and 2022-23 were yet to be regularised by legislature. Concerns also arise from delays in submission of utilisation certificates, some of which are from 2002-03, pending accounts for departmental undertakings and autonomous bodies, and substantial use of Minor Head 800-Other Receipts/ Expenditure affecting transparency in financial reporting. Resorting to Off-budget borrowings hampered the maintenance of universality and unity in the budget. Funds, *viz.*, Revenue from Sale of Power were kept outside Government Account which violates the provisions of Article 266 of the Constitution of India.

The report notes positive steps like implementation of Single Nodal Agency (SNA) and SNA- SPARSH for better fund tracking in centrally sponsored schemes. Best practices were, such as maintenance of Revenue Surplus and increase in its own revenue could be noticed. There is substantial growth in Capital Expenditure over the last five years. The increasing debt load and high committed expenditure raise concerns about fiscal sustainability. There's a need for revenue augmentation, better expenditure control and structural reforms to ensure long-term fiscal health. Transparency should be enhanced in off-budget borrowings, ensuring timely accounting and reporting. Steps should be taken for more judicious budget provisioning.

CHAPTER I:
OVERVIEW OF THE FINANCES OF THE STATE

Chapter I: Overview of Finances of the State

This chapter provides a snapshot of Sikkim's finances for 2024-25, covering demographics, economic indicators, and the State's fiscal structure. It analyses trends in revenue and expenditure, debt levels, and fiscal deficits, highlighting persistent imbalances and reliance on borrowings. The chapter flags issues like high committed expenditure, low returns on investments *etc*.

1.1 Profile of the State

Sikkim, a hilly State in north-east India, covers 7,096 sq. km. and comprises six districts and 406 villages. As of 2011 census, its population stood at 6.11 lakh (0.22 *per cent* of India's total), with a density of 97.94 persons per sq. km. This section provides an overview of the State's demography, GSDP, and per capita income of the State.

As per National Commission on Population, Ministry of Health and Family Welfare, Government of India in July 2020, the population of the State is set to reach 7.02 lakh (0.50 *per cent* of India's population) in 2025 compared with the country's population of 141.33 crore with a density of 99 persons per square kilometre.

1.1.1 Demography of the State

The State's demographic details *vis-à-vis* national average are presented in **Table 1.1** below.

Table 1.1: Demographic profile of the State

Indicators	Sikkim	India
Rural Population (*per cent*)-2025*	46.84	64.30
Urban Population (*per cent*)-2025*	53.16	35.70
Population density-2025*	99	430
Sex Ratio per 1,000 Males-2025*	897	947
Infant Mortality Rate per 1,000 Live births^	6	25
Maternal Mortality Rate (MMR) per lakh women in the age of 15-49 #	NA	5
Total Fertility Rate &	1.05	1.99
Life Expectancy at Birth *(years) $*	NA	70.30
Population below Poverty Line (*per cent*) $ *(Multidimensional Poverty Index, 2023, NITI Aayog)*	2.60	14.96
Literacy Rate (*per cent*)**	84.70	80.90
Labour Force Participation Rate (*per cent*)**	77.1	64.3

NA: Not Available
*: Report of the Technical Group on Population Projections on 'Population Projection for India and States 2011 – 2036 (July2020).
^: SRS Bulletin September 2025 (Ref. Year 2023), RGI of India, GoI.
#: SRS Bulletin on Maternal Mortality in India 2021-23 (September 2025), RGI of India, GoI.
&: NFHS- 5 (2019-21), Ministry of Health & Family Welfare, GoI
$: National Multidimensional Poverty Index: A Progress Review 2023, NITI Aayog

** Periodic Labour Force Survey (PLFS) 2023-24), Ministry of Statistics and Programme Implementation, GoI.

1.1.2 Economy of the State

Gross State Domestic Product (GSDP) and per capita income are important indicators of the State's economy as discussed in succeeding paragraphs.

1.1.2.1 Gross State Domestic Product and Per capita Income

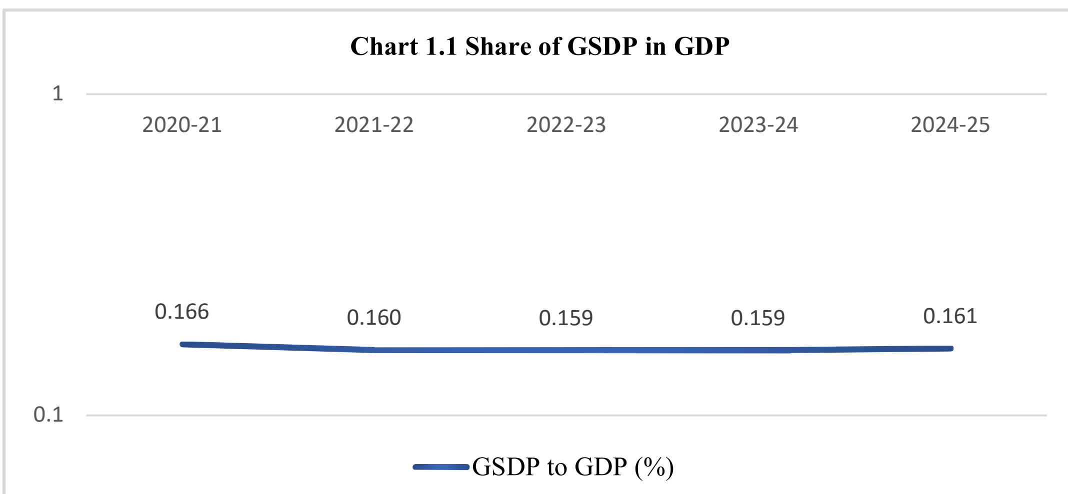
Gross Domestic Product (GDP) refers to the total value of goods and services produced within a country, while GSDP measures the same at the State level, and both reflect economic development and overall progress. Trends of GSDP and GDP is given in **Table 1.2**. Year on year growth of GSDP and GDP and GSDP contribution in GDP is given in **Chart 1.1** and Per capita Income of the country and Per capita income of the State is depicted in **Chart 1.2**.

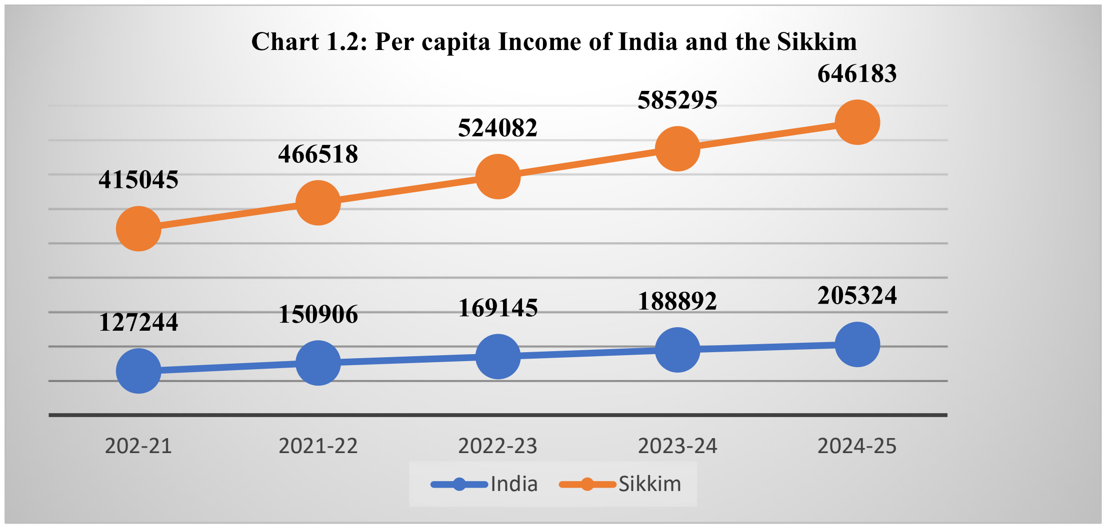
Table 1.2: Trends in GSDP compared to GDP of India (at current prices)

Year	2020-21	2021-22	2022-23	2023-24	2024-25
GDP (₹ in crore)	1,98,54,096	2,35,97,399	2,68,90,473 FE	3,01,22,956 FRE	3,30,68,145 PE
GSDP (₹ in crore)	33,018	37,650	42,806	47,988	53,340
PCI of India (₹)	1,27,244	1,50,906	1,69,145 FE	1,88,892 FRE	2,05,324 QE
PCI of State (₹)	4,15,045	4,66,518	5,24,082	5,85,295 PE	6,46,183 QE

FE: Final Estimates, FRE: First Revised Estimates, PE: Provisional Estimates and QE: Quick Estimate

Source: Ministry of Statistics and Programme Implementation, GoI for GSDP figures - FE -Final Estimate, FRE- First Revised Estimate, PE- Provisional Estimate, QE-Quick Estimates

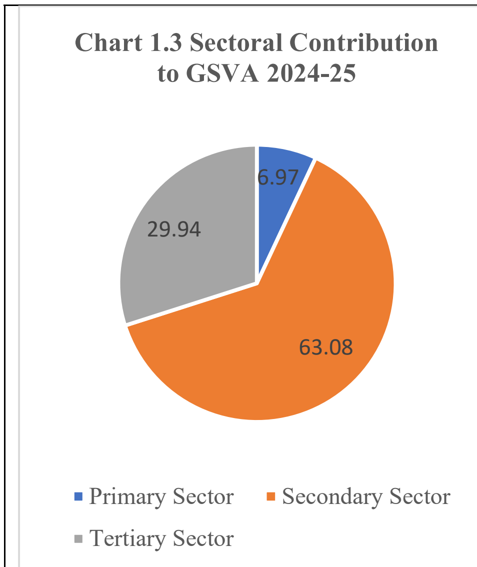




In nominal terms, the steady decelerating growth the State's economy has managed to achieve double-digit growth since 2021-22, rising from ₹33,018 crore in 2020-21 to ₹53,340 crore in 2024-25, at a compound annual growth rate (CAGR) of 12.74 *per cent*. The secondary sector remained the main driver of the state's nominal growth, contributing more than half of the nominal growth.

1.1.2.2 Sectoral contribution to GSVA

The sectoral contribution by various sectors during 2024-25 and sectoral growth in GSVA during the last five years are depicted in **Chart 1.3** and **Chart 1.4** respectively.



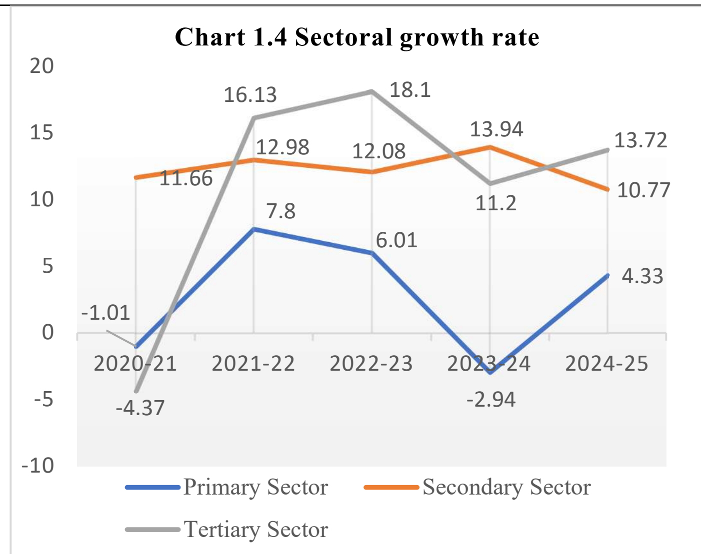
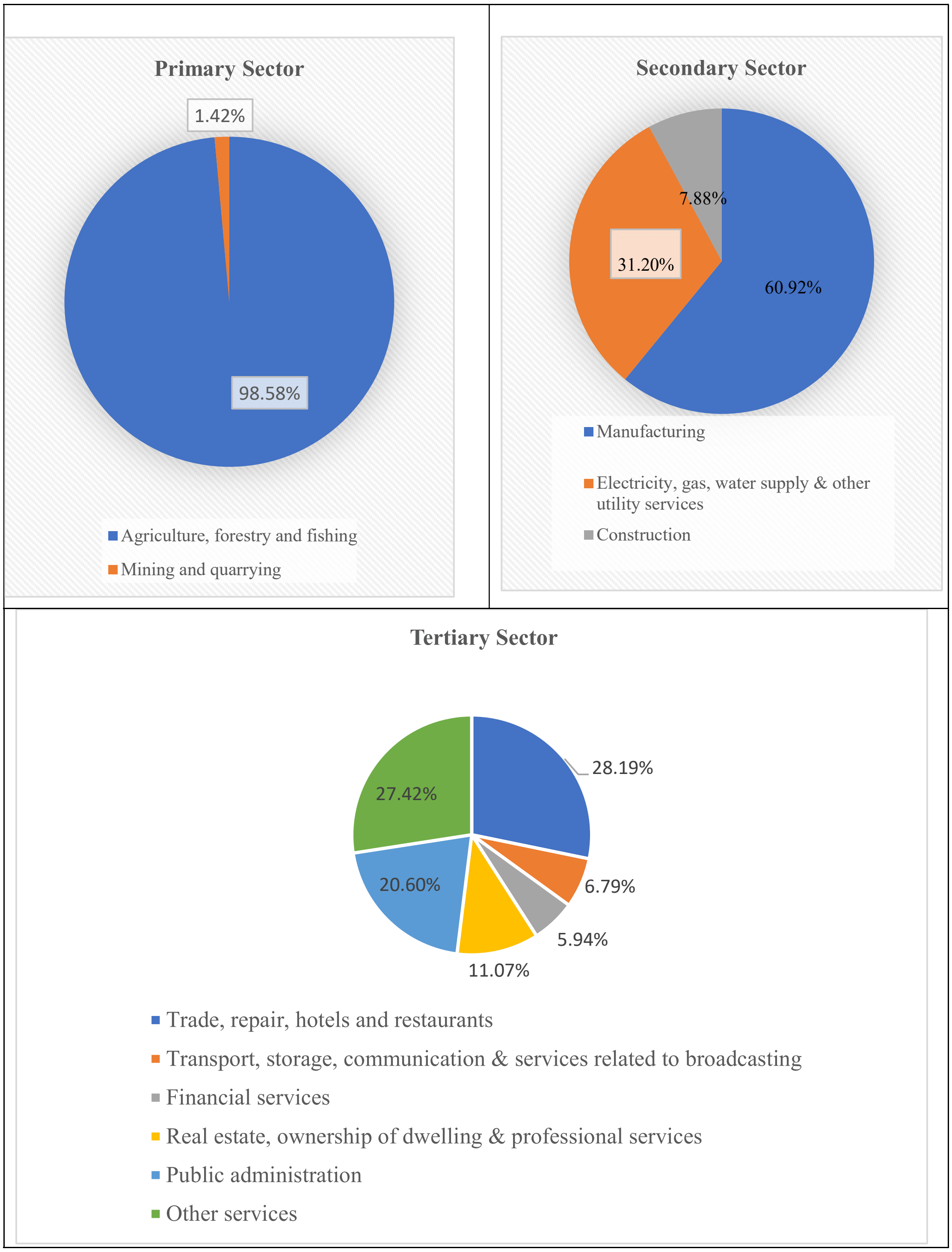


Chart 1.5 shows the composition of each sector during Financial Year 2024-25, in terms of its major contributing segments.

Chart 1.5: Sector-wise distribution, Financial Year 2024-25



Source: Departmental figures

It is evident from the above Charts that growth of all the three sectors fluctuated between 2020 and 2025. However, secondary sector showed greater stability compared to the primary and secondary sectors, during 2024-25 as shown in **Chart 1.3**.

1.1.3 Snapshot of Finances

Table 1.3 shows the details of actual financial results of State Government of Sikkim for the years 2023-24 and 2024-25 *vis-a-vis* Budget Estimates (BE), Revised Estimates (RE) and GSDP for the year 2024-25.

Table 1.3: Snapshot of Finances

(₹ in crore)

Sl. No.	Components	2023-24 (Actuals)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1.	Tax Revenue	6033.62	7,002.71	7,037.84	6,904.97	98.60	12.95
(i)	*Own Tax Revenue*	1,748.17	2,163.54	1,986.54	1,814.87	83.88	3.40
(ii)	*Share of Union taxes/duties*	4,285.45	4,839.17	5,051.30	5,090.10	105.19	9.54
2.	Non-Tax Revenue	874.41	926.97	987.78	910.05	98.17	1.71
3.	Grants-in-aid and Contributions	1,443.35	2,819.44	3,012.31	1,636.23	58.03	3.07
4.	**Revenue Receipts (1+2+3)**	**8,351.38**	**10,749.13**	**11,037.93**	**9,451.25**	**87.93**	**17.72**
5.	Recovery of Loans and Advances	0.39	0.30	0.30	0.37	123.33	-
6.	Other Receipts	0	0	0	0	0	0
7.	Borrowings and other liabilities*	2,529.98	3,275.31	3,773.72	2,980	90.98	5.63
8.	**Capital Receipts (5+6+7)**	**2,530.37**	**3,275.61**	**3,774.02**	2,980.37	**90.99**	**5.59**
9.	**Total Receipts (4+8)**	**10,881.75**	**14,024.74**	**14,811.95**	**12,454.46**	**88.64**	**23.31**
10.	**Revenue Expenditure**	**8,220.54**	**10,249.79**	**9,969.74**	**8,968.82**	**87.50**	**16.81**
11.	Interest payments	838.63	918.34	930.14	948.59	103.29	1.78
12.	Capital Expenditure	2,660.66	3,337.96	4,293.43	3,462.80	103.74	6.49
13.	Loans and advances	0.55	0.32	0.32	0.00	-	-
14.	**Total Expenditure (10+12+13)**	**10,881.75**	**13,588.07**	**14,263.49**	**12,431.62**	**91.49**	**23.31**
15.	**Revenue Surplus (+)/Deficit (-) (4-10)**	130.84	499.34	1,068.19	482.43	96.61	0.90
16.	**Fiscal Surplus (+)/Deficit (-) {(4+5+6)-14}**	(-)2529.98	2,838.64	(-)3225.26	(-)2,980	104.98	- 5.59
17.	**Primary Deficit (-) / Surplus (+) (16-11)**	(-)3368.61	1,920.30	(-)2,295.12	(-)3,928.59	105.79	3.81

Source: Finance Accounts of respective years and Budget Documents.
**Borrowings and other Liabilities: Net (Receipts – Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursements) of Public Account + Net of Opening and Closing Cash Balance.*

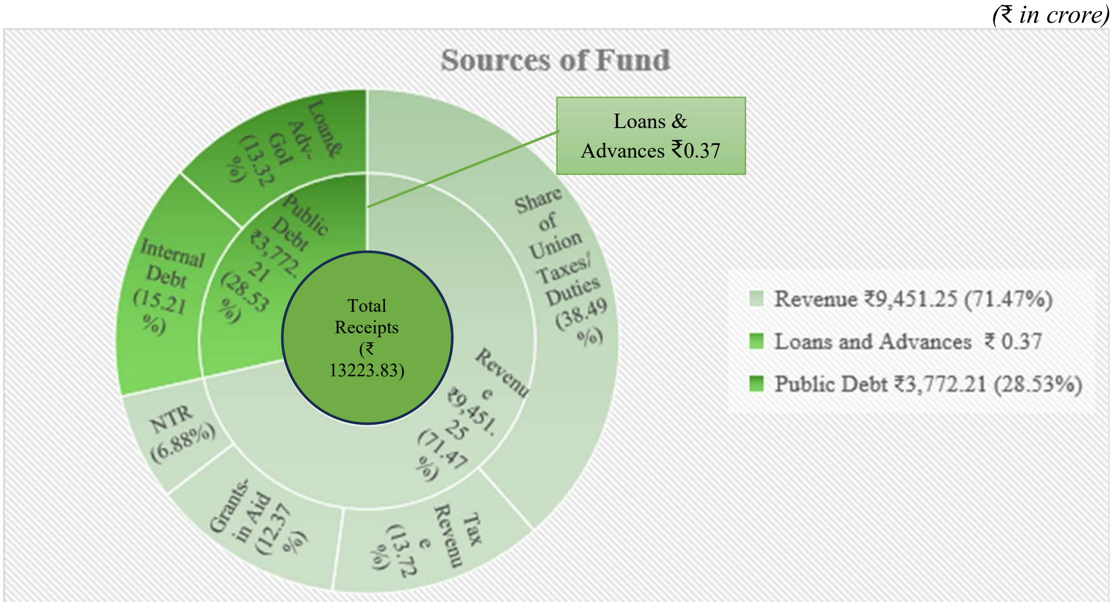
The details of State Government Finances for the Financial Year 2020-21 to 2024-25 are given in ***Appendix 1.1***.

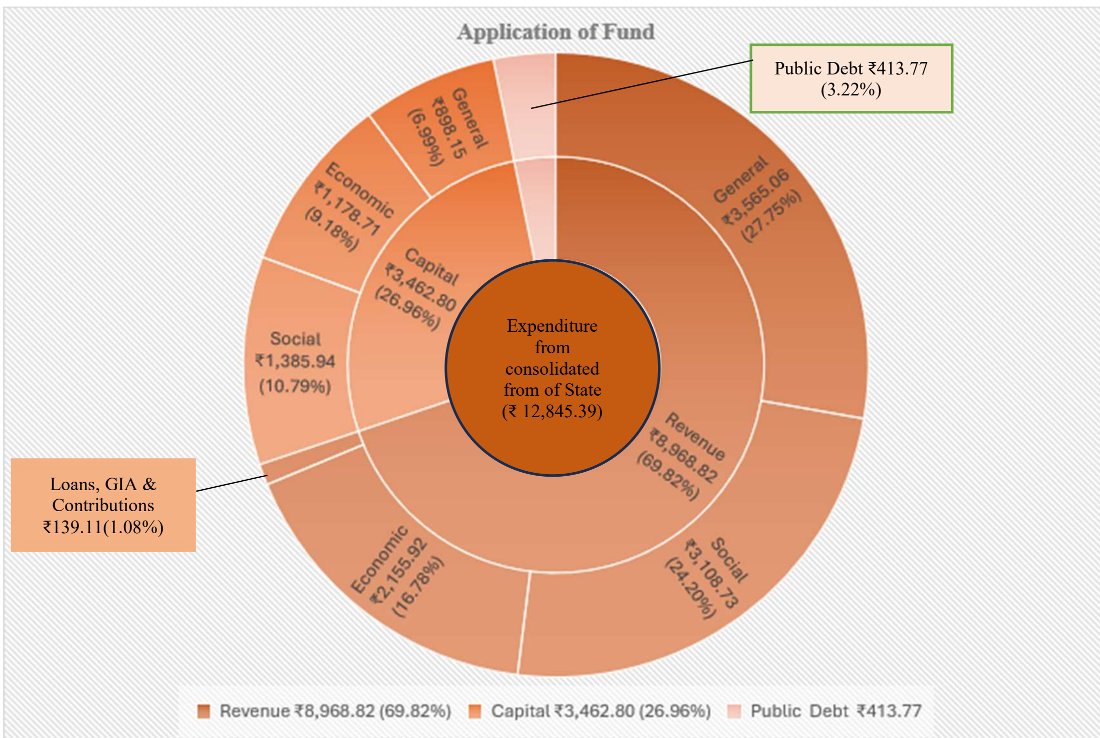
1.1.4 Sources and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year is given in **Chart 1.6**.

Chart 1.6: Details of sources and application of funds during 2024-25

(₹ in crore)





Source: Finance Accounts of respective years

Appendix 1.2 provides details of receipts and disbursements and the overall fiscal position of the State during current year as well as previous year.

1.1.5 Snapshot of Assets and Liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. ***Appendix 1.3*** gives an abstract of such liabilities and assets, as on 31 March 2025, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and Reserve Funds. Assets comprise mainly of the Capital Expenditure, and loans and advances, given by the State Government and cash balances. A summarised position of assets and liabilities, for the financial years 2023-24 and 2024-25, is given in **Table 1.4.**

Table 1.4: Summarised position of assets and liabilities

(₹ in crore)

<table>
<tr><th colspan="5">Liabilities</th><th colspan="5">Assets</th></tr>
<tr><th colspan="2"></th><th>2023-24</th><th>2024-25</th><th>Per cent increase /decrease</th><th colspan="2"></th><th>2023-24</th><th>2024-25</th><th>Per cent increase/ decrease</th></tr>
<tr><td colspan="10">Consolidated Fund</td></tr>
<tr><td>A</td><td>Internal Debt</td><td>11,095.49</td><td>12,703.99</td><td>14.50</td><td>A</td><td>Gross Capital Expenditure</td><td>21,067.13</td><td>24,529.93</td><td>16.44</td></tr>
<tr><td>B</td><td>Loans and Advances from GoI</td><td>1,916.84</td><td>3,666.79</td><td>91.29</td><td>B</td><td>Loans and Advances</td><td>253.39</td><td>253.02</td><td>(-) 0.14</td></tr>
<tr><td colspan="2">Contingency Fund</td><td>1.00</td><td>1.00</td><td>100</td><td colspan="2">-</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td colspan="10">Public Account</td></tr>
<tr><td>A</td><td>Small Savings, Provident Funds, etc.</td><td>1,452.31</td><td>1,423.54</td><td>-1.98</td><td>A</td><td>Advances with Departmental officers</td><td>1.03</td><td>1.03</td><td>-</td></tr>
<tr><td>B</td><td>Deposits</td><td>420.16</td><td>557.96</td><td>32.80</td><td>B</td><td>Remittances</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>C</td><td>Reserve Funds</td><td>1,029.22</td><td>1,435.07</td><td>39.43</td><td>C</td><td>Suspense and Miscellaneous</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>D</td><td>Remittances</td><td>344.31</td><td>295.81</td><td>-14.09</td><td colspan="2">Cash balance (including investment in Earmarked Funds)</td><td>2,728.68</td><td>3,654.07</td><td>33.91</td></tr>
<tr><td>E</td><td>Suspense and Miscellaneous</td><td>325.93</td><td>406.49</td><td>24.72</td><td colspan="2">Total</td><td>24,050.23</td><td>28,438.05</td><td>18.24</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td colspan="2">Difference on account of rounding-off</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td></td><td>Cumulative excess of receipts over expenditure</td><td>7,464.97</td><td>7,947.40</td><td></td><td colspan="2">Deficit in Revenue Account</td><td>0</td><td>0.0</td><td>0</td></tr>
<tr><td colspan="2">Total</td><td>24,050.23</td><td>28,438.05</td><td>18.24</td><td colspan="2"></td><td>24,050.23</td><td>28,438.05</td><td>18.24</td></tr>
</table>

Source: Finance Accounts of respective years

1.2 Consolidated Fund of the State

All revenues received by the State Government, all loans raised by the State Government, ways and means advances extended by the Reserve Bank of India and all money received by the State Government in repayment of loans forms part of the Consolidated fund of the State. In the state of Sikkim the function of Reserve Bank of India is not extended and State Bank of Sikkim is act as a Government Bank. State Bank of Sikkim (SBS) was constituted in 1968 for providing banking facilities in Sikkim. The SBS proclamation of 1968 empowered the Government of Sikkim to appoint SBS to act as an agent of Government of Sikkim to accept monies on behalf of

Government of Sikkim and make payment up to the amount standing to the credit of GoS and carry out GoS remittances, besides other banking operations.

1.2.1 Revenue Receipts

Trends and growth of revenue receipts with respect to Gross State Domestic Product (GSDP) over the five-year period (2020-25) are shown in **Table 1.5**.

Table 1.5: Trends in Revenue Receipts

(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Receipts	5,607.82	7,080.72	8,103.80	8,351.38	9,451.25
Tax Revenue	3,291.72	4,541.96	5,362.01	6,033.62	6,904.97
Own Tax Revenue	966.70	1,254.41	1,497.26	1,748.17	1,814.87
State's share in Union taxes and duties	2,302.27	3,287.55	3,864.75	4,285.45	5,090.10
Non-Tax Revenue	662.29	680.63	976.11	874.41	910.05
Grants- in aid from GoI	1,676.56	1,858.13	1,765.68	1,443.35	1,636.23
State's Own Revenue (Own Tax and Non-Tax Revenue)	1,628.99	1,935.04	2,473.37	2,622.58	2,724.92
GSDP (2011-12 series)	33,018	37,649	42,806	47,988	53,340
Year-on-year growth rates (in *per cent*)					
Revenue Receipts	15.83	26.27	14.45	3.06	13.17
State's Own Revenue of the State	(-)2.09	18.79	27.82	6.03	3.90
GSDP	5.02	14.03	13.70	12.11	11.15
Buoyancy Ratios[1]					
Revenue Buoyancy w.r.t GSDP	3.15	1.87	1.05	0.25	1.18
State's Own Revenue Buoyancy w.r.t GSDP	(-)0.41	1.34	2.03	0.50	0.35

Source: Finance Accounts for Revenue Receipts and MoSPI

Revenue Receipts as percentage of GSDP and contribution from various sources in revenue receipts is given in **Chart 1.7** and **Chart 1.8**.

Chart 1.7: Revenue Receipts as percentage of GSDP

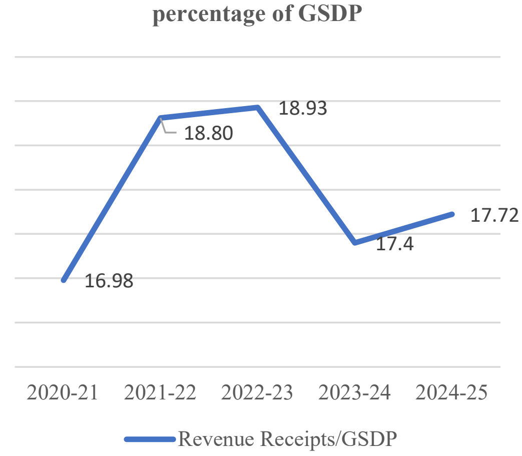
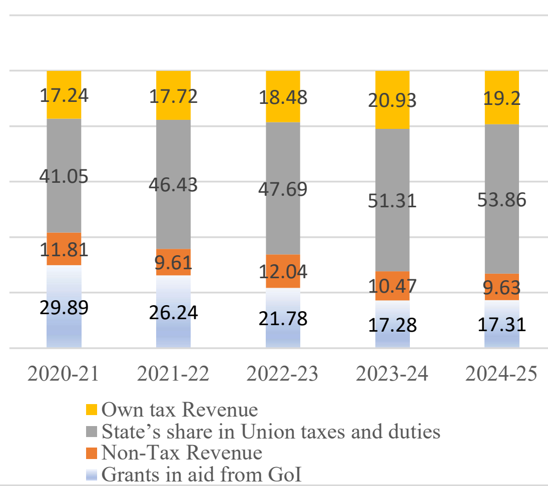


Chart 1.8: Contributions in revenue receipts

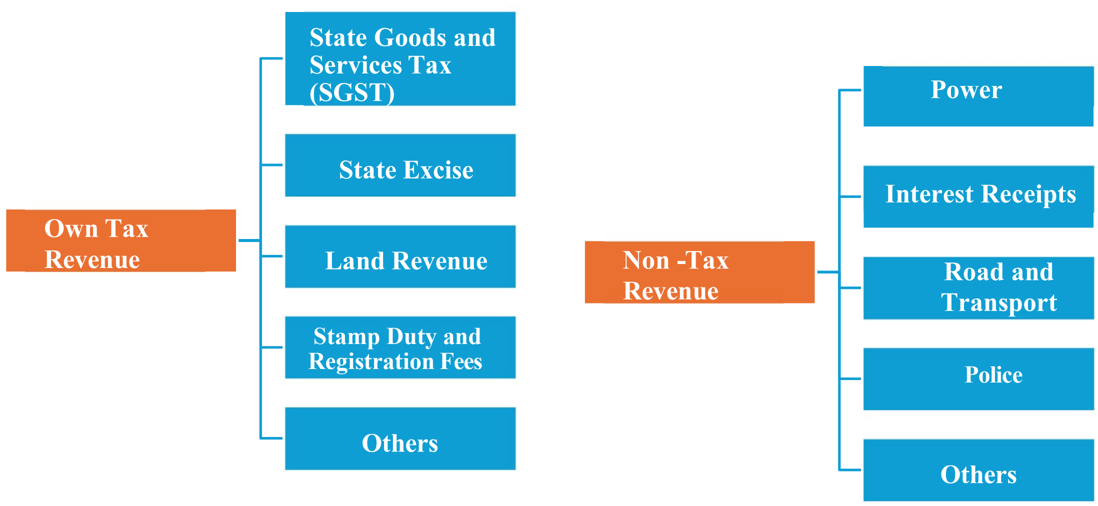


[1] *Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.*

It could be seen from the above **Table 1.5** Revenue receipts as a percentage of GSDP increased steadily, reaching a five-year high of 18.93 *per cent* in 2022-23. It declined to 17.40 *per cent* in 2023-24, followed by a modest improvement to 17.72 *per cent* in 2024-25. This implies that, with the exception of 2023-24, the State's revenue receipts continued to grow at a rate higher than the nominal growth of GSDP over the past five years. Moreover, a single year of divergence, characterised by an increased gap between growth of revenues and nominal growth in favour of revenue, does not provide sufficient evidence of fiscal sustainability.

A. States Own Resources

Chart 1.9: Details of State's Own Revenue



(i) Own Tax Resources

Own Tax Revenue is the revenue collected by the State Government through taxes it is empowered to levy under the Constitution. Actuals for Financial Year 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Own Tax Revenue for the Financial Year 2024-25 are given in **Table 1.6**.

Table 1.6: Own Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

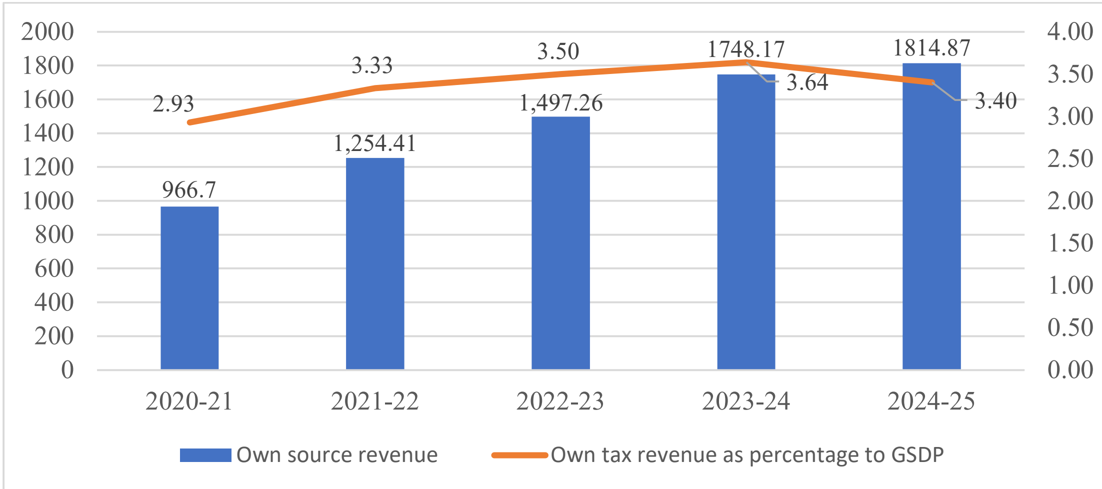
(₹ in crore)

Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
State Goods and Services Tax (SGST)	965.70	1265.00	1038.00	970.14
State Excise	372.25	450.00	500.00	506.18
Land Revenue	18.39	26.54	26.54	17.55
Stamp Duty and Registration Fees	38.75	27.97	27.97	26.81
Vehicle Tax	51.62	73.00	73.00	76.27
Taxes on Sales, Trades *etc.*	238.19	250.00	250.00	146.65
Others	63.27	58.98	58.98	71.27
TOTAL	**1,748.17**	**2,151.49**	**1,974.49**	**1,814.87**

Source: Finance Accounts of respective years and Budget documents of the State

Trends of own tax revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.10** and **Chart 1.11** respectively.

Chart 1.10: Trends of Own Tax Revenue during FY 2020-21 to FY 2024-25



Source: Finance Accounts

Chart 1.11: Major components of State's Own Tax Revenue

(₹ in crore)

Source: Finance Accounts of respective years

It is observed from the above table that there were significant variations in the components of the State's Own Tax Revenue during 2024-25 as compared to the previous year (Actuals). A sample is given below:

1. **State Goods and Services Tax (SGST):** A marginal increase of 0.46 *per cent* was observed in 2024-25 as compared to substantial increase of 20.08 *per cent* in the previous year.
2. **State Excise:** Revenue from State Excise recorded an increase of 35.98 *per cent* during 2024-25, as compared to an increase of 24.72 *per cent* in the previous year.
3. **Land Revenue:** A slight decrease of 4.57 *per cent* was noticed in 2024-25 as compared to the previous year.
4. **Stamp Duty and Registration Fees:** A significant decrease of 30.81 *per cent* was observed in 2024-25 as compared to the previous year.
5. **Taxes on Vehicles:** Revenue from vehicle tax increased by 47.75 *per cent* in 2024-25 as compared to 2023-24.
6. **Other Taxes:** Revenue under this head increased by 12.64 *per cent* in 2024-25 as compared to 2023-24.

(ii) Non-Tax Resources

Non-Tax Revenue of a State refers to the rent, fees, royalties and other receipts, of the State Government from sources other than taxes. Actuals for Financial Year 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Non-Tax Revenue for the Financial Year 2024-25 are given in **Table 1.7**.

Table 1.7: Major Non-Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

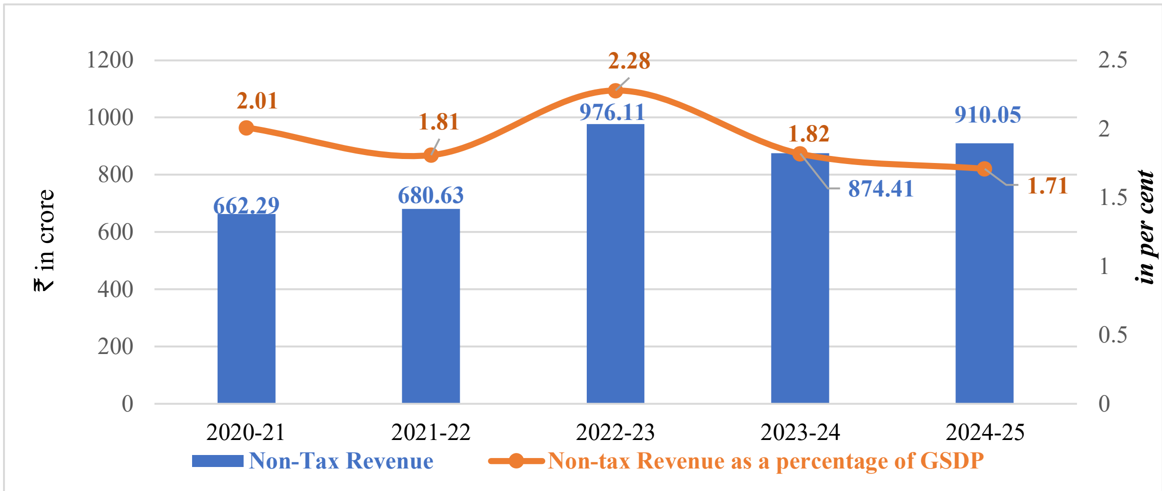
(₹ in crore)

Non-Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
Power	427.20	460.00	465.81	435.43
Interest Receipts	95.79	70.00	110.00	125.72
Road and Transport	72.89	92.00	92.00	91.85
Police	92.45	80.10	80.10	52.45
Forestry & Wildlife	31.41	177.61	177.77	35.41
Miscellaneous General Services	37.15	318.61	48.60	49.81
Others	213.31	-	-	119.38
Total	**874.41**			**910.05**

Source: Finance Account of respective years

Trends of Non-tax revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.12** and **Chart 1.13** respectively.

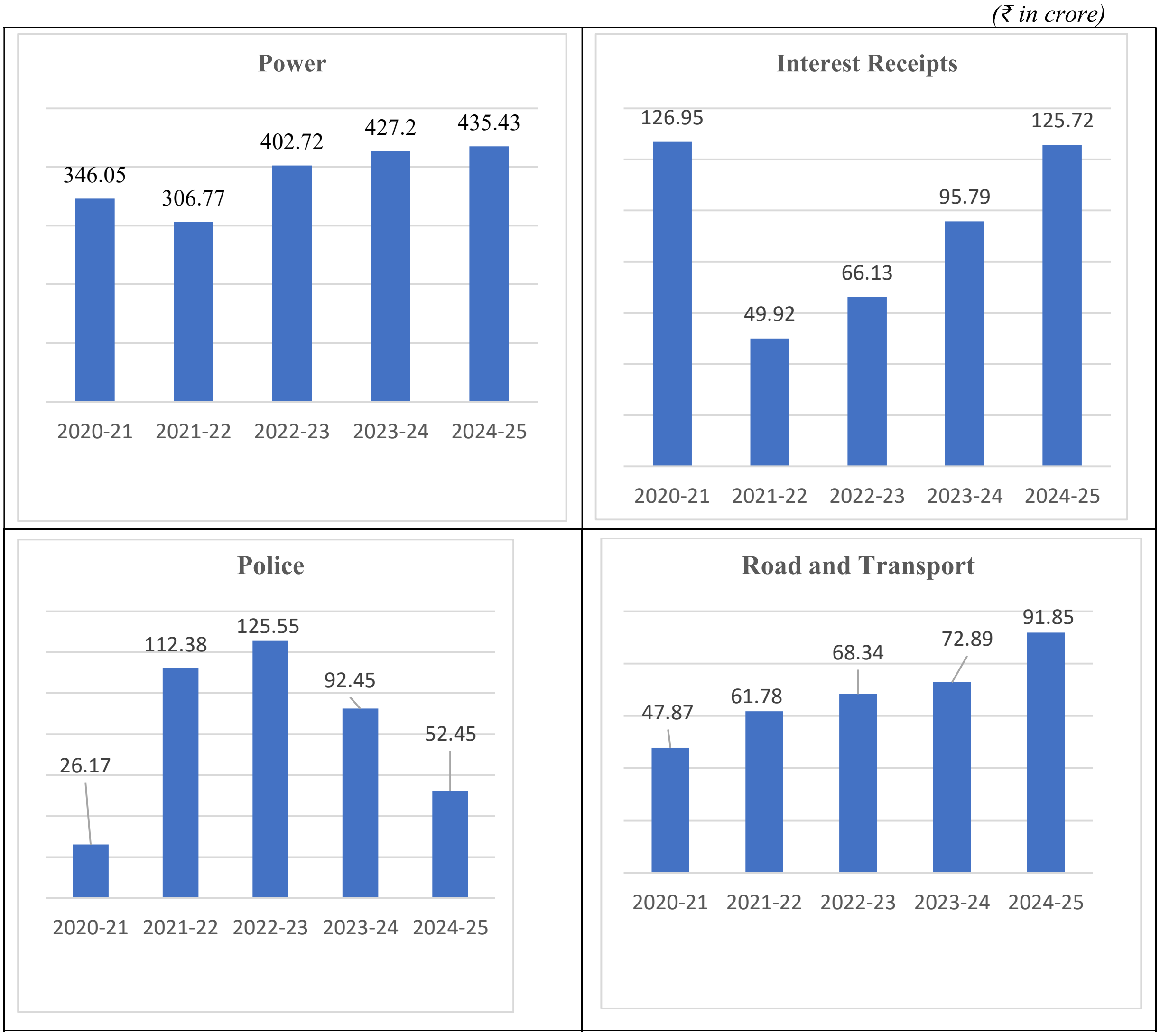
Chart 1.12: Trends in Non-Tax Revenue

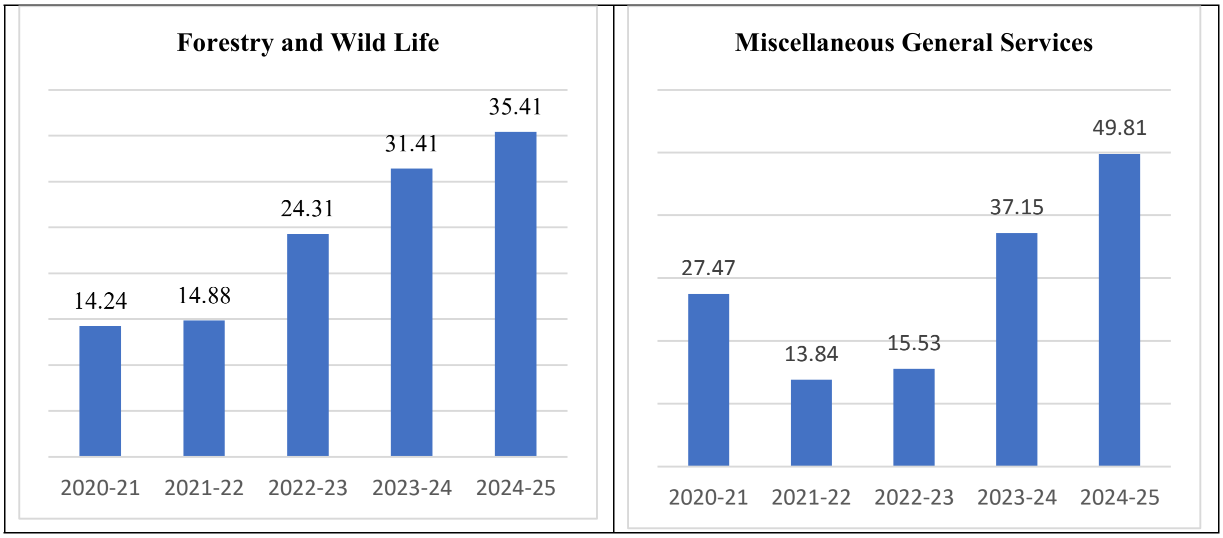


Source: Finance Accounts of respective years

Chart 1.13: Major components of State's Non-Tax Revenue

(₹ in crore)





Source: Finance Accounts of respective years

During the year 2024-25, there was increase of ₹35.64 crore (4.08 *per cent*) in total non-tax revenue over the previous year which was mainly due to increase of ₹ 29.93 crore in interest receipts and ₹ 5.94 crore in other non-tax receipts.

B. State's share in Union Taxes and Duties

Trends in the components of State's share in Union taxes and duties are shown in **Table 1.8.**

Table 1.8: State's share in Union Taxes and Duties

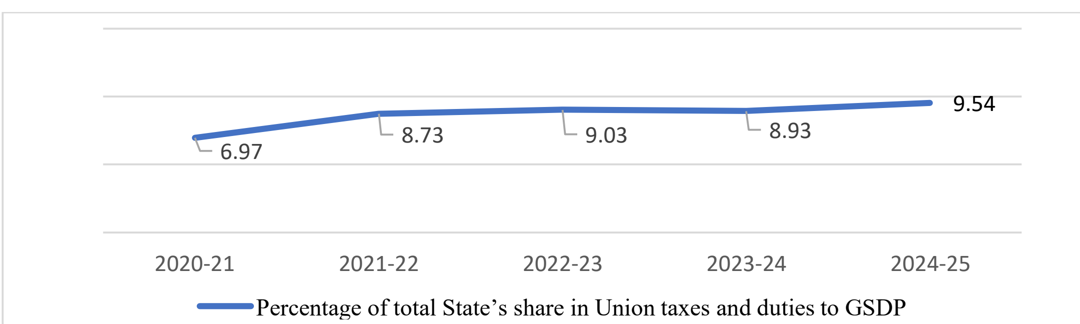
(₹ in crore)

Components	2020-21	2021-22	2022-23	2023-24	2024-25
Central Goods and Services Tax (CGST)	686.82	964.04	1,100.79	1,318.08	1,470.22
Integrated Goods and Services Tax (IGST)	0	0	0	0	0
Corporation Tax	694.10	988.33	1,284.66	1,303.61	1,428.61
Taxes on Income other than Corporation Tax	718.49	982.89	1,260.52	1,447.82	1,878.16
Customs	117.73	216.61	155.96	152.20	255.42
Union Excise Duties	73.44	103.14	50.87	57.60	49.45
Service Tax	9.67	29.03	5.89	0.77	0.21
Other Taxes	2.02	3.36	6.06	5.37	8.03
Total	**2,302.27**	**3,287.41**	**3864.75**	**4,285.45**	**5,090.10**

Source: Finance Accounts of respective years

Percentage of total State's share in Union taxes and duties to GSDP is given in **Chart 1.14.**

Chart 1.14: Percentage of total State's share in Union taxes and duties to GSDP



The State's revenue during 2024-25 was higher than that of the previous year (13.17 *per cent*), primarily due to an increase in the State's share in Union taxes and duties. The buoyancy ratio of Revenue Receipts to GSDP was 1.18 during the year 2024-25. The State's share in Union Taxes and Duties to the GSDP increased from 2020-21 to 2024-25. However, there was a slight dip during year 2023-24 as shown in the **Chart 1.14.**

C. Grants-in-aid from Government of India

Trend of Grants-in-aid (GIA) from GoI and its components are shown in **Table 1.9**.

Table 1.9: Grants-in-aid from Government of India

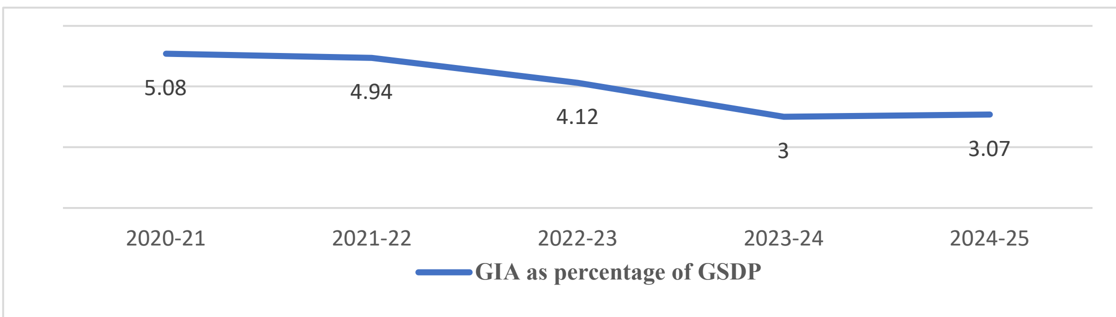
(₹ in crore)

Components	2020-21	2021-22	2022-23	2023-24	2024-25
Grants for Centrally Sponsored Plan Schemes	0.30	(-)0.14	0	0	0
Grants for Centrally Sponsored Schemes	878.22	749.07	1,118.22	940.48	1,035.81
Finance Commission Grants	635.84	787.48	532.90	321.99	372.74
Other transfers/Grants to States/Union Territories with Legislature	162.20	321.72	114.56	180.88	227.68
Total	**1,676.56**	**1,858.13**	**1,765.68**	**1,443.35**	**1,636.23**

Source: Finance Accounts

Percentage of Grant-in-aid from Government of India to GSDP is given in **Chart 1.15.**

Chart 1.15: Percentage of Grant-in-aid from Government of India to GSDP



(i) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹1,035.81 crore for Centrally Sponsored Schemes during 2024-25, major allocations were made to the schemes shown in **Table 1.10**.

Table 1.10: Major Schemes (Centrally Sponsored Schemes and Central Schemes) receiving grants

Name of the Scheme	2024-25 Amount (₹ in crore)	2023-24 Amount (₹ in crore)	Percentage change over previous year
Pradhan Mantri Krishi Sinchai Yojana	79.60	10.08	689.68
Pradhan Mantri Gram SadakYojana (PMGSY)	162.68	1.69	9526.04
National Health Mission (NHM)	60.09	75.14	(-) 20.03
National Education Mission (NEM)	138.06	164.77	(-) 16.21
Border Area Development Programme.	58.10	22.83	154.49
Umbrella Programme for Development of Minorities	123.73	26.25	371.35

Source: Finance Accounts of respective years

(ii) Fifteenth Finance Commission Grants

The Fifteenth Finance Commission (15th FC) grants were provided to the States for local bodies and State Disaster Response Fund (SDRF), State Disaster Mitigation Fund (SDMF) and health sector grants. Details of grants provided by GoI are given in **Table 1.11**

Table 1.11: Recommended amount, actual release and transfers of Grant-in-aid

(₹ in crore)

Transfers		Recommendation of 15th FC for 2024-25	Actual release by GoI, during 2024-25	Release by State Government (Total percentage of the amount released by GoI)
(i) Grants to PRIs		**35.00**	**48.84**	**48.84 (100)**
a) Performance/Tied Grants		21.00	29.30	29.30 (100)
b) Untied Grants		14.00	19.54	19.54 (100)
(ii) Grants to ULBs		**18**	**00**	**00**
a) Non-Million Plus Cities (Performance/Tied Grant)		10.80	0.00	0.00
b) Non-Million Plus Cities (General Basic/Untied Grant)		7.20	0.00	0.00
(iii) Grant for Health Sector		23.00	25.42	25.42 (100)
Total for Local Bodies (i+ii+iii)		**76**	**74.26**	**74.26(100)**
State Disaster Response Fund (SDRF)	Central Share	0	277.03	277.03 (100)
	State Share	0	0	5.77
State Disaster Mitigation Fund (SDMF)	Central Share	0	0	0
	State Share	0	20.15	20.15
Total for SDRMF		**0**	**297.18**	**302.95 (102)**

Source: Departmental information

As against the amount of ₹35.00 crore recommended by the 15th FC for PRIs, GoI released ₹48.84 crore during 2024-25.

In respect of ULBs, grants amounting ₹ 10.80 crore was recommended for Non-Million Plus Cities (Performance/Tied Grants and General Basic/Untied Grants), however, no funds were released during 2024-25.

GoI released ₹ 277.03 crore during 2024-25 which included ₹47.20 crore for SDRF, ₹221.12 crore for NDRF and ₹8.71 crore for expansion and modernisation of fire services in the state.

1.2.2 Capital Receipts

Capital receipts comprise 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.

Trends of capital receipts and their components during 2020-21 to 2024-25 are shown in **Table 1.12**.

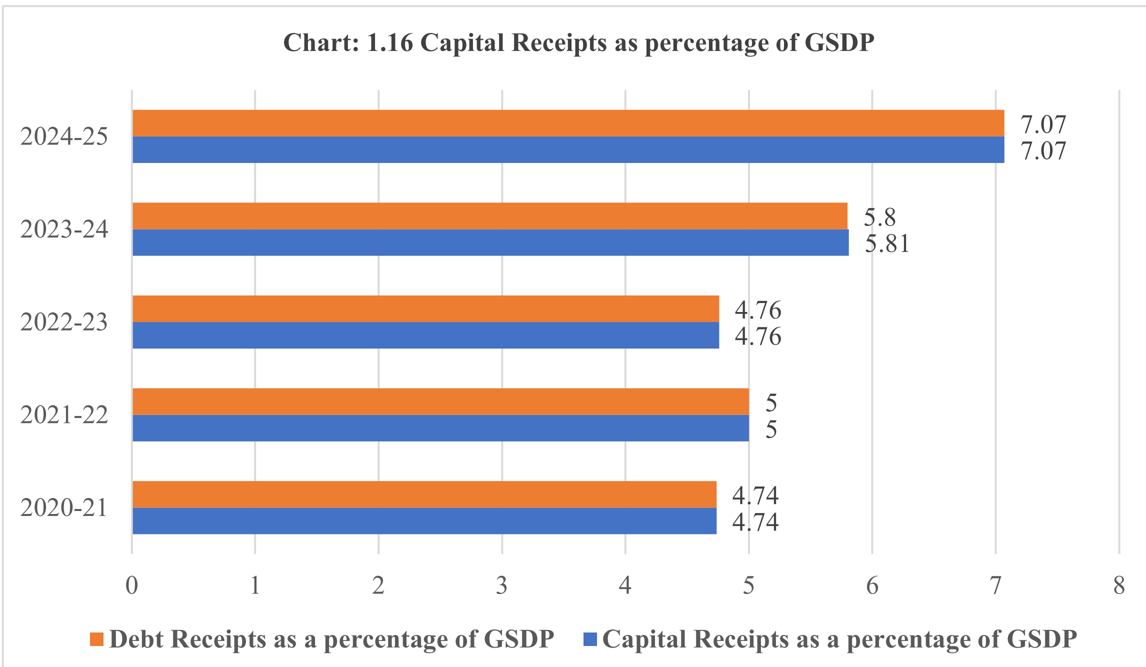
Table 1.12: Trends in growth and composition of capital receipts

(₹ in crore)

Sources of State's Receipts	2020-21	2021-22	2022-23	2023-24	2024-25
Capital Receipts	1,565.88	1,883.05	2,037.34	2,785.80	3,772.58
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	1.17	0.45	0.44	0.39	0.37
Public Debt Receipts	1,564.71	1,882.60	2,036.90	2,785.41	3,772.21
Internal Debt	1,361.87	1,579.00	1,483.87	1,984.53	2,011.00
Loans and advances from GoI	202.84	303.60	553.03	800.88	1,761.21
Year-on Year growth rates (in percent)					
GSDP	5.02	14.03	13.70	12.11	11.15
Capital Receipts	87.87	20.26	8.19	36.74	35.42
Debt Capital Receipts	87.79	20.32	8.20	36.74	35.43
Internal Debt	66.21	15.94	(-)6.02	33.74	1.33
Loans and advances from GoI	1,364.55	49.67	82.16	44.82	119.91

Source: Finance Accounts of respective years

Capital Receipts as percentage of GSDP is depicted in **Chart 1.16** below:



During the last five-year period, Capital Receipts increased by 140.92 *per cent* (₹ 2,206.70 crore) from ₹ 1,565.88 crore in 2020-21 to ₹ 3,772.58 crore in 2024-25. The rate of growth of Capital Receipts was 87.87 *per cent* in 2020-21 and 35.42 *per cent* in 2024-25. Public Debt Receipts formed more than 99 *per cent* of the State's total Capital Receipt as shown in the **Chart 1.16**.

Except for 2022-23, the increase in the Public Debt Receipts was more than the GSDP growth rate of respective years. This indicates rising debt dependence and higher interest burden leading to the potential risk to fiscal sustainability.

1.2.3 Finance Commission Projections and Actuals

The projected revenue, deficits and GSDP by the 15th Finance Commission and actuals for the Financial Year 2020-21 to Financial Year 2024-25 are given in **Table 1.13**.

Table 1.13: 15th FC Projection *vis-à-vis* actuals

(₹ in crore)

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual
GSDP (2011-12 Series - Current Prices)	33,596	33,018	36,390	37,650	40575	42,806	45,444	47,988	51,102	53,340
Own Revenue Receipts	1,590	1,628.99	1,645.00	1,935.04	1,895.00	2,473.37	21,95.00	2,622.58	2,556.00	2,724.92
State's Own Tax Revenue	1,053	966.70	1,127.00	1,254.41	1,299.00	1,497.26	1,506.00	1,748.17	1,756.00	1,814.87
State's Own Non-Tax Revenue	537	662.29	518.00	680.63	596.00	976.11	689.00	874.41	800.00	910.05
State's share in Union Taxes/Duties	3,318	2,302.27	2,555.00	3,287.55	2,843.00	3,864.75	3,199.00	4,285.45	3,634.00	5,090.10
Revenue Surplus (+) / Deficit (-) as percentage of GSDP	(-) 1.8	(-)2.30	(-)0.50	0.84	0.80	1.11	(-)0.36	0.27	0.49	0.90
Fiscal Deficit as percentage of GSDP	3.0	(-)6.89	4.00	(-)2.40	3.50	(-)4.45	3.50	(-) 5.27	(-)3.50	(-) 5.59

Source: Finance Accounts of respective years and Departmental records

1.2.4 Expenditure

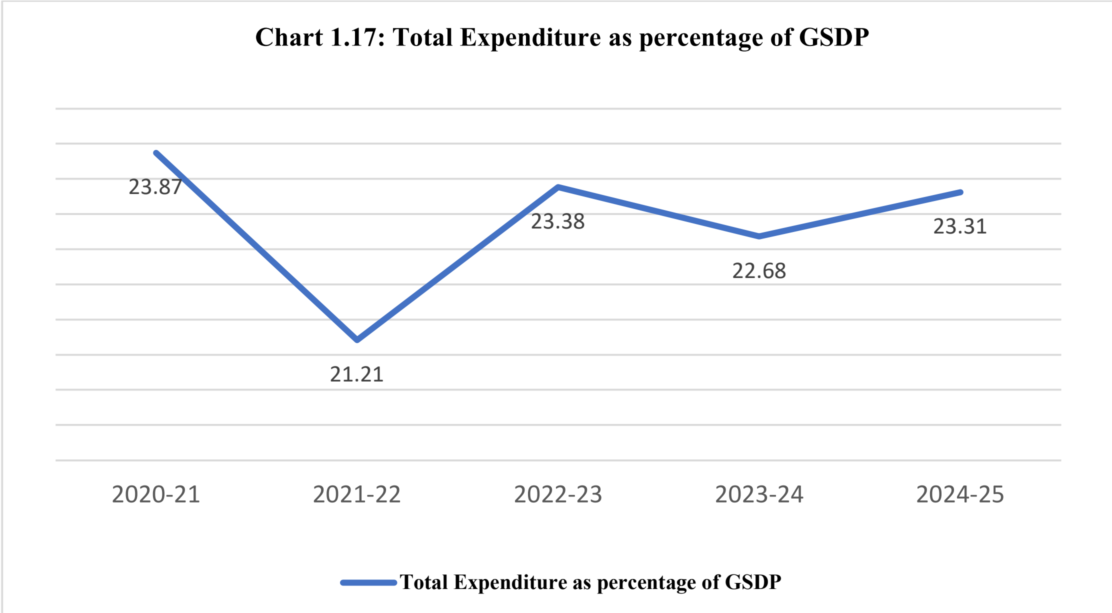
Government expenditure is classified into revenue expenditure, capital expenditure, and loans and advances. Revenue expenditure includes costs for maintenance, repairs, and day-to-day functioning of departments, including administrative and establishment expenses. Capital expenditure relates to the initial construction of projects and sanctioned improvements or additions to assets. Loans and advances comprise funds provided by the government to Public Sector Undertakings and other entities, which are recoverable over time. Details of expenditure, total expenditure as percentage of GSDP and share of its components is given in **Table 1.14, Chart 1.17** and **Chart 1.18** respectively.

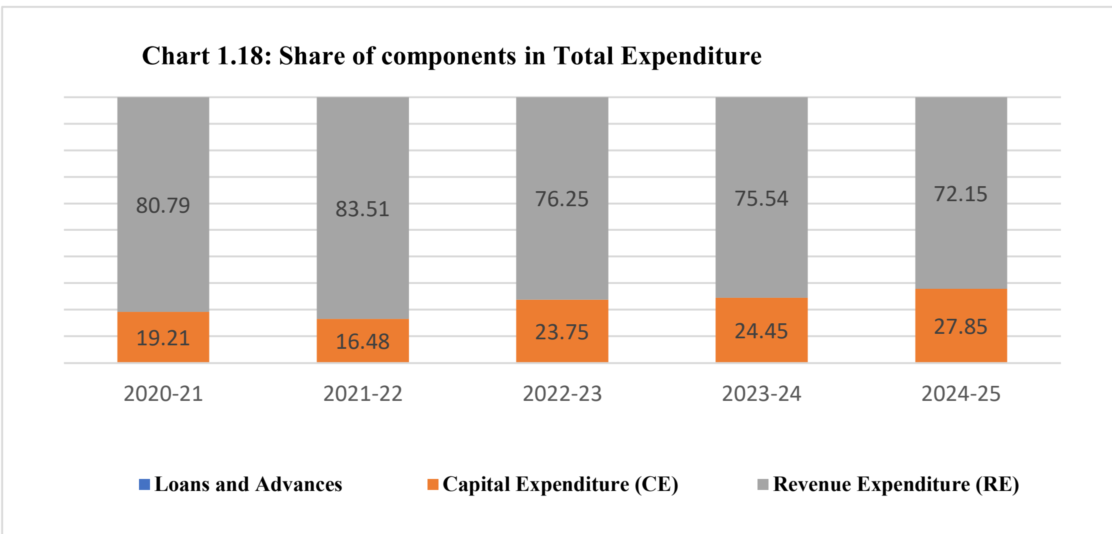
Table 1.14: Total expenditure and its composition

(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	7,882.53	7,985.47	10,007.56	10,881.75	12,431.62
Revenue Expenditure (RE)	6,368.65	6,668.84	7,630.58	8,220.54	8,968.82
Capital Expenditure (CE)	1,513.88	1,315.78	2,376.60	2,660.66	3,462.80
Loans and Advances disbursed	0	0.85	0.38	0.55	0.00
Appropriation to contingency Fund	0	0	0	0	0

Source: Finance Accounts





As shown in the **Chart 1.18**, the share of Capital Expenditure in Total Expenditure has increased over the period of five years (from 19.21 *per cent* to 27.85 *per cent*) except for the year 2021-22. This shows increased focus on creation of long term assets. However, despite the fluctuating trends, revenue expenditure continued to be the largest component of total expenditure during the five year period.

Sector-wise Total Expenditure

Sector-wise composition of expenditure is given in **Table 1.15** and relative share of various sectors in total expenditure is depicted in **Chart 1.19**.

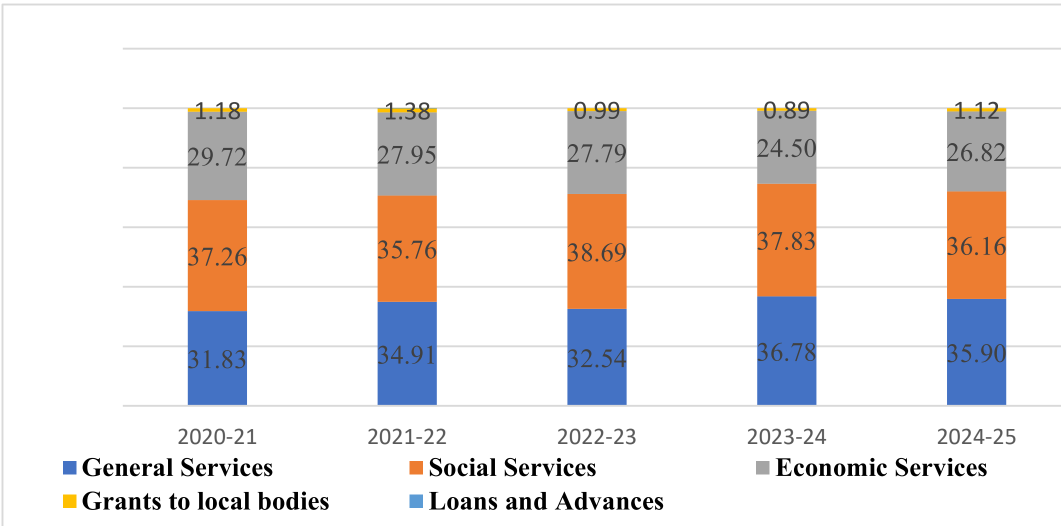
Table 1.15: Sector-wise total expenditure

(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	2,509.30	2,787.52	3,256.11	4,002.72	4,463.21
Social Services	2,936.99	2,855.83	3,871.58	4,116.31	4,494.67
Economic Services	2,342.92	2,231.77	2,780.79	2,666.28	3,334.63
Grants to Local Bodies	93.32	110.35	99.08	96.43	139.11
Loans and Advances	0	0.85	0.38	0.55	0.00

Source: Finance Accounts

Chart 1.19: Relative share of various sectors in Total expenditure



Source: Finance Accounts of respective years

As shown in **Table 1.15**, the expenditure on General Services increased by 11.50 *per cent* during 2024-25 as compared to 2023-24, mainly due to higher expenditure on Administrative Services, Pensions and Miscellaneous General Services. Similarly, expenditure on Social Services increased by 9.19 *per cent*, primarily on account of higher expenditure on Education, Sports, Art and Culture, Health and Family Welfare, and Water Supply, Sanitation, Housing and Urban Development during the year. Further, expenditure under Economic Services increased by 25.07 *per cent* during 2024-25, mainly due to higher spending on Agriculture and Allied Activities, Rural Development and Energy.

However, the **Chart 1.19** shows that the expenditure on General Services as share of total expenditure has increased from 31.83 *per cent* to 35.90 *per cent* mainly at the expense of expenditure on Economic Services reflecting uneven support for developmental programmes.

It is recommended that State Government should take measures for stabilising Capital Outlay, giving priority to growth oriented sectors and rationalise administrative expenses to ensure that the expenditure structure enables goals of sustainable development.

1.2.4.1 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Growth in revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts are shown in **Table 1.16**.

Table 1.16: Revenue Expenditure – Basic Parameters

(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	7,882.53	7,985.47	10,007.56	1,0881.75	12,431.62
Revenue Expenditure (RE)	6,368.65	6,668.84	7,630.58	8,220.54	8,968.82
RE as percentage of Revenue Receipts	113.57	94.18	94.16	98.43	94.90
RE as percentage of TE	80.79	83.52	76.25	75.54	72.15
RE/GSDP (*per cent*)	19.29	17.71	17.82	17.13	16.81
Year-on-year growth (in *per cent*)					
Revenue Expenditure	2.97	4.71	14.42	8.74	9.10
GSDP Growth	5.02	14.03	13.70	12.11	11.15

Source: Finance Accounts of respective years

Except for year 2021-21, Revenue Receipts has consistently exceeded Revenue Expenditure. However, except for year 2022-23, the growth of Revenue Expenditure has lagged behind GSDP growth rate.

A. Sector-wise Revenue Expenditure

Sector-wise composition of Revenue expenditure is given in **Table 1.17** and Relative share of various sectors in Revenue expenditure is depicted in **Chart 1.20**. Detailed Sector-wise expenditure is given in ***Appendix 1.2***.

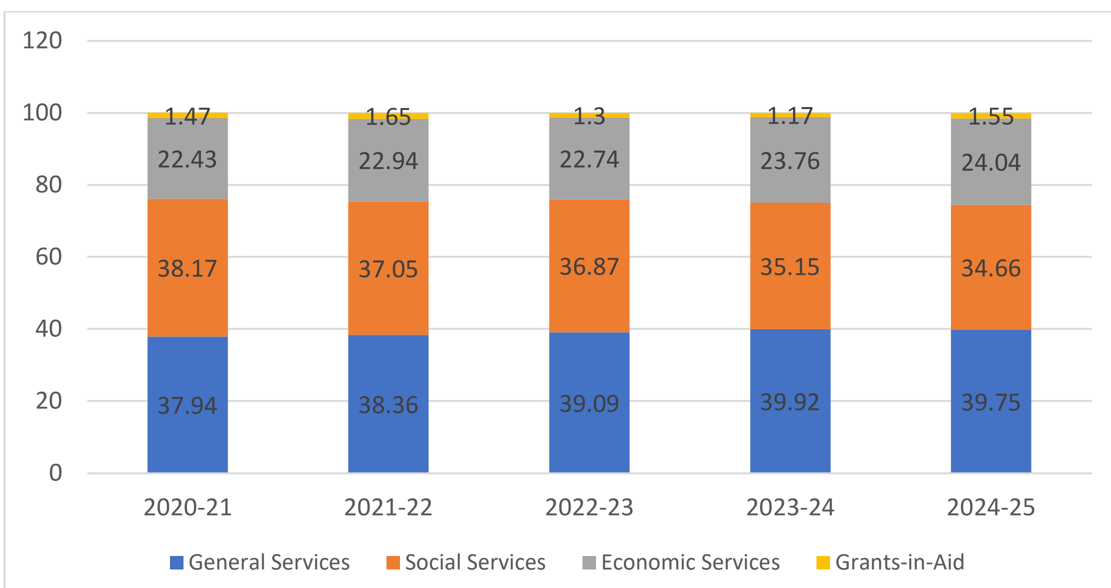
Table 1.17: Sector-wise Revenue expenditure

(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	2,416.08	2,558.27	2,983.32	3,281.95	3,565.06
Social Services	2,430.85	2,470.81	2,813.51	2,889.48	3,108.73
Economic Services	1,428.40	1,530.26	1,735.05	1,953.23	2,155.92
Grants-In-Aid And Contributions	93.32	110.35	99.08	96.43	139.11

Source: Finance Accounts

Chart 1.20: Relative share of various sectors in Revenue expenditure



Source: Finance Accounts of respective years

Revenue Expenditure constituted between 72.15 *per cent* (2024-25) and 83.52 *per cent* (2021-22) of the Total Expenditure during the period 2020-21 to 2024-25. The Revenue Expenditure exhibited continuous growth during this five-year period.

Sector wise analysis of Revenue Expenditure reveal that the share of General Services in Revenue Expenditure has gradually increased over the period 2020-21 to 2024-25, signalling increased administrative burden *i.e.* higher expenditure on Administrative Services, Pension and Miscellaneous General Services. Hence, it may be stated that the expenditure mix, may not support sustainable growth.

B. Committed Expenditure

The committed expenditure of the State Government on revenue account consists of interest payments; expenditure on salaries and wages; and pensions. It has first charge on Government resources. The components of committed expenditure are given in **Table 1.18** and committed expenditure as a percentage of revenue receipts and remaining fiscal space for other expenditure is given in **Chart 1.21.**

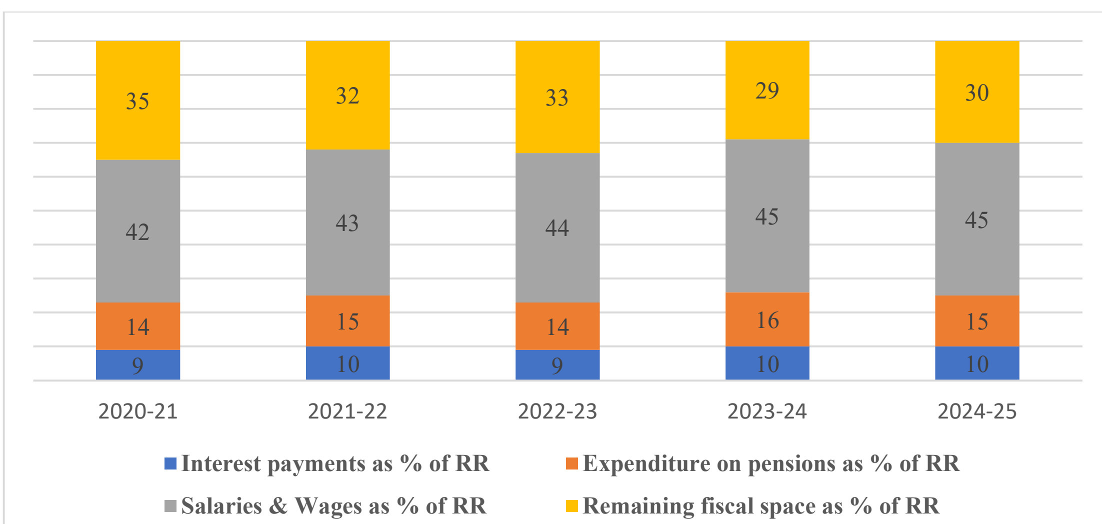
Table 1.18: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2020-21	2021-22	2022-23	2023-24	2024-25
Salaries & Wages[2]	3,381.84	3,322.37	3,594.27	3,719.82	4,277.75
Expenditure on Pensions	908.13	983.24	1,150.25	1,301.09	1,376.61
Interest Payments	548.41	635.04	718.18	823.63	928.59
Total	**4,530.19**	**4,940.65**	**5,462.70**	**5,844.54**	**6,582.95**
Committed Expenditure as a percentage of Revenue Expenditure	71.13	74.08	71.59	71.10	73.40

Source: Finance Accounts of respective years

Chart 1.21: Committed Expenditure as a percentage of Revenue receipts and remaining fiscal space



Source: Finance Accounts of respective years

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2 *Salaries and wages are inclusive of GIA Salaries: 2020-21 (₹ 37.77 crore), 2021-22 (₹ 53.72 crore), 2022-23 (₹ 55.78 crore), 2023-24 (₹ 132.51 crore) and 2024-25 (₹ 150.25 crore).*

The committed expenditure of the State Government on revenue account consists of Interest Payments, Expenditure on Salaries, Wages and Pensions.

Over the period 2020-21 to 2024-25, committed expenditure as per cent of revenue expenditure has increased from 71.13 to 73.40 *per cent*. Also as shown in **Chart 1.21**, remaining fiscal space has shrunk from 35 *per cent* (2020-21) to 30 *per cent* (2024-25) thereby limiting the State's fiscal flexibility. It has potential implication on reduced expenditure on Capital and Welfare schemes.

State Government should take immediate steps to improve the scenario and ensure that the trend of increase in committed expenditure is reversed at the earliest. This is essential for sustainable growth of the state.

C. Subsidies

The total subsidies during 2024-25 amounted to ₹22.45 crore, showing a decrease of ₹10.24 crore (31.32 *per cent*) from ₹32.69 crore in the previous year (2023-24). The decline was mainly on account of a reduction of ₹20.84 crore in the power subsidy provided by the Power Department during the year.

Department-wise major subsidies for Financial Years 2020-21 to 2024-25, are shown in **Table 1.19**.

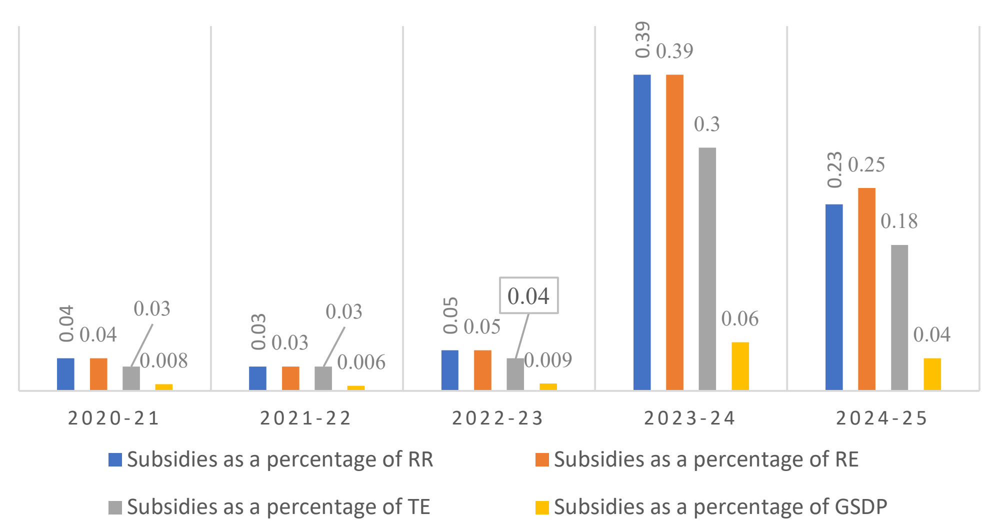
Table 1.19: Department-wise Subsidies during FYs 2020-21 to 2024-25

(₹ in crore)

Sl. No.	Departments	2020-21	2021-22	2022-23	2023-24	2024-25
1	Food Supplies & Consumer Welfare	2.78	2.50	4.06	2.57	1.52
2	Power	0	0	0	29.43	8.59
3	Commerce and Industries	0	0	0	0.10	5.09
4	Tourism & Civil Aviation	0	0	0	0	7.00
5	Others[3]	0.08	0.25	0.83	0.59	0.25
Total Subsidy		**2.86**	**2.75**	**4.89**	**32.69**	**22.45**

Source: Finance Accounts of respective years

Chart 1.22: Trend analysis of subsidies



[3] *Ecclesiastical, Cooperation, etc.*

Department-wise trends **(Table 1.19)** show that subsidies remained low and stable between 2020-21 and 2022-23, ranging between ₹2.86 crore and ₹4.89 crore. However, there was a sharp increase in 2023-24 to ₹32.69 crore, primarily due to the introduction of power subsidy amounting to ₹29.43 crore. Although the total subsidies declined in 2024-25, the Power Department continued to remain the major contributor, accounting for ₹8.59 crore of the total subsidy.

Further, subsidy components were introduced in Tourism & Civil Aviation (₹ seven crore) during 2024-25, indicating a diversification of subsidy support towards industrial promotion and tourism development.

D. Financial assistance by the State Government to Local Bodies and Other Institutions

Assistance provided by way of grants to the local bodies and other institutions during the period 2020-21 to 2024-25 is presented in **Table 1.20.**

Table 1.20: Financial assistance to Local Bodies and other institutions

(₹ in crore)

Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
(A) Local Bodies					
Municipal Corporations and Municipalities	0.00	0.00	0.00	0.00	0.00
GIA for creation of Capital assets to Municipal Corporations and Municipalities	0.00	0.00	0.00	0.00	0.00
Zilla parishads and other Panchayati Raj Institutions	37.76	45.82	47.72	29.45	57.09
GIA for creation of Capital assets to PRIs	0.00	0.00	0.00	17.40	16.50
Total (A)	**37.76**	**45.82**	**47.72**	**46.85**	**73.59**
(B) Others					
Educational Institutions (Aided Schools, Colleges, Universities, *etc.*)	0.00	0.00	0.00	0.00	0.00
Development Authorities	0.00	0.00	0.00	0.00	0.00
Hospitals and Other Charitable Institutions	0.00	0.00	0.00	0.00	0.00
Other Institutions	73.05	102.37	121.00	130.60	133.67
Total (B)	**73.05**	**102.37**	**121**	**130.60**	**133.67**
Total (A+B)	**110.81**	**148.19**	**168.72**	**194.85**	**207.26**
Total GIA for creation of Capital assets	0.00	0.00	0.00	17.40	16.50
Revenue Expenditure	6,368.65	6,668.84	7,630.58	8,220.54	8,968.82
Assistance as percentage of Revenue Expenditure	1.74	2.22	2.21	2.37	2.31

Source: Finance Accounts of respective years

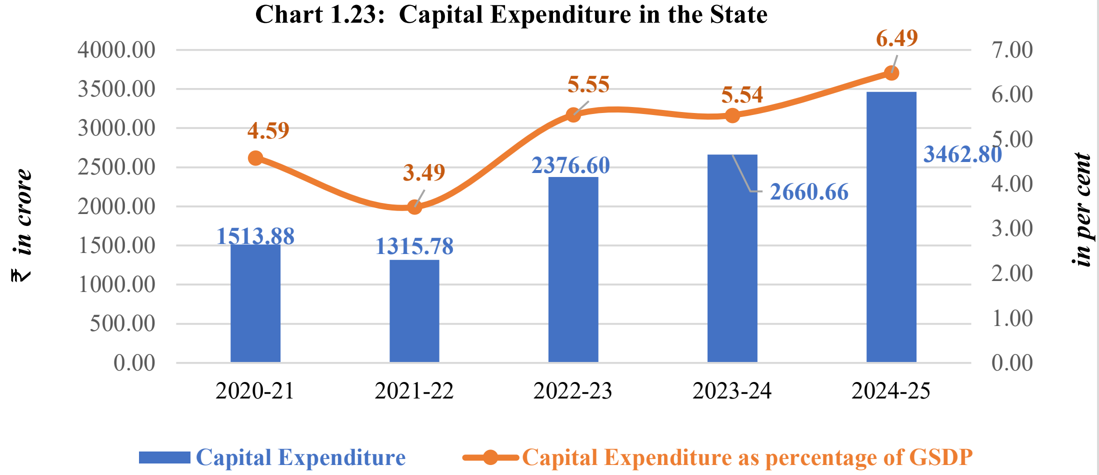
During 2024-25, financial assistance to the local bodies and other institutions increased by ₹26.74 crore (57.08 *per cent*) over the previous year. The increase was mainly due to increase in assistance to Zilla parishads and other Panchayati Raj Institutions (₹ 27.64 crore, 93.85 *per cent*). The GIA for creation of Capital assets to PRIs decreased by ₹0.90 crore (5.17 *per cent*) as compared to previous year 2023-24. The financial assistance to other institutions also increased over the five year period *i.e.* ₹ 133.67 crore in 2024-25 from ₹73.05 crore during 2020-21.

However, as noted in the State Finance Audit Report for the year ending March 2024, the absence of grants to Municipal Corporations and Municipalities since 2020-21 indicates missed opportunity to empower urban local bodies. The significant increase in support to other institutions highlights a shift towards operational and development support for education, health and cultural activities. The continuous rise in GIA for salaries indicates growing dependence on Government support for operational cost in assisted institutions. The continued disbursement of grants for capital assets since 2023-24 reflects an increased emphasis on infrastructure development.

1.2.4.2 Capital Expenditure

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings, *etc.* Capital expenditure, in both the Centre and the State, is being met with budgetary support and extra budgetary resources/ off-budget borrowings. It also includes investments made by the State Government in Companies/Corporations. Trends of capital expenditure in the State over the last five years *i.e.* 2020-25 are given in **Chart 1.23**.

Chart 1.23: Capital Expenditure in the State



Source: Finance Accounts and Annual Financial Statements of respective years

Apart from Capital expenditure of ₹ 3,462.80 crore, State government also transferred ₹ 16.50 crore as Grant-in-Aid for creation of capital assets to the local bodies and other institutions. Further, percentage of Capital Expenditure as compared to Debt receipts was 91.80 *per cent*.

Capital expenditure as percentage of GSDP increased from 4.59 *per cent* in 2020-21 to 6.49 *per cent* during the period 2024-25, reflecting the state's focus on infrastructure and developmental activities. It also can stimulate economic activity, create jobs and increase productivity, leading to higher economic growth rates.

A Sector-wise Capital Expenditure

Sector-wise composition of Capital expenditure is given in **Table 1.21**. Detailed Sector-wise expenditure is given in ***Appendix 1.2***.

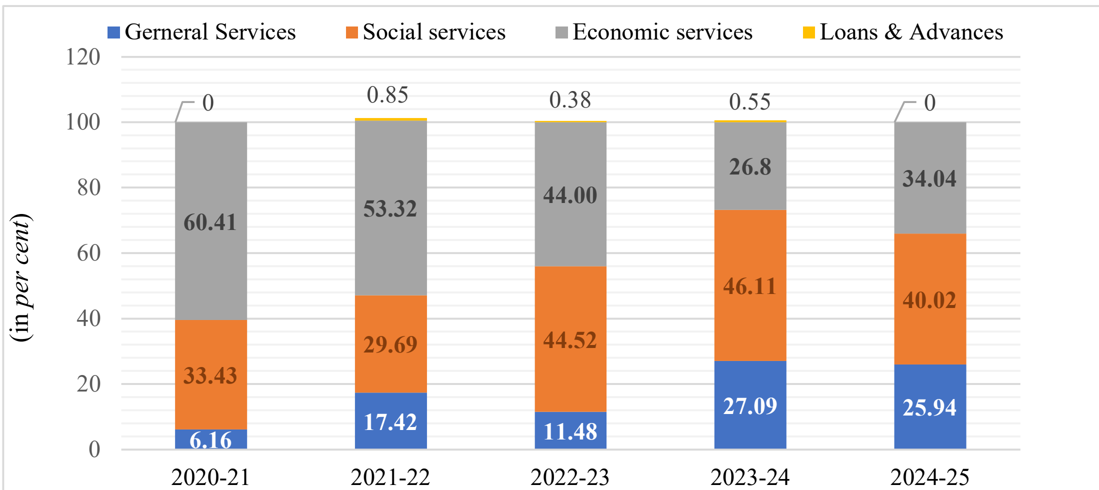
Table 1.21: Sector-wise Capital expenditure

(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	93.22	229.25	272.79	720.77	898.15
Social Services	506.14	385.02	1,058.07	1,226.83	1,385.94
Economic Services	914.52	701.51	1,045.74	713.05	1,178.71
Loans & Advances	0.00	0.85	0.38	0.55	00.00

Source: Finance Accounts

Chart 1.24: Relative share of various sectors in Capital expenditure



Source: Finance Accounts of respective years

The **Chart 1.24** shows decline in Capital Expenditure on Economic Services from 60.41 *per cent* in 2020-21 to 34.04 *per cent* in 2024-25, with as low as 26.80 *per cent* during 2023-24. Against this, the Capital Expenditure on Social Services increased from 6.16 *per cent* to 25.94 *per cent* over this period. Reduced expenditure on economic services reflects reduced priority and support for developmental programmes. This also corroborates the audit observation under ***Paragraph 1.2.4***.

It is recommended that State Government take corrective steps for giving due priority to the economic sector.

B Quality of investments in the companies, corporations and other bodies

As of 31 March 2025, the State Government's investment in companies, corporations and other bodies stood at ₹ 114.28 crore, comprising 25 Government Companies (₹94.51crore), nine Banks and Co-operative Societies (₹ 11.63 crore) and three Statutory Corporations (₹ 8.14 crore).

Trends of investment at the end of the year in companies, corporations, and co-operative banks and societies, and return on these investments is depicted in **Chart 1.25**. Rate of return on investment made *vis-à-vis* average rate of interest on government borrowing is depicted in **Chart 1.26**.

Chart 1.25: Investment and Return

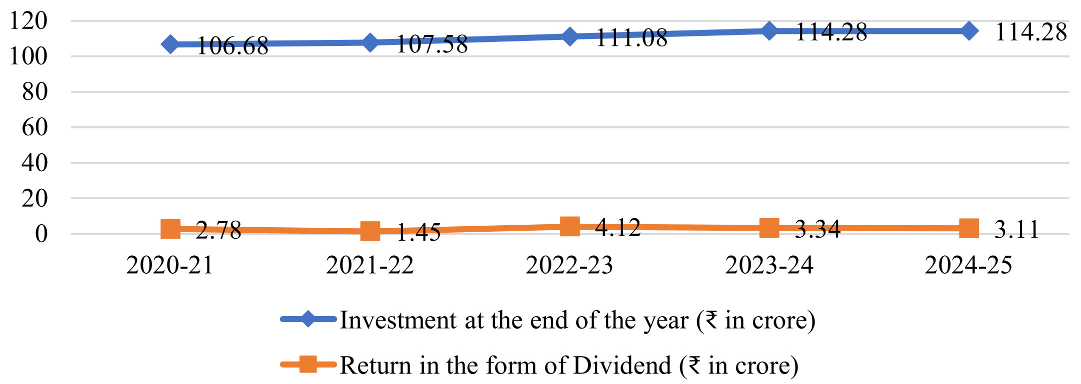
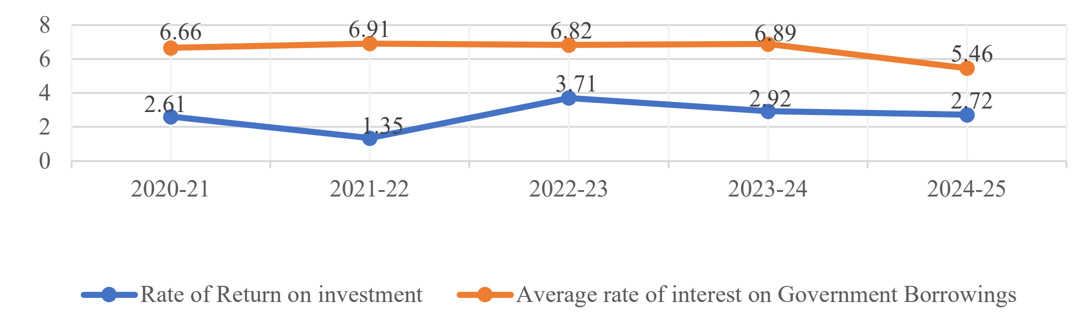


Chart 1.26: Rate of return on investment *vis-a-vis* average rate of interest on Government borrowings



*Note***:** *Average interest rate calculation: Total outstanding debt ₹15,168.20 crore (2023-24) Plus Total outstanding debt ₹ 18,866.45 crore (2024-25) = Average outstanding Debt ₹34,034.65 crore/ 2 = ₹17,017.32 crore; Interest paid during 2024-25 = ₹ 928.59 crore; Average interest rate in per cent = ₹ 928.59 crore /₹ 17,017.32 crore= 5.46 per cent.*

During 2024-25, the return on investment was ₹ 3.11 crore (2.72 *per cent*) (based on historical cost and not on net present value basis). The return was only between 1.35 *per cent* and 3.71 *per cent* during 2020-25, while the average rate of interest paid by the State Government on its borrowings was between 5.46 *per cent* and 6.91 *per cent* during the same period. Over the past five years, the difference in cost of Government borrowings and return on investments in entities was to the tune of (-) ₹ 3,639.04 crore (₹3,653.84 crore interest paid - ₹ 14.80 crore total dividends for five years. Hence, if borrowing cost exceeds return on investment, investments may not cover interest payments thus increasing debt burden.

It was found that ₹ 114.28 crore was invested in 37 entities upto 2025. Out of 37 entities only three[4] entities gave return of ₹ 3.11 crore during the financial year 2024-25 which was only 2.72 *per cent* of total investment. However, Government borrowed funds at an average rate of interest of 5.46 *per cent.*

[4] *State Bank of Sikkim - ₹ 1.33 crore, Sikkim Distilleries Ltd - ₹ 1.45 crore and Sikkim State Co-op Bank - ₹ 0.33 crore.*

The return on investment remains below the borrowing cost, leading to a net fiscal burden. Investments are not generating sufficient returns to justify the associated debt servicing. Returns have fluctuated significantly, reflecting volatility in investment performance and inefficiencies in managing state investments. The reduction in borrowing costs has slightly improved the fiscal scenario by narrowing the gap between returns and borrowing costs. However, it still does not eliminate the financial inefficiency. The limited growth in investment volume suggests missed opportunities to diversify or expand revenue-generating assets.

Lack of Dividend Policy and Its Impact

Further, as pointed out in earlier Audit Reports, the state has not formulated or enforced a dividend policy for its Public Sector Undertakings (PSUs). This has resulted in persistently low returns (2.72 *per cent* of investment) on the government's substantial equity investments, undermining the potential for non-tax revenue generation. This is evident from the fact that out of 25 Companies, where the State Government has a total investment of ₹94.51 crore as on 31 March 2025, only one Company (Sikkim Distilleries Ltd.) gave a dividend of ₹1.45 crore during 2024-25.

Hence, lack of a well-defined dividend policy mandating a minimum return from profit-making enterprises, led to dismal or no returns on the State Government investments in SPSEs. Non-receipt of dividends from other 24 companies, shows lack of transparency and lack of monitoring of the SPSEs financial performance.

It is recommended that the State Government formulate a dividend policy which aligns with GoI norms, assessing compliance by Government companies and corporations and ensuring Government Departments are effectively monitoring and pursuing dividend payments. Further, the State Government may review the viability of non-performing entities, considering disinvestment where feasible, and enforcing dividend declarations to improve returns and reduce fiscal burden.

C Loans and Advances by State Government

In addition to the investments in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to many institutions/ organisations. **Table 1.22** presents the position of outstanding loans and advances as on 31 March 2025 and interest receipts *vis-à-vis* interest payments by the State Government on its borrowings during the last five years.

Table 1.22: Quantum of loans disbursed and recovered during 2020-25

(₹ in crore)

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
Opening Balance of loans outstanding	254.06	252.89	253.29	253.23	253.39
Amount advanced during the year	0.00	0.85	0.38	0.55	0.00
Amount recovered during the year	1.17	0.45	0.44	0.39	0.37
Closing Balance of the loans outstanding	252.89	253.29	253.23	253.39	253.02
Net addition	(-)1.17	(+) 0.40	(-)0.06	(+)0.16	(-) 0.37
Interest received	0.0	0.00	0.0	0.00	0.00

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
Interest rate on Loans and Advances given by the Government**	0	0	0	0	0
Average rate of interest on Government Borrowings (*per cent*)	6.66	6.91	6.82	6.89	5.46*
Difference between the rate of interest received and interest paid (*per cent*)	(-) 6.66	(-) 6.91	(-) 6.82	(-) 6.89	(-) 5.46

Source: Finance Accounts of respective years.
** Calculated on the interest bearing liabilities.*
***No information is available regarding interest payment in arrears due to loan accounts being maintained by the Government of Sikkim.*

State Government did not disburse any loans and advances during 2024-25. The total outstanding loans advanced by the State Government decreased by ₹ 0.37 crore from ₹253.39 crore in 2023-24 to ₹ 253.02 crore in the year 2024-25. State Government did not receive any interest during 2020-25.

1.3 Contingency Fund

The Contingency Fund of the Government of Sikkim is intended to provide advances for meeting unforeseen expenditure, pending its authorisation by the State Legislature. The fund is recouped once the Legislature approves the additional expenditure. The corpus of the Fund is ₹ one crore.

During 2024-25, there was no transaction from the Contingency Fund. Hence, as on 31 March 2025, Contingency Fund had a balance of ₹ one crore.

1.4 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. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

1.4.1 Net Public Account Balances

The component-wise net balances in Public Account of the State are given in **Table 1.23**

Table 1.23: Component-wise net balances in Public Account

(₹ in crore)

Sector	Sub-Sector	2020-21	2021-22	2022-23	2023-24	2024-25
Small Savings, Provident Funds, *etc.*	Small Savings, Provident Funds, *etc.*	1,318.29	1,416.32	1,453.36	1,452.31	1,423.54
Reserve Funds	(a) Reserve Funds bearing Interest	363.79	296.19	224.07	137.81	370.88
	(b) Reserve Funds not bearing Interest	123.73	119.32	133.06	145.61	143.28
Deposits and Advances	(a) Deposits bearing Interest	83.15	68.52	52.24	59.63	80.60
	(b) Deposits not bearing Interest	279.19	308.46	310.88	360.52	477.35
	(c) Advances	(-)1.03	(-)1.03	(-)1.03	(-)1.03	(-) 1.03
Suspense and	(a) Suspense	5.20	5.48	9.38	11.32	10.07

Sector	Sub-Sector	2020-21	2021-22	2022-23	2023-24	2024-25
Miscellaneous	(b) Other Accounts	338.46	353.87	203.73	314.61	396.93
	(c) Accounts with Governments of Foreign Countries	0	0	0	0	0
	(d) Miscellaneous	0	0	0	0	0
Remittances	(a) Money Orders, and other Remittances	513.66	369.97	451.61	344.31	295.82
	(b) Inter- Governmental Adjustment Account	0	0	0	0	0
Total		**3,024.44**	**2,937.10**	**2,837.30**	**2,825.10**	**3,197.44**

Source: Finance Accounts of respective years
Note: +ve figures denote debit balance and –ve figures denote credit balances.

Some key changes have been observed over time. Deposits not bearing interest show consistent growth, suggesting reliance on low-liability funds for operations. The declining trend in Remittances in recent years suggests reduced inter-governmental adjustments or transfers.

1.4.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met with contributions or grants from the Consolidated Fund or from outside agencies. It comprises interest bearing reserve funds and reserve funds not bearing interest.

There were three interest bearing funds and three Reserve Funds not bearing interest as on 31 March 2025. The fund balances lying in these Reserve Funds as on 31 March 2025 are given in **Table 1.24**.

Table 1.24: Detail of Major Reserve Funds

(₹ in crore)

Sl. No.	Name of Reserve Fund	Opening Balance	Receipts during the year	Interest receipts	Repayments during the year	Balance as on 31 March 2025
A	**Reserve Funds bearing Interest**	**160.81**	**585.09**	**0**	**264.02**	**481.88**
1.	State Disaster Response Fund	10.64	283.50	0	217.48	76.66
2.	State Compensatory Afforestation	133.88	278.25	0	44.00	368.13
3.	State Disaster Mitigation Fund	16.30	23.33	0	2.54	37.09
B	**Reserve Funds not bearing Interest**	**868.41**	**138.49**	**0**	**53.70**	**953.19**
1.	Sinking Funds	641.98	75.02	0	0	717.00
2.	Guarantee Redemption Fund	82.03	12.09	0	0	94.12
3.	Other Funds	144.40	51.38	0	53.70	142.07
	Grand Total	**1,029.22**	**723.58**	**0**	**317.72**	**1,435.07**

Source: Finance Accounts of respective years

1.4.3 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 2023-24 and 2024-25 is shown in **Table 1.25**.

Table 1.25: Cash Balances and their investment

(₹ in crore)

	Opening balance as on 1 April 2024	Closing balance as on 31 March 2025
A. General Cash Balances		
Deposits with State Bank of Sikkim	44.67	37.80
Deposits with other Banks	8.47	26.75
Total	**53.14**	**64.55**
Investments held in Cash Balance Investment Account	1,928.31	2,667.17
Total (A)	**1,981.45**	**2,731.72**
B. Other Cash Balances and Investments		
Cash with departmental officers *viz.* Forest and Public Works	0.95	0.95
Permanent advances with departmental officers for contingent expenditure	0.48	0.49
Investment of earmarked funds	745.80	920.91
Total (B)	**747.23**	**922.35**
Total (A + B)	**2,728.68**	**3,654.07**
Interest realised	**84.80**	**116.97**

Source: Finance Accounts of respective years

Details of Cash Balance Investment Account during the last five years is given in **Table 1.26**.

Table 1.26: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / Decrease (-)	Interest earned
2020-21	1,150	1,310	160	117.46
2021-22	1,310	2,073	763	40.30
2022-23	2,073	1,958.33	(-)115	51.76
2023-24	1,958.33	1,928.32	(-)30.01	84.80
2024-25	1,928.32	2,667.17	738.85	116.97

Source: Finance Accounts of respective years

As depicted in **Table 1.25**, there was an increase of ₹925.39 crore (33.91 *per cent*) in cash balance of Government as on 31 March 2025 as compared to the previous year's balance. Furthermore, interest realised during the year 2024-25 was ₹116.97 crore whereas interest realised during the previous year 2023-24 was ₹84.80 crore.

The trend analysis of the cash balance investment of the State revealed that following the consistent decline in 2022-23 and 2023-24 compared to the previous year (2021-22), the cash balances with the State increased in 2024-25, indicating improvement in liquidity management.

State Government has not availed any Ways and Means Advances (WMA), Special Ways and Means Advances (SWMA) or Special Drawing Facility (SDF),/ Over Draft (OD) during year 2024-25.

1.5 Fiscal Sustainability

Fiscal Sustainability is the ability of a government to manage its revenue and expenditure in a manner that ensures it can meet its current and future obligations such as public services, infrastructure, and debt repayments without excessive borrowing or accumulating unsustainable debt. It implies maintaining a stable balance between revenue generation and expenditure over the long term. **Chart 1.27** and **Chart 1.28** shows receipts and expenditure of the State as a percentage of GSDP, during FY 2020-25 respectively.

Chart 1.27: Receipts of the State

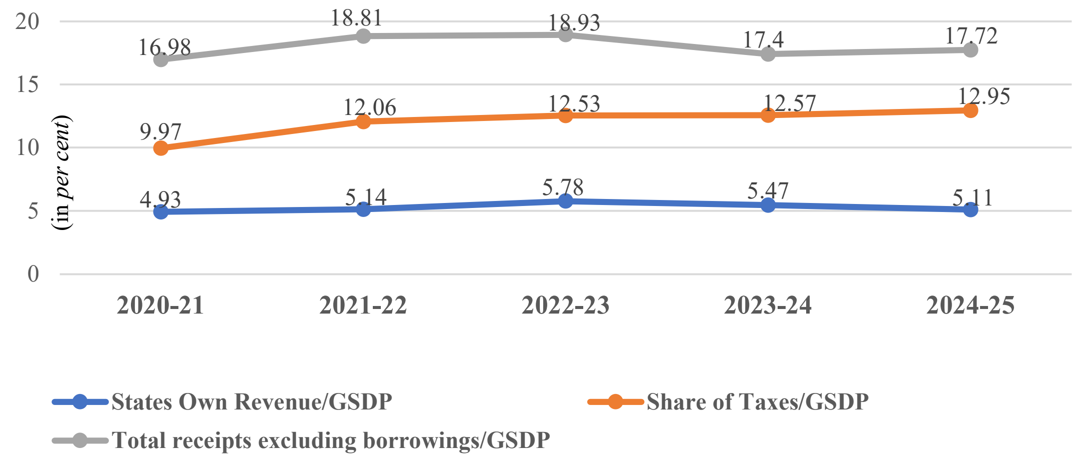
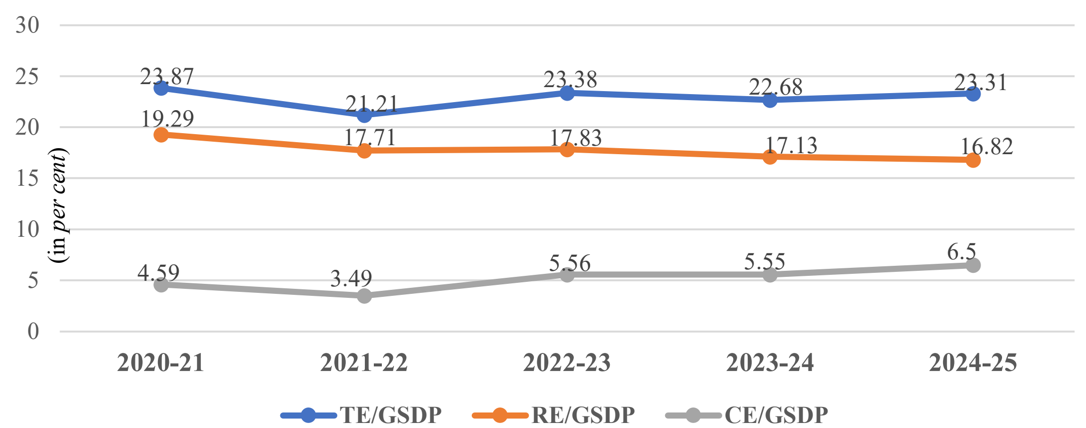


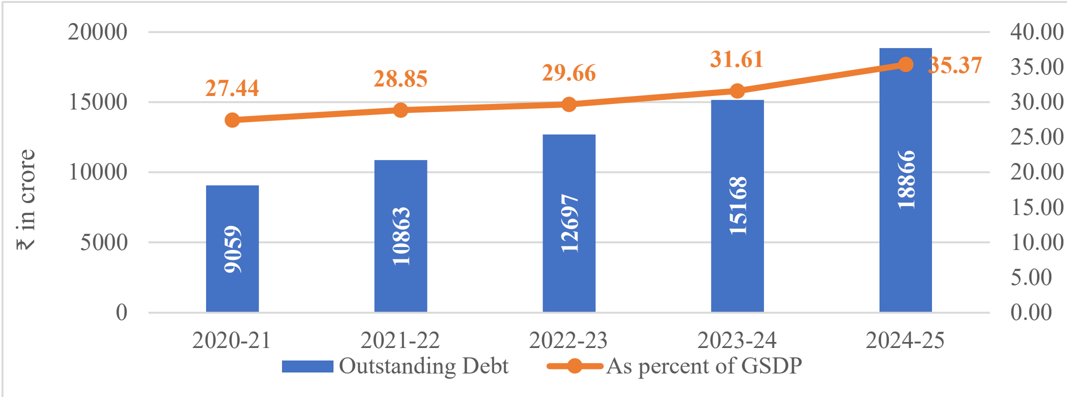
Chart 1.28: Expenditure of the State



1.5.1 Public Liability Management

Outstanding liability of the State along with its percentage to GSDP for the years 2020-21 to 2024-25 is depicted in **Chart 1.29**.

Chart 1.29: Outstanding Public Liability and its percentage to GSDP



Source: Finance Accounts of respective years

The debt/GSDP ratio of the State rose from 27.44 *per cent* in 2020-21 to 35.37[5] *per cent* in 2024-25. During the same period, the internal debt of State government increased from ₹6,598.09 crore in 2020-21 to ₹ 12,703.99 crore in 2024-25.

The significant growth in outstanding debt outpaces GSDP growth, resulting in a steadily increasing debt-to-GSDP ratio. A consistently high rate of debt growth (above 16 *per cent* annually) reflects a growing reliance on borrowings to meet fiscal obligations.

1.5.1.1 Liability profile: Components

Total liabilities of the State Government typically constitute Internal Debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, *etc.*), loans and advances from the Central Government, and Public Account Liabilities. The component-wise liability trends of the State for the period of five years beginning from 2020-21 are presented in **Table 1.27**.

Table 1.27: Component-wise liability trends

(₹ in crore)

Components of fiscal liability	2020-21	2021-22	2022-23	2023-24	2024-25
Outstanding Total Liability	9,058.84	10,862.94	12,696.89	15,168.20	18,866.44
Public Debt	6,890.69	8,654.13	10,523.29	13,012.33	16,370.78
Internal Debt	6,598.09	8,068.39	9,395.95	11,095.50	12,703.99
Loans from GoI	292.60	585.74	1,127.34	1,916.83	3,666.79
Public Account Liabilities	2,168.15	2,208.81	2,173.61	2,155.87	2,495.65
Small Savings, Provident Funds, etc.	1,318.29	1,416.32	1,453.36	1,452.31	1,423.54
Reserve Funds bearing Interest	363.79	296.19	224.07	137.81	370.88
Reserve Funds not bearing Interest	123.73	119.32	133.06	145.61	143.28
Deposits bearing Interest	83.15	68.52	52.24	59.62	80.60
Deposits not bearing Interest	279.19	308.46	310.88	360.52	477.35

[5] *The percentage of 35.37 includes 50-year interest free loan from the Central Government under Special Assistance to States for Capital Investments and 'Pension funding adjustment' pertaining to the year 2024-25.*

Components of fiscal liability	2020-21	2021-22	2022-23	2023-24	2024-25
Rate of growth of outstanding total liability (*per cent*)	22.40	19.91	16.88	19.46	24.38
Gross State Domestic Product (GSDP)	33,018	37,650	42,806	47,988	53,340
Outstanding Total Liability/ GSDP (*per cent*)	27.44	28.85	29.67	31.61	35.37
Borrowings and Other Liabilities					
Total Receipts	2,765.71	2,814.83	3,119.24	4,086.31	5,710.64
Total Repayments	1,107.54	1,011.47	1,285.29	1,615.00	2,012.40
Net funds available	1,658.17	1,803.36	1,833.95	2,471.31	3,698.24
Repayments/ Receipts (per cent)	40.04	35.93	41.21	39.52	35.24

Source: Finance Accounts of respective years

Break-up of outstanding total liabilities at the end of 2024-25 is shown in **Chart 1.30.**

Chart 1.30: Break-up of outstanding total liabilities at the end of 2024-25

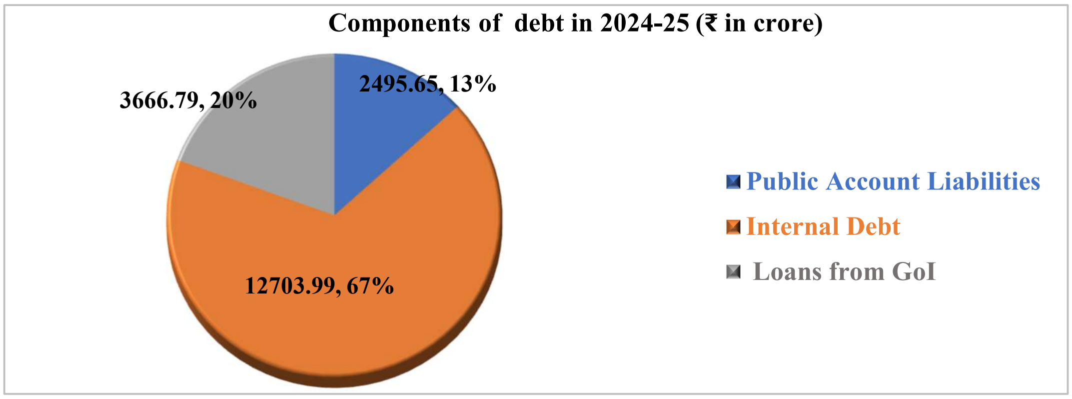
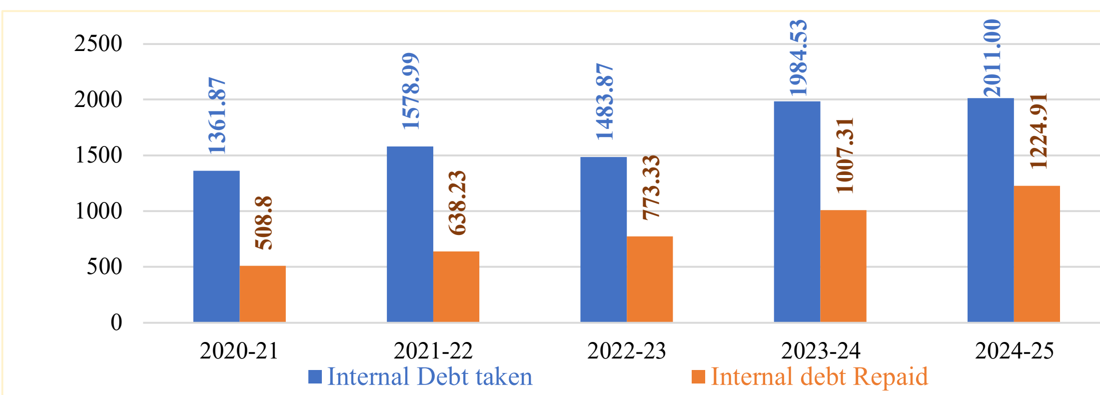


Chart 1.31 depicts the quantum of internal debt taken *vis-à-vis* repaid during the period of five years *i.e.* 2020-25.

Chart 1.31: Internal debt taken *vis-a-vis* repaid

(*₹ in crore)*



Source: Finance Accounts of respective years

During the period 2020-25, total Outstanding Debt of the State more than doubled from ₹9,058.84 crore in 2020-21 to ₹18,866.45 crore in 2024-25. During the current year, it increased by 24.38 *per cent* over the previous year. The reasons for increase in Outstanding Debt were mainly due to increase in Market Loans (Internal Debt) and

Loans and Advances from Central Government. Further, during the period 2020-25, total outstanding Public Account Liabilities of the State increased by 15.10 *per cent* (₹327.50 crore) from ₹2,168.15 crore in 2020-21 to ₹2,495.65 crore in 2024-25. Increase in Public Account Liabilities during 2024-25, as against 2023-24, was due to increase in Reserve Funds and Deposits. The increase in liabilities can lead to higher debt burden, potentially resulting in higher interest payments and reduced fiscal flexibility.

The ratio of total outstanding liability to GSDP ranged between 27.44 *per cent in* 2020-21 to 35.37 *per cent* in 2024-25. However, after excluding 50-year interest free loan from the Central Government under Special Assistance to States for Capital Investments and 'Pension funding adjustment' pertaining to the year 2024-25 the ratio comes to 28 *per cent* which is within the target fixed by SFRBM Act (*28 per cent for 2024-25*). Further, during 2020-25, Public Debt constituted on an average 83 *per cent* of total debt and the growth rate of Outstanding Debt outpaced the growth rate of GSDP. This indicates that there would be increased pressure of debt repayment including interest on Public Debt in the forthcoming years.

Internal debt of the State Government increased by ₹6,105.89 crore (92.54 *per cent*) from ₹6,598.09 crore in 2020-21 to ₹12,703.98 crore in 2024-25. An amount of ₹1,224.91 crore was repaid towards interest and internal debt during 2024-25. The percentage increase in internal debt taken was 1.33 *per cent* from 2023-24 to 2024-25 which was lower by 40 *per cent* as compared to internal debt repayment during these years (₹284.98 crore in 2023-24 and ₹402.51 crore in 2024-25) which implies governments reduction in debt burden and freeing up of resources for other important expenditures.

It is recommended that the State Government ensure that the borrowing is done prudently, with a clear plan for repayment and a focus on projects that generate economic returns.

1.5.1.2 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not a healthy trend. **Table 1.28 and Chart 1.32** depict the utilisation and trends of borrowed funds during 2020-25 respectively.

Table 1.28: Utilisation of borrowed funds

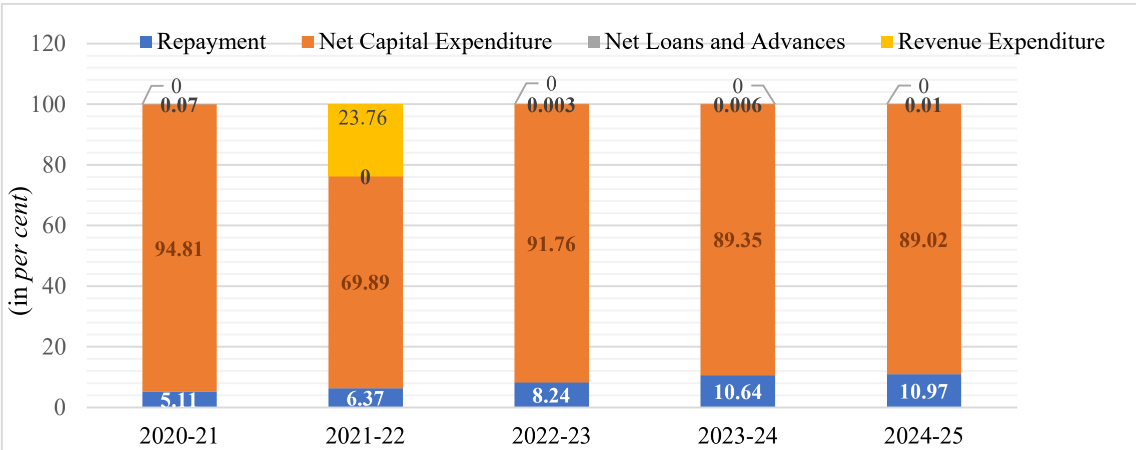
(₹ in crore)

Sl. No.	Year	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Total borrowings*	1,564.71	1,882.60	2,036.90	2,785.41	3,772.21
2.	Repayment of earlier borrowings (Principal)	79.95	119.90	167.75	296.36	413.77
3.	Net capital expenditure	1,513.88	1,315.78	2,376.60	2,660.66	3,462.80
4.	Net loans and advances	1.17	(-)0.4	0.06	0.16	0.37

Sl. No.	Year	2020-21	2021-22	2022-23	2023-24	2024-25
5.	Portion of Revenue expenditure met out of net available borrowings (1-2-3-4)	(-)30.29	447.32	(-)507.51	(-) 171.77	(-) 104.73

Source: Finance Accounts of respective years
**Total borrowing includes internal Debt and Loans and advances.*

Chart 1.32: Trends of utilisation of borrowed funds



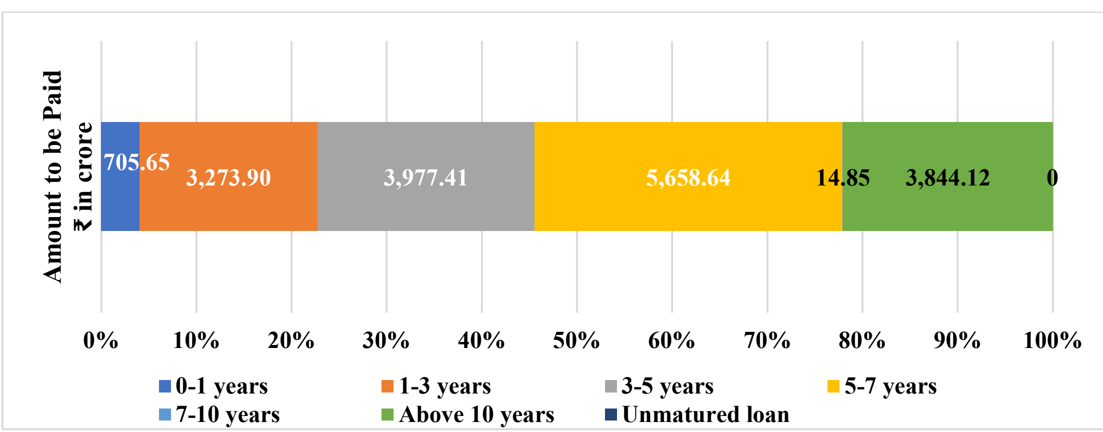
Source: Finance Accounts of respective years

The total borrowing of the State increased from ₹ 1,564.71 crore in 2020-21 to ₹ 3,772.21 crore in 2024-*i.e.* 58.52 *per cent* increase. However, the Capital Expenditure from 2021-22 and the repayment of the earlier borrowing also showed increasing trend which signifies boost in economic growth and development. However, using borrowed funds to repay loans can increase the state's overall debt burden, potentially leading to higher interest payment and reduce fiscal flexibility.

1.5.1.3 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the State is depicted in **Chart 1.33**.

Chart 1.33: Maturity Profile of Public Debt



Source: Finance Accounts of respective years

Chart 1.33 indicates that the State Government has to repay 22.77 *per cent* (₹3,273.90 crore) of its public debt (including approximate interest) within the next three years, 22.76 *per cent* (₹ 3,977.41 crore) between 3-5 years, 32.38 *per cent* (₹ 5,658.64 crore) between 5-7 years and 0.08 *per cent* (₹ 14.85 crore) between 7-10 years. It signifies that the State must repay 78 *per cent* of its debt (₹13,630.45 crore) in the next 10 years.

Short-term obligations (0-1 year) form a small share (4.04 *per cent*), allowing the state to focus on managing medium-to-long-term commitments.

Long-term obligations beyond 10 years are relatively small, constituting just 22 *per cent*, suggesting limited deferral of debt repayments. Only 22 *per cent* of the total debt is spread over a period exceeding 10 years, indicating limited reliance on long-term instruments to spread repayment risks.

The bulk of repayment obligations (₹ 9,636.06 crore) occur in the 3-7 year range, which accounts for 55.14 *per cent* of total debt repayment obligations. A concentrated short to medium term maturity profile indicates potential roll over risk and liquidity pressure. A high concentration of liabilities maturing within short to medium term (3 to 7 years in the instant case) indicates potential debt bunching, increasing refinancing and liquidity pressure on the State.

In view of the above it is recommended that State Government make careful cash flow planning and resource allocation during this period to meet its debt repayment obligations.

1.5.1.4 Financing pattern of fiscal deficit

Table 1.29 depicts financing pattern of the fiscal deficit during 2020-25.

Table 1.29: Components of fiscal deficit and its financing pattern

(₹ in crore)

	Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
	Fiscal Deficit	**(-)2,273.54**	**(-)904.30**	**(-)1,903.32**	**(-) 2,529.98**	**(-)2,980**
1	Revenue Deficit/surplus	(-)760.83	411.88	473.22	130.84	482.43
2	Net Capital Expenditure	(-)1,513.88	(-)1,315.78	(-)2,376.60	(-) 2,660.66	(-)3,462.80
3	Net loans and advances	1.17	0.40	0.06	(-) 0 .16	0.37
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	1,292.00	1,471.00	1,320.00	1,701.00	1,621.00
2	Loans from GoI	191.86	292.40	541.59	789.50	1,749.95
3	Special Securities issued to NSSF	(-)16.10	(-)16.10	(-)16.10	(-) 16.10	(-) 16.10
4	Loans from Financial Institutions	17.20	15.40	23.67	14.65	3.60
5	Small Savings, PF, *etc.*	155.43	98.03	37.04	(-) 1.05	(-) 28.77
6	Reserve Funds	16.93	(-)72.01	(-)30.88	25.38	405.85
7	Deposits and Advances	0.84	14.64	(-)13.86	57.03	137.81
8	Suspense and Miscellaneous	(-)33.19	(-)747.83	(-)146.24	112.82	80.54
9	Remittances	355.33	(-)143.68	81.64	(-) 107.30	(-) 48.50
10	**Overall Deficit**	**1,980.30**	**911.85**	**1,796.86**	**2,575.93**	**3,905.38**
11	Increase/Decrease in cash balance	293.24	(-)7.55	106.46	45.95	925.38
12	**Gross Fiscal Deficit**	**(-) 2,273.54**	**(-)904.30**	**(-)1,903.32**	**(-) 2,529.98**	**(-)2,980**

Source: Finance Accounts of respective years

1.5.2 Post Audit Deficit Indicators

As per Finance Accounts of the State for the year 2024-25, the Revenue Deficit/ surplus of the state was ₹482.43 crore (0.90 *per cent* of GSDP), fiscal deficit was ₹ 2,980 crore (5.59 *per cent* of GSDP) whereas primary deficit was ₹ 3,928.59[6] crore (7.37 *per cent* of GSDP).

However, Audit found that, during 2024-25, the State Government misclassified, ₹274.30 crore of Revenue nature as capital expenditure (Details discussed in paragraph no. 2.5.6 of Chapter-II). This resulted in overstatement of Revenue surplus to that extent and the revenue surplus worked out to be ₹208.13 crore (₹482.43 - 274.30 crore) (0.39 *per cent* of the GSDP).

1.5.3 Fiscal Balance: Achievement of deficit and total debt targets

As per the Sikkim FRBM Act of September 2010 and its amendments aligned with the 15th Finance Commission, State aims to:

- Eliminate revenue deficit by 2011-12 and maintain Revenue Surplus thereafter and reduce the fiscal deficit to not more than three *per cent* of the estimated GSDP.
- According to the amendments (June 2021), the fiscal deficit was pegged at four *per cent* of GSDP for the year 2021-22, 3.5 *per cent* for 2022-23, and maintain at three *per cent* in 2023-24 and thereafter. An annual additional borrowing space of 0.5 *per cent* of GSDP was allowed for the period 2021-22 to 2024-25 based on certain performance criteria in the power sector. The additional borrowing by the state was placed beyond the FRBM Act limit relating to the fiscal deficit.
- The outstanding debt-to-GSDP ratio shall be maintained in a declining trend after 2022-23. The indicative debt path shall be 28 *per cent* in 2024-25.
- Sikkim also follows a Medium-Term Fiscal Plan (MTFP) and is required to disclose contingent liabilities and off-budget borrowings.

Achievements, *vis-à-vis* the fiscal targets, prescribed in the State FRBM Act for the financial years 2020-21 to 2024-25, are detailed in **Table 1.30**.

Table 1.30: Compliance with provisions of State FRBM Act

Fiscal Parameters		FRBM Act				
		2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Deficit (-) / Surplus (+) (₹ in crore)	T	Maintain Revenue Surplus				
	A	(-) 760.83	(+) 411.88	(+) 473.22	(+) 130.84	(+) 482.43
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	T	5	4	3.5	3	(-)5.14
	A	(-) 2,273.54 (-6.89)	(-) 904.30 (-2.40)	(-) 1,903.32 (-4.45)	(-) 2,529.98 (-) 5.27	(-) 2,980 (-) 5.59
Ratio of total outstanding liability to GSDP (in per cent)	T	24.64	27.50	28.10	28.10	28.00
	A	27.44	28.85	29.66	28.84	28.09*
Interest payment as percentage of Revenue Receipts						
	A	9.8	9.0	8.9	9.9	9.8

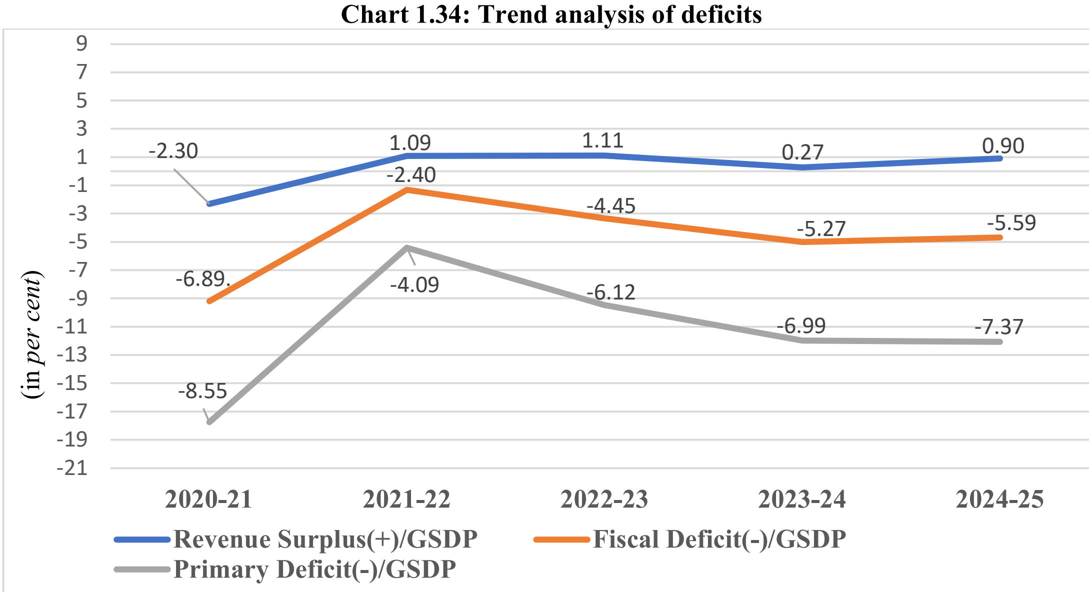
Source: FRBM Act 2021 and Departmental information

* *Calculated after deducting interest free loan under Spl. Asst for Capital investment till date & pension funding adjustment for 24-25 as per the FRBM Act and Ministry of Finance letter No. 40 (1)/ PF-S/ 24-25.*

[6] *Primary deficit = Fiscal deficit – Interest payment.*

The total outstanding liability to GSDP reduced from 28.84 *per cent* in 2023-24 to 28.09 *per cent* in 2024-25. However, it failed to meet the ceiling limit prescribed by the SFRBM Act.

Chart 1.34: Trend analysis of deficits



Source: Finance Accounts and budget documents

The targets set by 15th FC and those projected in the State budget *vis-à-vis* achievements in respect of major fiscal aggregates with reference to GSDP during 2024-25 are given in **Chart 1.35**, **Chart 1.36** and **Chart 1.37**.

Chart 1.35: Revenue Deficit/surplus as a percentage of GSDP

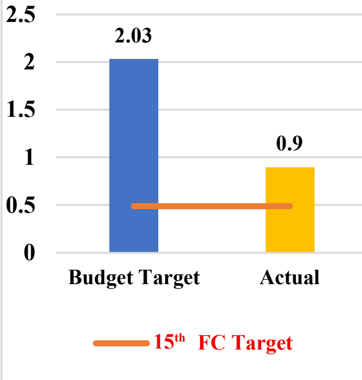


Chart 1.36: Fiscal Deficit as a percentage of GSDP

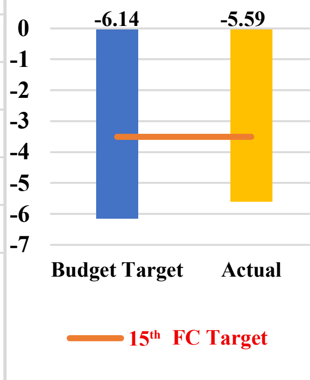
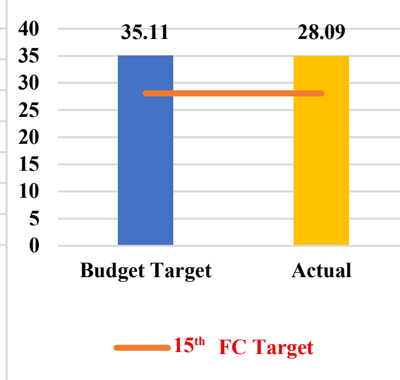


Chart 1.37: Outstanding Liability as a percentage of GSDP



The Revenue Deficit/Surplus to GSDP ratio improved from (-)2.30 *per cent* in 2020-21 to (+)0.90 *per cent* during 2024-25. Likewise, the Fiscal Deficit to GSDP ratio decreased from 6.89 *per cent* in 2020-21 to 5.59 *per cent*, reflecting improved fiscal control.

While the State adhered to the Revenue Deficit to GSDP targets during 2021-22 to 2024-25 (except 2020-21), the targets of Fiscal Deficit to GSDP were consistently breached as stipulated under its FRBM Act.

The continuous increase in Outstanding Liabilities as a percentage of GSDP is a matter of concern, as it reflects a rising debt burden. This may result in higher interest payments, reduced fiscal space for priority development expenditure, and may pose risks to long-term fiscal sustainability.

1.5.3.1 Unaccounted Revenue and Expenditure Transactions

In terms of Article 266 of the Constitution, all revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans, shall form one consolidated fund to be entitled "the Consolidated Fund of the State". No money out of the Consolidated Fund of a State shall be appropriated except in accordance with law and for the purposes and in the manner provided in this Constitution. Similarly, Rule 4(1) of the Sikkim Financial Rules, 1979 envisage that all money received by or on behalf of the Government shall be brought into Government account without delay.

Based on available records, it was observed that the Power Department earned Revenue receipts of ₹ 39.76 crore as revenue from trading of power outside the State. However, an amount of ₹ 15.00 crore only was deposited into the Consolidated Fund of the State, and the balance ₹ 24.76 crore was utilised by the Power Department for purchase of power, without routing through Government Accounts. While violating the constitutional provision and the Sikkim Financial Rules 1979, this led to understatement of Government Revenue receipts and Expenditure by ₹ 24.76 crore.

In this, the Department, however, stated that due to short provision of budget by the Government, the Department had to utilize the revenue to avert late payment surcharges under Electricity (Late Payment surcharge and related matters) Rules, 2022. However, as per the constitutional provisions and rules above, the revenue shall be brought into Government account.

1.5.4 Debt Sustainability Analysis

Table 1.31: Trends in Debt Sustainability Indicators

(₹ in crore)

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
1	Overall Liabilities or Overall Debt	9,058.84	10,862.94	12,696.89	15,168.20	18,866.44
2	Rate of Growth of Overall Debt (*per cent*)	22.41	19.92	16.88	19.46	24.38
3	GSDP (in nominal terms)	33,018	37,650	42,806	47,988	53,340
4	Nominal GSDP growth (*per cent*)	5.02	14.03	13.69	12.11	11.15
5	Overall Debt/GSDP (*per cent*)	27.44	28.85	29.66	31.61	35.37
6	Repayment to Gross Borrowings (*per cent*)	5.1	6.4	8.2	10.6	11
7	Net borrowings available as a percentage of Gross Borrowings	94.9	93.6	91.8	89.4	89
8	Interest payments on Overall Debt	548.40	635.04	718.18	823.63	928.59
9	Effective rate of interest on Overall	7.25	6.87	6.51	6.20	5.64

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
	Debt[7] (*per cent*)					
10	Interest payment to Revenue Receipts (*per cent*)	9.8	9.0	8.9	9.9	9.8
11	Revenue Deficit/Surplus	(-)760.8	411.9	473.2	130.84	482.43
12	Primary Revenue Balance (PRB)	(-)212	1,047	1191	954	1,411
13	Primary Balance (PB)	(-)1,725	(-)269	(-)1,185	954	1,411
14	PB/GSDP (*per cent*)	(-)5.22	(-)0.72	(-)2.78	1.95	2.64
15	Difference between RoI[8] and effective rate of interest on Overall Debt	(-)7.09	(-)6.91	(-)6.82	(-)6.89	5.77
16	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	0	0	0	0	0
17	Debt Stabilisation (Quantum spread[9] + Primary balance)	(-)1,901	438	(-)329	1,821	2,416
18	**Domar gap**					
a	GSDP (in constant terms)	19,557	21,240	22,876	24,363	25,902
b	Real Growth (in constant terms)	0.33	8.61	7.70	6.50	6.32
c	Inflation based on CPI (*per cent*)	6.40	7.31	6.78	3.51	3.34
d	Effective Rate of interest	7.09	6.91	6.51	6.20	5.77
e	Real effective rate of interest (Effective rate of interest-Inflation)	0.69	(-)0.40	(-)0.27	2.69	2.43
f	Growth Interest Differential (Real growth- Real effective rate of interest)	(-)0.36	9.04	7.97	3.82	3.89
g	Primary Balance (PB)	(-)1,725	(-)269	(-)1,185	954	1,411

Source: Finance Accounts of respective years

** Outstanding Public Debt is the sum of outstanding balances under the Heads 6003-'Internal Debt' and 6004-'Loans and Advances from the Central Government'. During 2024-25, the state did not receive any compensation as back to back loans from the GoI in lieu of GST.*

***Interest paid/(OB of Public Debt + CB of Public Debt/2) (in per cent)*

 # Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public debt.

I. Overall Debt or Liabilities: The state's overall debt indicates steady upward trend, increasing from ₹9,058.84 crore in 2020-21 to ₹18,866.45 crore in 2024-25. This includes 50-year interest free loan from the Central Government under Special Assistance to States for Capital Investments amounting to ₹3,591.35 crore as on 31 March 2025. However, the rate of growth of overall debt fluctuated between 16.88 *per cent* and 24.38 *per cent*. As compared to 16.88 *per cent* in 2022-23, overall debt increased at 24.38 *per cent* during 2024-25. Increase in debt levels can raise concerns about the state's fiscal sustainability and its ability to meet its financial obligations. It also increases

[7] *Effective rate of interest on Overall Debt has been calculated adjusting the Reserve Funds, Deposits not bearing interest and 50 years interest free Central assistance to State for Capital Expenditure. Effective Rate of Interest = Interest Payment/Average of Opening and Closing Stock of Debt (excluding non-interest bearing liabilities)*100.*

[8] *Return on Investment (RoI) as measured by effective rate of interest receipts. RoI=Interest Receipts/Average of Opening & Closing Stock of Loans and Advances Disbursed*100.*

[9] *Quantum Spread=Interest Spread x Debt (excluding non-interest bearing liabilities).*

interest payments, which can strain the state's finances and limit its ability to allocate resources to other important sectors.

II. **Debt to GSDP Ratio:** A falling debt-GSDP ratio can be considered as leading towards stability. In Sikkim Debt-GSDP ratio rose from 27.44 *per cent* in 2020-21 to a high of 29.66 *per cent* in 2022-23 before reducing to 28.09 *per cent* in 2024-25. This may be stated to be an improvement. But it is still above the ceiling limit of 28 *per cent* as per SFRBM Act, which raises concerns about the state's fiscal sustainability and its ability to meet its financial obligations.

III. **Nominal GSDP Growth vs Growth of Debt**: Comparison of rate of nominal growth of GSDP with rate of growth of debt assesses the sufficient condition for debt sustainability. Rate of growth of nominal GSDP should be more than rate of growth of debt for GSDP growth for healthy debt servicing. When this requirement is reversed, the debt servicing will not be sustainable. However, during 2020-21 to 2024-25, nominal GSDP growth rate was lower than the rate of growth of debt. This indicates that growth interest differential remained unfavourable which is not a good indicator for debt sustainability.

IV. **Interest Payment (IP) as percentage of Revenue Receipts (RR) and Revenue Expenditure (RE)**: Interest Payment (IP) as *per cent* of GSDP, Revenue Receipts (RR) and Revenue Expenditure (RE) should be falling overtime so that more resources are left for other productive purposes. For debt sustainability, Interest Payment (IP) as *per cent* to Revenue Receipts (RR) as well as Interest Payment (IP) as *per cent* to Revenue Expenditure (RE) should decline over time. A declining trend in these IP ratios is an indication of sustainable debt whereas an increasing trend indicates an unsustainable debt trajectory. During 2020-21 to 2024-25, Interest Payment (IP) as *per cent* to Revenue Receipts (RR) declined from 9.80 *per cent* in 2020-21 to 8.90 *per cent* in 2022-23 but increased during 2023-24 to 9.90 *per cent.* However, it again decreased to 9.80 *per cent* in 2024-25. The improvement in interest payment relative to revenue receipt during 2023-24 to 2024-25 implies that the State during this period managed to have more revenue receipts for recurring expenditure.

1.5.5 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund in case of borrower defaults. The Sikkim Government Guarantees Act, 2000, stipulates that the total outstanding Government guarantee as on the 1st day of April of any year shall not exceed thrice the 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. Details of the guarantees and status of outstanding guarantees to total receipts for the last five years are given in **Table 1.32**.

Table 1.32: Guarantees given by the State Government

(₹ in crore)

Guarantees	2020-21	2021-22	2022-23	2023-24	2024-25
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	2,678.76	2,911.23	2,900.10	3,763.23	4,491.78[10]
Outstanding amount of guarantees at the beginning of the year	3,749.32	4,107.03	4,878.36	4,786.06	4,664.59
Outstanding guarantees at the end of the year	4,107.03	4,878.36	4,786.06	4,664.59	1,241.17

Source: Finance Accounts of respective years and Annual Financial Statements

The outstanding guarantees amounted to ₹1,241.17 crore as on 31 March 2025, which mainly pertained to State Finance Companies/Corporations (₹1,006.59 crore) and other entities (₹234.58 crore). The Government provided guarantees within the limits prescribed under the FRBM Act during 2020-25.

Out of the total outstanding guarantees of ₹1,241.17 crore, the State Government had extended a guarantee of ₹0.67 crore to one Government undertaking, which had ₹17.67 crore outstanding at the end of 2024-25. This has resulted in an additional financial risk to the State and may constrain its fiscal space for allocation of resources to other priority sectors.

1.5.6 Pathways to Fiscal Stability

Deficits can be improved by enhancing revenues and rationalizing expenditures. This includes strengthening tax compliance, widening the tax base, revising user charges, and monetizing idle government assets. On the spending side, better targeting of subsidies, controlling salary and pension growth, and ensuring proper classification of expenditure are key factors. Prioritizing productive capital investment and improving debt management through transparent and efficient borrowing can further ease fiscal pressure. These measures collectively create fiscal space and help reduce revenue, fiscal, and primary deficits in a sustainable manner. These have been discussed in succeeding paragraphs.

1.5.6.1 Improving revenues of the State

Untapped revenue potential, if harnessed effectively, could significantly enhance fiscal space and reduce dependence on debt. Inefficiencies in assessment, undervaluation, and limited enforcement mechanisms of key tax streams such as State GST, Stamp Duty, and Excise will lead to subdued revenue growth. Under-realized non-tax revenues, with low user charges, poor cost recovery, and suboptimal returns on public assets and investments also impede the fiscal space. Timely realization of pending arrears (tax and non- tax) is another step towards enhancing the fiscal space.

[10] *Tax receipt of 2022-23= ₹1,497x3.*

A. Arrears of revenue

As on 31 March 2025, the arrears of revenue in respect of principal heads of revenue were ₹ 400.31 crore, of which ₹ 329.76 crore were outstanding for more than five years, as depicted in **Table 1.33**.

Table 1.33: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Amount outstanding as on 31 March 2025	Amount outstanding for more than five years as on 31 March 2025
1.	Taxes/VAT on Sales, Trade, *etc.*	Nil	Nil
2.	Goods and Services Tax	Nil	Nil
3.	Forests and Wildlife	Nil	Nil
4.	State Excise	Nil	Nil
5.	Taxes on Vehicles	29.80	12.20
6.	Land Revenue	0.22	0.03
7.	Stamps and Registration Fee	Nil	Nil
8.	Power	370.29	317.53
Total		**400.31**	**329.76**

Source: Departmental Information

B. Arrears in assessment

The information on number of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year, as furnished by the Department of Taxation in respect of Sales Tax/VAT is depicted in **Table 1.34**.

Table 1.34: Arrears of assessment

Sl. No.	Head of Revenue	Cases pending at the beginning of 2024-25	New cases due for assessment during 2024-25	Total cases due for assessment	Cases disposed of during 2024-25	Balance at the end of the year	Percentage of disposal
1.	Taxes/ VAT on Sales, Trade, *etc.*	Nil	Nil	Nil	Nil	Nil	Nil

Source: Departmental information

As per information furnished by the Department of Excise in respect of Excise Duty and Commercial Taxes Division of Finance Department, in respect of Sales Tax/VAT, the number of cases pending at the beginning of year, cases becoming due for assessment, cases disposed off during the year was NIL. This was also the case during last year.

C. Details of evasion of tax detected by the Department, refund cases, *etc.*

The cases of evasion of tax detected, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government.

The details of cases of evasion of tax detected by Excise and Taxation cases finalised and the demand for additional tax raised; during the year 2024-25, as reported by the departments concerned, are depicted in **Table 1.35**.

Table 1.35: Evasion of tax detected

Sl. No.	Head of revenue	Cases pending as on 31 March 2024	Cases detected during 2024-25	Total	No. of cases in which assessment / investigation completed and additional demand with penalty, *etc.* raised		No. of cases pending for finalisation as on 31 March 2025
					No. of cases	Amount of demand (₹ in crore)	
1.	Goods and Services Tax	Nil	382	382	119	6.42	-
Total		**Nil**	**382**	**382**	**119**	**6.42**	**-**

Source: Departmental information

Information furnished in **Tables 1.33, 1.34 and 1.35** shows that there are numerous instances of untapped revenue potential in the State, if harnessed effectively, could significantly enhance fiscal space and reduce dependence of the State Government on debt.

State Government should ensure efficiencies in assessment, valuation, and collection mechanisms in the key tax streams such as State GST, Stamp Duty, Excise, User Charges, etc.

1.5.6.2 Issues on expenditure side

A. Fiscal stress from committed expenditure and subsidies

Chart 1.38 and **Chart 1.39** depicts committed expenditure and subsidies together as a percentage of Revenue Receipts and Revenue Expenditure during the financial year 2020-25 respectively:

Chart 1.38: Committed Expenditure and Subsidies as a percentage of Revenue Receipts

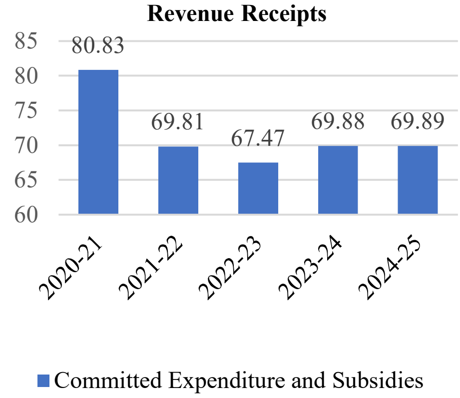
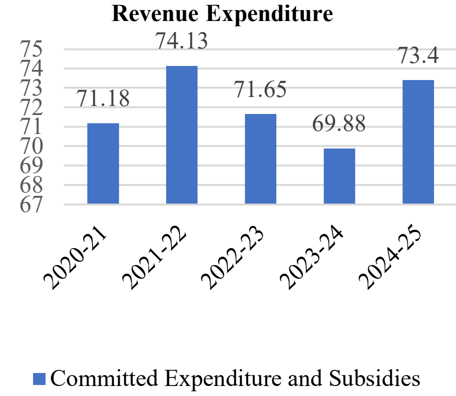


Chart 1.39: Committed Expenditure and Subsidies as a percentage of Revenue Expenditure



In 2024-25, the State's committed expenditure of ₹ 6,582.95 crore comprising salaries & wages (₹ 4,277.75 crore), pensions (₹ 1,376.61 crore), and interest payments (₹ 928.59 crore), accounted for approximately 69.65 *per cent* of the Revenue Receipts. In addition, subsidies amounted to ₹ 22.45 crore, bringing the total rigid expenditure to ₹ 6,605.40 crore, which was nearly 69.89 *per cent* of the State's revenue receipts. The high and inflexible nature of such expenditure significantly compresses fiscal space, limiting the State's ability to allocate resources towards capital investment and developmental priorities. This structural imbalance increases the risk of persistent revenue and primary deficits, constrains long-term fiscal sustainability, and reduces the government's capacity to respond to emergent socio-economic challenges.

There is an urgent need for expenditure reform through rationalization of subsidies, improved targeting, and prudent management of salary and pension commitments, to enhance fiscal flexibility and ensure a sustainable fiscal path.

B. Capital blocked in incomplete projects

An assessment of capital blocked in incomplete capital projects would also indicate the quality of Capital Expenditure. Blocking funds in incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits of the projects for prolonged periods. Further, funds borrowed for implementation of these projects during the respective years would lead to an extra burden, in terms of servicing of debt and interest liabilities. Details of the incomplete projects are shown in **Table 1.36** (based on information provided by the State Government for Appendix-IX of the Finance Accounts for the year 2024-25).

Table 1.36: Capital blocked in incomplete projects

(₹ in crore)

Age profile of incomplete projects as on 31 March 2025				Department-wise profile of incomplete projects till 31 March 2025		
Year	**No. of incomplete projects**	**Estimated cost**	**Expenditure incurred**	**Department**	**No. of incomplete projects**	**Estimated. Cost (Expenditure incurred)**
2009-10	2	12.04	8.02	Food & Civil Supplies	3	5.83 (4.73)
2010-11	5	79.63	65.32	Animal Husbandry & Veterinary Services	5	10.61 (3.45)
2011-12	4	9.15	6.39	Water Resources	6	394.29 (152.24)
2012-13	5	5.34	3.68	Health & Family Welfare	8	628.1 (438.18)
2013-14	4	33.76	19.84	Power	9	596.44 (481.83)
2014-15	2	1.07	0.57	Public Health Engineering	14	422.94 (261.01)
2015-16	0	0	0	Urban Development	34	209.38 (154.62)
2016-17	11	463.01	172.49	Building & Housing	41	2,643.68 (1,384.68)
2017-18	17	695.23	35.74	Education	56	1,618.19 (584.58)
2018-19	16	165.62	142.38			
2019-20	4	29.74	11.01			
2020-21	18	1,895.57	1,043.01			
2021-22	23	1,061.25	695.16			
2022-23	36	1,662.89	671.20			
2023-24	20	370.38	143.64			
2024-25	9	44.78	8.70			
Total	**176**	**6,529.46**	**3,027.15**	**Total**	**176**	**6,529.46 (3,027.15)**

Out of the estimated cost of ₹ 6,529.46 crore on these 176 ongoing projects, ₹3,027.15 crore was spent till 2024-25. Therefore, due to non-completion of these 176 projects, Capital Expenditure of ₹ 3,027.15 crore remained blocked.

As can be seen from the table above, out of these 176 incomplete projects, which were scheduled to be completed by 31 March 2025, Education Department had the highest number of incomplete projects (56) followed by Building and Housing Department (41) and Urban Development Department (34) estimating ₹ 4,471.25 crore which is estimated at 68.48 *per cent* of the total cost.

Blocking of funds on incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years were also not utilised effectively and the State had to share the extra burden in terms of servicing of debt and interest liabilities.

C. Un-discharged liabilities on Fiscal Space

Undischarged/deferred liabilities, if not addressed timely, will reduce the available fiscal space for future developmental and infrastructure spending. Besides creating lack of transparency and credibility, this impairs the state's ability to raise resources in a sustainable manner, thereby impacting overall fiscal health and long-term sustainability.

Audit observed that the State Government had accumulated several un-discharged liabilities over the years, which have significant implications for fiscal sustainability. These include:

- Un-discharged interest liabilities totalling ₹ 6.67 crore.
- Off-budget borrowings and other liabilities not captured in the debt stock amounting to ₹1,208.14 crore.
- Short/non-transfer of State Government's contribution to the National Pension System (NPS) amounting to ₹80.61crore.
- Short contribution by Government under NPS amounting to ₹ 3.36 crore.
- Pending refund cases amounting to ₹ 0.01 crore.

The cumulative value of these un-discharged liabilities amounted to ₹1,298.79 crore, which is equivalent to 2.43 *per cent* of the GSDP and 43.58 *per cent* of the Fiscal Deficit for the year 2024-25.

Audit recommends that the State Government disclose and address all un- discharged liabilities transparently and make provisions for timely discharge of these obligations to avoid future fiscal stress.

1.6 Conclusions

During 2024-25, the State recorded a Revenue Surplus of ₹482.43 crore and a Fiscal Deficit of (-) ₹ 2,980 crore, which constituted 5.59 *per cent* of GSDP. The Fiscal Deficit to GSDP target of FC could not be achieved during 2020-21 to 2024-25. Despite a revenue surplus, the higher fiscal deficit indicates increased capital expenditure or borrowings beyond the planned level. Overall during the five year period the Fiscal Deficit to GSDP ratio has slightly improved (from -6.89 *per cent* to -5.59 *per cent*).

The State achieved a revenue surplus target, reflecting disciplined management of revenue expenditure. State's Own Revenue increased by 3.90 *per cent* over the previous year. Grants-in-Aid from GoI increased by ₹192.88 crore (13.36 *per cent*), and the State's share in Union Taxes and Duties increased by ₹ 804.65 crore (18.78 *per cent*) during 2024-25.

During 2024-25, 28.83 *per cent* of Revenue Receipts was contributed by State's own resources, while Central Tax Transfers and Grants-in-Aid together accounted for 71.17 *per cent*, indicating a high dependency on Central transfers.

The Revenue Deficit/Surplus to GSDP ratio improved from (-)2.30 *per cent* in 2020-21 to (+) 0.90 *per cent* in 2024-25.

However, the Outstanding Liabilities to GSDP ratio increased from 27.44 *per cent* in 2020-21 to 28.09 *per cent* in 2024-25. This rising debt burden may lead to higher interest payments, reduce fiscal flexibility, and pose risks to long-term fiscal sustainability.

There is an urgent need to undertake expenditure reforms, including rationalisation of subsidies, better targeting of social sector schemes, and prudent management of salary and pension commitments to maintain a sustainable fiscal path.

Further, a sum of ₹24.76 crore due to the Consolidated Fund of the State was retained outside the Fund by the Power Department, and expenditure was incurred directly from it, which is in violation of the prescribed financial procedures.

The State Government needs to strengthen fiscal discipline by containing the fiscal deficit within the prescribed limits, improving mobilisation of own revenue, and ensuring that all receipts are duly credited to the Consolidated Fund to maintain transparency and accountability in financial operations.

1.7 Good practices

- The State could maintain its Revenue Surplus from 2021-22 to 2024-25 and surpassed its revenue surplus target.
- The State could increase its Own Revenue by 3.90 *per cent* compared to the previous year. Although there was positive growth of Own revenue but the rate of growth has dropped sharply.

1.8 Recommendations

- *Considering the increasing outstanding debt of the State, the Government may take appropriate steps to rationalise its committed revenue expenditure.*
- *Increasing trend of debt maturity profile vis-à-vis the level of borrowings needs to be reviewed to ensure that mobilised financial resources are used adequately for incurring capital expenditure for creation of assets. The increasing trends of Revenue Expenditure be corrected by identifying potential wasteful expenditure and adopting economy measures across departments.*

- *Improve return on public investments by enforcing a dividend policy for profit-making PSUs, disinvesting from non-performing entities, and enhancing monitoring of loans and advances to ensure financial discipline and accountability.*
- *The Finance department should frame a policy on prudent cash balance management and ensure reconciliation with State Bank of Sikkim.*
- *Rationalise revenue expenditure and committed liabilities, better targeting of subsidies, and controlling interest payments to create fiscal space for developmental spending.*
- *The State Government needs to prioritise completion of incomplete projects in a planned manner with periodical review and monitoring mechanism at the highest level of administration to avoid time and cost overruns. They need to specifically monitor those projects, which are being executed out of borrowed funds which posed consequential extra financial burden on the Government.*
- *The State Government may ensure that receipts of Power Department of Sikkim are accounted for in the Government Accounts and that it makes budget provisions for the expenditure incurred by the Power Department.*

CHAPTER II:
BUDGETARY MANAGEMENT

Chapter II: Budgetary Management

This chapter reviews Sikkim's budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending, persistent savings, and last-minute fund surrenders. It highlights weaknesses in financial planning, control, and compliance, stressing the need for realistic budgeting, timely fund utilisation, and modern practices like gender and green budgeting.

2.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called "the Annual Financial Statement (Budget)" is to be laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items[11] of expenditure separately and distinguish expenditure on revenue accounts from other expenditures. Legislative authorization is necessary before incurring any expenditure by the State Government.

As per the Sikkim Budget Manual, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. The State budget majorly comprises the following documents:

- ✓ Annual Financial Statement
- ✓ Demand for Grants
- ✓ FRBM Statements
- ✓ Medium Term Fiscal Plan
- ✓ Fiscal Risk Statement
- ✓ Others

2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for optimum utilization of resources, strengthening scheme implementation and monitoring capacity and achievement of fiscal targets. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

Details of total appropriation obtained from state legislature, actual expenditure and savings are summarized in **Table 2.1**.

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[11] ***Charged expenditure:*** *Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature.* ***Voted expenditure:*** *All other expenditure is voted by the Legislature.*

Table 2.1: Actual expenditure vis-à-vis budget provision during the financial year 2024-25

(₹ in crore)

	Nature of Expenditure	Original Grant/App	Supplementary Grant/ App.	Total budget	Actual expenditure	Savings	Surrender during 2024-25	
							Amount	*Per cent*
Voted	I Revenue	9,652.77	212.91	9,865.68	8,272.25	1,593.43	1,550.32	97.29
	II Capital	3,410.82	1,482.62	4,893.44	3,526.19	1,367.25	1,245.45	91.09
	III Loans/ advances	6.72	0	6.72	2.65	4.07	4.07	100.00
Total		**13,070.31**	**1,695.53**	**14,765.84**	**11,801.09**	**2,964.75**	**2,799.84**	**94.44**
Charged	IV Revenue	1,004.00	12.10	1,016.10	1,009.67	6.42	4.64	72.27
	V Capital	416.35	0.18	416.53	416.47	0.06	0.06	100.00
	VI Public Debt–repayment	0	0	0	0	0	0	0
Total		**1,420.35**	**12.28**	**1,432.63**	**1,426.14**	**6.48**	**4.70**	**72.53**
Appropriation to Contingency Fund (if any)								
	Grant Total	**14,490.66**	**1,707.81**	**16,198.47**	**13,227.23**	**2,971.23**	**2,804.54**	**94.39**

Source: Appropriation Accounts of respective years

Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.2**.

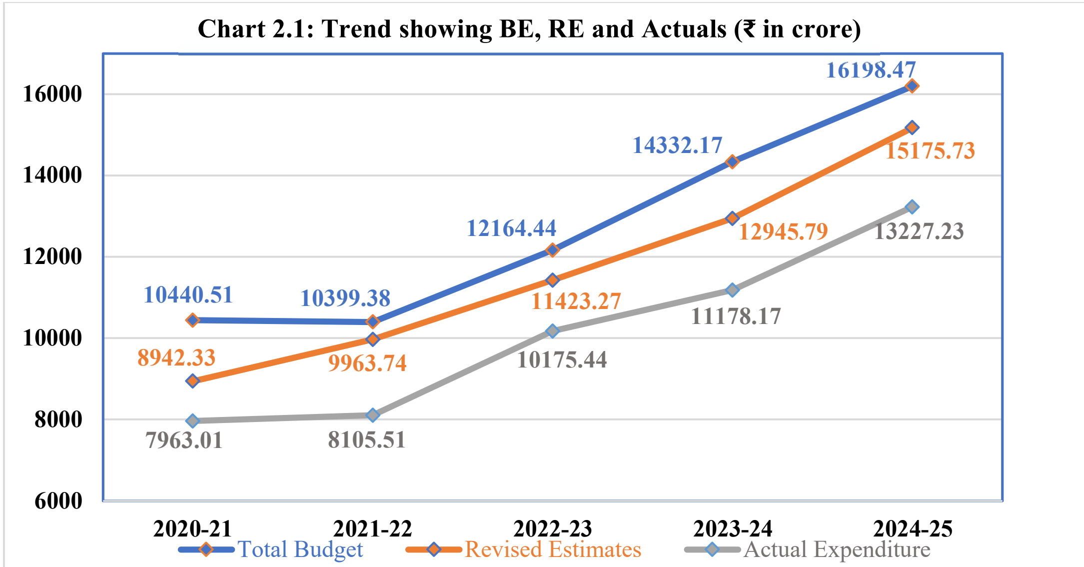
Table 2.2: Original Budget, Revised Estimate and Actual Expenditure during 2020-21 to 2024-25

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	9,285.92	9,852.85	10,419.71	12,295.31	14,490.66
Supplementary budget	1,154.59	546.53	1,744.73	2,036.86	1,707.81
Total budget (TB)	10,440.51	10,399.38	12,164.44	14,332.17	16,198.47
Revised Estimate (RE)	8,942.33	9,963.74	11,423.27	12,945.79	15,175.73
Actual Expenditure (AE)	7,963.01	8,105.51	10,175.44	11,178.17	13,227.23
Savings	2,477.50	2,293.87	1,989.00	3,154.00	2,971.23
Percentage of supplementary to the original provision	12.43	5.55	16.74	16.56	11.79
Percentage of overall saving/excess to the overall provision	23.73	22.06	16.35	22.01	18.34
TB-RE	1,498.18	435.64	741.17	1,386.38	1,022.74
RE-AE	979.32	1,858.23	1,247.83	1,767.62	1,948.50
(TB-RE) as *per cent* of TB	14.35	4.19	6.09	9.67	6.31
(RE-AE) as *per cent* of TB	9.38	17.87	10.26	12.33	12.03

Source: Annual Financial Statement and Appropriation Accounts of respective years

Table 2.2 shows that supplementary provision of ₹ 1,707.81 crore during 2024-25 constituted 11.79 *per cent* of the original provision as against 16.56 *per cent* in the previous year.



From the above Chart, it can be seen that over the years from 2020-21 to 2024-25, the Revised Estimates (REs) were always lower than the Total Budget (TB) of the State. The gap between the REs and the TB showed an increase during 2020-21, wherein the gap was more than 10 *per cent* indicating larger estimation error. However, the gap reduced during 2021-22 but again increased to 9.67 *per cent* during 2023-24 and again reduced to 6.31 *per cent* during 2024-25.

In terms of percentage, the RE was 14.35 *per cent* lower than TB in 2020-21 which however decreased to 6.31 *per cent* in 2024-25. Further, the percentage of Actual Expenditure (AE) during the same period was also lower than the REs throughout and it ranged between 10.92 *per cent* and 18.65 *per cent*. As such, the supplementary provisions during the years 2020-21 to 2024-25 proved unnecessary since the expenditure did not come up to the level of original budget provisions.

This reflects that budgetary allocations were based on unrealistic proposals as Budget Estimates of the State were continuously inflated and the Actual Expenditure was less than the budgetary provisions.

2.2.1 Components/Services wise analysis of budgetary provisions and expenditure

Component wise analysis of the Budget and Expenditure for the financial year 2024-25 is summarized in **Table 2.3.** The summary of explanations received in case of variations in Appropriation Accounts is depicted in **Chart 2.2**.

Table 2.3: Component wise Budget and Expenditure for the year 2024-25

(₹ in crore)

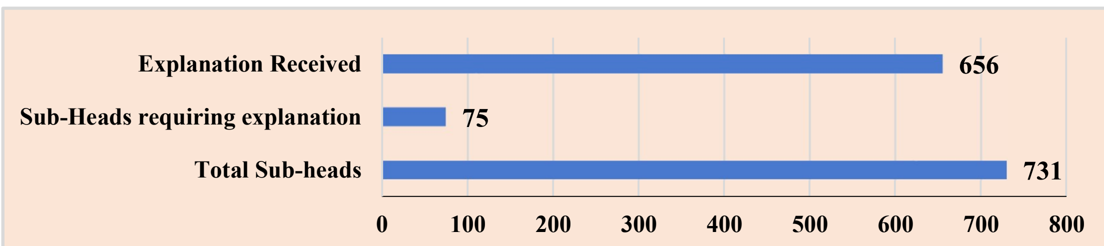
Component	Total Budget	Total Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the total Budget
(1)	(2)	(3)	(4)	(5)	(6=3/2*100)
Committed Expenditure	6,660.54	6,582.95	40.64	52.95	98.84
State Schemes	0.82	0.82	0	0.01	100

Component	Total Budget	Total Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the total Budget
Central Share for CSS	1,553.22	831.82	9.59	6.29	53.55
State Share for CSS	179.00	152.83	1.10	1.16	85.38
EAP - Externally Aided Projects	185.20	103.71	1.14	0.78	56.00

Source: Finance Accounts of respective years & Annual Financial Statement

From the above table it can be seen that the percentage of component-wise expenditures against its budget ranged from 54 to 100 *per cent* which is relatively good in respect of committed expenditure, State schemes & State share of CSS, but low in other components. The savings/excess were intimated (01 July 2025) to the Heads of Departments by the Office of Sr. DAG (A&E), Sikkim requesting them to explain the significant variations. Out of 731 sub-heads explanations for variations in respect of 656 sub-heads were received. Thus, explanations in respect of remaining 75 sub-heads (10.26 *per cent*) had not been received as depicted in **Chart 2.2**:

Chart 2.2: Summary of Explanation for Variation in Appropriation Accounts



Source: Information supplied by office of the Sr. Dy. Accountant General (Accounts & Entitlement), Sikkim

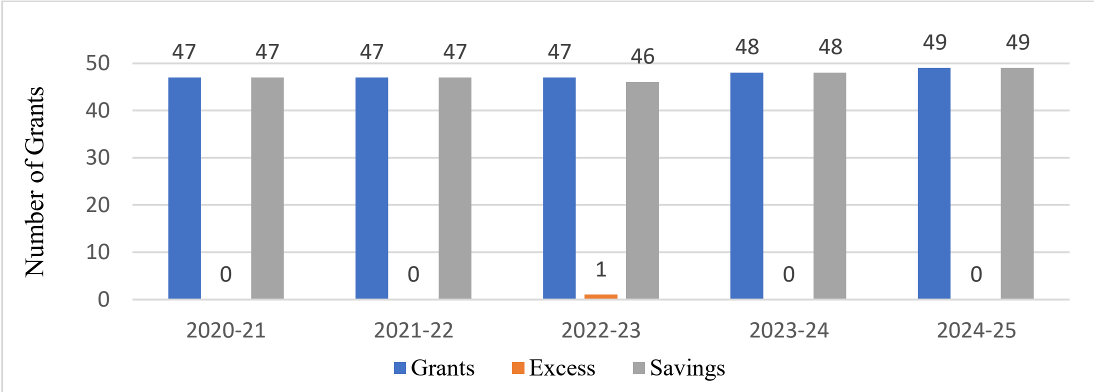
2.3 Budget Marksmanship

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

A year-wise analysis of grants, excesses, and savings provides valuable insights into the efficiency of budget execution and financial management by the State. It has been depicted in **Chart 2.3**.

Chart 2.3: Year-wise Grants, Excesses, and Savings



As can be seen from the above chart, except during the year 2022-23, all the grants had savings over the period of 2020-2025. Persistent savings in the Grants indicate inaccurate budget estimation and tendency of the Department to over-estimate their requirement of funds. The Departments may ensure that budget estimates are done with due diligence in order to avoid such substantial savings in future.

The expenditure composition outturn for the financial year 2024-25 is given in **Table 2.4**.

Table 2.4: Expenditure composition overall deviation financial year 2024-25

Section	Overall Deviation (*per cent*)	Range of Deviation (*per cent*)	Number of Grants
Revenue (voted)	(-) 15.71	0 to ± 25	36
		± 25 to ± 50	08
		± 50 to ± 100	03
Capital (Voted)	(-)19.62	0 to ± 25	31
		± 25 to ± 50	06
		± 50 to ± 100	06
		≥ 100	00
Revenue (Charged)	(-) 3.22	0 to ± 25	06
	0	± 25 to ± 50	00
	0	± 50 to ± 100	00
Capital (Charged)	(-) 1.10	0 to ± 25	04
	0	± 25 to ± 50	00
	0	± 50 to ± 100	00
No provision was made in respect of six grants (01, 08, 24, 46, Governor and SPSC) of the Capital section			

The deviations in Revenue (Voted) and Capital (Voted) in the range of 0 to ± 25 was significantly large in comparison to the other ranges. Thus, large or frequent deviations may create financial uncertainty, making it challenging to plan and manage resources. These deviations indicate inefficiencies or poor budgeting practices, which can lead to wasted resources. Small, immaterial deviations may not be significant, while large deviations require attention. The Department needs more improved decision-making for more accurate future budgeting.

2.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and re-appropriations distinctly on a gross basis.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

2.5 Budgetary and accounting process

2.5.1 Expenditure incurred without authority of law

No such cases detected during the period.

2.5.2 Excess expenditure and its regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations 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.

A Excess expenditure during the current year

During the year 2024-25 there was no excess disbursement over the authorisation made by the State Legislature.

B Regularisation of excess expenditure of previous financial years

Excess expenditure of ₹ 16.82 crore pertaining to four grants for the previous financial years *i.e.* 2019-20 and 2022-23 were yet to be regularised by PAC. Details of excess disbursement pertaining to previous years pending regularisation from State Legislature are shown in **Table 2.5** below.

Table 2.5: Excess expenditure relating to previous years requiring regularisation

(₹ in crore)

Year	Number of Grants	Appropriations	Amount of excess over provision	Status of Regularisation
2019-20	03 Grants – Grant No 21,28,31	-	7.41	Under examination by PAC
2022-23	01 Grant – Grant No. 10	-	9.41	
Total			**16.82**	

Source: Appropriation Accounts of respective years

2.5.3 Supplementary Grants rendered non-essential

Article 205 of the Constitution prescribes the requirement of a Supplementary or Additional Grant or Appropriation to cater to the requirements in excess of the original provisions. Rule-86 of SFR requires obtaining supplementary provision if the sanctioned budget is found to be insufficient or to meet additional expenditure upon new services not contemplated in the original budget.

It was noticed that in 18 instances **(*Appendix 2.2)*** even though the supplementary provisions of ₹ 115.23 crore were made, the expenditure did not come up to original provisions during the year 2024-25. Further, supplementary provisions of ₹ 67.43 crore and ₹ 47.80 crore in Revenue (Voted) Section and Capital (Voted) Section respectively (more than ₹ one crore in each case) proved non-essential **(*Appendix 2.3*)** as full amount of supplementary provisions could not be utilized.

The Supplementary provision made by the Rural Development Department (Grant No-35) in the five-year period 2021-25 was examined in Audit.

Table 2.6: Unnecessary Supplementary provisions and unrealistic budgeting in Grant No.35

(₹ in Crore)

Year	Nature	Original Budget	Supplementary	Total Expenditure	Saving
2020-21	Capital (Voted)	819.64	21.68	314.87	526.45
2021-22	Capital (Voted)	684.75	10.00	198.19	496.57
2022-23	Revenue (Voted)	361.69	11.74	298.41	75.02
2023-24	Revenue (Voted)	513.61	32.94	462.13	84.42
	Capital (Voted)	301.21	205.84	303.23	203.82
2024-25	Revenue (Voted)	528.10	5.91	391.63	142.38
	Capital (Voted)	645.65	10.50	480.18	175.97

Audit analysis of the budgetary provisions (Revenue & Voted) during the period from 2020-21 to 2024-25, the following observations has been made:

- *2020-21*: Savings of ₹526.45 crore was 64 *per cent* of the original budget and the supplementary budget was not necessary.
- *2021-22*: Total expenditure was only ₹198.19 crore and saving of ₹496.57 crore. The expenditure was below original allocation as well. There was no need for obtaining supplementary provision.
- *2022-23*: Savings was ₹75.02 crore, hence there was no need for supplementary budget of ₹11.74 crore.
- *2023-24*: There was savings of ₹84.42 crore and ₹203.82 crore in revenue and capital expenditure respectively, there was no requirement of supplementary grants.
- *2024-25*: There was savings of ₹142.38 crore and ₹175.97 crore in revenue and capital expenditure respectively. There was no requirement of supplementary provision.

From the above observations, it can be summed up that the department's financial management was not appropriate, and the supplementary budgetary provision were obtained injudiciously.

The department should adhere to financial norms and require to frame the budget more realistically so that saving and surrender at the fag end of the financial year could be avoided.

2.5.4 Injudicious 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 limit set for small states, audit comments are to be made only on re-appropriations of ₹One crore or more, which proved to be injudicious.

During 2024-25 audit noticed only two such cases viz. Commerce & Industries, and Women & Child Development as mentioned

Table 2.7: Unnecessary / Inadequate re-appropriation of funds during financial year 2024-25

(₹ in lakh)

Sl. No.	Number/ Name of Grant and Head of Accounts	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
01	16- Commerce & Industries 2851-102-66	1,072.00	0	(-) 114.32	957.68	1,200.47	242.79
02	48- Women & Child Development 2235-03-101-60	7,581.00	0	(-) 3,573.50	4,007.50	5,995.63	1,988.13
Total		**8,653.00**	**0**	**3,687.82**	**4,965.18**	**7,196.10**	**2,230.92**

Source: Appropriation Accounts for 2024-25

State Government intimated that reduction in provision by ₹ 3,573.50 lakh made through re-appropriation / surrender (Grant no. 48- Women & Child Development) was due to death of beneficiaries receiving the grant.

2.5.5 Unspent amount and surrendered appropriation and/or large savings/ surrenders

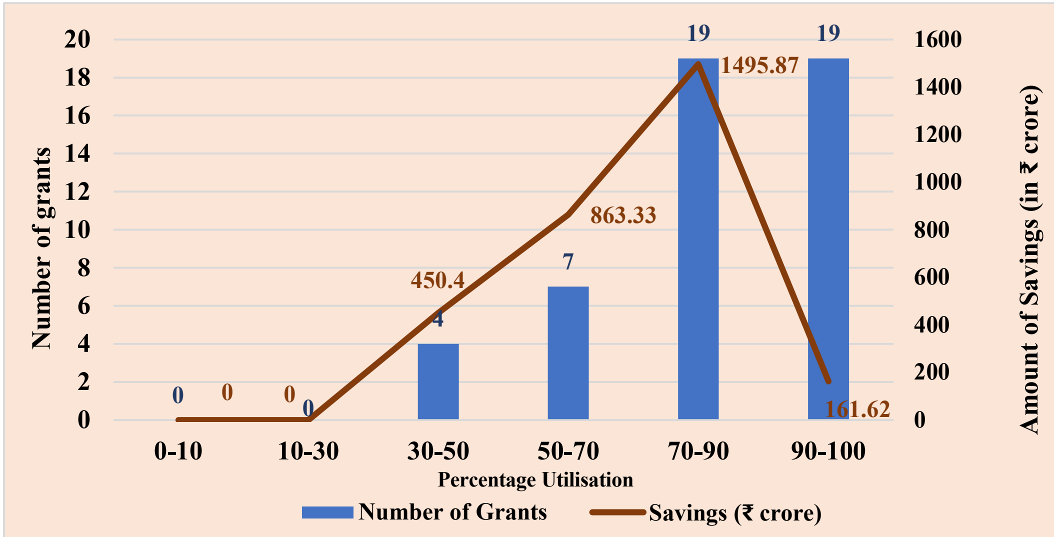
Budget proposals should strive to strike to optimize all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce underutilization of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

The analysis of grants and appropriations showed that in 17 cases (under 14 grants) during the year 2024-25, the savings (excluding surrenders) exceeded ₹one crore in each case (***Appendix 2.5)***.

Further, it was also observed that in 22 cases under 15 grants, there was persistent saving exceeding ₹ one crore in each case (***Appendix 2.6)*** during 2022-23 to 2024-25.

Details of grants grouped by the percentage of utilisation along with total savings during 2024-25 have been shown in ***Appendix 2.7*** and **Chart 2.4**.

Chart 2.4: The distribution of the number of Grants/Appropriations grouped by the percentage of Savings along with total savings

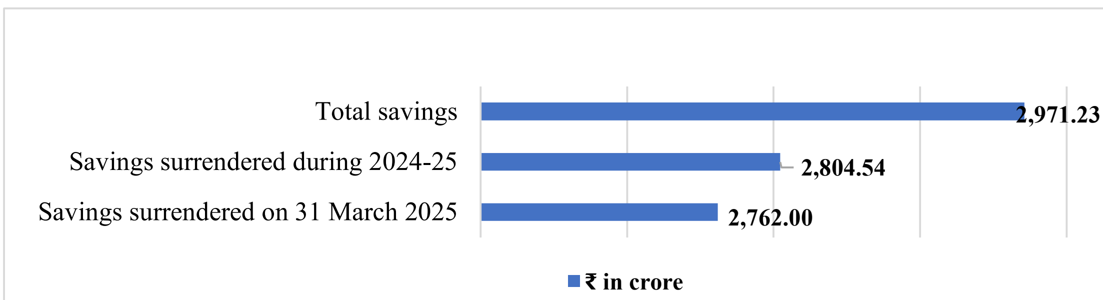


Source: Appropriation Accounts of respective years

It was noticed that savings under four cases under four Grants amounting to ₹3.11 crore (***Appendix 2.8)*** were not surrendered at all (cases of saving in excess of ₹ 0.10 crore). Details of savings (exceeding ₹one crore in each case) surrendered on the last day of March 2025 are given in ***Appendix 2.9***.

Chart 2.5: Savings and surrenders for the year 2024-25

(₹ in crore)



Source: Appropriation Accounts of respective years

Analysis of **Chart 2.5** revealed that only 94.39 *per cent* of the savings were surrendered. Out of surrendered amount of ₹ 2,804.54 crore, ₹ 2,762.00 crore (98.48 *per cent)* was surrendered on 31 March 2025.

Review of Selected Grant (Rural Development Department) revealed that there has been persistent savings since 2020-21. Despite the persistent savings ranging from ₹54.37 crore to ₹142.38 crore in Revenue Section and ₹ 123.54 crore to ₹ 526.45 crore in Capital Section, the fund allocation in the grant was not adjusted over the years. Further, out of the savings, the amount surrendered in revenue section during the year 2022-23 was 76.05 *per cent* and in capital section it was less than one *per cent* during 2023-24 which indicated improper budget management in the department. For the other four years, however, the amount surrendered was more than 90 *per cent* of the savings.

Against the total savings of ₹ 1,976.28 crore in both the Revenue and Capital Sector, the Rural Development Department surrendered ₹ 1,739.92 crore (88 *per cent*) leading to non-surrender of savings of ₹ 236.34 crore (12 *per cent*).

Failure to surrender the amount of ₹236.34 crore (Revenue ₹ 24.84 crore + Capital ₹ 211.50 crore) was indicative of violation of SFR and surrender of fund less than the actual savings indicated inadequate budgetary controls.

2.5.6 Misclassification between Revenue Expenditure and Capital Expenditure

As per rule 30 of Government Accounting Rules, 1990, expenditure that only results in the creation of concrete, material, and permanent assets should be classified in capital expenditure.

During the financial year 2024-25, the State Government had booked ₹ 274.30 crore of Revenue nature as Capital Expenditure. Audit examined Sanction Orders and expenditure vouchers related to this amount and noticed that the amount of ₹274.30 crore ***(Appendix 2.10)*** of expenditure of Revenue nature had been booked under Capital Expenditure. Out of this amount, ₹ 14.87 crore was expenditure towards operation, maintenance, repair and renovation *etc*. As per Rule 31 (2) (b) of the Government Accounting Rules, 1990, the Revenue Account should bear all charges relating to such expenditure. The remaining amount of ₹259.43 crore had been spent for construction of houses under Sikkim Garib Awas Yojana (SGAY). However, after distribution of the houses to the beneficiaries, the ownership will be vested with the beneficiaries. So, the expenditure being revenue in nature and it had to be booked under Revenue Head of accounts instead of Capital Head. Thus, there was a misclassification of ₹274.30 crore, which resulted in overstatement of Revenue Surplus to that extent.

The Government stated (01 September 2025) that, post the restructuring of budget heads on the directions of the Department of Expenditure, Ministry of Finance, Government of India, effective from financial year 2022-23, the State has been classifying expenditure above ₹ 3.00 lakh – including equipment such as computers, vehicles *etc* under the Capital Section. Further, the Government stated that the expenditure is substantial and results in the creation of durable housing assets for the State until they are formally transferred to the beneficiaries.

The reply is not tenable as the misclassification affects financial accuracy and resource allocation. Further, as per the guidelines, the ownership of the houses will be vested with the beneficiaries.

2.5.7 Major policy pronouncements in budget and their actual funding for ensuring implementation

There were no major policy pronouncements in budget 2024-25.

2.5.8 Non-adherence to the Quarterly Expenditure Limit

Rule 62(3) of the General Financial Rules provides that rush of expenditure, particularly in the closing months of the financial year, is regarded as a breach of financial propriety and should be avoided. Government funds should be evenly spent throughout the year. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalance and temporary cash crunches due to mismatch of revenue expenditure during a particular month arising out of unanticipated heavy expenditure in that particular month. Rush of expenditure particularly in the closing month of the financial year should be avoided as per Financial Rules.

Table 2.8: Rush of Expenditure during Financial Year 2024-25

	Amount (*₹ in crore*)	**Percentage of Total Expenditure in the year**
Last Quarter of the year (Jan to Mar-2025)	4,754.75	34.69
Last month of the year (Mar-25)	3,225.57	22.58
Last day of the year (31st March 2025)	337.46	2.63

Trend of total Monthly receipts (Revenue Receipts, Capital Receipts and Cash Balance) and expenditure during financial year 2024-25 is shown in **Chart 2.6 and Chart 2.7**.

Chart 2.6: Trend analysis of receipts (Month wise)

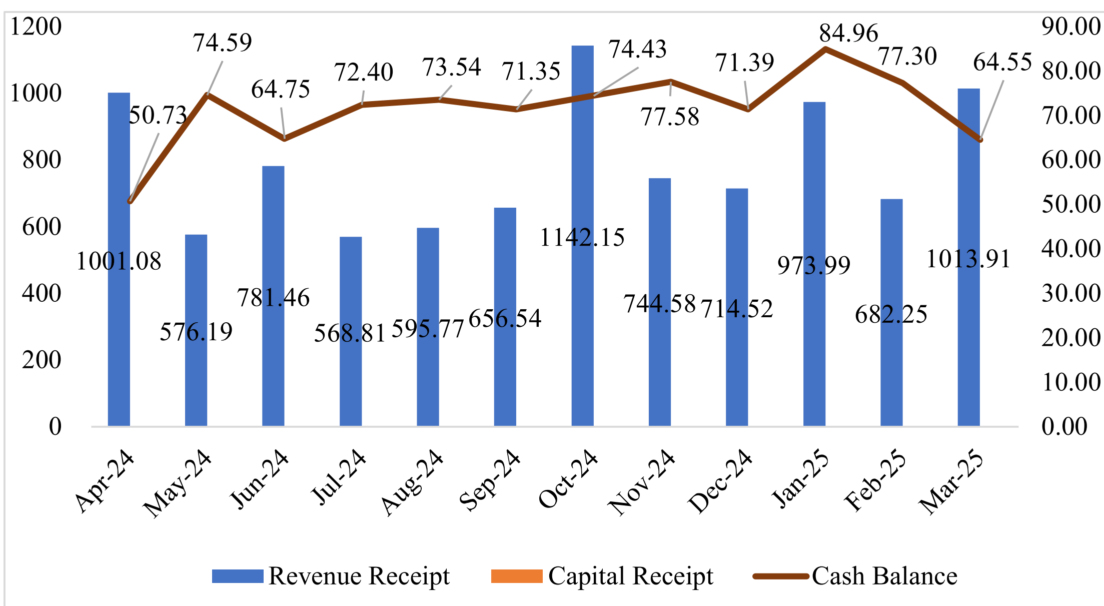
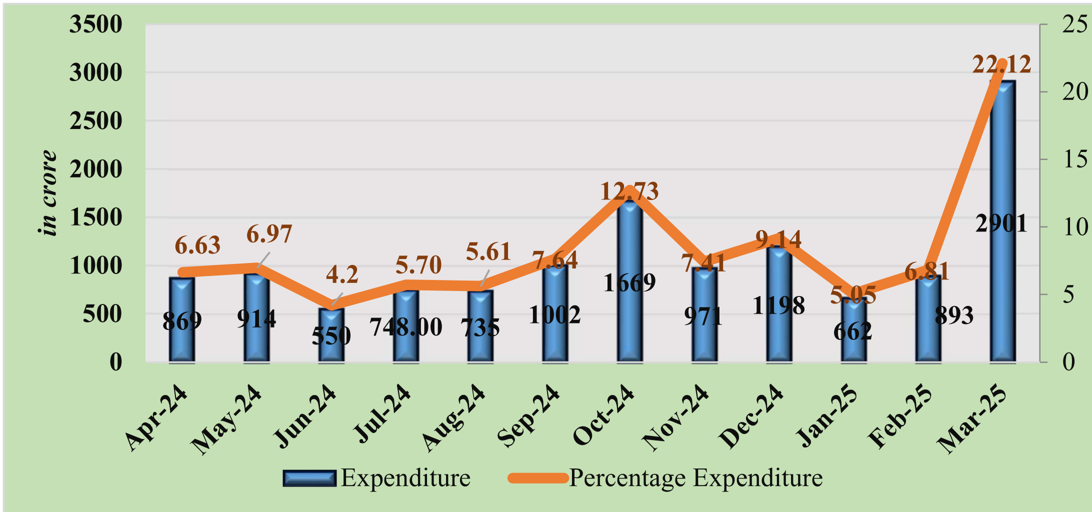


Chart 2.7: Trend analysis of expenditure (Month wise)

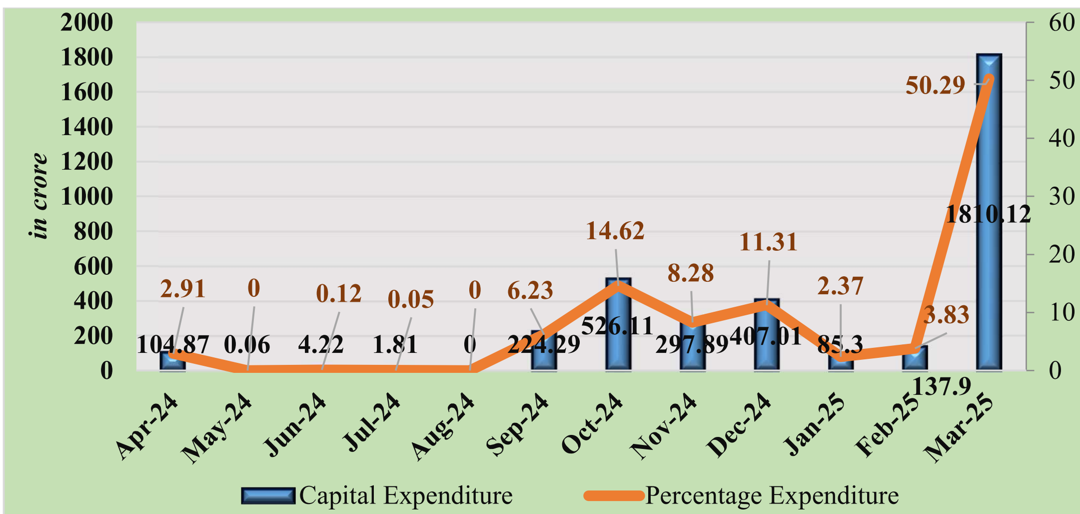
(₹ in crore)



Source: Office of the Sr. Dy. Accountant General (A&E), Sikkim

Chart 2.8: Trend analysis of Capital expenditure (Month wise)

(₹ in crore)



Source: Office of the Sr. Dy. Accountant General (A&E), Sikkim

The monthly expenditure trend depicted in the chart indicates a pronounced skewness towards the last quarter of the financial year, particularly in March.

As can be seen from the above charts, the receipts were spread more or less evenly across all the months during the financial year 2024-25. However, the pattern of capital expenditure during the year revealed that the State Government incurred expenditure of ₹2,901 crore during the year end constituting about 21.93 *per cent* of the total expenditure of ₹13,227.23 crore. Rush of expenditure, especially during the month of March, showed non-adherence to financial rules.

Capital expenditure showed a sharp rise of ₹1,673.36 crore, in March 2025, constituting about 48 *per cent* of the total Capital expenditure of ₹ 3,462.80 crore. The Capital expenditure spread from less than one *per cent* to 15 *per cent* during the other months of the financial year 2024-25. However, out of the total Revenue expenditure of ₹8,968.82 crore, ₹1,086 crore (12.11 *per cent*) was incurred in March 2025, while analysing further, it is revealed that a sizable amount of Receipts (₹237.80 crore) was received for Centrally Sponsored Schemes during last month of the year.

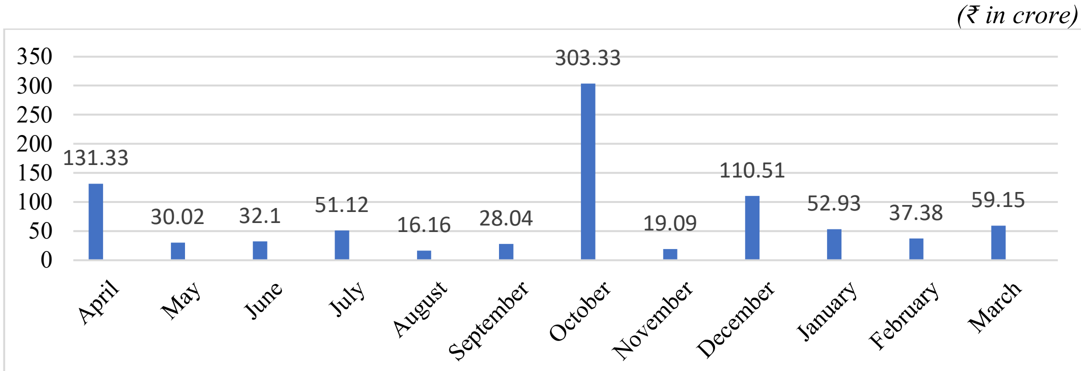
Further entire expenditure of ₹496 crore in 164 sub-heads was incurred in the month of March 2025 alone (***Appendix 2.13***).

The financial rule states that the expenditure should be uniformly incurred during the financial year and as far as possible rush of expenditure at the fag-end should be avoided. However, the above expenditure of ₹ 496 crore at the fag-end of financial year contravenes the prescribed financial norms.

The following chart shows the month-wise utilisation of the budget of Rural Development Department during 2024-25:

Chart 2.9: Month wise expenditure under Major Head 2059-Rural Development Department during 2024-25

(₹ in crore)



Source: Appropriation Accounts 2024-25

As can be seen from the above chart, the highest expenditure recorded during the month of October 2024 was ₹303.33 crore and the lowest being during the month of August 2024. For quarter-wise expenditure, the third quarter Oct – Dec 2024 recorded the highest expenditure of ₹432.93 crore which was nearly 50 *per cent* of the whole annual budget and the second quarter being the lowest recorded expenditure of ₹95.32 crore.

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash crunches. The State Government has not prescribed quarter-wise percentages for incurring expenditure during the year, with the aim of regulating the expenditure in a phased manner. The quarterly details of expenditures incurred across all Grants are shown in the ***Appendix 2.14.***

The following table shows the day-wise utilisation of the budget during 2024-25 in the last week of March:

Table 2.9: Day-wise utilisation of budget in the last week of March

(₹ in crore)

Date	24.03.25	25.03.25	26.03.25	27.03.25	28.03.25	29.03.25	30.03.25	31.03.25
Expenditure	0.84	0.20	1.92	0.46	0.43	2.19	0.21	3.48

The total expenditure during the month of March was ₹59.15 crore which was 6.79 *per cent* of the total budget and the department incurred expenditure of ₹ 9.75 crore only in eight days which was 1.11 *per cent* of the total budget. Financial rule states that the budget should be uniformly and judiciously utilised month-wise and the rush of expenditure should be avoided. However, this was not followed prudently and was against the financial norms.

Analysis of monthly and quarterly expenditure showed highly uneven utilisation of funds:

- Highest monthly expenditure**:** October – ₹ 303.33 crore.
- Lowest monthly expenditure**:** August 16.16 crore.
- Third quarter (Oct–Dec 2024): ₹ 432.93 crore (≈ 50 *per cent* of total annual expenditure).
- Second quarter (Jul–Sep): ₹ 95.32 crore – lowest of all quarters.
- March 2025: ₹ 59.15 crore (6.79 *per cent* of total expenditure), including ₹ 9.75 crore (1.11 *per cent*) which incurred in just eight days (24–31 March 2025).

The review revealed systemic deficiencies, summarised as follows:

1. Persistent savings due to unrealistic budgeting and overestimation of fund needs.
2. Unnecessary supplementary provisions despite unutilised original allocations.
3. Lack of structured budget review and internal monitoring mechanism.

These weaknesses lead to inefficient financial management and a disconnect between budget formulation and actual implementation

2.6 Implementation of Selected CSS Schemes in the State

2.6.1 Single Nodal Agency

Ministry of Finance, Government of India, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank. The State Government is required to transfer the Central Share received, to the concerned SNA's account, along with the corresponding State share.

Audit analysed the VLC data and SNA PFMS report and found that there was discrepancy in data of Central and State share transfer to SNA accounts, as shown in **Table 2.10**.

Table 2.10: Discrepancies in Central and State share transfer

(₹ in crore)

Source of Data	Central share received	Central share transferred	State share transferred	Less amount released by State
VLC	1,036.01	24.46	2.67	0
SNA PFMS Report	1,027.97	923.23	117.82	75.58
Difference Amount	8.04	- 898.77	- 115.34	- 75.58

Source: VLC and Notes to Finance Accounts of respective years

As per the State Government, it received ₹1,027.97 crore being Central share during the year in its Treasury account. As on 31 March 2025, the Government transferred Central share of ₹923.23 crore and State share of ₹117.82 crore to the SNAs. The total transfer of ₹1,041.05 crore was done through Fully Vouched Contingent Bills. Detailed vouchers and supporting documents of actual expenditure were not received by AG office from the SNAs.

Further, as per the Finance Accounts, total grants received from the Centre for CSS is ₹1,036.01 crore. The difference between ₹1,036.01 crore and ₹ 1,027.97 crore is under reconciliation by the State Government.

2.6.2 Single Nodal Agency SPARSH

As per the Notes on Account of Finance Accounts, Government of Sikkim for the year ended March 2025, during the year 2023-24, the State Government on boarded six schemes to SNA-SPARSH and opened a cyber-treasury to handle the transaction. As per the State Government an amount of ₹0.92 crore was lying unspent at the time of on boarding, of which ₹ 0.83 crore was to be returned to the Consolidated Fund of India and ₹ 0.09 crore to the Consolidated Fund of the State.

2.7 Contingency Fund

The Contingency Fund of Government of Sikkim was established under Article 267 (2) of the Constitution of India. This Fund is in the nature of an imprest which is established by the State Legislature by law and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund is ₹ one crore.

2.8 Advance from Contingency Fund

During 2024-25, there was no transaction from the Contingency Fund. Hence, as on 31st March 2025, Contingency Fund had a balance of ₹ one crore.

2.9 Conclusions

Budgetary assumptions of the State Government were not very realistic during 2024-25 and budgetary estimates were off the mark to a considerable extent, and control over the execution and monitoring of budget was inadequate.

The budgetary utilisation showed a bit increase as compared to 2023-24. However, the budgetary system of the State Government was not up to the mark, as overall utilisation of budget was 81.66 *per cent* during 2024-25 as against 77.99 *per cent* of total grants and appropriations during 2023-24.

Against the overall savings of ₹ 2,971.23 crore, ₹ 2,804.54 crore (94.39 *per cent*) was surrendered during 2024-25, of which, ₹ 2,762.00 crore (92.96 *per cent*) was surrendered on the last day of the year *i.e.* 31 March 2025.

Supplementary provision aggregating ₹ 115.23 crore obtained during the year ending March 2025 (₹ one crore or more in each case) pertaining to 18 cases (13 under Revenue Section and five under Capital Section) proved unnecessary as the total expenditure did not come up to the level of the original provisions.

Further, an excess expenditure of ₹ 16.82 crore in respect of previous years (2019-20 and 2022-23) was pending for regularisation by the PAC/State Legislature.

The explanations for variations in expenditure *vis-à-vis* allocations were not provided in respect of 75 sub-heads (10.26 *per cent*) out of 731 sub-heads to the office of Sr. Dy. Accountant General (A&E), Sikkim.

2.10 Recommendations

- *Finance department needs to formulate a realistic budget based on reliable estimates of needs of the Departments and their capacity to utilise the allocated resources.*
- *An appropriate control mechanism needs to be instituted by the Finance department to enforce proper implementation and monitoring of budget and to ensure that savings are curtailed, large savings within the Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered within the specified time frame.*
- *As the issue of persistent savings is being highlighted in the Reports of the CAG on State Finances every year and no corrective measure has been taken by the departments, The Finance Department should strengthen monitoring mechanism reduce persistent savings.*
- *Controlling Officers should be instructed to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of Appropriation Accounts.*
- *The Rural Development Department should strengthen its budgetary management on basis of realistic estimates so that financial resources can be allocated/ utilised efficiently and effectively to achieve intended objectives.*
- *The Rural Development Department should design and implement an effective monitoring system to ensure timely utilisation of funds to avoid persistent savings.*
- *Ensure realistic budgeting based on past trends and physical targets.*

- *Seek supplementary grants only after exhausting original allocations.*
- *Surrender unutilised funds promptly to Finance Department.*
- *Institute quarterly expenditure monitoring to prevent rush of expenditure.*
- *Adopt performance-linked fund release to ensure accountability and timely utilisation.*

CHAPTER-III:
FINANCIAL REPORTING PRACTICES

Chapter III: Financial Reporting Practices

This chapter provides broad based perspective of quality of the State Government Accounts rendered by various authorities of the State Government and status of compliance with prescribed financial rules, procedures and directives.

Compliance with financial rules, procedures and directives as well as the completeness, timeliness and quality of reporting on the status of such compliance enhances relevance and reliability of the information presented in the financial reports.

Issues related to completeness of accounts

3.1 Off-budget borrowings through State owned PSUs/Authorities

Article 293(3) of the Constitution of India mandates that a State Government requires the consent of the Government of India (GoI) for raising borrowings if it has any outstanding loans or guarantees from the GoI. The Fifteenth Finance Commission recommended that the normal Net Borrowing Ceiling (NBC) for the States for 2023-24 to 2025-26 be fixed at three *per cent* of the Gross State Domestic Product (GSDP).

Bypassing the stipulated borrowing ceiling by routing loans outside the budget through State Public Sector Undertakings (SPSUs), Corporations or other autonomous bodies, despite the State being responsible for repayment, poses significant risks to fiscal discipline and transparency. The GoI has, therefore, decided to reduce the annual borrowing ceiling of States to the extent of their off-budget borrowings.

The State Fiscal Responsibility and Budget Management (SFRBM) Act, 2010 and Rules, 2006 require the Government to ensure transparency in its fiscal operations by disclosing all actual liabilities, including those arising from off-budget borrowings where repayment liability devolves on the State. The Medium-Term Fiscal Restructuring Policy (MTFRP) Statement, laid before the Legislature with the Budget documents, is also required to include five-year rolling targets for revenue deficit, fiscal deficit, and outstanding debt[12] of the State Government.

For the year 2024–25, the debt stock was targeted at 28 *per cent* of GSDP under the MTFRP, with a fiscal deficit limit of three per cent of GSDP under the FRBM framework. The GoI had fixed the borrowing ceiling of the State at three per cent of GSDP, which as per the Directorate of Economic Survey Monitoring and Evaluation (DESME) data, is calculated to ₹1,600.20 crore.

State Government did not provide the details of off budget borrowings in its budget. As per information furnished by the Finance Department, Government of Sikkim the

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[12] *As defined in the State FRBM Act, total outstanding debt of the State includes Internal Debt, Loans and Advances from GoI, Small Savings, Provident Funds, etc., Reserve funds and Deposits.*

outstanding off-budget borrowings as on 31 March 2025 stood at ₹1,208.14 crore as detailed in **Table 3.1**.

Table 3.1: Details of Off-budget borrowing as on 31 March 2025 as disclosed by the State Government

(₹ in crore)

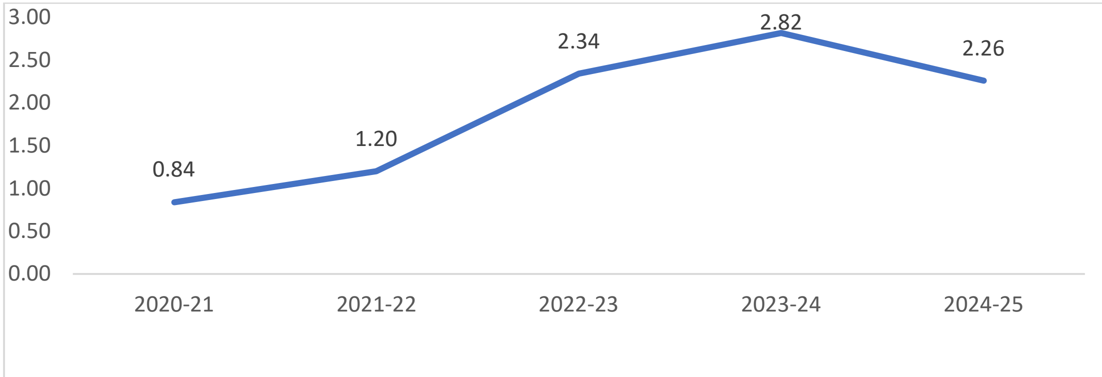
Name of the institution	Head of Account	Bank/ Financial Institution	Loan Borrowed	Date of Sanction	Purpose of Loan	Repayment during the year		Outstanding as on 31.03.2025
						Principal	Interest	Principal
SIDICO	3054.80.001.35.59.49	NABARD	130.81	31.03.2018	Strengthening and improvement of roads in Sikkim	13.08	6.59	58.87
SIDICO	-do-	NABARD	83.50	12.03.2020	22 Road Schemes	8.35	5.66	58.45
SIDICO	-do-	HUDCO	198.90	27.11.2018	Upgradation of roads in Sikkim	11.70	12.45	128.01
SIDICO	-do-	HUDCO	65.00	15.02.2021	Procurement of Hospital equipments at *Sochakgang*	6.10	4.68	46.70
SIDICO	2216.07.001.35.80.49	BOM	481.00	08.09.2020	Construction of 3050 Rural Houses under SGAY Phase-I	28.30	12.95	438.55
SIDICO	2217.80.001.60.00.49	UBI	141.00	11.11.2021	Implementation of SUGAY	4.15	12.31	136.85
SHDB	2216.07.001.35.80.49	HUDCO	361.00	07.03.2017	Construction of 3000 Rural Houses under CMRHM Phase-I	24.07	22.73	234.65
STCS	2210.01.001.70.00.49	CBI	300.00	26.04.2018	Procurement of hospital equipment of 1000 bedded SSH at *Sochakgang*	43.00	14.11	106.06
SIDICO	2851-00-001-61-00-49	HUDCO	131.71	11.11.2021	Takeover of loan availed by State Govt. during March 2010	6.77	0.48	0
Total			**1,892.92**	**-**	**-**	**145.45**	**118.42**	**1,208.14**

Source: Information provided by the State Finance Department

Beside off-budget borrowings as depicted in **Table 3.1**, further information collected from Finance Department, GoS revealed that the State Government raised ₹378.56 crore loans (temporary funding) through six departments during 2024-25 which are being paid through Consolidated Fund of the State (CFS) as detailed in **Table 3.2**.

Total outstanding off-budget borrowings as a percentage of GSDP is depicted in **Chart 3.1**.

Chart 3.1: Total outstanding off-budget borrowings as a percentage of GSDP



Source: Information provided by the Finance Department

Table 3.2: Details temporary funding taken by the State Government Departments in addition to those detailed in Table 3.1

(₹ in crore)

Name of the Department	Outstanding as on 31.03.2024		Loan taken from State Bank of Sikkim during 2024-25	Repayment made during 2024-25	Loan Purpose	Outstanding as on 31.03.2025	
	Principal	Interest				Principal	Interest
Power	260.88	297.04	39.00	39.00	Contractor payment	260.88	389.10
Tourism & Civil Aviation	110.00	41.15	125.59	0.00	Construction of Ropeway, at *Bhaleydunga*, Construction of *Astaciringivi* at *Namchi* and construction of Ropeway at *Pelling*	135.59	67.43
Building & Housing	0.00	0.06	75.00	75.00	Drawing, Design of 300 bedded Hospital at *Namchi*	0.00	3.41
Roads & Bridges	34.67	17.82	130.00	0.00	Construction of 2 lane Melli *Manpur* Road & *Chakung* Dak Bunglow *Malbasey* Road from *Tharpu* to *Daramdin*	164.67	37.76
Urban Development	121.01	2.89	8.97	70.00	Multi-level car parking at West Point School	59.98	5.80
Rural Development	279.43	29.46	0.00	224.43	------	55.00	43.77
Total	**805.99**	**388.42**	**378.56**	**408.43**		**776.12**	**547.27**

Source: Information provided by the Finance Department.

As per information furnished by the Finance Department, Government of Sikkim, these borrowings were serviced from the Consolidated Fund of the State. Details of financial assistance to the PSUs for repayment of off-budget borrowings, was not furnished.

Audit noticed that the State Government repaid the interest liability of off-budget borrowings amounting to ₹ 118.42 crore regular budget during 2024-25. Further, the loans taken by State Government Departments previously and during 2024-25 has an accrued interest liability of ₹547.27 crore on borrowed loans which is also an additional burden of financial liability to State Exchequer which may affect the fiscal health of the state in the long run since these loans are also being repaid from the CFS.

Audit Observation:

The departments, by taking loans and repaying through CFS not only carried the burden of additional interest payments but also reflected poor financial management and lack of adherence to fiscal norms.

- As of 31 March 2025, the State Government had outstanding off-budget borrowing amounting to ₹ 1,208.14 crore and in addition loans amounting to ₹378.56 crore routed through Departments and PSUs during 2024-25 which additionally burdened the exchequer with financial liability.
- These borrowings were borrowed against the contravening transparency required under the FRBM Act and the legislative approval not obtained.
- The public debt exceeded the prescribed ceiling, indicating fiscal imprudence and inadequate financial controls.

In reply, it was stated that the loans were of temporary short-term arrangement against the anticipated additional resource mobilisation expected within the financial year to defray the payment of immediate nature which cannot be postponed for future considering the policy priority of the state government. The reply is not tenable as the anticipated expenditure were to be taken care of while framing the budget provision and although the loans may be of short-term arrangement but invites interest payment which is an additional burden on the exchequer.

Recommendations:

- ***The Government should discontinue the practice of off-budget borrowing and ensure complete disclosure of all liabilities in Budget and FRBM documents.***
- ***Borrowings through PSUs and other agencies should be routed through the Budget to maintain transparency and fiscal discipline.***

3.2 Undischarged liabilities of the Government

Undischarged liabilities, such as non-transfer of collected cess to designated bodies or short remittances to the National Pension System (NPS), *etc.* can have significant long-term fiscal and governance implications. These unpaid obligations accumulate over time, creating hidden liabilities that distort the true financial position of the State. Further, delays in cess transfer hinder the intended development or welfare outcomes, defeating the purpose for which such levies were imposed. Similarly, short transfers to NPS not only violate statutory commitments but also compromise the financial security of employees. Over the years, such practices can erode trust, trigger legal liabilities and increase future expenditure obligations, thereby, constraining fiscal space and weakening fiscal sustainability. Such cases are discussed in succeeding paragraphs.

3.2.1 Undischarged Interest liability

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Deposits/Reserve Funds.

Audit observed that ₹ 6.67 crore was required to be paid as interest on the balance of ₹197.41 crore lying under interest bearing Deposits/Reserve Funds as on 1 April 2024 as shown in **Table 3.3**. Non-payment of interest liability has resulted in overstatement of Revenue Surplus/understatement of Revenue Deficit and Fiscal Deficit to that extent.

Table 3.3: Details of interest liability not discharged in respect of Interest- bearing Deposits/ Reserve Funds

(₹ in crore)

Sl. No.	Name/ Head of the interest-bearing deposit	Opening Balance as on 1 April 2024	Basis for calculation of interest	Interest due	Interest paid	Amount of interest not provisioned
1.	Defined Contribution Pension Scheme for Government employees	59.59	Interest calculated as per the rate of interest 7.10 *per cent* notified by the Government payable to General Provident Fund.	6.40*	Nil	6.40
2.	State Compensatory Afforestation Fund	133.88	Interest is calculated at the rate of 3.35 *per cent* (As informed by GOI the Ministry of Environment, Forest & Climate Change)	4.48	7.50**	--
3	State Disaster Response Fund	2.64	Interest calculated at the rate of 6.65 *per cent* (as per information received from the State Government).	0.18	Nil	0.18
4	State Disaster Mitigation Fund	1.30	Interest calculated at the rate of 6.70 *per cent* (as per information received from the State Government).	0.09	Nil	0.09
Total						**6.67**

Source: Finance Accounts 2024-25

* *Unpaid interest ₹2.17 crore accrued during 2023-24 is also incorporated.*

** *This includes interest paid for previous outstanding payments.*

The State Government did not furnish any reply against the audit observations.

The outstanding interest is the burden on the State exchequer and non-payment not only increases the burden but also results in geometric progression of the interest which may have a long-term effect on financial management.

The Government should take immediate and necessary steps to manage interest payment at suitable time to avoid additional interest burden.

3.2.2 Short contribution in National Pension System

The State Government signed the agreement for adopting National Pension System during 2012 with the Pension Fund Regulatory and Development Authority (PFRDA), however, the actual operation of NPS was started from April 2013 for employees appointed on or after 1 January 2006.

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.

During the year 2024-25, the total contribution to the NPS was ₹290.96 crore out of which employees' contribution was ₹147.16 crore and that of Government was ₹143.80 crore. The Government transferred ₹269.94 crore to the Public Account (Employee share ₹147.16 crore and Govt.'s share ₹143.80 crore). The amount of ₹80.61 crore remained in the Public Account as on 31 March 2025 and was not transferred to the NSDL.

Between 2013-25, total receipts under DCPS were ₹2,207.28 crore (employee: ₹836.28 crore, employer: ₹838.26 crore), while only ₹1,630.91 crore was transferred to the pension fund, resulting in a cumulative short transfer of ₹80.61 crore. The details of the receipts from employees' share, Government's contribution, interest accrued thereon and investment in pension funds are given in ***Appendix 3.1.*** Additionally, due to delays in contributions and fund transfers, the State Government will incur avoidable interest of ₹6.40 crore (for year 2023-24 and 2024-25) which will adversely affect employee returns and create a deferred liability.

In reply, State Government stated that, the monthly CPF/NPS contribution of only those employees who has Permanent Retirement Account Number (PRAN), can be transferred to NSDL. PRAN was to be obtained by submitting Common Subscriber Registration Form (CSRF) by each and every CPF/NPS employees. The short transfer was attributed to non-submission of CSRF by the employees.

The reply is not tenable as these ground works were supposed to be completed well in advance by the department which shows the lack of proper initiative by the implementing agency.

Despite the state adopting the DCPS under NPS, delays in transferring deducted contributions have resulted in a cumulative short transfer of funds creating deferred liability. This may cause fiscal risk of accumulated undischarged obligations.

It is recommended that the State Government should take immediate steps for strict adherence to statutory timelines to prevent future accumulations of liabilities and ensure transparent pension management.

3.2.3 Building and Other Construction Workers Welfare Cess

As per Section 3(1) of the Building and Other Construction Workers Welfare Cess Act, 1996, and in line with Government of Sikkim rules/resolution, labour cess was to be collected at the rate of one *per cent* of the cost of construction incurred by employers/builders, excluding the cost of land and any compensation payable under the Workmen Compensation Act, 1923.

As per Sikkim Building and Other Construction Worker (Regulation of Employment and Condition of Service) Rules 2010, the labour Cess is directly deposited into Sikkim Building and Other Construction Workers Welfare Board's Bank Account.

Information collected from the Labour Department revealed that the amount of Building and Other Construction Workers Welfare Cess collected for the period 2022-23, 2023-24 and 2024-25 was ₹33.51 crore, ₹87.43 crore and ₹56.18 crore respectively.

3.2.4 Non-transfer of cess to local bodies

The State Government does not levy any cess which is required to be transferred to the local bodies. Assistance provided to the local bodies is detailed in Paragraph 1.2.4.1(D) of this report.

3.2.5 National Mineral Exploration Trust Fund

The National Mineral Exploration Trust (NMET) was established in August 2015 under Section 9C of the MMDR Act, 1957. As per Section 9C (4) of this Act, holder of a mining lease or a mineral concession are required to contribute two *per cent* of the royalty paid to the trust. As per the NMET Rules, the State Government is responsible for collecting these contributions, depositing them in the Public Account under Major Head '8449–123–NMET Deposits', and transferring the funds monthly to the Consolidated Fund of India.

As stated by the Department, since there are no major mining activities in the State at present, no contribution is to be made to National Mineral Exploration Trust.

3.2.6 State Mineral Exploration Trust/State Mineral Development Fund

The Ministry of Mines, Government of India, vide its letter dated 19 November 2024, advised all State Governments to establish a State Mineral Exploration Trust (SMET)/ State Mineral Development Fund (SMDF) on the lines of the National Mineral Exploration Trust (NMET), as mandated under clause (g) of sub-section (A) of Section 15 of the Mines and Minerals (Development and Regulation) Act, 1957.

Accordingly, the Government of Sikkim has established the State Mineral Exploration Trust (SMET) (Notifications dated 02.08.2025 and dated 28.08.2025) under a Bank Account for financing exploration activities related to minor minerals. As per Section 8 of the Sikkim State Mineral Exploration Trust Rules, 2025, the mining lease holders, quarry licencee and permit holders of minor minerals shall pay the contribution to the Trust fund in respect of any mineral removed by him from and /or consumed within the area allotted or permitted to him, a sum equivalent to 2 (two) *per cent* of the royalty in terms of the Second Schedule of the Sikkim Minor Mineral Concession Rules, 2025. Further, the State Government is required to transfer 50 *per cent* of revenue received as penalty under Chapter VIII of the Sikkim Minor Mineral Concession Rules, 2025 to the Trust.

During the financial year 2024-25, the State Government did not collect any royalty on account of mineral concessions, fees and royalties as no concession has been granted in the State.

3.2.7 Pendency of refund cases

Promptness in disposal of refund cases is an important indicator of performance of the Department concerned. One out of four tax collection departments provided data on the pendency of refund cases. The details of refund cases during 2024-25, as furnished by the Commercial Tax Division, Finance Department, are given in **Table 3.4**.

Table 3.4: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	GST		Sales Tax/VAT		State Excise		Taxes on Vehicles	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	Nil	Nil	Information not received		Information not received		Information not received	
2.	Claims received during the year	88	9.75						
3.	Refunds made during the year	17	2.39						
4.	Refunds rejected during the year	17	0.83						
5.	Balance outstanding at the end of year	54	0.11						

3.3 Funds outside Government Accounts

3.3.1 Unaccounted Revenue and Expenditure transactions

Article 266(1), subject to the provisions of Article 267 of the Constitution of India, provides that all revenues received by the Government of a State, all loans raised by the issue of treasury bills, loans or ways and means advances, and all money received by the Government in repayment of loans shall form one consolidated fund to be entitled the 'Consolidated Fund of the State'. Article 266(2) provides that all other public money received by or on behalf of the Government of a State shall be credited to the Public Account of the State. Further, as per paragraph 50 of the Sikkim Financial Rules (SFR), 1979, the head of every department or office is responsible for ensuring that all revenues, receipts, or other sums due to the Government are regularly and promptly assessed, realized, and credited to the Government account under the appropriate head of account.

The Power Department of Sikkim (PDS) is entrusted with the management of electricity operations in the State. The activities of PDS include generation and supply of electricity, and creation, operation, and maintenance of the infrastructure required for distribution of electricity within the State. In addition, PDS also conducts trading, i.e., selling and purchasing electricity outside the State. As PDS is a Government Department, it is required to follow Government Accounting Rules for accounting of receipts and expenditure.

Scrutiny of records revealed that during Financial Year 2024–25, the Power Department had to pay ₹304.16 crore towards power purchases from agencies such as SPDC, PTC, NHPC, and NTPC. In this regard, the Department received ₹278.62 crore from the Finance Department as per budget provisions and earned ₹39.76 crore from sale proceeds of electricity sold outside the State. Audit, however, observed that out of this amount, ₹24.76 crore was utilized by the Department to meet expenditure towards power purchases without crediting the amount to the Government account under the appropriate head, while the remaining ₹15 crore was deposited into the Government account.

Thus, it was noticed that an amount of ₹24.76 crore was not deposited in the Consolidated Fund of the State by PDS. This led to an understatement of Government Revenue Receipts by ₹24.76 crore.

The Department stated that it had requested ₹444.12 crore from the Government; however, only ₹278.62 crore (including a supplementary provision of ₹98.62 crore) was provided. The Department had to release ₹304.16 crore to avert power regulation under the provisions of the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, which mandate the release of energy charges within two and a half months (trigger date), failing which power regulation is imposed. Further, the Department stated that the earned revenue receipt has increased from ₹5.59 crore during 2023–24 to ₹15 crore during 2024–25.

Recommendation: The Department should deposit all revenue receipts into the Government account as stipulated in the Sikkim Financial Rules, 1979. To avoid recurrence of such instances, the Department must prepare accurate budget estimates and liaise with the Finance Department to ensure timely release of funds, thereby preventing such situations.

3.3.2 Maintenance of Sikkim Electricity Regulatory Commission fund in Bank Accounts instead of Public Account

Article 266(2) of the Constitution of India provides that 'All other public moneys received by or on behalf of the Government of a State shall be credited to the Public Account of the State'. The Sikkim Electricity Regulatory Commission (SERC) was constituted under the Electricity Act, 2003. Section 103 of the Act stipulates creation of a fund called 'State Electricity Regulatory Commission Fund' wherein receipts of the commission are to be credited and expenses therefrom are to be made.

Sikkim Electricity Regulatory Commission (SERC) was constituted on 15 November 2003 by the State Government. However, the actual functioning of the SERC was started from April 2011. As stated by the SERC, the grants and other receipts are routed through Public Account, but it was seen that the SERC is operating three bank accounts without any approval.

As per bank statements of these three bank accounts, ₹17.99 crore was spent through these bank accounts. Total amount deposited (including interest) was ₹18.52 crore. As on 31 March 2025, an amount of ₹ 0.55 crore remained in the bank accounts instead of the Public Account of the State, resultantly the Public Account balance was understated by that amount.

Maintaining significant funds outside the Consolidated Fund undermines transparency and legislative oversight, increasing risks of fund mismanagement. In this context, it may be mentioned that funds of Central Electricity Regulatory Commission are kept in Public Account of the Government of India.

Issues related to transparency

3.4 Delay in submission of Utilisation Certificates (UCs)

Rule 115 of the Sikkim Financial Rules (SFR) stipulates that where grants are sanctioned with specific conditions regarding purpose, object, or time limit for utilisation, the sanctioning authority shall be primarily responsible for certifying to the Accountant General the fulfilment of such conditions. Further, Rule 116(1) provides that every grant made for a specific object must be spent within a reasonable period of one year from the date of issue of sanction, and any unspent balance shall be surrendered to Government.

Utilisation Certificates (UCs) serve as the primary instrument through which the Grantor obtains assurance that funds released have been utilised for the sanctioned purposes. Delayed or non-submission of UCs not only weakens this assurance mechanism but also indicates that the expenditure booked in the accounts cannot be treated as final. Such delays undermine financial control, increase the risk of diversion or misutilisation of funds, and hinder the closing of government accounts.

During 2024-25, UCs amounting to ₹ 172.83 crore pertaining to 1,321 outstanding UCs were due for the period upto 31.03.2025. Of these, ₹ 44.99 crore pertaining to 145 outstanding UCs were cleared. The position of outstanding UCs as on 31 March 2025, as shown in **Table 3.5**.

Table 3.5: Year-wise pendency of Utilisation Certificates

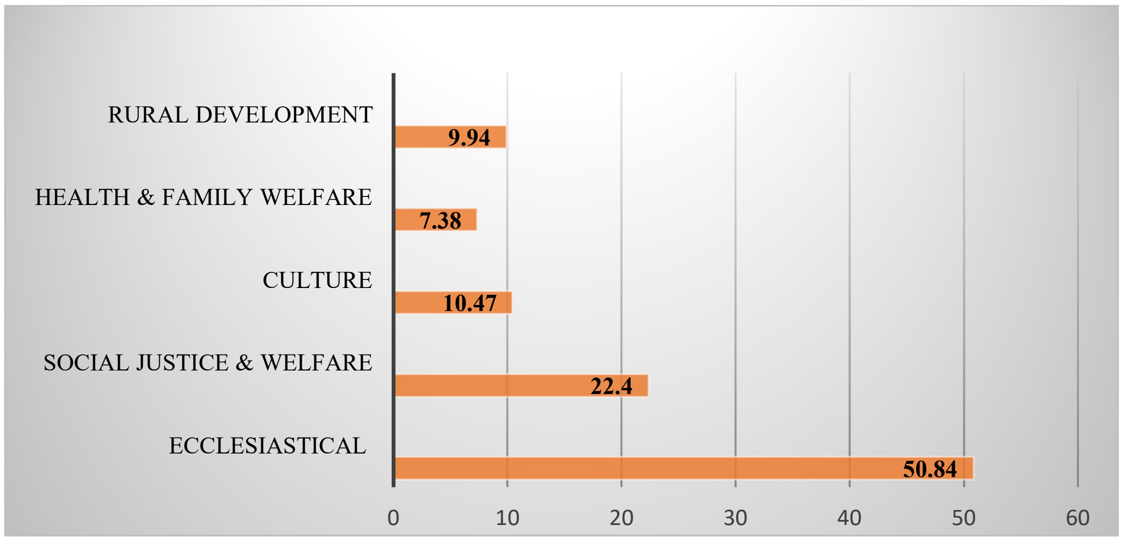
(₹ in crore)

UC due year*	Number of pending UCs	Amount
Prior to 2019-20	545	27.84
2020-21	12	4.19
2021-22	13	1.27

UC due year*	Number of pending UCs	Amount
2022-23	113	20.53
2023-24	191	35.22
2024-25 (sanctioned upto March 2025)	302	38.78
Total	**1,176**	**127.84**

Source: Finance Accounts 2024-25 and Office of the Sr. Dy. Accountant General (A&E), Sikkim
**The year mentioned above relates to "Due year", i.e., after 12 months of actual drawal*

Chart 3.2: Outstanding UCs in respect of five major Departments as on 31 March 2025



Source: Office of the Sr. Dy. Accountant General (A&E), Sikkim

Audit further observed that in the Ecclesiastical Department, Utilisation Certificates amounting to ₹ 50.84 crore remained outstanding for grants released during 2017-18 to 2024-25, reflecting prolonged non-adjustment of accounts.

Non-submission of UCs not only exposes the Government to the risk of misutilisation but also leads to blockage of funds and delays in finalisation of accounts. It is imperative for the State Government to closely monitor the submission of UCs and to hold the responsible officers accountable for ensuring timely compliance.

In reply, the Department stated that action is being taken at the personal level by deputing inspectors to obtain UCs.

The reply is not tenable in view of the large pendency of UCs over several years.

3.5 Abstract Contingent bills

When money is required in advance or when they are not able to calculate the exact amount required, Drawing and Disbursing Officers (DDOs) are permitted to draw money without supporting documents, through Abstract Contingent (AC) bills, by debiting service heads and the expenditure is reflected as an expense under the service head.

Sikkim Financial Rules provides that Drawing and Disbursing Officers (DDOs) are required to present Detailed Contingent (DC) bills containing vouchers in support of financial expenditure within 90 days from the date of drawing of such advance. Delayed submission or prolonged non-submission of DC bills may affect the completeness and correctness of accounts.

The details of AC bills, pending adjustment, as on 31 March 2025 is given in **Table 3.6**.

Table 3.6: Year-wise pending adjustment of AC bills

(₹ in crore)

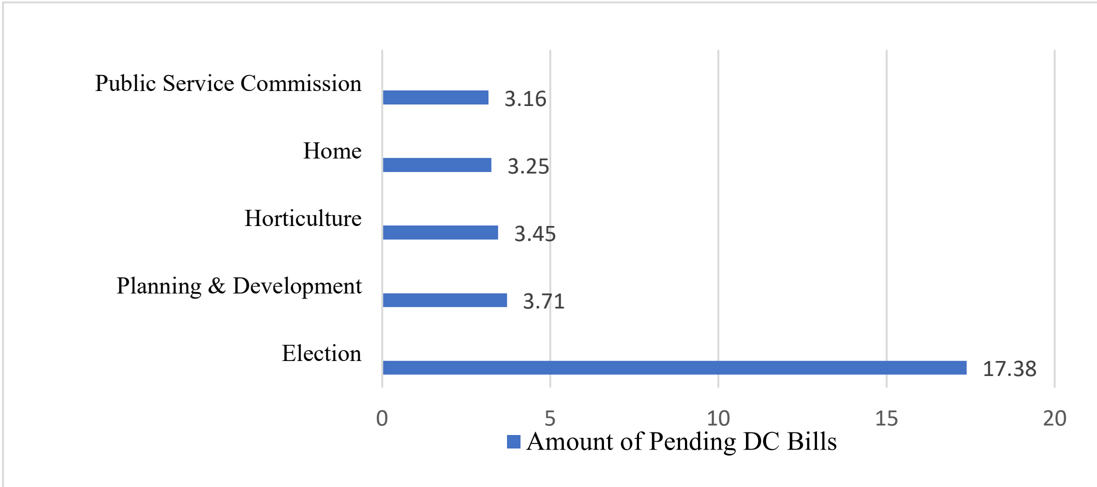
Due Year	No. of AC bills	Amount
2001-02	53	0.16
2002-03	128	1.27
2003-04	187	1.27
2004-05	100	1.21
2005-06	55	0.46
2006-07	76	0.57
2007-08	85	0.57
2008-09	71	0.75
2009-10	75	1.40
2010-11	30	0.15
2011-12	51	0.15
2012-13	38	2.07
2013-14	46	0.31
2014-15	27	3.42
2015-16	41	1.61
2016-17	64	1.28
2017-18	44	0.52
2018-19	63	0.88
2019-20	72	1.05
2020-21	61	3.76
2021-22	59	0.52
2022-23	75	4.18
2023-24	141	19.41
2024-25	269	9.54
Total	**1,911**	**56.51**

Source: Finance Accounts 2024-25 and Office of the Sr. DAG, (A&E), Sikkim

Out of the total 410 AC bills amounting to ₹ 13.78 crore, 121 AC bills amounting to ₹ 6.78 crore (49.24 *per cent*) were drawn during March 2025 and out of which 69 AC bills amount to ₹3.49 crore were adjusted up to 31 March 2025.

Chart 3.3: Pending DC Bills in respect of five major Departments

(₹ in crore)



Source: Office of the Sr. Dy. Accountant General (A&E), Sikkim

The Audit of AC bills in respect of Horticulture Department was selected and was approved by the competent authority. During the audit, it was seen that AC bills amounting to ₹3.45 crore (₹ 3.21 crore drawn during March 2015) and (₹0.24 crore drawn during March 2024) has remained unadjusted till date of audit. (September 2025).

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be asserted as correct or final.

In response to the audit observation regarding outstanding AC bills, the Department stated that an advance of ₹ 3.21 crore was paid to SIMFED for supply of materials; however, the agency has remained non-responsive to repeated requests for adjustment of the advance, despite several letters and reminders. The Department further stated that necessary action is being taken in this regard.

In respect of the advance of ₹ 0.24 crore sanctioned for construction works and paid to the State Trading Corporation of Sikkim (STCS), it was stated that the work had to be temporarily stopped due to shifting of the earmarked construction site. The work has since commenced at the new location, and the Department expects that the advance will be adjusted upon submission of the final bill by STCS during the current financial year.

Concerned State Government Departments should take immediate steps for submission of DC bills for the large number of AC bills pending for a long period.

3.6 Personal Deposit (PD) Accounts

The PD accounts enable designated Drawing Officers to incur expenditure for specific purposes pertaining to a scheme. Personal Deposit (PD)/Personal Ledger (PL) Accounts are not operated by the Government of Sikkim.

3.7 Operation of Minor Head 800

The Minor Head 800-Other Expenditure/800-Other Receipts is to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of Minor Head 800 should be discouraged since it renders the accounts opaque. Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

During the year 2024-25, ₹622.33 crore under 31 Major Heads of accounts, constituting 5.01 *per cent* of the total Revenue and Capital expenditure (₹12,431.62 crore) was classified under the Minor Head 800-Other Expenditure in the accounts. Of these, ₹50.52 crore was classified under Minor Head-800-Other Expenditure despite availability of appropriate Minor Heads thereunder, as detailed in ***Appendix 3.2***.

Similarly, ₹546.30 crore under 31 Major Heads of Account, constituting 5.78 *per cent* of the total Revenue Receipts (₹9,451.25 crore) was classified under 800-Other Receipts in the accounts. Of these ₹6.20 crore was classified under Minor Head 800-Other Receipts despite availability of appropriate Minor Head thereunder as detailed in ***Appendix 3.3***.

In reply, State Government stated that receipts booked under Minor Head 800 will be booked under appropriate object head.

As far as possible, to give a clear picture of the accounts, the booking under Minor Head 800 should be avoided.

Issues related to measurement

3.8 Outstanding balance under major Suspense and DDR Heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Significant suspense item balances for the last three years have been shown in **Table 3.7**.

Table 3.7: Balances under Suspense and Remittance Heads

(₹ in crore)

Head of Account		2022-23		2023-24		2024-25	
1		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658	**Suspense Account**						
101	Pay and Accounts Office-Suspense	1.71	-	0.42	-	3.11	-
	Net Debit (Dr.) / Credit (Cr.)	**Dr.1.71**		**Dr.0.42**		**Dr.3.11**	
102	Suspense Account-(Civil)	0.09	0.12	0.05	0.36	-	2.19
	Net Debit (Dr.) / Credit (Cr.)	**Cr 0.03**		**Cr. 0.31**		**Cr 2.19**	
112	Tax Deducted at Source (TDS) Suspense	-	11.39	-	11.62	-	11.47
	Net Debit (Dr.) / Credit (Cr.)	**Cr.11.39**		**Cr.11.62**		**Cr. 11.47**	

Head of Account		2022-23		2023-24		2024-25	
123	AIS Officers' Group Insurance Scheme	-	0.02	-	0.03	-	0.03
	Net Debit (Dr.) / Credit (Cr.)	**Cr.0.02**		**Cr.0.03**		**Cr. 0.03**	
135	**Cash Settlement between Sikkim and other States**	0.35	-	0.22	-	0.50	-
	Net Debit (Dr.) / Credit (Cr.)	**Dr. 0.35**		**Dr. 0.22**		**Dr. 0.50**	
8782	**Cash Remittance and adjustments between officers rendering account to the same Accounts Officer**						
102	Public Works Remittances	2731.98	3199.32	-	359.09	-	358.62
	Net Debit (Dr.) / Credit (Cr.)	**Cr.467.34**		**Cr.359.09**		**Cr. 358.62**	
103	Forest Remittances	53.67	48.25	5.58	-	4.60	-
	Net Debit (Dr.) / Credit (Cr.)	**Dr.5.42**		**Dr.5.58**		**Dr. 4.60**	
108	**Other Remittances**	87.62	77.32	9.19	-	58.20	-
	Net Debit (Dr.) / Credit (Cr.)	**Dr.10.30**		**Dr. 9.19**		**Dr 58.20**	

Source: Finance Accounts of respective years

Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

Outstanding debit balance under 101-PAO Suspense head would mean that payments have been made by the State on behalf of PAOs of Central Government, which were yet to be recovered. Outstanding credit balance would mean that payments have been received by the State on behalf of a PAO, which were yet to be paid.

The variation in net balance of the major components under Suspense and their on cash balance of the State Government is given below:

- The net debit balance under the PAO suspense head increased from ₹ 0.42 crore in 2023-24 to ₹ 3.11 crore in 2024-25. On clearance/ settlement of this, the cash balance of the State Government will decrease.
- Receipts on account of TDS are credited to TDS suspense and the balances under this suspense head are to be cleared when receipts of TDS are transferred to the Income Tax Department. There was outstanding credit balance of ₹ 11.47 crore under this head as on 31 March 2025, which was marginally lower than the balance as on 31 March 2024 (₹11.62 crore). On clearance/ settlement of this, the cash balance of the State Government will decrease.
- The Cash Settlement balance between Sikkim and other states increased to ₹0.50 crore in 2024-25 from ₹ 0.22 crore in 2023-24. On clearance of this, the cash balance of the State Government will decrease.

No response was received from the State Government in this regard.

3.9 Reconciliation of Departmental figures

To exercise effective budgetary control over revenue/expenditure and to ensure accuracy in accounts, State Financial Rules stipulate that Chief Controlling Officers (CCOs)/Controlling Officers (COs) are required to reconcile every month, the receipts and expenditure recorded in their books with the figures of the Accountant General (A&E).

As per records of the Office of the Sr. DAG (A&E) Sikkim, the State Government had reconciled 100 *per cent* of all their Receipts and Expenditure through CCOs and DDOs with the figures booked in the Accounts of the Sr. DAG (A&E).

3.10 Reconciliation of Cash Balance

Under a resolution passed in the year 1968-69, the State Bank of Sikkim (SBS) has been vested with the responsibility by GoS of receiving money on behalf of Government and making all Government payments and keeping custody of the balances of government. It was seen that there were differences in cash balances as per the records of Sr. DAG (A&E) and SBS each year. The difference of cash balance between the figures of Sr. DAG (A&E) and SBS during 2020-21 to 2024-25 is shown in Table below:

Table 3.8: Cash Balance difference between Sr. DAG (A&E) & SBS, Sikkim

(₹ in crore)

Financial Year	As per record of office of Sr. DAG (A&E)	As per record of office of SBS	Difference
2020-21	34.99	0.28	34.71
2021-22	43.45	0.45	43.00
2022-23	38.24	3.67	34.57
2023-24	44.66	9.98	34.68
2024-25	37.80	1.42	36.38

Source: Finance Accounts of respective years

The Cash Balance difference has slightly increased in 2024-25.

The difference in Cash Balance was mainly due to SNA Sparsh and pending reconciliation between the Treasury / State Bank of Sikkim / Agency Bank and Sr. DAG (A&E) office.

The reconciliation of cash balances must be carried out periodically to ensure integrity and reliability of cash balance figures in government account.

3.11 Unaccounted Revenue and Expenditure transactions

Article 266(1), subject to the provisions of Article 267 of the Constitution of India, provides that all revenues received by the Government of a State, all loans raised by the issue of treasury bills, loans or ways and means advances, and all money received by the at Government in repayment of loans shall form one consolidated fund to be entitled the 'Consolidated Fund of the State'. Article 266(2) provides that all other public money received by or on behalf of the Government of a State shall be credited to the Public Account of the State. Further, as per paragraph 50 of the Sikkim Financial Rules (SFR), 1979, the head of every department or office is responsible for ensuring that all revenues, receipts, or other sums due to the Government are regularly and promptly assessed, realized, and credited to the Government account under the appropriate head of account.

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Scrutiny of records revealed that during Financial Year 2024–25, the Power Department had to pay ₹304.16 crore towards power purchases from agencies such as SPDC, PTC, NHPC, and NTPC. In this regard, the Department received ₹278.62 crore from the Finance Department as per budget provisions and earned ₹39.76 crore from sale proceeds of electricity sold outside the State. Audit, however, observed that out of this amount, ₹24.76 crore was utilized by the Department to meet expenditure towards power purchases without crediting the amount to the Government account under the appropriate head, while the remaining ₹15 crore was deposited into the Government account.

Thus, it was noticed that an amount of ₹24.76 crore was not deposited in the Consolidated Fund of the State by PDS. This led to an understatement of Government Revenue Receipts by ₹24.76 crore.

The Department stated that it had requested ₹444.12 crore from the Government; however, only ₹278.62 crore (including a supplementary provision of ₹98.62 crore) was provided. The Department had to release ₹304.16 crore to avert power regulation under the provisions of the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, which mandate the release of energy charges within two and a half months (trigger date), failing which power regulation is imposed. Further, the Department stated that the earned revenue receipt has increased from ₹5.59 crore during 2023–24 to ₹15 crore during 2024–25 led to understatement of Government Revenue Receipts by ₹ 24.76 crore and this resulted in increase of revenue expenditure without legislative approval.

Further, it was noticed that, the PDS in another case of revenue utilisation without legislative approval, it was noticed that, the PDS irregularly utilised establishment charges amounting to ₹ 76.80 lakh[13] received from deposit works towards fee payments to Arbitrator, Legal Advisor and procurement of vehicles for the MLA-cum-Advisor and PCE-cum-Secretary instead of depositing the revenue into the Government account which was contrary to prescribed norms and rules. This also led to expenditure being incurred without the approval of the Legislature and further distorted to Finance Accounts of the State Government due to understatement of revenue receipts and expenditure. This indicates that the budget formulation of the Department were done without due diligence.

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[13] *₹41.84 lakh+₹9.92 lakh+₹25.04 lakh.*

While accepting the audit observation the Department stated that, though it was not as per SFR, but since no fund was earmarked for replacement of vehicle and payment to Legal Counsel and there was no time to seek fund from the Government, thus with the prior approval of Government, payment from establishment charges was done. Further, the department stated that an amount of ₹ 0.99 crore was kept as reserved in case of requirement.

The reply is not tenable, as the act of the Department is not in compliance with the prescribed norms and provision of the expenditure should have been kept in the budget with prior approval of the Legislature. All revenue receipts received on behalf of the Government are to be credited into the Consolidated Fund in compliance to financial rule and any expenditure to be incurred out of the Consolidated Fund requires prior approval of the competent authority.

3.12 Unspent amount lying with divisional officers

As per Codal provisions, funds received by Public Works (PW) Divisions towards Deposit Works from non-government agencies are required to be credited under Minor Head '108 - Public Works Deposits' below Major Head '8443 -Civil Deposits'. The expenditure for related Deposit Works is also met from the same head of account. In the Monthly Divisional Accounts unremitted amount of such deposits are classified under Major Head '8671 -Departmental Balances, 101 – Civil', by the PW Divisions, under Public Account of the State and then form part of the Government Accounts. However, it was revealed that the funds received towards Deposits Works are being kept in the bank accounts of Divisional Officers operated by PW Divisions instead of remitting them into the Government Accounts and thus, are not forming part of cash balance of the State.

Department-wise details of the amounts lying in bank accounts being operated by Divisional Officers are detailed in **Table 3.9**.

Table 3.9: Details showing unspent amount lying with Divisional Officers

(₹ in crore)

Sl. No.	Name of Department	Number of Divisional Officers operating Bank Accounts	Amount lying in Bank Accounts
1.	Rural Development Department	NIL	NIL
2.	Building & Housing Department	NIL	NIL
3.	Water Resources Department	01	0.57
4.	Water Supply and Sanitation	Information not furnished	
5.	Public Health Engineering (PHE)	Incomplete information furnished	
6.	Urban Development Department	Information not furnished	
7.	Roads & Bridges	Information not furnished	
Total[14]		**01**	**0.57**

Source: Finance Accounts

[14] *Rural Development: ₹25.93 crore (3 works), PHE: ₹11.61 crore (5 works).*

In compliance to instructions, the Department of Rural Development deposited the amount of deposit works under Major Head 8443-Civil Deposits, 108-P.W. Deposits. In respect of Public Health Engineering Department, although stated to have deposited the amount under 8443.00.108-P.W. Deposits, but no supporting documents were produced for authentication. As per information furnished by the Water Resources Department an amount of ₹ 0.57 crore received for deposit work have been deposited and lying in the bank account. Had the funds been deposited in the treasury, the same would have impacted on the daily Cash Balance of the State Government and this is against the guidance issued in respect of fund received under Deposit Works.

The department must comply the instruction issued for the treatment of funds received under deposit works.

Issues related to disclosure

3.13 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified four Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by the State Government as well as deficiencies therein during 2024-25 is detailed in **Table 3.10**.

Table 3.10: Compliance to Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiency
1.	IGAS-1:	Guarantees Given by the Government Disclosure requirements	Complied (Statements 9 and 20 of Finance Accounts)	
2.	IGAS-2:	Accounting and Classification of Grants-in-aid	Complied (Statement 10 of Finance Accounts)	
3.	IGAS-3:	Loans and Advances made by Government	Complied (Statement 7 and 18 of Finance Accounts)	
4	IGAS-4:	Prior period adjustments	Complied by the State Government[15]	

Source: Finance Accounts

3.14 Submission of accounts of Autonomous Bodies

The audit of Accounts of 16 Autonomous Bodies (ABs) of the State Govt has been entrusted to the CAG under section 20 (1) of the C&AG (DPC) Act, 1971 in the State. As on 31 March 2025, accounts in respect of five Autonomous Bodies (ABs) were pending as detailed in **Table 3.11**.

[15] *NTFA 1(v).*

Table 3.11: Arrears of accounts of Autonomous Bodies as on 31 March 2025

Sl. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending
1.	Sikkim Khadi & Village Industries Board	2007-08	15
2.	State Compensatory Afforestation Fund management and Planning Authority, Forest Department	2021-22	2
3.	Sikkim Building & Other Construction Workers Welfare Board	2016-17	7
4.	Sikkim Housing Development Board	2022-23	1
5.	Sikkim Human Rights Commission	2017-18	6
Total			**31**

Source: Departmental data/information

The Autonomous Bodies as stated has not prepared the accounts and pending accounts ranged between two to 17 years due to which the audit of the accounts could not be completed which further results in non-accounting of public fund timely. The Administrative Departments concerned have the responsibility to oversee the activities of these entities and to ensure that the accounts under their control are finalised and adopted by the SPSEs within the stipulated/reasonable period.

Other Issues

3.15 Misappropriations, losses, thefts, *etc.*

State Financial Rules lay down detailed instructions regarding responsibility for losses sustained through fraud or negligence of individuals, loss or destruction of Government property and report thereof to the Police/ Accountant General

States Financial Rules stipulate that every Government employee would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence. Further, as per Rule 2.34 *ibid*, cases of defalcations and losses are required to be reported to the Accountant General.

As on 31 March 2025, three cases of misappropriation, losses, theft, *etc*. involving ₹ 2.49 crore against which inquiry have been completed and matter reported to the Government for further orders. The department-wise cases are given in **Table 3.12**.

Table 3.12: Details of pending cases of misappropriation, losses, theft, *etc.*

(₹ in crore)

Name of Department/ Corporation	Cases of misappropriation/ losses /theft		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, *etc.*					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalized		Criminal Proceedings finalised but recovery of the amount pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Building & Housing Department	1	1.58	NA	NA	NA	NA	NA	NA
Rural Development Department	1	0.89	NA	NA	NA	NA	NA	NA

Name of Department/ Corporation	Cases of misappropriation/ losses /theft		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, *etc.*					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalized		Criminal Proceedings finalised but recovery of the amount pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Food & Civil Supplies Department	1	0.02	NA	NA	NA	NA	NA	NA
Total	**3**	**2.49**						

Source: Departmental data/information

As reported by the Department in all three cases of misappropriation involving ₹2.49 crore the departmental inquiry has been completed and the report forwarded to disciplinary authority as well as to the government for further orders and decision is awaited.

The age-profile of the pending cases and the number of cases pending in each category-theft and misappropriation/loss of Government material is summarised in **Table 3.13**

Table 3.13: Profile of misappropriations, losses, defalcations, *etc.*

(₹ in crore)

Age-profile of the pending cases			Nature of the pending cases	Number of cases	Amount involved
Range in years	Number of cases	Amount involved			
0-5	3	2.49	Misappropriation of REDRH fund and misappropriation of ration stock	3	2.49
5-10	-	-	NA	-	-
10-15	-	-	NA	-	-
Total	**3**	**2.49**	**Total**	**3**	**2.49**

Source: Departmental data/information

Although the departmental procedure against misappropriation cases have been completed, an early action may please be taken so that the officials involved may be brought under justice.

3.16 Follow up action on State Finances Audit Report

In every State, the Public Accounts Committee (PAC)/Finance Department require the line departments to provide a *suo-moto* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports within one month of placing the Reports in the Legislature. The line departments are also required to provide Action Taken Notes (ATNs) to the AG (for vetting and onward transmission to the PAC) within three months of tabling the Reports.

The preparation of Report on State Finances started in 2008-09 and the Reports for the years 2009-10 to 2012-13 had been discussed by the Public Accounts Committee (PAC). PAC recommended compliance with the recommendations as contained in

Report of the Comptroller and Auditor General of India on State Finances. Reports on State Finances from 2013-14 to 2023-24 have been placed in the Assembly.

3.17 Conclusions

As on 31 March 2025, the total debt and other liabilities of the State stand at ₹ 18,866.44 crore. During 2024-25, the public debt of ₹ 3,772.21 crore and other liabilities of ₹ 1,938.43 crore was raised, and repayment of ₹ 413.77 crore and ₹ 1,598.65 crore was made. The GoI fixed the borrowing ceiling of the State at ₹ 1,600.20 crore (three *per cent* of GSDP) as stated above. As compared to raising of debt, the status of repayment of debt is considerably low which indicates that the amount of interest which will accrue will burden the State exchequer may affect the fiscal health of the State in future. The off-budget borrowings have further aggravated the State's debt position and weakened fiscal transparency and undermined democratic control over public spending and increased the risk of misutilisation of funds.

There was cumulative short transfer of ₹ 80.61 crore Defined Contributory Pension Scheme which requires early redressal.

There is a difference in Cash Balance between Office of the Sr. Dy. AG (A&E) and State Bank of Sikkim to the tune of ₹ 36.38 crore as of March 2025 which requires reconciliation at the earliest so that fair picture of the accounts can be presented.

An amount of ₹24.76 crore was not deposited in the Consolidated Fund of the State by the Power Department, Sikkim. This led to an understatement of Government Revenue Receipt by ₹24.76 crore.

The practice of not furnishing Utilisation Certificates (UCs) in a timely manner resulted in pendency of large number of UCs. At the end of March 2025, 1,176 UCs involving an aggregate amount of ₹ 127.84 crore was pending for submission even after lapse of considerable time.

Out of the total 410 AC bills amounting to 13.78 crore, 121 AC bills amounting to ₹6.78 crore (49.24 *per cent*) were drawn during March 2025 and out of which 69 AC bills amount to ₹3.49 crore were adjusted up to 31 March 2025.

3.18 Recommendations

In view of State Finances Audit Report 2024-25, the following recommendations have been made.

- *The State Government must ensure to accommodate its expenditure according to budget estimates and the budget should be framed more realistically so that resorting to off-budget borrowing and taking of loans could be avoided which not only burden the State Exchequer with interest payment but also results in fiscal imbalance. Further, utilisation of grants should be at the optimum and to ensure that estimates are framed more realistically to avoid underutilization, surrender and fag-end withdrawals in order to save the budget.*

- *The State Government must ensure to reduce the quantum of outstanding AC/DC bills and considering the age-wise pendency of Utilisation Certificates, AC/DC bills, the Government should take a holistic approach at the highest level to obtain UCs and DC Bills so that the accounts of the State present a crystal-clear view.*
- *The State Government must take action to impose Cultural Cess. Further the State Government must ensure to run the State Electricity Regulatory Commission in compliance to guidance from the Government of India by enacting laws/acts.*
- *The Government must ensure total security to safeguard the assets of the state and there should be transparency in operation of financial accounts and also responsibilities must be delegated at the highest level so that responsibilities can be fixed as well as avoidance of cases of thefts, misappropriation etc.*

Gangtok	**(ANITA R. SINGH)**
The: 04 May 2026	**Accountant General (Audit), Sikkim**

Countersigned

New Delhi	**(K. SANJAY MURTHY)**
The: 18 May 2026	**Comptroller and Auditor General of India**

APPENDICES

Appendix 1.1
Time Series data on the State Government Finances
(Reference: Paragraphs 1.1.3)

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Part A. Receipts					
1. Revenue Receipts	5,607.82	7,080.72	8,103.80	8,351.38	9,451.25
(i) Tax Revenue (own)	966.70	1,254.41	1,497.26	1,748.17	1,814.87
State Goods and Services Tax (SGST)	463.04	655.55	804.23	965.70	970.14
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, *etc.*	195.25	227.18	248.77	238.19	146.65
State Excise	210.27	249.20	298.46	372.25	506.18
Taxes on Vehicles	28.96	39.09	49.69	51.62	76.27
Stamps and Registration fees	13.13	23.35	26.52	38.75	26.81
Land Revenue	13.33	9.53	8.79	18.39	17.55
Taxes on Goods and Passengers	-	-	-	-	-
Other Taxes	42.72	50.51	60.80	63.27	71.27
(ii) Non-Tax Revenue	662.29	680.63	976.11	874.41	910.05
(iii) State's share of Union taxes and duties	2,302.27	3,287.55	3,864.75	4,285.45	5,090.10
(iv) Grants in aid from Government of India	1,676.56	1,858.13	1,765.68	1,443.35	1,636.23
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	1.17	0.45	0.44	0.39	0.37
4. Total Revenue and Non debt capital receipts (1+2+3)	**5,608.99**	**7,081.17**	**8,104.24**	**8,351.77**	9,451.62
5. Public Debt Receipts	1,564.71	1,882.60	2,036.90	2,785.41	3,772.21
Internal Debt (No Ways and Means Advances and Overdrafts)	1,361.87	1,579.00	1,483.87	1,984.53	2,011.00
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	202.84	303.60	553.03	800.88	1761.21
6. Total Receipts in the Consolidated Fund (4+5)	7,173.70	8,963.77	10,141.14	11,137.18	13,223.83
7. Contingency Fund Receipts	--	--	--	-	-
8. Public Account Receipts	9,282.40	9,135.46	11,407.16	23,362.16	28,382.52
9. Total Receipts of the State (6+7+8)	16,456.10	18,099.23	21,548.30	34,499.34	41,606.35
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	6,368.65	6,668.84	7,630.58	8,220.54	8,968.82
Programme	-	-	-	-	-
Administrative					
General Services (including interest payments)	2,416.08	2,558.27	2,983.32	3,281.95	3,565.06
Social Services	2,430.85	2,470.81	2,813.51	2,889.48	3,108.73
Economic Services	1,428.40	1,530.26	1,735.05	1,953.23	2,155.92
Grants-in-Aid and Contributions	93.32	109.50	98.70	95.88	139.11
11. Capital Expenditure	1,513.88	1,315.78	2,376.60	2,660.66	3,462.80

	2020-21	2021-22	2022-23	2023-24	2024-25
Program	-	-	-	-	-
Administrative					
General Services	93.22	229.25	272.79	720.77	898.15
Social Services	506.14	385.02	1,058.07	1,226.83	1,385.94
Economic Services	914.52	701.51	1,045.74	713.05	1,178.71
12. Disbursement of Loans and Advances	-	0.85	0.38	0.55	0.00
13. Appropriation to the Contingency Fund	0	0	0	0	0
14. Total Expenditure (10+11+12+13)	7,882.53	7,985.47	10,007.56	10,881.75	12,431.62
15. Repayments of Public Debt	79.75	119.90	167.75	296.36	413.77
Internal Debt (excluding Ways and Means Advances and Overdrafts)	68.77	108.70	156.31	284.98	402.51
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	10.98	11.20	11.43	11.38	11.26
16. Appropriation to Contingency Fund	0	0	0	0	0
17. Total disbursement out of Consolidated Fund (13+14+15)	7,962.28	8,105.37	10,175.31	11,178.11	12,845.39
18. Contingency Fund disbursements	-	-	-	-	
19. Public Account disbursements	8,586.15	9,196.91	11,479.46	23,344.34	28,749.55
20. Total disbursement by the State (17+18+19)	**16,548.43**	**17,302.28**	**21,654.77**	**34,522.45**	**41,594.94**
Part C. Deficits					
21. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	(-)760.83	411.88	473.22	130.84	482.43
22. Fiscal Deficit (-)/Fiscal Surplus (+) (4-14)	(-)2,273.54	(-) 904.30	(-)1,903.32	(-) 2,529.98	(-)2,980
23. Primary Deficit (-)/Primary Surplus(+) (22-24)	(-)2,821.95	(-)1,539.34	(-)2,621.50	(-)3,353.61	(-)3,928.59
Part D. Other data					
24. Interest Payments (included in revenue expenditure)	548.41	635.04	718.18	823.63	948.59
25. Financial Assistance to local bodies *etc.*	110.81	148.19	168.72	177.45	97.68
26. Ways and Means Advances/Overdraft availed (days)	-	-	-	-	-
Ways and Means Advances availed (days)	-	-	-	-	-
Overdraft availed (days)	-	-	-	-	-
27. Interest on Ways and Means Advances/ Overdraft	-	-	-	-	-
28. Gross State Domestic Product (GSDP)	33,018	37,650	42,806	47,988	53,340
29. Outstanding Fiscal liabilities (year-end)	9,058.83	10,862.94	12,696.89	15,168.20	18,866.44
30. Outstanding guarantees (year-end) (including interest)	3,749.32	4,107.03	4,878.29	4,786.06	4,664.59
31. Maximum amount guaranteed (year-end)	4,527.47	4,668.47	5,043.47	4,664.59	5,043.47
Part E: Fiscal Health Indicators (in *per cent*)					

	2020-21	2021-22	2022-23	2023-24	2024-25
I Resource Mobilisation					
Own Tax Revenue/GSDP	9.97	12.06	12.53	12.57	12.95
Own Non-Tax Revenue/GSDP	2.00	1.81	2.28	8.93	9.54
Own Revenue/ GSDP	2.92	3.33	3.49	3.64	3.40
Own Revenue/ Total Expenditure	12.26	15.71	14.96	16.07	14.60
II Expenditure Management					
Total Expenditure/GSDP	23.87	21.21	23.38	22.68	23.31
Total Expenditure/Revenue Receipts	140.56	112.77	123.49	130.30	131.53
Revenue Expenditure/Total Expenditure	80.79	83.51	76.25	75.54	72.15
Expenditure on Social and Economic Services/Total Expenditure	48.96	50.10	57.62	44.50	42.35
Capital Expenditure/Total Expenditure	19.21	16.48	23.75	24.45	27.85
Capital Expenditure/ GSDP					
III Management of Fiscal Imbalances					
Revenue Surplus/GSDP	-2.30	1.09	1.11	0.27	0.90
Fiscal Deficit (Surplus)/GSDP	(-)6.89	(-)2.40	(-)4.45	(-)5.27	(-)5.59
Primary Deficit (Surplus) /GSDP	(-)8.55	(-)4.09	(-)6.12	(-)6.99	(-)7.37
IV Debt Sustainability					
Outstanding Liabilities/GSDP	27.44	28.85	29.66	28.84	28.09
Interest Payments/Revenue Receipts	9.78	8.97	8.86	9.86	10.04

Appendix 1.2
Abstract of receipts and disbursements for the year 2024-25
(Reference: Paragraph 1.1.4, 1.2.4.1 A, 1.2.4.2 A)

(₹ in crore)

2023-24	Receipts	2024-25	2023-24	Disbursements	2024-25		
					Administrative	Programme	Total
Section A: Revenue							
8,351.38	**I. Revenue Receipts**	9,451.25	**8220.54**	**I. Revenue Expenditure-**	**8,968.82**	0	**8,968.82**
1,748.17	Tax Revenue	1,814.87	3,281.95	**General Services**	**3,565.06**		3,565.06
	--		2,889.48	**Social Services-**	**3,108.73**	0	3,108.73
874.41	Non-Tax Revenue	910.05	1,394.60	Education, Sports, Art and Culture	1,532.58	0	1,532.58
	--		621	Health and Family Welfare	655.22	0	655.22
4,285.45	State's Share of Union Taxes	5,090.10	324.88	Water Supply, Sanitation, Housing and Urban Development	295.26	0	295.26
	--		17.89	Information and Broadcasting	16.68	0	16.68
0	Non-Plan Grants	0	98.15	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	43.42	0	43.42
0	Grants for State Plan Schemes	0	14.28	Labour and Labour Welfare	19.05	0	19.05
	--	0	384.13	Social Welfare and Nutrition	511.58	0	511.58
0	Grants for Central and Centrally Sponsored Plan Schemes	0	34.55	Others	34.94	0	34.94
	--		**1,953.24**	**Economic Services-**	**2,155.92**	0	**2,155.92**
940.48	Grants for Centrally Sponsored Scheme	1,035.81	659.47	Agriculture and Allied Activities	704.45	0	704.45
	--		302.13	Rural Development	283.56	0	283.56
321.99	Finance Commission Grants	372.74	40.03	Special Areas Programmes	33.54	0	33.54
180.88	Other Transfer/ Grants to States	227.68	423.93	Energy	547.54	0	547.54
	--	--	72.78	Industry and Minerals	75.30	0	75.30
	--	--	378.76	Transport	393.26	0	393.26
	--	--	12.66	Science, Technology and	18.37	0	18.37

2023-24	Receipts	2024-25	2023-24	Disbursements	2024-25		
					Administrative	Programme	Total
				Environment			
	--	--	1,953.24	General Economic Services	**99.90**	0	**99.90**
0	0	--	**95.88**	**Grants-in-aid and Contributions**	139.11	0	139.11
0	**II. Revenue deficit carried over to**	**0**	130.84	**II. Revenue Surplus carried over**	**482.43**		482.43
8,351.38	**TOTAL**	**9,451.25**	**8,351.38**	**TOTAL**	**9,451.25**	0	**9,451.25**
Section B : Capital							
2,682.73	**III. Opening Cash balance including Permanent Advances and Cash Balance Investment**	**2,728.68**	**0**	**III. Opening Overdraft from Reserve Bank of India**	0	0	0
0	**IV. Miscellaneous Capital Receipts**	**-**	**2,660.66**	**IV. Capital Outlay-**	**3,462.80**	**0**	**3,462.80**
	--	-	**229.25**	**General Services-**	898.15	0	898.15
	--	-	**385.02**	**Social Services-**	1,385.94	0	1,385.94
	--	-	468.36	Education, Sports, Art and Culture	373.56	0	373.56
	--	-	112.42	Health and Family Welfare	130.12	0	130.12
	--	-	628.75	Water Supply, Sanitation, Housing and Urban Development	604.34	0	604.34
	--	-	1.06	Information and Broadcasting	0.44	0	0.44
	--	-	5.63	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	150.26	0	150.26
0	--	-	10.61	Social Welfare and Nutrition	126.62	0	126.62
	--	-	0	Others	0.60	0	0.60
	--	-	**713.05**	**Economic Services-**	**1,178.71**	0	**1,178.71**
	--	-	8.37	Agriculture and Allied Activities	8.02	0	8.02
	--	-	31.07	Rural	69.68		69.68

2023-24	Receipts	2024-25	2023-24	Disbursements	2024-25		
					Administrative	Programme	Total
				Development			
	--	-	66.48	Special Areas Programmes	32.65		32.65
			1.44	Science, Technology and Environment	0.31	0	0.31
	--	-	77.95	Energy	404.15	0	404.15
	--	-	0.85	Industry and Minerals	12.56	0	12.56
	--	-	430.42	Transport	401.27	0	401.27
	--	-	96.48	General Economic Services	250.07	0	250.07
0.39	**V. Recoveries of Loans and Advances**	**0.37**	**0.55**	**V. Loans and Advances disbursed**	**0.00**	**0**	**0.00**
0	From Power Projects	0	0	For Power Projects	0	0	0
0.39	From Government Servants	0.37	0	To Government Servants	0	0	0
0	From Others	0	0	To Others	0	0	0
130.84	VI. Revenue Surplus brought down	482.43	0	. Revenue Deficit brought down	0	0	0
2,785.41	**VII. Public Debt Receipts-**	**3,772.21**	**296.36**	**VII. Repayment of Public Debt-**	**413.77**	**0**	**413.77**
0	External debt	0		External debt	0	0	0
1,984.53	Internal debt other than Ways and Means Advances and Overdrafts	2,011.00	0	Internal Debt other than Ways and Means Advances and Overdrafts	0	0	0
0	Net transactions under Ways and Means Advances	0	0	Net transactions under Ways and Means Advances	0	0	0
0	Net Transactions under Overdraft	0	0	Net transactions under Overdraft	0	0	0
800.50	Loans and Advances from Central Government	1,760.66	11.38	Repayment of Loans and Advances to Central Government	11.26	0	11.26
0	**VIII. Appropriation to Contingency Fund**	**0**	**0**	**VIII. Appropriation to Contingency Fund**	**0**	**0**	**0**
0	IX. Amount transferred to Contingency Fund	0	0	IX. Expenditure from Contingency Fund	0	0	0

2023-24	Receipts	2024-25	2023-24	Disbursements	2024-25		
					Administrative	Programme	Total
12,721.62	**X. Public Account Receipts-**	**15,089.07**	**12,634.75**	**X. Public Account Disbursements**	**14,542.12**	**0**	**14,542.12**
465.45	Small Savings and Provident Funds	458.68	466.5	Small Savings and Provident Funds	487.45	0	487.45
286.53	Reserve Funds	723.57	261.16	Reserve Funds	317.71	0	317.71
7,928.59	Suspense and Miscellaneous	9,103.02	7,815.77	Suspense and Miscellaneous	9,022.47	0	9,022.47
3,526.13	Remittance	4,047.62	3,633.43	Remittances	4,096.12	0	4,096.12
514.92	Deposits and Advances	756.18	457.89	Deposits and Advances	618.37	0	618.37
0	**XI. Closing Overdraft from Reserve Bank of India**	**0**	**2,728.68**	**XI. Cash Balance at end**	**3,654.07**	**0**	**3,654.07**
-	--	-	0	Cash in Treasuries and Local Remittances	0	0	0
-	--	-	53.14	Deposits with Reserve Bank/Other Bank	50.99	0	50.99
-	--	-	-	Departmental Cash Balance including permanent Advances	-	0	-
	--	-	1928.32	Cash Balance Investment	2,667.17	0	2,667.17
18,321	**TOTAL**	**22,072.76**	**18,321**	**TOTAL**	**22,072.76**	0	**22,072.76**

Source: Finance Accounts of the respective years

Appendix 1.3
Summarised financial position of the Government of Sikkim as on 31 March 2025

(Reference: Paragraph 1.1.5)

(₹ in crore)

As on 31 March 2024			As on 31 March 2025
	Liabilities		
11,095.5	**Internal Debt -**		12,703.99
10,679.00	Market Loans bearing interest	12,300.00	
0	Market Loans not bearing interest	0	0
26.06	Loans from Life Insurance Corporation of India	18.97	0
390.44	Loans from other Institutions	385.02	0
0	Ways and Means Advances	0	0
0	Overdrafts from Reserve Bank of India	0	0
1,916.83	**Loans and Advances from Central Government -**	**0**	**3,666.79**
0	Non-Plan Loans	0	0
48.51	Loans for State Plan Schemes	38.76	0
0.25	Loans for Centrally Sponsored Plan Schemes	0.15	0
1,868.08	Loans for State/UTs with Legislature Schemes	3,627.88	0
1	**Contingency Fund**		1
1,452.31	**Small Savings, Provident Funds, *etc.***		1,423.54
420.16	**Deposits**		557.96
1,029.22	**Reserve Funds Advances**		1,435.07
325.93	**Suspense and Miscellaneous Balances**		406.49
344.31	**Remittance Balances**		295.81
7,464.97	**Cumulative excess of receipts over expenditure**		**7,947.40**
24,050.23	**TOTAL**		28,438.05
	Assets		
21,067.13	**Gross Capital Outlay on Fixed Assets -**		24,529.93
114.28	Investments in shares of Companies, Corporations *etc.*	114.28	-
20,952.85	Other Capital Outlay	24,529.93	-
253.39	**Loans and Advances -**		**253.02**
As on 31 March 2024			**As on 31 March 2025**
0	Loans for Power Projects	0	-
0	Other Development Loans	0	-
0	Loans to Government servants and	0	-

As on 31 March 2024			As on 31 March 2025
	Miscellaneous loans		
1.03	**Advances**		**1.03**
0	**Remittance Balances**	0	-
0	**Suspense and Miscellaneous Balances**	0	-
2,728.68	**Cash -**		**3,654.07**
44.66	Cash in State Bank of Sikkim	37.80	-
0.95	Departmental Balances	0.95	-
0.48	Permanent Imprest	0.49	-
8.47	Deposit with Other Banks	26.75	-
745.80	Investment of Earmarked Funds	920.91	-
1,928.32	Cash Balance Investments	2,667.17	-
0	**Deficit on Government Account -**	0	-
0	(i) Less Revenue Surplus of the current year	0	-
0	(ii) Appropriation to Contingency Fund	0	-
0	Accumulated deficit at the beginning of the year	0	-
0	**Contingency Fund**	0	-
24,050.23	**TOTAL**		**28,438.05**

Appendix 2.1
Expenditure without Budget Provision or Re-appropriation
(Reference: Paragraph 2.5.1)

(₹ in crore)

Sl. No.	Grant Number	Grant Name / Description	Number of Cases	Expenditure Incurred	Remarks
1.	Nil				

Appendix 2.2
Cases where Supplementary Provision (₹ one crore or more in each case) proved unnecessary
(Reference: Paragraph 2.5.3)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Original	Supplementary	Actual Expenditure	Savings (-) out of original provision
A – Revenue (Voted)						
1	1	Agriculture	302.38	9.85	216.31	86.07
2	7	Education	1,589.33	3.06	1,465.07	124.26
3	12	Forestry and Environment	314.91	1.86	233.94	80.97
4	13	Health and Family Welfare	720.07	11.04	708.36	11.71
5	16	Commerce and Industries	91.87	2.48	64.71	27.16
6	22	Land Revenue & Disaster Management	706.39	20.16	609.80	96.59
7	35	Rural Development	528.10	5.91	391.63	136.47
8	38	Social Welfare	99.52	1.00	45.19	54.33
9	40	Tourism & Civil Aviation	67.66	6.11	63.39	4.28
10	41	Urban Development	124.53	2.35	73.03	51.50
11	47	Skill Development	56.32	1.09	28.99	27.33
12	48	Women and Child	306.29	1.30	211.93	94.36
13	49	Fisheries	32.48	1.22	21.01	11.47
Total			**4,939.85**	**67.43**	**4,133.36**	**806.51**
B- Capital (Voted)						
14	19	Water Resources	98.29	11.00	32.65	65.64
15	22	Land Revenue & Disaster Management	510.53	10.10	17.53	493.00
16	29	Planning and Development	47.60	1.62	37.79	9.81
17	34	Roads and Bridges	272.85	14.58	251.00	21.85
18	35	Rural Development	645.65	10.50	480.18	165.47
Total			**1,574.92**	**47.80**	**819.15**	**754.77**
GRAND TOTAL			**6,514.77**	**115.23**	**4,951.79**	**1,761.28**

Source: Appropriation Accounts for 2024-25

Appendix 2.3
Cases where Supplementary Provision (₹ one crore or more in each case) proved excessive

(Reference: Paragraph 2.5.3)

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Provision	Supplementary provision	Total Budget	Actual expenditure	Excessive Supplementary provision (savings)
A-Revenue (Voted)						
1	Agriculture	302.38	9.85	312.22	216.31	95.91
2	Education	1,589.33	3.06	1,592.39	1,465.07	127.32
3	Forestry and Environment	314.91	1.86	316.76	233.94	82.82
4	Health and Family Welfare	720.07	11.04	731.12	708.36	22.75
5	Commerce and Industries	91.87	2.48	94.35	64.71	29.64
6	Land Revenue & Disaster Management	706.39	20.16	726.55	609.80	116.75
7	Rural Development	528.10	5.91	534.01	391.63	142.38
8	Social Welfare	99.52	1.00	100.51	45.19	55.33
9	Tourism & Civil Aviation	67.66	6.11	73.77	63.39	10.38
10	Urban Development	124.53	2.35	126.88	73.03	53.85
11	Skill Development	56.32	1.09	57.40	28.99	28.41
12	Women and Child	306.29	1.30	307.60	211.93	95.67
13	Fisheries	32.48	1.22	33.70	21.01	12.69
Total		**4,939.85**	**67.43**	**5,007.28**	**4,133.36**	**873.90**
B-Capital (Voted)						
14	Water Resources	98.29	11.00	109.29	32.65	76.64
15	Land Revenue & Disaster Management	510.53	10.10	520.63	17.53	503.10
16	Planning and Development	47.60	1.62	49.21	37.79	11.42
17	Roads and Bridges	272.85	14.58	287.43	251.00	36.44
18	Rural Development	645.65	10.50	656.15	480.18	175.97
Total		**1,574.92**	**47.80**	**1,622.71**	**819.15**	**803.57**
Grand Total		**6,514.77**	**115.23**	**6,629.99**	**4,951.79**	**1,677.47**

Source: Appropriation Accounts for 2024-25

Appendix 2.4
Unnecessary / Inadequate re-appropriation of funds during Financial Year 2024-25

(Reference: Paragraph 2.5.7)

(₹ in crore)

Sl. No.	Number/ Name of Grant and Head of Accounts	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
Nil							

Appendix 2.5
Grants having large savings, after surrender (exceeding ₹One crore), during Financial Year 2024-25

(Reference: Paragraph 2.5.5)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Total Budget Provision	Actual Expenditure	Savings	Surrendered	Saving (after surrender)
A-REVENUE (VOTED)							
1	1	Agriculture	312.22	216.31	95.91	87.90	8.01
2	7	Education	1,592.39	1,465.07	127.32	124.51	2.81
3	10	Finance	1,920.59	1,503.49	417.10	413.66	3.44
4	22	Land Revenue & Disaster Management	726.55	609.80	116.75	107.14	9.61
5	34	Roads and Bridges	299.70	268.66	31.04	14.65	16.39
6	35	Rural Development	534.01	391.63	142.38	140.66	1.72
7	41	Urban Development	126.88	73.03	53.85	51.05	2.80
8	43	Panchayat Raj Institutions	186.74	180.02	6.72	5.10	1.62
9	49	Fisheries	33.70	21.01	12.69	0.26	12.43
Total			**5,732.78**	**4,729.02**	**1,003.76**	**944.93**	**58.83**
B-REVENUE (CHARGED)							
10	10	Finance	955.14	953.59	1.55	0.00	1.55
Total			**955.14**	**953.59**	**1.55**	**0.00**	**1.55**
C- CAPITAL (VOTED)							
11	7	Education	422.17	298.05	124.12	102.62	21.50
12	13	Health and Family Welfare	146.97	130.12	16.86	11.86	5.00
13	19	Water Resources	109.29	32.65	76.64	74.02	2.62
14	29	Planning and Development	49.21	37.79	11.42	0.90	10.52
15	38	Social Welfare	332.16	152.39	179.77	178.26	1.51
16	40	Tourism & Civil Aviation	254.57	248.94	5.63	0.86	4.77
17	41	Urban Development	416.22	330.46	85.76	10.12	75.64
Total			**1,730.59**	**1,230.40**	**500.20**	**378.64**	**121.54**
D-CAPITAL (CHARGED)			0	0	**0**	**0**	0
Total			0	0	**0**	**0**	0
Gtrand Total			**8,418.51**	**6,913.01**	**1,505.51**	**1,323.57**	**181.93**

Source: Appropriation Accounts for 2024-25

Appendix 2.6
Grants having persistent savings (exceeding ₹ one crore) during Financial Year 2022-23 to Financial Year 2024-25

(*Reference: Paragraph 2.5.5*)

(₹ in crore)

Sl. No.	Grant No./ Name of the Department	Savings		
		2022-23	2023-24	2024-25
Revenue (V)				
1	01-Agriculture	51.76	54.83	95.91
2	02-Animal Husbandry & Veterinary Services	35.95	22.93	18.02
3	03-Building & Housing	1.98	3.02	1.82
4	04-Co-operation	1.96	4.68	5.11
5	06-Ecclesiastical	5.15	1.18	1.68
6	07-Education	92.49	106.19	127.32
7	11-Food and Civil Supplies	3.33	6.27	9.83
8	13-Health and Family Welfare	39.33	21.54	22.75
9	15-Horticulture	41.54	42.53	7.14
10	16-Commerce and Industries	7.17	8.00	29.64
11	19-Water Resources	2.51	38.72	5.52
12	29-Planning and Development	1.86	10.74	84.86
13	30-Police	25.60	42.51	33.78
14	35-Rural Development	75.02	84.42	142.38
15	38-Social Welfare	257.24	157.12	55.33
Capital (V)				
16	3-Building & Housing	29.00	127.74	9.68
17	7-Education	114.36	51.60	124.12
18	11-Food and Civil Supplies	3.33	1.74	1.13
19	13-Health and Family Welfare	14.67	21.54	16.86
20	19-Water Resources	38.71	35.52	76.64
21	35-Rural Development	123.54	203.82	175.97
22	38-Social Welfare	16.60	11.63	179.77

Source: Appropriation Accounts for 2024-25

Appendix 2.7
Grant-wise percentage of utilisation of budget and savings, during Financial Year 2024-25

(*Reference: Paragraph 2.5.5*)

(*₹ in crore*)

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation (*per cent*)
1	Water Resources	148.42	66.26	82.15	44.65	Up to 50
2	Land Revenue & Disaster Management	1247.19	627.33	619.85	50.30	
3	Planning and Development	169.75	73.47	96.28	43.28	
4	Social Welfare	432.67	197.58	235.10	45.66	
5	Skill Development	66.85	29.98	36.87	44.85	
Total		**2,064.88**	**994.62**	**1,070.25**	**228.74**	
6	Agriculture	312.22	216.31	95.91	69.28	51 to 75
7	Forest and Environment	331.74	236.15	95.58	71.19	
8	Commerce and Industries	96.39	65.38	31.01	67.83	
9	Information Technology	35.97	20.99	14.98	58.36	
10	Public Health Engineering	158.23	87.37	70.86	55.22	
11	Rural Development	1190.17	871.81	318.35	73.25	
12	Urban Development	543.10	403.49	139.61	74.29	
13	Municipal Affairs	36.76	18.76	18.00	51.04	
14	Women and Child Development	467.00	338.54	128.46	72.49	
15	Fisheries	34.56	21.84	12.72	63.19	
Total		**3,206.14**	**2,280.64**	**925.48**	**656.14**	
16	Animal Husbandry and Veterinary Services	108.98	90.06	18.92	82.64	76 to 90
17	Co-operation	38.55	33.41	5.14	86.67	
18	Education	2,014.56	1,763.12	251.44	87.52	
19	Election	18.40	14.18	4.21	77.10	
20	Excise	18.96	15.39	3.57	81.19	
21	Finance	3,296.22	2,873.50	422.72	87.18	
22	Food and Civil supplies	53.29	42.33	10.96	79.44	
23	Information and Public Relation	20.05	17.37	2.68	86.64	
24	Judiciary	93.21	81.31	11.90	87.24	
25	Labour	13.09	11.09	2.00	84.75	
26	Parliamentary Affairs	17.44	14.45	2.98	82.89	
27	Personnel	21.56	17.90	3.66	83.04	
28	Printing and Stationery	21.60	16.81	4.80	77.80	
29	Roads and Bridges	587.13	519.65	67.48	88.51	
30	Science and Technology	13.07	11.64	1.42	89.11	
Total		**6,443.81**	**5,522.21**	**813.89**	**1,261.72**	
31	Buildings & Housing	906.10	894.60	11.51	98.73	

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation (*per cent*)
32	Culture	88.88	84.53	4.35	95.10	**91 to 100**
33	Ecclesiastical	36.83	35.14	1.68	95.43	
34	Health and Family Welfare	878.09	838.48	39.61	95.49	
35	Home	149.42	138.07	11.36	92.40	
36	Horticulture	131.47	122.75	8.72	93.37	
37	Law	5.30	4.99	0.31	94.11	
38	Legislature	31.82	30.72	1.10	96.56	
39	Mines and Geology	10.19	9.48	0.71	93.07	
40	Motor Vehicles	23.44	22.56	0.88	96.25	
41	Police	640.51	606.72	33.78	94.73	
42	Power	966.66	952.60	14.06	98.55	
43	Transport	107.70	102.72	4.98	95.38	
44	Sports and Youth Affairs	65.69	61.11	4.58	93.02	
45	Tourism & Civil Aviation	328.34	312.33	16.01	95.12	
46	Vigilance	11.89	11.20	0.69	94.21	
47	Panchayat Raj Institutions	187.15	180.42	6.73	96.40	
48	Governor	12.99	12.64	0.35	97.29	
49	Public Service Commission	8.88	8.67	0.21	97.59	
	Total	**4,483.65**	**4,429.73**	**161.62**	**1,812.80**	

Source: Appropriation Accounts for 2024-25

Appendix 2.8
Savings exceeding *(₹ 0.01 crore)* not surrendered at all

(Reference: Paragraph 2.5.5)

(₹ in crore)

Sl. No	Number and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Amount not surrendered
1	10-Finance	943.34	11.79	955.14	953.59	1.55	1.55
2	26-Motor Vehicles	22.76	0	22.76	21.88	0.87	0.87
3	42-Vigilance	11.18	0.46	11.65	11.02	0.63	0.63
	Total	**977.28**	**12.25**	**989.55**	**986.49**	**3.05**	**3.05**
C- CAPITAL (VOTED)							
1	42-Vigilance	0.24	0.0	0.24	0.18	0.06	0.06
Grand Total		**1,001.28**	**24.50**	**989.79**	**986.67**	**3.11**	**3.11**

Source: Appropriation Accounts for 2024-25

Appendix 2.9
Surrender of funds in excess of ₹ one crore, on the last day of March 2025

(Reference: Paragraph 2.5.5)

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Total surrender during the FY	Amount surrendered on 31.03.2025
1	Agriculture	302.38	9.85	312.22	216.31	95.91	87.90	76.96
2	Animal Husbandry and Veterinary Services	108.40	0.58	108.98	90.06	18.92	18.88	18.88
3	Buildings & Housing	451.85	454.26	906.10	894.60	11.51	11.50	11.00
4	Co-operation	38.40	0.15	38.55	33.41	5.14	4.96	4.58
5	Culture	83.24	5.64	88.88	84.53	4.35	4.33	4.33
6	Ecclesiastical	36.31	0.51	36.83	35.14	1.68	1.68	1.68
7	Education	1,849.00	165.56	2,014.56	1,763.12	251.44	227.13	207.13
8	Excise	18.64	0.32	18.96	15.39	3.57	3.54	1.64
9	Finance	3,284.25	11.97	3,296.22	2,873.50	422.72	417.13	416.63
10	Food and Civil supplies	52.69	0.60	53.29	42.33	10.96	10.57	10.57
11	Forestry and Environment	329.88	1.86	331.74	236.15	95.58	95.21	93.52
12	Health and Family Welfare	830.98	47.11	878.09	838.48	39.61	34.10	34.10
13	Home	131.94	17.49	149.42	138.07	11.36	11.02	11.02
14	Horticulture	131.42	0.05	131.47	122.75	8.72	8.69	8.69
15	Commerce and Industries	93.89	2.50	96.39	65.38	31.01	33.06	32.15
16	Information and Public Relation	19.10	0.95	20.05	17.37	2.68	2.57	2.57
17	Information Technology	35.97	0.00	35.97	20.99	14.98	14.95	13.95
18	Water Resources	137.33	11.09	148.42	66.26	82.15	79.49	79.49
19	Judiciary	93.21	0.00	93.21	81.31	11.90	10.89	10.89
20	Labour	13.01	0.08	13.09	11.09	2.00	1.83	1.83
21	Land Revenue & Disaster Management	1,216.92	30.26	1,247.19	627.33	619.85	610.24	610.24
22	Legislature	31.82	0.00	31.82	30.72	1.10	1.09	1.09
23	Parliamentary Affairs	17.43	0.01	17.44	14.45	2.98	2.98	2.98
24	Department of Personnel	21.48	0.08	21.56	17.90	3.66	3.65	3.65
25	Planning and Development	167.89	1.86	169.75	73.47	96.28	85.57	85.57
26	Police	639.53	0.98	640.51	606.72	33.78	33.77	33.77
27	Power	620.33	346.33	966.66	952.60	14.06	13.87	13.87
28	Printing and Stationery	21.52	0.08	21.60	16.81	4.80	4.79	4.79
29	Public Health Engineering	157.36	0.87	158.23	87.37	70.86	71.02	71.02
30	Roads and Bridges	572.55	14.58	587.13	519.65	67.48	51.09	51.09
31	Rural Development	1,173.76	16.41	1,190.17	871.81	318.35	316.62	316.62
32	Science and Technology	12.90	0.16	13.07	11.64	1.42	1.41	1.41
33	Transport Department	99.07	8.63	107.70	102.72	4.98	4.98	4.98
34	Social Welfare	431.68	1.00	432.67	197.58	235.10	232.96	232.96
35	Sports and Youth Affairs	62.76	2.93	65.69	61.11	4.58	4.77	4.77
36	Tourism & Civil Aviation	152.95	175.39	328.34	312.33	16.01	11.24	11.24
37	Urban Development	300.99	242.11	543.10	403.49	139.61	61.17	61.17
38	Panchayat Raj Institutions	177.25	9.91	187.15	180.42	6.73	5.11	5.11
39	Municipal Affairs	36.76	0.00	36.76	18.76	18.00	18.00	18.00
40	Skill Development	65.76	1.09	66.85	29.98	36.87	36.92	36.92
41	Women and Child	345.74	121.26	467.00	338.54	128.46	147.63	147.63
	Grand Total	**14,368.34**	**1,704.51**	**16,072.83**	**13,121.64**	**2,951.15**	**2798.31**	**2,760.49**

Source: Appropriation Accounts for FY 2024-25

Appendix 2.10
Misclassification of revenue expenditure as capital expenditure for Financial year 2024-25

(Reference: Paragraph 2.5.6)

(₹ in crore)

<table>
<tr><th>Sl. No</th><th>No. and Name of the Grant/Department</th><th>No. of sanction order</th><th>Misclassified Amount</th><th>Major head</th><th>Audit observation</th></tr>
<tr><td rowspan="2">01</td><td rowspan="2">35 - Rural Development</td><td>47/09.10.2024</td><td>224.43</td><td>4216.03.800.40.00.60</td><td>Expenditure incurred for construction of houses under SGAY and thereafter distribution to the beneficiaries with their own right on it.</td></tr>
<tr><td>12/25.02.2025</td><td>0.17</td><td>4202.04.796.60.00.60</td><td>Expenditure incurred for repair of bridges despite the work sanctions the expenditure to be incurred from the revenue head 3054.04.337.36.46.71</td></tr>
<tr><td>02</td><td>40 – Tourism & Civil Aviation</td><td>30/22.03.2025</td><td>1.06</td><td>5452.01.101.48.57.73</td><td>Expenditure incurred on revenue natured expenses relating to Technical manpower, fixed overhead charges, consumable, etc. which was pending to be paid since February 2019 of the work ‘Ropeway at Namchi-Other charges’ – BH 3452.01.101.62.00.50</td></tr>
<tr><td>03</td><td>41 – Urban Development</td><td>269/01.10.2024</td><td>35.00</td><td>4216.02.800.80.00.60</td><td>Expenditure incurred for construction of houses under SGAY and thereafter distribution to the beneficiaries with their own right on it.</td></tr>
<tr><td rowspan="2">04</td><td rowspan="2">31 - Power</td><td>539/RCO/POWER/26.03.2025</td><td>0.12</td><td>4801.05.052.44.75.52</td><td rowspan="2">Expenditure incurred for repair of streetlight, illumination work, UPS battery bank etc.</td></tr>
<tr><td>372/RCO/POWER/17.03.2025</td><td>0.24</td><td>4801.05.052.45.55.73</td></tr>
<tr><td rowspan="2">06</td><td rowspan="2">13 – Health & Family Welfare Department</td><td>6/RCO/HFWD/ 31.01.2025</td><td>0.46</td><td>4210.01.110.44.64.72</td><td>Expenditure incurred on repair works, electrification works etc.</td></tr>
<tr><td>112/24.12.2024</td><td>1.98</td><td>4210.01.110.44.64.51</td><td>The scope involved provision, maintenance, and operation of Mobile Clinics to deliver medical services across the state of Sikkim.</td></tr>
<tr><td>07</td><td>07 - Education</td><td>01/RCO/EDD/ 01.10.2021</td><td>0.85</td><td>4202.01.201.44.60.72</td><td>Expenditure incurred on temporary restoration, slip clearance and cleaning and clearing of drains etc.</td></tr>
<tr><td>08</td><td>19 – Water Resources</td><td>7/RCO/WRD 27.02.2024</td><td>9.99</td><td>4711.01.103.44.68.60</td><td>Expenditure incurred on works ‘Immediate restoration of Protective Works’ which are works of revenue nature</td></tr>
<tr><td colspan="3">Total</td><td>274.30</td><td></td><td></td></tr>
</table>

Source: Finance Accounts of respective year

Appendix 2.11
Policy initiatives with no expenditure

(Reference: Paragraph 2.5.7)

(₹ in crore)

Sl. No.	Grant No. and Name of the Department	Head of Account and Name of the New scheme	Budget provision	Expenditure
Nil				

Source: Appropriation Accounts of Financial Year 2024-25

Appendix 2.12
Policy initiatives with full budget amount withdrawn in revised outlay

(Reference: Paragraph 2.5.7)

(₹ in crore)

Sl. No.	Grant No. and Name of the Department	Head of Account and Name of the New scheme	Budget provision	Expenditure
Nil				

Source: Appropriation Accounts of Financial Year 2024-25

Appendix 2.13
Sub-heads where entire expenditure was incurred in March 2025
(Reference: Paragraph 2.5.8)

(₹ in lakh)

Sl. No	Grant	Name of the Department	Heads of Accounts	Name of Scheme	Types of Budgets	Actual expenditure during March
1.	1	Agriculture	2401-00-113-60	Establishment	REVENUE	0.66
2.	1	Agriculture	2401-00-800-65	GIA GENERAL	REVENUE	42.22
3.	2	Animal Husbandry	2403-00-103-68	GIA GENERAL	REVENUE	30.32
4.	2	Animal Husbandry	2403-00-104-69	Sheep & Wool Development	REVENUE	0.31
5.	2	Animal Husbandry	2403-00-105-70	Poultry Development	REVENUE	130.36
6.	2	Animal Husbandry	2403-00-106-09	Small Remnant	REVENUE	9.97
7.	2	Animal Husbandry	2403-00-106-10	OTHER REVENUE EXPENDITURE	REVENUE	4.00
8.	2	Animal Husbandry	2403-00-109-09	Extension & Training	REVENUE	2.47
9.	2	Animal Husbandry	2403-00-109-74	Extension & Training	REVENUE	0.19
10.	2	Animal Husbandry	2403-00-789-69	Materials & Supplies	REVENUE	4.99
11.	2	Animal Husbandry	2403-00-796-69	Materials & Supplies	REVENUE	35.00
12.	2	Animal Husbandry	2404-00-789-61	OTHER REVENUE EXPENDITURE	REVENUE	40.00
13.	2	Animal Husbandry	4403-00-101-08	National Livestock Management Programme	Capital	96.00
14.	2	Animal Husbandry	4403-00-103-44	Building & structure	Capital	50.00
15.	3	BHD	2059-80-053-90	OTHER MAINTENANCE EXPENDITURE	REVENUE	15.00
16.	3	BHD	2059-80-103-03	REPAIR AND MAINTENANCE	REVENUE	5.12
17.	3	BHD	2216-05-800-61	Material supplies	REVENUE	25.06
18.	3	BHD	2216-05-800-63	OTHER REVENUE EXPENDITURE	REVENUE	169.57
19.	3	BHD	4059-80-051-44	DAC Construction	Capital	1,000.00
20.	3	BHD	4059-80-051-45	Furniture & Fixture	Capital	10.00
21.	3	BHD	4216-01-106-45	Govt. Residential Building	Capital	218.59
22.	3	BHD	5452-01-102-62	Building & structure	Capital	200.00
23.	16	Commerce & Industries	2851-00-001-63	OTHER REVENUE EXPENDITURE	REVENUE	9.77
24.	4	Cooperation	2425-00-003-60	Training expenses	REVENUE	40.00

Sl. No	Grant	Name of the Department	Heads of Accounts	Name of Scheme	Types of Budgets	Actual expenditure during March
25.	4	Cooperation	2425-00-101-61	OTHER REVENUE EXPENDITURE	REVENUE	18.83
26.	4	Cooperation	2425-00-108-62	GIA	REVENUE	150.00
27.	4	Cooperation	2425-00-108-63	GIA	REVENUE	25.00
28.	5	Culture	2205-00-102-62	Establishment	REVENUE	140.00
29.	5	Culture	2205-00-102-63	GIA GENERAL	REVENUE	80.00
30.	5	Culture	2205-00-102-70	OTHER REVENUE EXPENDITURE	REVENUE	5.67
31.	5	Culture	2205-00-102-75	OTHER REVENUE EXPENDITURE	REVENUE	166.14
32.	5	Culture	2205-00-102-76	GIA General	REVENUE	12.00
33.	5	Culture	4202-04-800-49	Construction of Gumpa	Capital	342.47
34.	28	DOPT	4070-00-800-30	M.V/Furniture	Capital	79.74
35.	7	EDUCATION	2202-02-001-60	EDUCATION TOUR	REVENUE	43.54
36.	7	EDUCATION	2202-02-001-61	OTHER REVENUE EXPENDITURE	REVENUE	325.98
37.	7	EDUCATION	2202-02-109-66	OTHER REVENUE EXPENDITURE	REVENUE	84.73
38.	7	EDUCATION	2202-03-001-61	OTHER REVENUE EXPENDITURE	REVENUE	49.78
39.	7	EDUCATION	2202-03-102-62	GIA GENERAL	REVENUE	13.53
40.	7	EDUCATION	2202-03-103-34	OTHER REVENUE EXPENDITURE	REVENUE	99.62
41.	7	EDUCATION	2202-03-796-67	National Education Mission	REVENUE	8.01
42.		EDUCATION	2202-04-789-29			2.56
43.	7	Education	2202-04-796-29	National Education Mission	REVENUE	1.57
44.	7	Education	2202-80-001-65	GIA General	REVENUE	8.98
45.	7	Education	2202-80-001-66	OTHER REVENUE EXPENDITURE	REVENUE	100.00
46.	7	Education	2202-80-107-65	scholarships	REVENUE	2.93
47.	7	Education	2202-80-789-63	Chief Minister Scholarships	REVENUE	3.36
48.	7	Education	2202-80-796-63	Material supplies	REVENUE	28.00
49.	7	Education	2203-00-001-62	GIA General	REVENUE	13.55
50.	7	Education	4202-01-201-49	Mid-day meal kitchen construction	Capital	48.00
51.	7	Education	4202-01-203-50	Public Works	Capital	2,300.00
52.	9	EXCISE	2039-00-001-64	OTHER REVENUE EXPENDITURE	REVENUE	0.38
53.	10	FINANCE	2049-03-104-67	INTEREST	REVENUE	87.00
54.	10	FINANCE	2049-04-103-31	INTEREST	REVENUE	0.03
55.	10	FINANCE	2049-05-105-60	INTEREST	REVENUE	7.50

Sl. No	Grant	Name of the Department	Heads of Accounts	Name of Scheme	Types of Budgets	Actual expenditure during March
56.	10	FINANCE	2075-00-797-60	MISC GENERAL SERVICES	REVENUE	500.00
57.	49	Fisheries	2405-00-001-61	Materials & Supplies	REVENUE	19.95
58.	49	Fisheries	2405-00-101-73	OTHER REVENUE EXPENDITURE	REVENUE	10.00
59.	49	Fisheries	2405-00-101-86	OTHER REVENUE EXPENDITURE	REVENUE	75.00
60.	49	Fisheries	4405-00-001-60	Domestic Fish Market	Capital	19.87
61.	49	Fisheries	4405-00-001-61	Other Capital Expenditure	Capital	2.97
62.	12	Forest & Environment	2210-01-800-70	Mental Health	REVENUE	0.50
63.	12	Forest & Environment	2406-02-112-46	REPAIR AND MAINTENANCE	REVENUE	57.99
64.	12	Forest & Environment	2406-04-103-01	Integrated Wildlife Management Plan	REVENUE	4,400.00
65.	12	Forest & Environment	3435-04-800-62	Other Expenditure	REVENUE	31.60
66.	12	Forest & Environment	4406-01-070-60	Training Institute at Bulbuley	Capital	50.00
67.	12	Forest & Environment	4406-01-101-11	Integrated Forest Protection Scheme	Capital	7.17
68.	12	Forest & Environment	4406-02-110-44	Machinery & Equipment	Capital	40.00
69.	12	Forest & Environment	4406-02-112-52	Construction of Peacock Park	Capital	100.00
70.	13	Health	2210-01-800-66	GIA GENERAL	REVENUE	6.00
71.	13	Health	2210-01-800-67	GIA GENERAL	REVENUE	6.00
72.	13	Health	2210-01-800-68	GIA GENERAL	REVENUE	6.00
73.	13	Health	2210-01-800-69	GIA GENERAL	REVENUE	6.00
74.	13	Health	2210-01-800-72	GIA GENERAL	REVENUE	6.50
75.	13	Health	2210-05-105-65	Training expenses	REVENUE	90.00
76.	13	Health	2210-05-200-60	OTHER REVENUE EXPENDITURE	REVENUE	34.52
77.	13	Health	2210-06-101-72	Material supplies	REVENUE	50.00
78.	13	Health & Family	4210-01-110-50	PHC Construction	Capital	250.00
79.	14	HOME	2052-00-090-60	OTHER REVENUE EXPENDITURE	REVENUE	1.58
80.	14	HOME	2059-01-053-59	REPAIR AND MAINTENANCE	REVENUE	8.79
81.	15	Horticulture	2401-00-119-63	Minor Works	REVENUE	5.35
82.	15	Horticulture	2401-00-119-67	REPAIR AND MAINTENANCE	REVENUE	15.00
83.	15	Horticulture	4401-00-104-16	Building & structure	Capital	74.82
84.	18	Information & Technology	2852-07-102-51	OTHER REVENUE EXPENDITURE	REVENUE	44.94

Sl. No	Grant	Name of the Department	Heads of Accounts	Name of Scheme	Types of Budgets	Actual expenditure during March
85.	18	Information & Technology	2852-07-102-55	OTHER REVENUE EXPENDITURE	REVENUE	3.20
86.	18	Information & Technology	2852-07-102-56	OTHER REVENUE EXPENDITURE	REVENUE	25.40
87.	18	Information & Technology	2852-80-001-20	Inspire	REVENUE	6.99
88.	18	Information & Technology	2852-80-800-74	Other Expenditure	REVENUE	86.00
89.	17	IPR	2220-60-101-60	OTHER REVENUE EXPENDITURE	REVENUE	130.44
90.	20	Judiciary	4070-00-800-46	Motor vehicle	Capital	32.10
91.	20	Judiciary	4070-00-800-48	Establishment	Capital	25.03
92.	20	Judiciary	4070-00-800-67	Establishment	Capital	82.12
93.	22	Land Revenue & Disaster Management	2245-80-102-65	Expedition Glacial Lakes	REVENUE	34.26
94.	22	Land Revenue & Disaster Management	4059-80-051-46	Land and damage compensation	Capital	254.10
95.	25	Mines & Geology	2853-02-800-60	OTHER REVENUE EXPENDITURE	REVENUE	24.98
96.	25	Mines & Geology	4853-01-004-60	Establishment	Capital	86.96
97.	46	Municipal Affairs	3604-00-200-89	State Capacity Building Fund	REVENUE	228.35
98.	27	Parliamentary Affairs	4070-00-800-61	ICT	Capital	1.97
99.	27	Parliamentary Affairs	4070-00-800-62	Furniture & Fixture	Capital	8.98
100.	33	PHE	4059-01-051-34	Public Works	Capital	24.97
101.	33	PHE	4215-01-101-48	Restoration of pipelines	Capital	69.64
102.	33	PHE	4215-01-101-49	Temporary RWM	Capital	17.47
103.	33	PHE	4215-01-101-50	Mainline restoration work	Capital	72.00
104.	33	PHE	4215-01-796-45	Construction of distribution Chamber	Capital	92.90
105.	33	PHE	4215-01-796-47	Restoration of HDPE pipelines	Capital	10.00
106.	33	PHE	4215-02-106-46	Pollution abatement of Ranjit river	Capital	16.50
107.	29	Planning & Development	2575-06-101-00	Vibrant Village Programme Activities	REVENUE	10.00
108.	29	Planning & Development	3454-02-205-65	OTHER REVENUE EXPENDITURE	REVENUE	5.00
109.	30	POLICE	2055-00-001-63	OTHER REVENUE EXPENDITURE	REVENUE	0.05
110.	30	POLICE	2055-00-113-69	GRANTS IN AID GENERAL	REVENUE	100.00
111.	30	Police	4055-00-207-44	Head office establishment	Capital	714.65

Sl. No	Grant	Name of the Department	Heads of Accounts	Name of Scheme	Types of Budgets	Actual expenditure during March
112.	30	Police	4055-00-208-60	Motor vehicle	Capital	11.55
113.	30	Police	4055-00-208-64	Motor vehicle	Capital	18.48
114.	30	Police	4059-60-051-44	Public Works	Capital	45.00
115.	31	Power	2801-01-052-00	REPAIR AND MAINTENANCE	REVENUE	49.01
116.	31	Power	2801-01-800-72	REPAIR AND MAINTENANCE	REVENUE	47.99
117.	31	Power	2801-04-800-61	REPAIR AND MAINTENANCE	REVENUE	2.98
118.	31	Power	2801-05-052-44	Minor civil & electric works	REVENUE	6.00
119.	31	Power	2801-05-052-49	REPAIR AND MAINTENANCE	REVENUE	12.46
120.	31	Power	2801-05-052-50	REPAIR AND MAINTENANCE	REVENUE	8.00
121.	31	Power	2801-80-001-68	OTHER REVENUE EXPENDITURE	REVENUE	105.66
122.	31	Power	2810-00-105-62	New & Renewable Energy	REVENUE	255.80
123.	31	Power	4801-05-052-46	Strengthening augmentation Development	Capital	100.00
124.	31	Power	4801-05-052-48	Electrification Work	Capital	115.35
125.	32	Printing & Stationery	4058-00-103-60	Furniture & Fixture	Capital	5.00
126.	35	RDD	2059-80-053-80	REPAIR AND MAINTENANCE	REVENUE	74.37
127.	35	RDD	2215-01-102-71	Village Water Supply	REVENUE	21.48
128.	35	RDD	4215-01-102-36	Water supply for Mamring Block	Capital	65.57
129.	35	RDD	4515-00-103-48	Renovation of SIRD	Capital	189.56
130.	35	RDD	5054-04-101-47	Infrastructural Assets	Capital	165.42
131.	35	RDD	5054-04-101-49	Span Bridge over Rani Khola	Capital	150.00
132.	35	RDD	5054-04-101-60	Rural Foot over Bridge	Capital	16.29
133.	34	Roads & Bridges	3054-04-797-00	Transfer to Reserve Fund	REVENUE	13.67
134.	34	Roads & Bridges	3054-80-004-62	OTHER REVENUE EXPENDITURE	REVENUE	11.04
135.	34	Roads & Bridges	5054-04-337-47	Procurement of excavator	Capital	70.00
136.	36	Science & Technology	3425-60-200-63	GIA GENERAL	REVENUE	86.00
137.	36	Science & Technology	3425-60-200-66	GIA GENERAL	REVENUE	30.00
138.	36	Science & Technology	3425-60-200-67	GIA GENERAL	REVENUE	60.00
139.	36	Science & Technology	3425-60-200-70	GIA GENERAL	REVENUE	50.00
140.	47	Skill Development	4059-01-051-44	Establishment	Capital	26.80

Sl. No	Grant	Name of the Department	Heads of Accounts	Name of Scheme	Types of Budgets	Actual expenditure during March
141.	38	Social Welfare	2225-01-789-50	OTHER REVENUE EXPENDITURE	REVENUE	5.00
142.	38	Social Welfare	2225-01-793-63	OTHER REVENUE EXPENDITURE	REVENUE	5.00
143.	38	Social Welfare	2225-02-796-73	OTHER REVENUE EXPENDITURE	REVENUE	52.50
144.	38	Social Welfare	2225-03-277-64	Pre-Matric scholarships	REVENUE	0.34
145.	38	Social Welfare	4217-03-789-70	Integrated Development of Medium & small towns	Capital	71.14
146.	38	Social Welfare	4225-01-277-50	Land compensation for school	Capital	440.00
147.	38	Social Welfare	4225-02-277-60	Lepcha Girl's Hostel	Capital	49.99
148.	38	Social Welfare	4225-80-800-44	Motor Vehicle	Capital	19.04
149.	39	Sports & Youth Affairs	4202-03-102-45	Renovation sports complex	Capital	296.53
150.	39	Sports & Youth Affairs	4202-03-102-61	Construction of Boxing Academy	Capital	47.20
151.	40	Tourism	5452-01-101-47	Beautification of Lake	Capital	33.77
152.	37	Transport	3055-00-201-67	OTHER REVENUE EXPENDITURE	REVENUE	15.00
153.	37	Transport	5055-00-103-66	Workshop facilities	Capital	800.00
154.	37	Transport	5055-00-800-64	Generator purchase	Capital	35.00
155.	37	Transport	5055-00-800-65	Building & structure	Capital	59.99
156.	41	Urban Development	4217-03-051-50	Infrastructural Assets	Capital	50.00
157.	48	Woman & Child Development	2235-02-001-55	GIA GENERAL	REVENUE	7.64
158.	48	Woman & Child Development	2235-02-103-68	OTHER REVENUE EXPENDITURE	REVENUE	1.00
159.	48	Woman & Child Development	2235-02-103-69	OTHER REVENUE EXPENDITURE	REVENUE	5.76
160.	48	Woman & Child Development	2235-02-104-68	National Plan for S. Citizen	REVENUE	2.70
161.	48	Women & Child Dev.	4235-02-101-44	Machinery & Equipment	Capital	49.99
162.	48	Women & Child Dev.	4235-02-102-60	Disabilities under implementation	Capital	417.37
163.	48	Women & Child Dev.	4235-02-103-60	Working women hostel construction	Capital	11,996.00
164.	1	Agriculture	5475-00-102-01	Establishment	Capital	32.61
TOTAL						**49,600.17**

Source: Appropriation Accounts.

Appendix 2.14
Quarter wise expenditure for all major heads during 2024-25
(Reference: Paragraph 2.5.8)

(₹ in crore)

Sl. No.	Grant	Description	Allocation during 2024-25	Expenditure					Total expenditure during 2024-25	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
				1st qtr.	2nd qtr.	3rd qtr.	4th qtr	In March			
1	1	Agriculture	224.32	78.21	20.72	57.91	59.47	50.56	216.31	27	23
2	2	Animal Husbandry and Veterinary Services	90.10	20.33	16.97	27.28	25.48	14.62	90.06	28	16
3	3	Buildings & Housing	894.61	11.81	99.21	299.54	484.04	476.49	894.60	54	53
4	4	Co-operation	33.59	6.01	5.30	10.34	11.75	6.83	33.40	35	20
5	5	Culture	84.55	5.15	4.76	28.59	46.03	40.63	84.53	54	48
6	6	Ecclesiastical	35.15	4.13	4.60	19.42	7.00	4.18	35.15	20	12
7	7	Education	1,787.43	362.34	343.43	513.91	543.44	341.65	1,763.12	31	19
8	8	Election	14.15	2.07	2.92	5.76	3.43	2.39	14.18	24	17
9	9	Excise	15.42	3.64	2.97	4.20	4.58	2.11	15.39	30	14
10	10	Finance	2,878.49	581.74	722.46	572.48	996.83	600.20	2,873.51	35	21
11	11	Food and Civil supplies	42.72	7.89	11.62	12.01	10.81	5.97	42.33	26	14
12	12	Forestry and Environment	236.53	51.30	49.30	49.43	86.15	63.83	236.18	36	27
13	13	Health and Family Welfare	843.99	121.98	190.17	253.65	272.67	131.16	838.47	33	16
14	14	Home	138.40	16.34	30.99	40.03	50.70	34.76	138.06	37	25
15	15	Horticulture	122.79	20.33	24.47	27.66	50.29	40.96	122.75	41	33
16	16	Commerce & Industries	63.33	9.36	10.27	20.01	25.74	13.45	65.38	39	21
17	17	Information & Public relati	17.48	3.62	3.44	4.98	5.32	3.41	17.36	31	20
18	18	Information Technology	21.02	1.57	1.40	3.02	15.00	3.53	20.99	71	17
19	19	Water Resources	68.93	8.41	8.40	14.51	34.95	28.00	66.27	53	42
20	20	Judiciary	82.31	20.87	18.24	21.99	20.21	9.18	81.31	25	11
21	21	Labour	11.26	2.73	2.35	3.33	2.68	0.46	11.09	24	4
22	22	Land Rev & DM	636.94	228.16	81.03	211.54	106.61	65.44	627.34	17	10
23	23	Law	4.99	1.09	1.17	1.25	1.48	0.77	4.99	30	15
24	24	Legislature	30.72	6.51	7.59	7.93	8.68	4.32	30.71	28	14
25	25	Mines & Geology	10.09	1.90	1.89	2.14	3.55	2.14	9.48	37	23
26	26	Motor Vehicles	23.44	5.26	4.37	6.07	6.86	3.07	22.56	30	14
27	27	Parliamentary Affairs	14.46	3.48	3.41	3.75	3.82	1.51	14.46	26	10

(₹ in crore)

Sl. No.	Grant	Description	Allocation during 2024-25	Expenditure					Total expenditure during 2024-25	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
				1st qtr.	2nd qtr.	3rd qtr.	4th qtr	In March			
28	28	Department of Personnel	17.91	3.99	3.94	4.50	5.47	2.85	17.90	31	16
29	29	Planning & Development	84.18	17.64	16.72	11.55	27.55	10.37	73.46	38	14
30	30	Police	606.73	168.55	146.95	152.03	139.19	43.06	606.72	23	7
31	31	Power	952.79	114.77	167.42	194.97	475.45	319.92	952.61	50	34
32	32	Printing & Stationery	16.81	3.49	4.39	4.43	4.49	2.10	16.80	27	13
33	33	Public Health Engineering	87.22	13.95	15.59	21.54	36.29	23.21	87.37	42	27
34	34	Roads & Bridges	536.04	50.21	84.63	196.00	188.82	139.15	519.66	36	27
35	35	Rural Development	873.55	194.09	95.33	432.94	149.45	59.15	871.81	17	7
36	36	Science & Technology	11.66	1.75	1.67	1.63	6.60	3.49	11.65	57	30
37	37	Transport Department	102.73	17.11	21.35	34.56	29.71	15.26	102.73	29	15
38	38	Social Welfare	199.71	6.84	41.42	100.18	49.14	34.90	197.58	25	18
39	39	Sports and Youth Affairs	60.92	6.64	11.84	13.02	29.60	19.80	61.10	48	32
40	40	Tourism & Civil Aviation	317.10	8.40	7.75	82.67	213.50	204.39	312.32	68	65
41	41	Urban Development	481.93	14.81	16.24	148.53	223.91	180.87	403.49	55	45
42	42	Vigilance	11.89	3.14	2.74	3.22	2.10	1.13	11.20	19	10
43	43	Panchayat Raj Institutions	182.05	32.42	33.42	53.09	61.49	38.16	180.42	34	21
44	44	Governor	12.64	3.14	3.22	2.45	3.83	1.99	12.64	30	16
45	45	Public Service Commission	8.67	1.70	1.74	2.65	2.57	1.59	8.66	30	18
46	46	Municipal Affairs	18.76	0.00	0.00	0.56	18.21	2.28	18.77	97	12
47	47	Skill Development	29.93	8.14	3.17	7.50	11.17	6.50	29.98	37	22
48	48	Women & Child	319.37	21.48	55.47	77.90	183.69	159.68	338.54	54	47
49	49	Fisheries	34.27	0.00	3.01	13.88	4.95	4.10	21.84	23	19
TOTAL				**2,278.49**	**2,411.46**	**3,782.53**	**4,754.75**	**3,225.57**	**13,227.23**		

Source: Appropriation Accounts.

Appendix 3.1
Details of contribution and investment under Defined Contributory Pension Scheme

(Reference: Paragraphs 3.2.2)

(₹ in crore)

Years	Receipts				Disbursement (Transferred to NSDL)	Short transfer (-) /Excess transfer (+)
	Opening Balance	Employee's Share	Government Contribution	Total		
1	**2**	**3**	**4**	**5**	**6**	**7 (6-5)**
2013-14	36.96	14.74	14.74	66.44	36.42	30.02
2014-15	30.02	20.80	20.80	71.62	44.62	27.00
2015-16	27.00	27.78	27.78	82.56	59.10	23.46
2016-17	23.46	33.10	33.07	89.63	61.11	28.52
2017-18	28.52	39.39	39.39	107.3	79.63	27.68
2018-19	27.68	46.94	49.48	124.1	94.54	29.56
2019-20	29.56	73.90	77.41	180.87	114.74	66.13
2020-21	66.13	87.99	88.89	243.01	159.89	83.12
2021-22	83.12	99.90	99.91	282.93	214.45	68.48
2022-23	68.49	114.57	107.79	290.85	238.64	52.21
2023-24	52.21	130.01	135.20	317.42	257.83	59.59
2024-25	59.59	147.16	143.80	350.55	269.94	80.61
TOTAL		**836.28**	**838.26**	**2,207.28**	**1,630.91**	**576.38**

Source: Finance Account of respective years

Appendix 3.2
Expenditure misclassified under Minor Head 800-Other Expenditure during 2024-25

(Reference: Paragraphs 3.7)

(₹ in crore)

Details of head under booking was wrongly classified	Amount	Nature of expenditure	Correct classification
2014.00.800.70.00.49	0.0052	Vehicle repair	2014.00.102.60.00.13
2014-00.80070.00.13	0.0027	Vehicle repair	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0032	Catering Services	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0034	Catering Services	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0007	Training items	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0023	-do-	2014.00.102.60.00.13
2014.00.800.70.00.13	0.0057	Audit fees	2014.00.102.60.00.13
2014.00.800.70.00.02	0.0029	Wages	2401.00.001.16.44.02
2014.00.800.70.00.13	0.0018	HSD	2014.00.102.60.00.24
2014.00.800.70.00.13	0.0001	Water Supply Bill	2014.00.102.60.00.13
2014.00.800.70.00.13	0.0001	Newspaper bills	2014.00.102.60.00.13
2014.00.800.70.00.13	0.0002	Books supply Bills	2014.00.102.60.00.13
2014.00.800.70.00.13	0.0005	Phone connection	2014.00.102.60.00.13
2014.00.800.70.00.13	0.0022	Electricity bill	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0014	Office items	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0222	Catering services	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0020	Photography expenses	2014.00.102.60.00.13
2014.00.800.70.00.29	0.0011	Vehicle repair	2014.00.102.60.00.29
2014.00.800.70.00.49	0.0010	Videography expenses	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0010	-do-	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0018	Sound system expenses	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0030	-do-	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0008	Manures purchase	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0018	HSD	2014.00.102.60.00.24
2014.00.800.70.00.49	0.0020	Honorarium payment	2014.00.102.60.00.13
2014.00.800.70.00.29	0.0022	Vehicle repair	2014.00.102.60.00.29
2014.00.800.70.00.49	0.0026	Wages payment	2014.00.102.60.00.02
2014.00.800.70.00.49	0.0020	Honorarium payment	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0051	Catering services	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0010	Videography	2014.00.102.60.00.13
2014.00.800.70.00.13	0.0011	Food items	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0160	Consultancy services	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0010	Videography	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0010	-do-	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0013	Sound system	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0030	-do-	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0157	Establishment expenses	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0125	-do-	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0118	Supply bills	2014.00.102.60.00.13
2014.00.800.70.00.29	0.0038	Vehicle repair	2014.00.102.60.00.29
2014.00.800.70.00.49	0.0027	Catering services	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0009	Supply bills	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0033	Consultancy services	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0018	HSD	2014.00.102.60.00.24
2014.00.800.70.00.49	0.250	Compensation payment	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0025	Food items	2014.00.102.60.00.13
2014.00.800.70.00.29	0.0016	Vehicle repair	2014.00.102.60.00.29

Details of head under booking was wrongly classified	Amount	Nature of expenditure	Correct classification
2014.00.800.70.00.49	0.0050	Establishment expenses	2014.00.102.60.00.13
2014.00.800.70.00.13	0.0105	Stationeries supply	2014.00.102.60.00.13
2014.00.800.70.00.49	0.0010	Videography	2014.00.102.60.00.13
2013.00.800.00.00.13	0.0018	Token tax	2013.00.106.00.00.13
2013.00.800.00.00.13	0.0012	Telephone bills	2013.00.106.00.00.13
2013.00.800.00.00.13	0.0435	Electricity bills	2013.00.106.00.00.13
2013.00.800.00.00.24	0.0150	POL	2013.00.106.00.00.13
2217.80.800.61.45.49	0.0172	Office supplies	2217.01.001.60.44.13
2217.80.800.61.45.49	0.0009	Office supplies	2217.01.001.60.44.13
2217.80.800.61.45.49	0.0008	Office stationeries	2217.01.001.60.44.13
2217.80.800.61.45.49	0.0009	-do-	2217.01.001.60.44.13
2217.80.800.61.45.49	0.0162	Office furniture	2217.01.001.60.44.13
2217.80.800.61.45.49	0.0006	Stationeries	2217.01.001.60.44.13
2217.80.800.61.45.49	0.0009	Stationeries	2217.01.001.60.44.13
2217.80.800.61.48.07	0.3659	Allowances	2217.01.001.60.44.07
2217.80.800.61.48.07	0.1399	-do-	2217.01.001.60.44.07
2217.80.800.61.45.24	0.0310	Fuel/Lubricants	2217.01.001.60.44.24
2217.80.800.61.45.07	0.2967	Allowances	2217.01.001.60.44.07
2217.80.800.61.45.24	0.0112	Fuel/Lubricants	2217.01.001.60.44.24
2217.80.800.61.45.21	0.0151	Misc. office items	2217.01.001.60.44.13
2217.80.800.61.45.21	0.0129	Office stationeries	2217.01.001.60.44.13
2217.80.800.61.45.49	0.0010	-do-	2217.01.001.60.44.13
2054.00.800.43.00.49	0.0037	Photography	2054.00.096.00.44.13
2054.00.800.43.00.49	0.0281	HSD/POL	2054.00.096.44.00.13
5054.80.800.44.70.71	0.0417	Furniture purchase	2054.00.095.10.58.13
2054.00.800.43.00.49	0.1828	Salaries	2054.00.095.10.58.01
2054.00.800.43.00.49	0.0821	-do-	2054.00.095.10.58.01
2401.00.800.64.00.31	0.0010	Wages	2401.00.001.16.44.02
2401.00.800.64.00.31	0.0010	Wages	2401.00.001.16.44.02
2401.00.800.64.00.31	0.0010	Wages	2401.00.001.16.44.02
2401.00.800.64.00.31	0.0010	Wages	2401.00.001.16.44.02
2401.00.800.64.00.31	0.0010	Wages	2401.00.001.16.44.02
2401.00.800.64.00.31	0.0010	Wages	2401.00.001.16.44.02
2401.00.800.64.00.31	0.0010	Wages	2401.00.001.16.44.02
2401.00.800.64.00.31	0.0010	Wages	2401.00.001.16.44.02
4202.04.800.45.66.72	0.0019	Renovation work	4202.00.051.45.66.72
4202.04.800.45.66.72	0.0090	-do-	4202.00.051.45.66.72
4202.04.800.45.66.72	0.0015	-do-	4202.00.051.45.66.72
4202.04.800.45.63.72	0.2983	Construction work	4202.00.051.45.63.72
4202.03.800.44.60.51	0.1932	Vehicle purchase	2205.00.001.00.44.13
4202.04.800.48.66.72	0.1360	Construction work	4202.04.051.48.66.72
4202.04.800.48.68.72	0.0153	-do-	4202.04.051.48.68.72
4202.04.800.45.63.72	0.3750	-do-	4202.04.051.45.63.72
4202.04.800.45.63.72	0.2983	-do-	4202.04.051.45.63.72
4202.04.800.44.69.72	0.0958	-do-	4202.04.051.44.69.72
4202.04.800.45.66.72	0.2166	-do-	4202.04.051.45.66.72
4202.04.800.44.68.72	0.0900	-do-	4202.04.051.44.68.72
4202.04.800.44.69.72	0.0033	-do-	4202.04.051.44.69.72
4202.04.800.44.68.72	0.0289	-do-	4202.04.051.44.68.72
4202.04.800.44.68.72	0.0432	-do-	4202.04.051.44.68.72
4202.04.800.44.68.72	0.0438	-do-	4202.04.051.44.68.72
4202.04.800.50.65.72	0.0082	-do-	4202.04.051.50.65.72

Details of head under booking was wrongly classified	Amount	Nature of expenditure	Correct classification
4202.04.800.44.68.72	0.0070	-do-	4202.04.051.44.68.72
4202.04.800.49.65.72	0.0019	-do-	4202.04.051.49.65.72
4202.04.800.44.73.73	0.5730	-do-	4202.04.051.44.73.73
4202.04.800.48.66.72	0.0123	-do-	4202.04.051.48.66.72
4202.04.800.49.61.72	0.0600	-do-	4202.04.051.49.61.72
4202.04.800.44.69.72	0.1292	-do-	4202.04.051.44.69.72
4202.04.800.48.66.72	0.0085	-do-	4202.04.051.48.66.72
4202.04.800.48.66.72	0.0255	-do-	4202.04.051.48.66.72
4202.04.800.48.66.72	0.0900	-do-	4202.04.051.48.66.72
4202.04.800.50.63.72	1.0000	-do-	4202.04.051.50.63.72
4202.04.800.48.72.72	0.4576	-do-	4202.04.051.48.72.72
4202.04.800.48.71.72	0.1484	-do-	4202.04.051.48.71.72
4202.04.800.49.61.72	0.1920	-do-	4202.04.051.49.61.72
4202.04.800.44.69.72	0.1796	-do-	4202.04.051.44.69.72
4202.04.800.50.66.72	0.3288	-do-	4202.04.051.50.66.72
4202.04.800.50.66.72	0.4965	-do-	4202.04.051.50.66.72
4202.04.800.50.66.72	0.0597	-do-	4202.04.051.50.66.72
4202.04.800.44.69.72	0.0382	-do-	4202.04.051.44.69.72
4202.04.800.44.69.72	0.1672	-do-	4202.04.051.44.69.72
4202.04.800.45.68.72	0.6895	-do-	4202.04.051.45.68.72
4202.04.800.45.68.72	0.8968	-do-	4202.04.051.45.68.72
4202.04.800.48.72.72	0.3000	-do-	4202.04.051.48.72.72
4202.04.800.44.60.51	0.0065	Vehicle accessories	2205.00.001.00.44.13
4202.04.800.48.71.72	0.1723	Construction Work	4202.04.051.48.71.72
4202.04.800.48.71.72	0.1108	-do-	4202.04.051.48.71.72
4202.04.800.46.67.72	0.2725	-do-	4202.04.051.46.67.72
4202.04.800.46.67.72	0.4116	-do-	4202.04.051.46.67.72
4202.04.800.46.66.72	0.5661	-do-	4202.04.051.46.66.72
4202.04.800.46.66.72	0.4000	-do-	4202.04.051.46.66.72
4202.04.800.48.67.72	19.0046	-do-	4202.04.051.48.67.72
4202.04.800.48.70.72	1.4585	-do-	4202.04.051.48.70.72
4202.04.800.44.68.72	0.0900	-do-	4202.04.051.44.68.72
4202.04.800.45.65.72	0.5000	-do-	4202.04.051.45.65.72
4202.04.800.46.70.72	1.0000	-do-	4202.04.051.46.70.72
4202.04.800.46.65.72	0.0692	-do-	4202.04.051.46.65.72
4202.04.800.44.60.51	0.0988	Vehicle purchase	2205.00.001.00.44.13
4202.04.800.49.61.72	0.3595	Construction work	4202.04.051.44.68.72
4202.04.800.44.68.72	0.1222	-do-	4202.04.051.44.68.72
4202.04.800.44.69.72.	1.1442	-do-	4202.04.051.44.69.72.
4202.04.800.50.65.72	1.2849	-do-	4202.04.051.50.65.72
4202.04.800.49.64.72	0.3425	-do-	4202.04.051.49.64.72
4202.04.800.44.68.72	0.1366	-do-	4202.04.051.44.68.72
4202.04.800.44.73.72	0.0024	-do-	4202.04.051.44.73.72
4202.04.800.45.68.72	0.0160	-do-	4202.04.051.45.68.72
4202.04.800.45.68.72	0.0159	-do-	4202.04.051.45.68.72
4202.04.800.48.67.72	0.0006	-do-	4202.04.051.48.67.72
4202.04.800.48.67.72	0.0085	-do-	4202.04.051.48.67.72
4202.04.800.48.67.72	0.0109	-do-	4202.04.051.48.67.72
4202.04.800.45.64.72	0.0044	-do-	4202.04.051.45.64.72
4202.04.800.49.61.72	0.1350	-do-	4202.04.051.49.61.72
4202.04.800.45.64.72	0.0190	-do-	4202.04.051.45.64.72
4202.04.800.49.65.72	0.0716	-do-	4202.04.051.49.65.72

Details of head under booking was wrongly classified	Amount	Nature of expenditure	Correct classification
4202.04.800.45.64.72	0.2082	-do-	4202.04.051.45.64.72
4202.04.800.50.67.72	0.0006	-do-	4202.04.051.50.67.72
4202.04.800.44.65.77	0.0418	-do-	4202.04.051.44.65.77
4202.04.800.44.68.72	0.0386	-do-	4202.04.051.44.68.72
4202.04.800.44.69.72	0.0360	-do-	4202.04.051.44.69.72
4202.04.800.48.71.72	0.0139	-do-	4202.04.051.48.71.72
4202.04.800.48.71.72	0.2305	-do-	4202.04.051.48.71.72
4202.04.800.48.71.72	0.0577	-do-	4202.04.051.48.71.72
4202.04.800.44.68.72	0.0262	-do-	4202.04.051.44.68.72
4202.04.800.46.60.72	0.0200	-do-	4202.04.051.46.60.72
4202.04.800.46.67.72	0.1051	-do-	4202.04.051.46.67.72
4202.04.800.46.69.72	0.0008	-do-	4202.04.051.46.69.72
4202.04.800.46.69.72	0.4911	-do-	4202.04.051.46.69.72
4202.04.800.49.64.72	0.0021	-do-	4202.04.051.49.64.72
4202.04.800.46.65.72	0.0358	-do-	4202.04.051.46.65.72
4202.04.800.44.70.72	0.0250	-do-	4202.04.051.44.70.72
4202.04.800.48.62.72.	0.1359	-do-	4202.04.051.48.62.72.
4202.04.800.44.73.72	0.0010	Repair work	2505.00.001.00.44.29
4202.04.800.44.73.72	0.0010	-do-	2205.00.001.00.44.29
4202.04.800.50.65.72	0.0140	Construction work	4202.04.051.50.65.72
4202.04.800.48.68.72	0.0437	-do-	4202.04.051.48.68.72
4202.04.800.44.69.72	0.0675	-do-	4202.04.051.44.69.72
4202.04.800.44.69.72	0.1258	-do-	4202.04.051.44.69.72
4202.04.800.44.69.72	0.0981	-do-	4202.04.051.44.69.72
4202.04.800.44.68.72	0.0014	-do-	4202.04.051.44.68.72
4225.80.800.50.00.72	0.3583	Construction work	4225.80.051.50.0072
4702.00.800.44.60.51	0.3456	Vehicle purchase	2225.00.001.50.00.13
4859.01.800.19.00.51	0.1906	Vehicle purchase	2225.00.001.50.00.13
4859.01.800.72.00.60	10.0000	Work advance	4859.01.051.72.00.60
5054.80.800.44.70.71	0.0314	Computer purchase	2401.04.337.48.70.13
5054.80.800.44.70.71	0.0146	-do-	2401.04.337.48.70.13
5054.80.800.44.69.51	0.1393	Vehicle purchase	3054.80.001.35.60.13
5054.80.800.44.69.51	0.1239	Vehicle purchase	3054.80.001.35.60.13
5475.00.800.55.63.71	0.0112	Office supply	3475.00.001.55.63.13
5475.00.800.55.63.71	0.0028	-do-	3475.00.001.55.63.13
5475.00.800.54.00.51	0.1180	Vehicle purchase	3475.00.001.55.63.13
5475.00.800.55.59.74	0.0499	Furniture purchase	3475.00.001.55.63.13
5475.00.800.55.68.71	0.0112	Tablet purchase	3475.00.001.55.63.13
5475.00.800.55.63.71	0.0028	Office purchase	3475.00.001.55.63.13
Total	**50.30**		

Source: Finance Accounts and VLC data maintained by the AG (A&E), Sikkim

Appendix 3.3
Receipts misclassified under Minor Head 800-during 2024-25

(Reference: Paragraphs 3.7)

(₹ in crore)

Details of head under booking was wrongly classified	Amount	Nature of Receipt	Correct classification
1452.00.800.01.00.00	2.94	Vehicle permit	1452.00.103.01.00.00
0055.00.800.01.00.00	0.19	Fees	0055.00.103.00.00.00
0210.01.800.00.00.00	1.21	Medical Fees/Miscellaneous	0210.01.104.00.00.00
0403.01.800.01.00.00	0.91	Fees/Miscellaneous	0403.01.501.00.00.00
0029.01.800.01.00.00	0.85	Land Survey Fees	0029.01.106.00.00.00
0058.00.800.00.00.00	0.10	Press receipts	0058.00.200.00.00.00
TOTAL	**6.20**		

Source: Finance Accounts and VLC data maintained by the SR DAG (A&E), Sikkim https://cag.gov.in/ag/sikkim/en

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