



GOVERNMENT OF SIKKIM



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ACCOUNTS AT A GLANCE

2016-17

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



Sikkim Legislative Assembly

Preface

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

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

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

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

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

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



(MS. RINA AKOIJAM)
Accountant General

Place: Gangtok
Date: 26 December 2017

Our Vision, Mission and Core Values

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

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

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

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

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

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

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OVERVIEW

1.1. Introduction

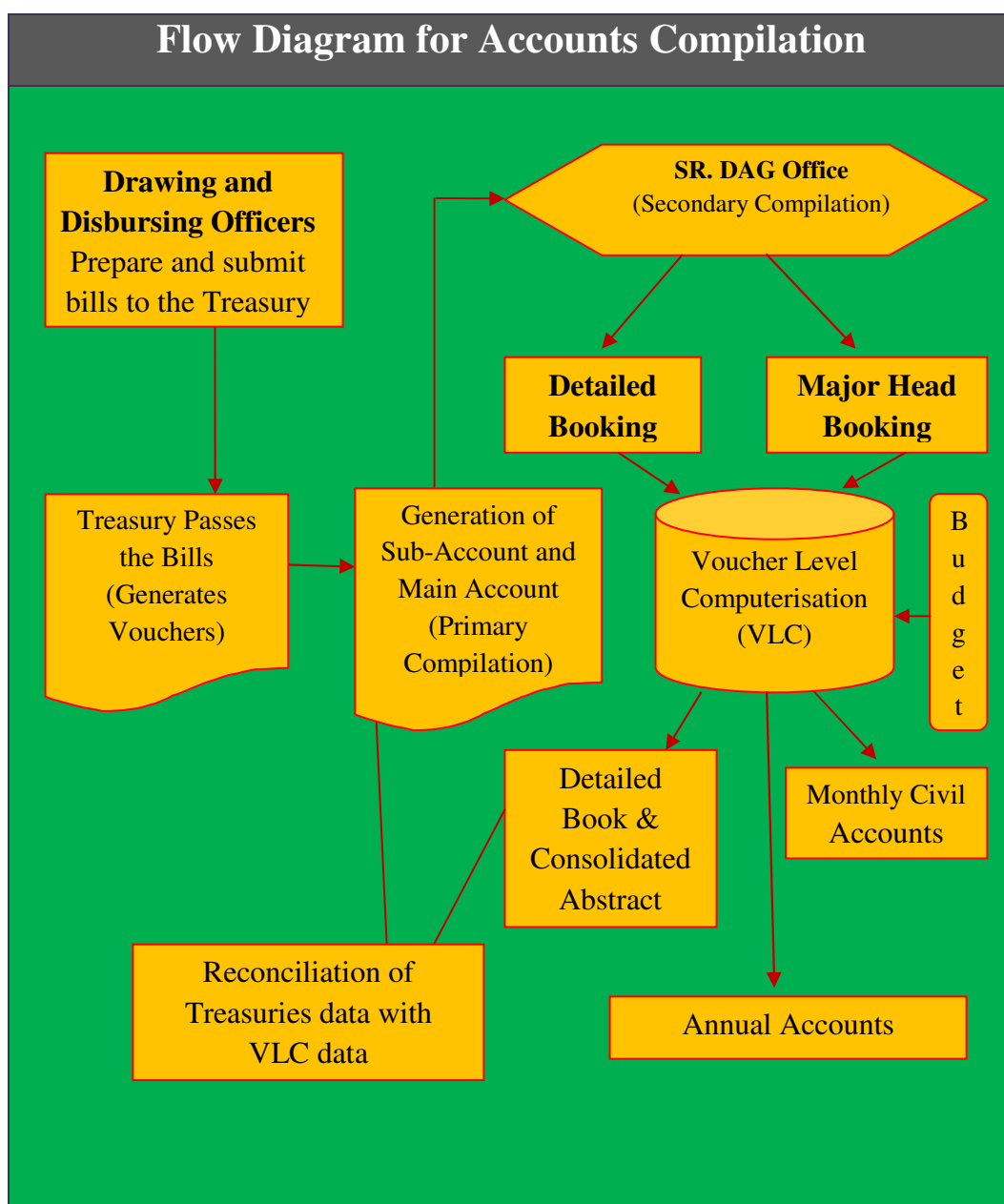
The Senior Deputy Accountant General (Accounts and Entitlements), Sikkim compiles the accounts of receipts and expenditure of the Government of Sikkim. This compilation is based on the initial accounts rendered by six Treasuries (including the accounts in respect of 41 Public Works/Irrigation Divisions and five Forest Divisions), the Directorate of Sikkim State Lotteries, the Sikkim Nationalised Transport, the Land Revenue and Disaster Management Department and advices of the State Bank of Sikkim. Following such compilation, the Senior Deputy Accountant General (A&E) prepares, the Finance Accounts and the Appropriation Accounts annually, which are placed before the State Legislature after audit by the Accountant General (Audit), Sikkim and certification by the Comptroller and Auditor General of India.

1.2. Structure of Accounts

1.2.1. Government Accounts are maintained in the following three parts:

Part I Consolidated fund	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part II Contingency fund	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part III Public Account	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are required to be cleared eventually by booking to final heads of account.

1.2.2. Compilation of Accounts



1.3. Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

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

Receipts and disbursements of the Government of Sikkim as depicted in the Finance Accounts 2016-17 are given below:-

(₹ in crore)

Receipts (Total:4,525)	Revenue (Total:4,610)	Tax Revenue	2,722
		Non-Tax Revenue	451
		Grants-in-aid	1,437
	Capital (Total:(-)85)	Receipts	...
		Recovery of Loans and Advances	1
		Borrowings and other Liabilities*	(-)86
Disbursements (Total:4,525)	Revenue		3,788
	Capital		720
	Loans and Advances		17

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

In spite of the Government of India decision to release all assistance under CSS/ACA to the State Government and not to implementing agencies, Government of India continued to release funds to the implementing agencies. During 2016-17, ₹ 13.31 crore was released which was a decrease of 17 per cent over the amount released directly to implementing agencies in 2015-16. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts. Majority of the direct transfers, during 2016-17, were made under MPLAD scheme (₹ 8 crore), National Mission for Justice Delivery and Legal Reforms (₹ 2 crore) and Statutory Institution (₹ 2 crore).

1.3.2. Appropriation Accounts

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

The Appropriation Act, 2016-2017, had provisions for gross expenditure of ₹ 6,569 crore and reduction of expenditure (recoveries) of ₹ 2 crore. Against this, the actual gross expenditure was ₹ 4,772 crore and reduction of expenditure was ₹ 1 crore, resulting in net savings of ₹ 1,797 crore and under estimation of ₹ 1 crore on reduction of expenditure. The gross expenditure includes ₹ 26 crore drawn on Abstract Contingent (AC) Bills, out of which AC bills valuing ₹ 20 crore are outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

1.4. Sources and Application of Funds

1.4.1. Ways and Means Advances

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

1.4.2. Fund flow statement

The State had a Revenue Surplus of ₹ 822 crore and a Fiscal Surplus of ₹ 86 crore representing 4.36 per cent and 0.46 per cent respectively of the Gross State Domestic Product (GSDP)¹. The Fiscal Surplus constituted 2 per cent of total expenditure.

¹ GSDP figure for the year 2016-17 of the State Government of Sikkim was ₹ 18,852 crore which was under the process of approval by the Government of Sikkim.

Sources and Application of Funds

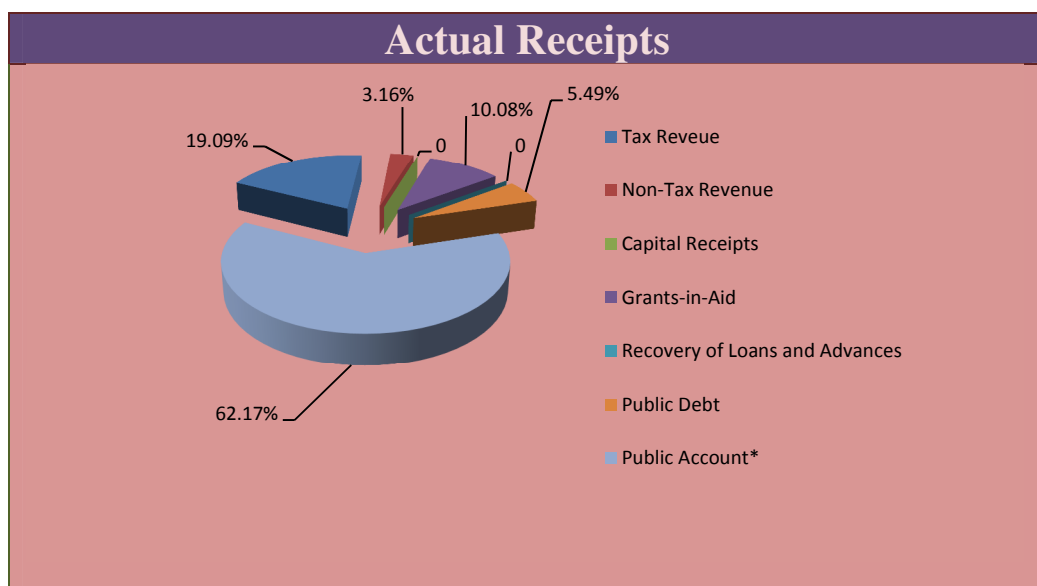
(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2016	215
	Revenue Receipts	4,610
	Capital Receipts	...
	Recovery of Loans and Advances	1
	Public Debt	783
	Small Savings, Provident Funds and Others	304
	Reserves Funds	157
	Deposits Received	794
	Civil Advances Repaid	...
	Suspense Account*	6,262
	Remittances	1,348
	Contingency Fund	...
	TOTAL	14,474

APPLICATION	PARTICULARS	AMOUNT
	Revenue Expenditure	3,788
	Capital Expenditure	720
	Loans Given	17
	Repayment of Public Debt	246
	Small Savings, Provident Fund and Others	221
	Reserves Funds	147
	Deposits Spent	714
	Civil Advances Given	...
	Suspense Account*	7,090
	Remittances	1,419
	Closing Cash Balance as on 31.03.2017	112
	TOTAL	14,474

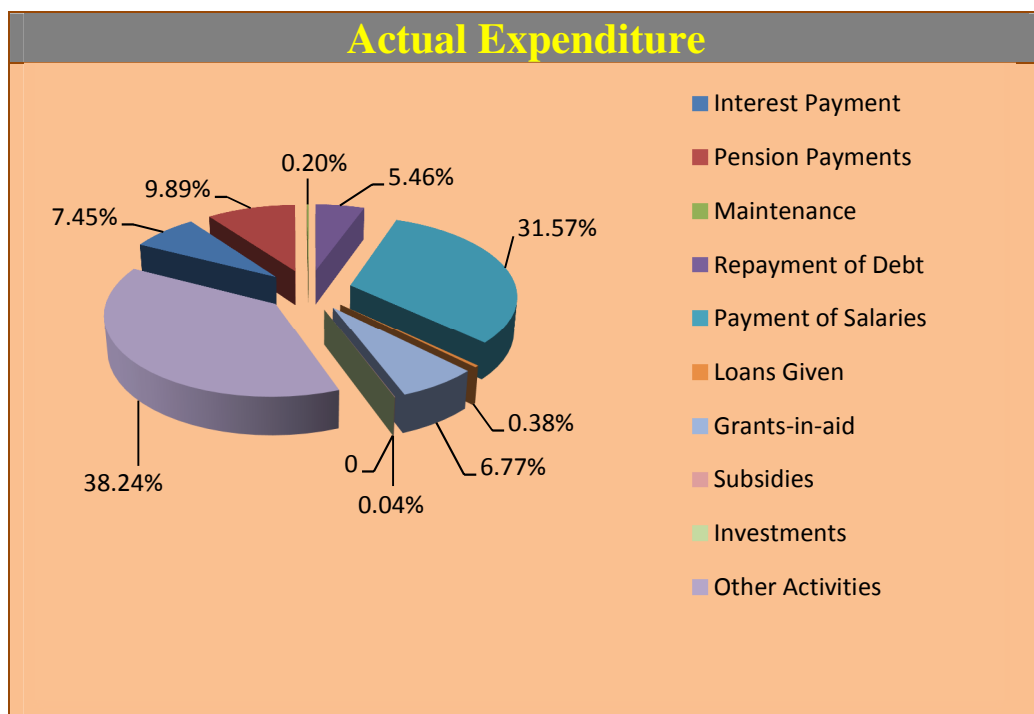
* The suspense accounts include ₹ 3,290 crore invested in fixed deposit with State Bank of Sikkim (SBS) and disbursement of departmental balances and permanents in cash imprest which is shown on the “Application” side, and ₹ 2,531 crore worth of fixed deposit matured and receipts in departmental balance and permanent cash imprest which is shown on the “Sources” side. The net of such investment (₹ 759 crore) supplements the closing cash balance of the State Government.

1.4.3. Where the Rupee came from:



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

1.4.4. Where the Rupee went:



1.5. Highlights of Accounts

		Budget Estimates 2016-17	Actuals	Percentage of Actual to B.E	Percentage of Actual to GSDP [@]
		(₹ in crore)			
1.	Tax Revenue*	2,741	2,722	99	14
2.	Non-Tax Revenue	362	451	125	2
3.	Grants-in-aid and Contributions	1,782	1,437	81	8
4.	Revenue Receipts (1+2+3)	4,885	4,610	94	24
5.	Capital Receipts	...	...	...	...
6.	Recovery of Loans and Advances	1	1	100	...
7.	Net Borrowings and Other Liabilities	603	(-)86	(-)14	(-)0.5
8.	Capital Receipts (5+6+7)	604	(-)85	14	0.5
9.	Total Receipts (4+8)	5,489	4,525	82	24
10.	Non-Plan Expenditure (NPE)	2,740	2,537	93	13
11.	NPE on Revenue Account	2,740	2,537	93	13
12.	NPE on Interest Payments out of 11	325	324	100	2
13.	NPE on Capital Account	...	...	...	...
14.	Plan Expenditure (PE)	2,749	1,988	72	11
15.	PE on Revenue Account	1,884	1,251	66	7
16.	PE on Capital Account	865	737	85	4
17.	Total Expenditure (10+14)	5,489	4,525	82	24
18.	Expenditure on Revenue Account (11+15)	4,624	3,788	82	20
19.	Expenditure on Capital Account** (13+16)	864	737	85	4
20.	Revenue Deficit (-) /Surplus (+) *** (4-18)	261	822	315	4
21.	Fiscal Deficit*** [17 - (4+5+6)] = 7	603	86	14	0.5

@ Broadly, sum of the product of all goods and services rendered by the State in monetary terms during a year before making any provision for Consumption of Fixed Capital (C.F.C.) is known as Gross State Domestic Product (₹ 18,852 crore).

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

** Expenditure on Capital Account includes capital expenditure (₹ 720 crore) and Loans and Advances disbursed (₹ 17 crore).

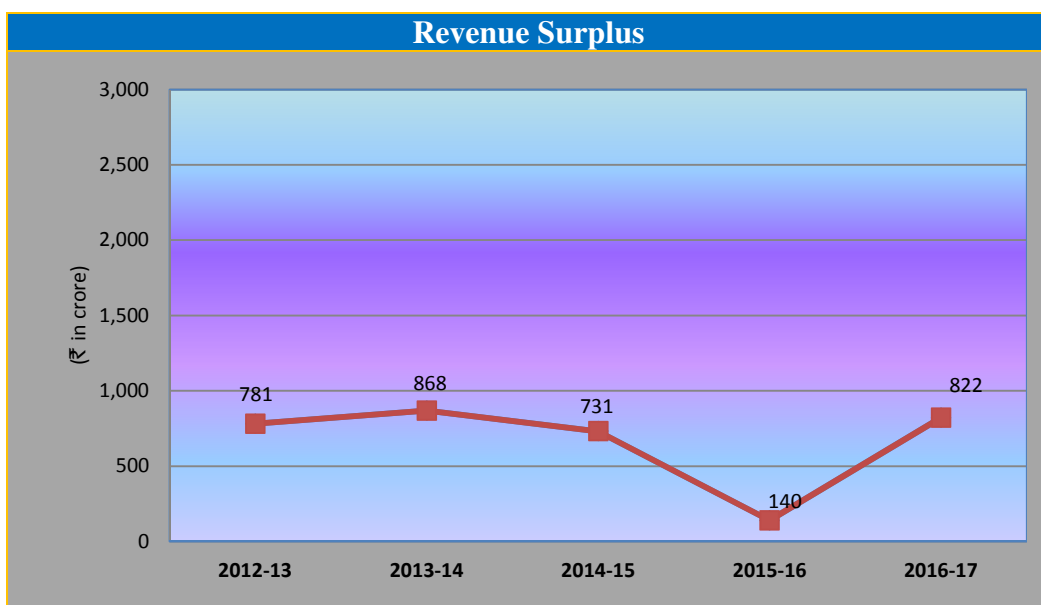
*** The Revenue Surplus is the excess of revenue receipt over revenue expenditure. The Fiscal Surplus may be defined as the less of revenue and capital expenditure (including loans and advance disbursed) over the revenue receipts, recoveries of loans and advances and other receipts.

1.6. What do the Deficits and Surpluses indicate?

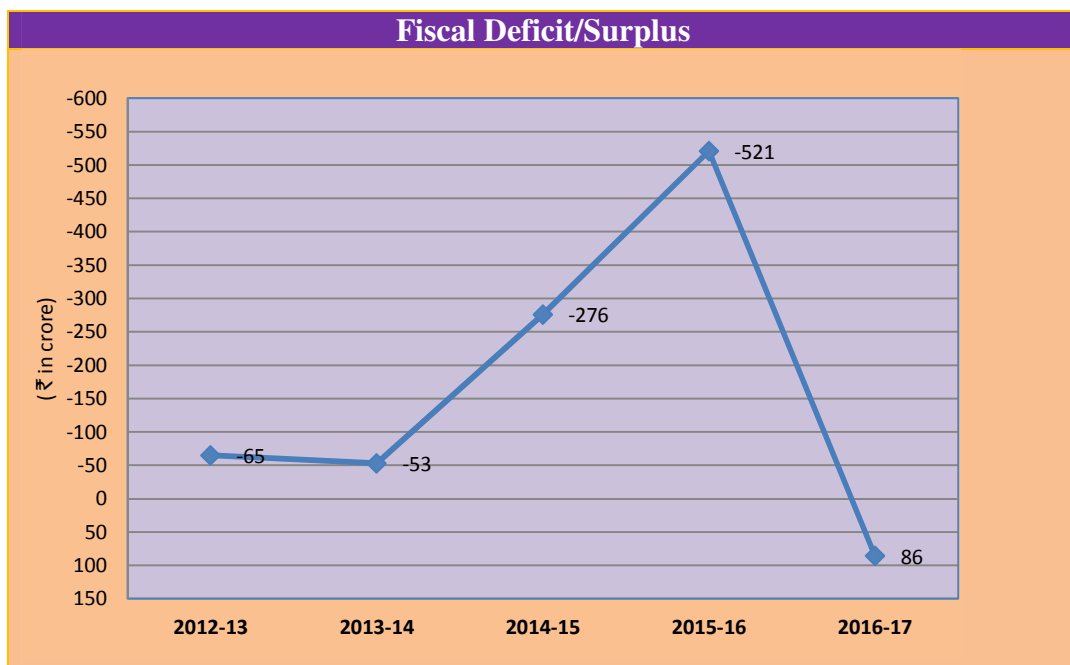
Deficit	Refers to the gap between Receipt and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence of Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. As per the Accounts, the Government of Sikkim maintained Fiscal Deficit of 3.13 *per cent* for the year 2015-16 and Fiscal Surplus 0.46 *per cent* (₹ 86.30 crore) for the year 2016-17 against the 13th Finance Commission's stipulation of 3 *per cent* of GSDP.

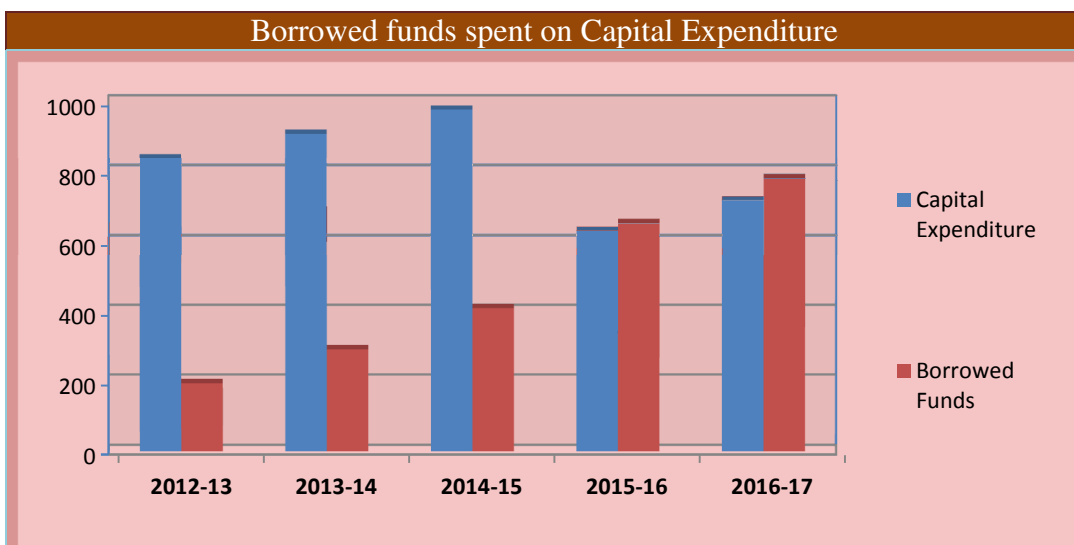
1.6.1. Trend of Revenue Deficit/ Surplus



1.6.2. Trend of Fiscal Deficit



1.6.3. Proportion of borrowed funds spent on Capital Expenditure



It is desirable to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest thereon. The State Government, however, spent less expenditure on Capital account (₹ 720 crore) than the borrowings of current year (₹ 783 crore) and remaining borrowings (₹ 63 crore) were included in fiscal surplus.

C CHAPTER 2

RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2016-17 were ₹ 4,525 crore.

2.2. Revenue Receipts

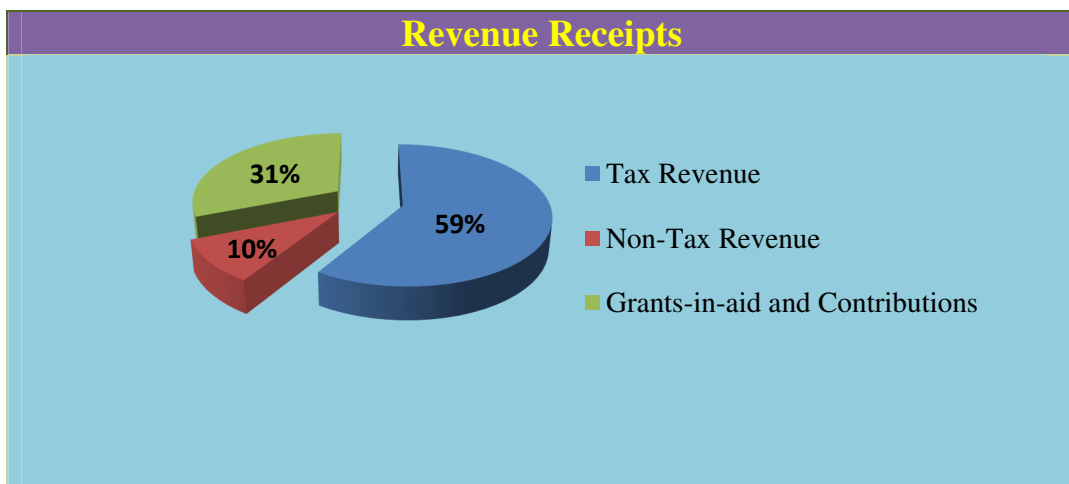
Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits, royalties etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' received from Foreign Governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

2.2.1. Revenue Receipt Components (2016-17)

(₹ in crore)

Components	Actuals	Percentage to Revenue Receipt
A. Tax Revenue*	2,722	59.05
Taxes on Income and Expenditure	1,114	24.17
Taxes on Property and Capital Transactions	20	0.43
Taxes on Commodities and Services	1,588	34.45
B. Non-Tax Revenue	451	9.78
Interest Receipts, Dividends and Profits	80	1.74
General Services	110	2.38
Social Services	12	0.26
Economic Services	249	5.40
C. Grants-in-aid & Contributions	1,437	31.17
Total – Revenue Receipts	4,610	100.00

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



2.2.2. Major contributors to Tax Revenue:-

(₹ in crore)

Components	Actuals	Percentage to GSDP
Taxes on Sales, Trade etc.	365	1.94
Corporation Tax	639	3.38
Taxes on Income other than Corporation Tax	468	2.48
State Excise	156	0.82
Service Tax	323	1.71
Union Excise Duties	352	1.86
Customs	288	1.52
Taxes on Vehicles	0.25	0.13
Stamps and Registration Fees	0.13	0.07

During the year, Net Tax Revenue was less than Budget Estimates by ₹ 19 crore. The major variations are as under:-

(₹ in crore)

Where Actual Receipts was less than Budget Estimates		Where Actual Receipts was more than Budget Estimates	
Corporation Tax	20	Union Excise Duties	89
Taxes on Income other than Corporation Tax	43	State Excise	12
Customs	40		
Service Tax	12		
Other Taxes and Duties on Commodities and Services	14		

2.3. Trend of Receipts

(₹ in crore)

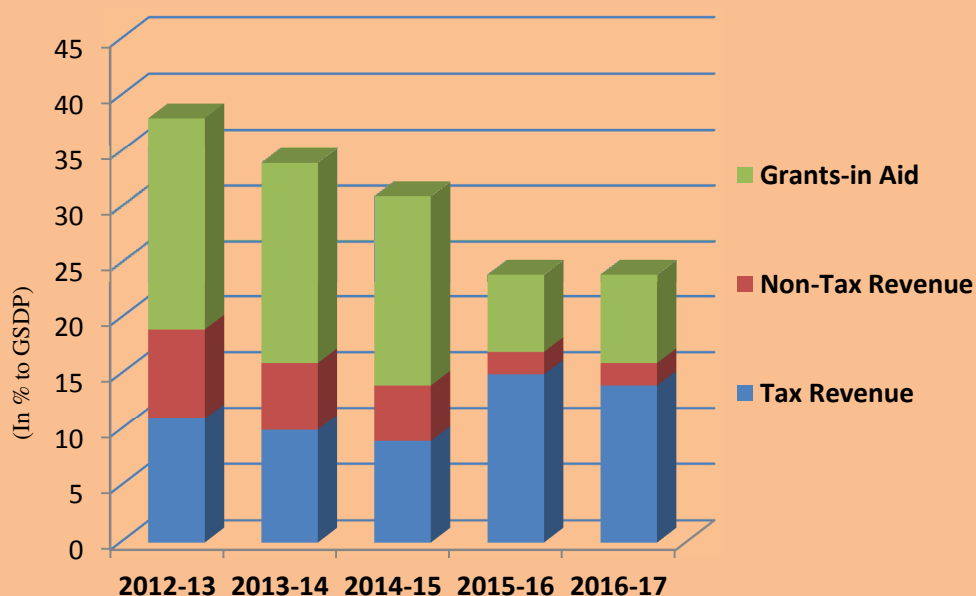
	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Revenues	1,134 (11)	1,288 (10)	1,337 (9)	2,438 (15)	2,722 (14)
Non-Tax Revenues	807 (8)	794 (6)	698 (5)	413 (2)	451 (2)
Grants-in-Aid	1,852 (19)	2,244 (18)	2,427 (17)	934 (6)	1,437 (8)
Total Revenue Receipts	3,793 (38)	4,326 (35)	4,462 (31)	3,785 (23)	4,610 (24)
GSDP	9,957*	12,377**	14,518***	16,637***	18,852#

Note: Figures in parentheses represent *percentage* to GSDP

* Provisional ** Quick Estimates *** Advanced Estimates # Under the process of approval by the Government of Sikkim.

During 2016-17, the GSDP increased by 13.3 *per cent* in comparison to previous year and growth in revenue collection was 21.8 *per cent*. The tax revenue increased by 11.6 *per cent*, Non-Tax Revenues and Grants-in-aid increased by 9.2 *per cent* and 53.9 *per cent* respectively in comparison to previous year.

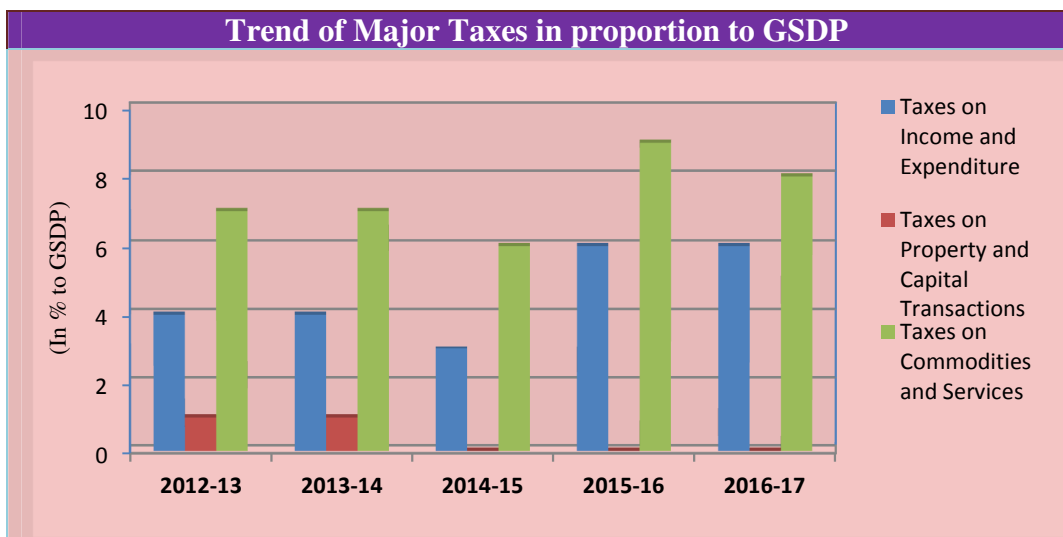
Components under Revenue Receipts as proportion to GSDP



Sector-wise Tax Revenue

	2012-13	2013-14	2014-15	2015-16	2016-17
Taxes on Income and Expenditure	408 (4.1)	434 (3.5)	492 (3.4)	1,016 (6.1)	1,114 (5.9)
Taxes on Property and Capital Transactions	11 (0.1)	11 (0.1)	14 (0.1)	10 (0.1)	20 (0.1)
Taxes on Commodities and Services	715 (7.2)	843 (6.8)	831 (5.7)	1,412 (8.5)	1,588 (8.4)
Total Tax Revenues	1,134 (11.4)	1,288 (10.4)	1,337 (9.2)	2,438 (14.7)	2,722 (14.4)
GSDP	9,957	12,377	14,518	16,637	18,852

Note: Figures in parentheses represent *percentage* to GSDP.



2.4. Performance of State's own Tax Revenue Collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			₹	Percentage to GSDP
2012-13	1,134	698	436	4.38
2013-14	1,288	763	525	4.24
2014-15	1,337	809	528	3.63
2015-16	2,438	1,870	568	3.41
2016-17	2,722	2,069	653	3.46

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	11	11	14	10	20
Expenditure on Collection	13	14	14	12	9
Efficiency of Tax Collection (in per cent)	118	127	100	120	45

B. Taxes on Commodities and Services

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	715	843	831	1,411	1,588
Expenditure on Collection	44	74	141	62	92
Efficiency of Tax Collection (in per cent)	6	9	17	4	6

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

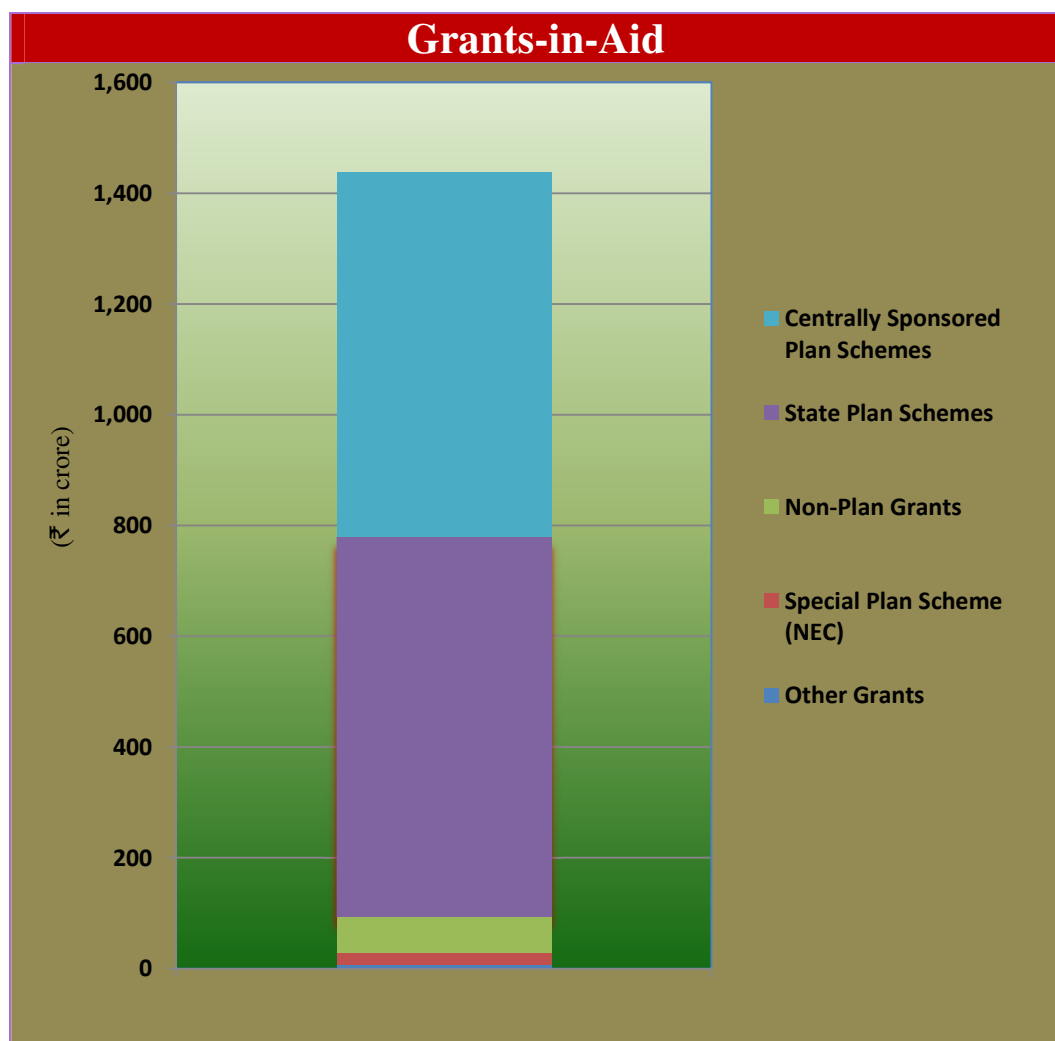
2.6. Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

Major Head description	2012-13	2013-14	2014-15	2015-16	2016-17
Corporation Tax	251	257	282	593	638
Taxes on Income other than Corporation Tax	150	169	202	415	468
Taxes on Wealth	...	1	1	...	1
Customs	116	124	131	298	288
Union Excise Duties	79	88	74	245	352
Service Tax	102	124	119	318	322
Other Taxes and Duties on Commodities and Services	...	...	...	1	...
State Share of Union Taxes	698	763	809	1,870	2,069
Total Tax Revenue	1,134	1,288	1,337	2,438	2,722
Per cent of Union Taxes to Total Tax Revenue	62	59	61	77	76

2.7. Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and comprise grants for State Plan Schemes and Central Plan Schemes approved by the NITI Aayog and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2016-17 under Grants-in-Aid were ₹ 1,437 crore as shown below:



2.8. Public Debt

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

(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Internal Debt	133	230	331	466	540
Central Loans	(-) 8	(-) 22	(-) 6	(-) 7	(-)3
Total Public Debt	125	208	325	459	537

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

In 2016-17, 27 loans totaling ₹ 2,874 crore were raised at par at interest rates varying from 5.90 *per cent* to 9.75 *per cent*. Out of these loans, 26 loans will redeem in 2026 and one will redeem in 2027.

Expenditure

3.1. Introduction

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

General Services	Includes Justice, Interest Payment, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC,ST, OBC and Minorities, Social Security, Nutrition and Relief on account of Natural Calamities etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport, Science and Technology etc.

3.2. Revenue Expenditure

Revenue Expenditure of ₹ 3,788 crore for 2016-17 fell short of budget estimates by ₹ 8,36 crore due to less disbursement of ₹ 633 crore under Plan Expenditure and ₹ 203 crore under Non Plan Expenditure. The State Government had obtained supplementary grant of ₹ 615 Crore (₹ 293 crore in July 2016, ₹ 174 crore in November 2016 and ₹ 148 crore in March 2017) to meet increased expenditure on existing schemes as well on new services. However, actual expenditure was less than the original budget estimates.

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

(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Budget Estimates	3,570	3,983	4,839	4,259	4,624
Actuals	3,012	3,458	3,731	3,645	3,788
Gap	558	525	1,108	614	836
Percentage of gap over BE	16	13	23	14	18

Around 67.03 per cent of the revenue expenditure was “committed” to Salaries (₹ 1,423 crore), Interest Payments (₹ 336 crore), Pensions (₹ 446 crore), Subsidies (₹ 2 crore), Grants- in-aid (Salary) (₹ 257 crore), Social Security and other Pensions (₹ 20 crore) and Wages (₹ 55 crore).

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

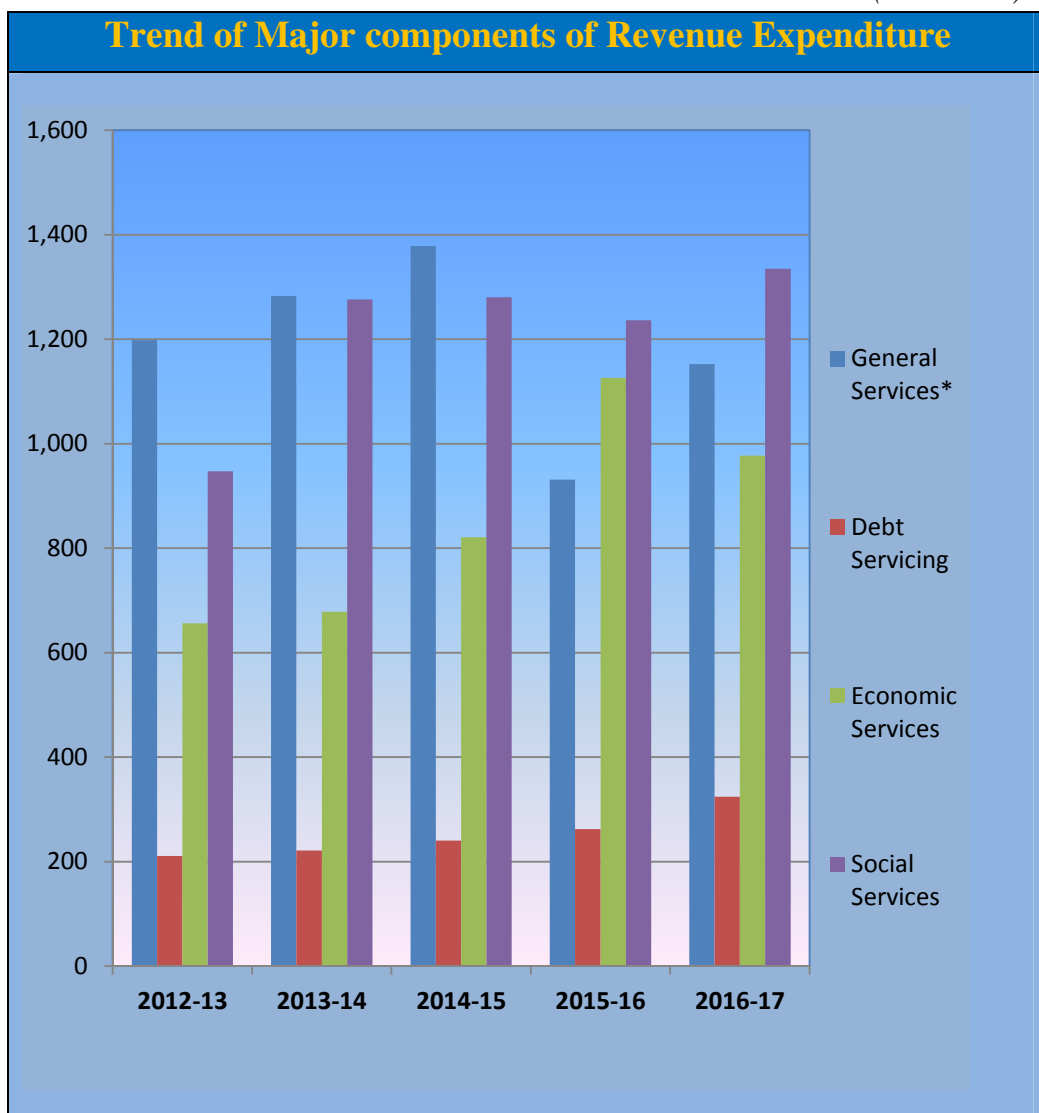
(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue expenditure	3,012	3,458	3,731	3,645	3,788
Committed revenue expenditure*	1,474	1,921	2,169	2,417	2,539
Uncommitted revenue expenditure	1,538	1,537	1,562	1,228	1,249

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

3.2.1. Major components of Revenue Expenditure (2012-2017)

(₹ in crore)



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

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

3.2.2. Sectoral Distribution of revenue Expenditure

Components	Amount (₹ in crore)	Percentage
A. Fiscal Services	103	2.7
Collection of Taxes on Property and Capital Transactions	9	0.2
Collection of Taxes on Commodities and Services	92	2.4
Other Fiscal Services	...	...
B. Organs of State	69	1.8
C. Interest Payments and Servicing of Debt	336	8.8
D. Administrative Services	451	11.9
E. Pensions and Miscellaneous General Services	461	12.1
F. Social Services	1,335	35.2
G. Economic Services	977	25.8
H. Grants-in-aid and Contributions	56	1.5
Total Expenditure (Revenue Account)	3,788	100

3.3. Capital Expenditure

Capital disbursements of ₹ 720 crore for 2016-17, at 3.9 *per cent* of GSDP, fell short of budget estimate by ₹ 127 crore.

3.3.1. Sectoral distribution of Capital Expenditure

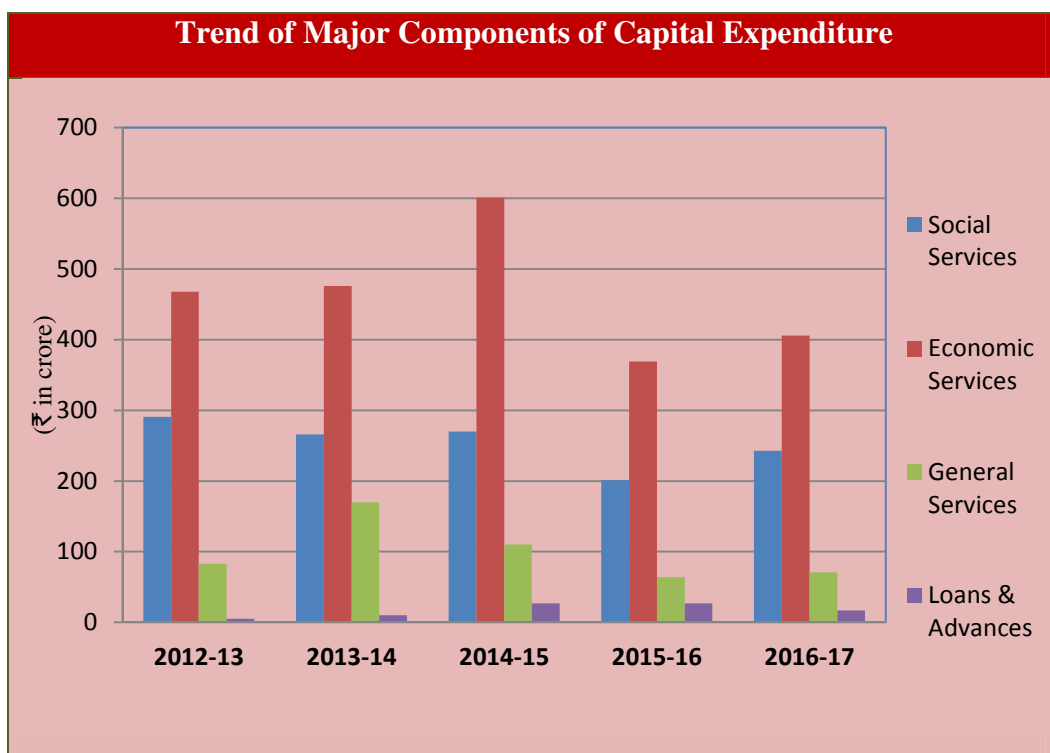
During 2016-17, the State Government has spent ₹ 115 crore on various water supply schemes, ₹ 256 crore on construction of roads & bridges.

3.3.2. Sectoral distribution of capital expenditure over the past five years

(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
General Services	83 (9.9)	170 (18.6)	110 (11.2)	64 (10.1)	71 (9.6)
Social Services	291 (34.6)	266 (29.2)	270 (27.5)	201 (31.7)	243 (33.0)
Economic Services	468 (55.6)	476 (52.2)	601 (61.3)	369 (58.2)	406 (55.0)
Loans and Advances	5 (0.6)	10 (1.1)	27 (2.8)	27 (4.3)	17 (2.3)
Total	847	922	1,008	661	737

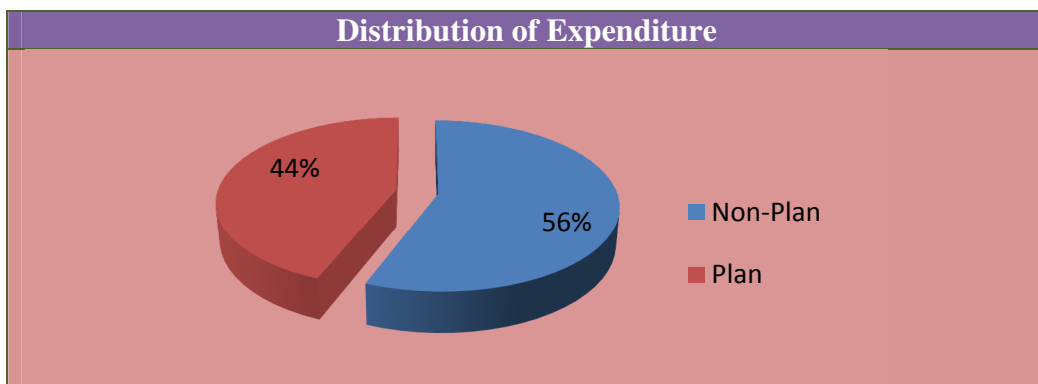
Note: Figures in parentheses represent *percentage* to total capital expenditure.



C CHAPTER 4

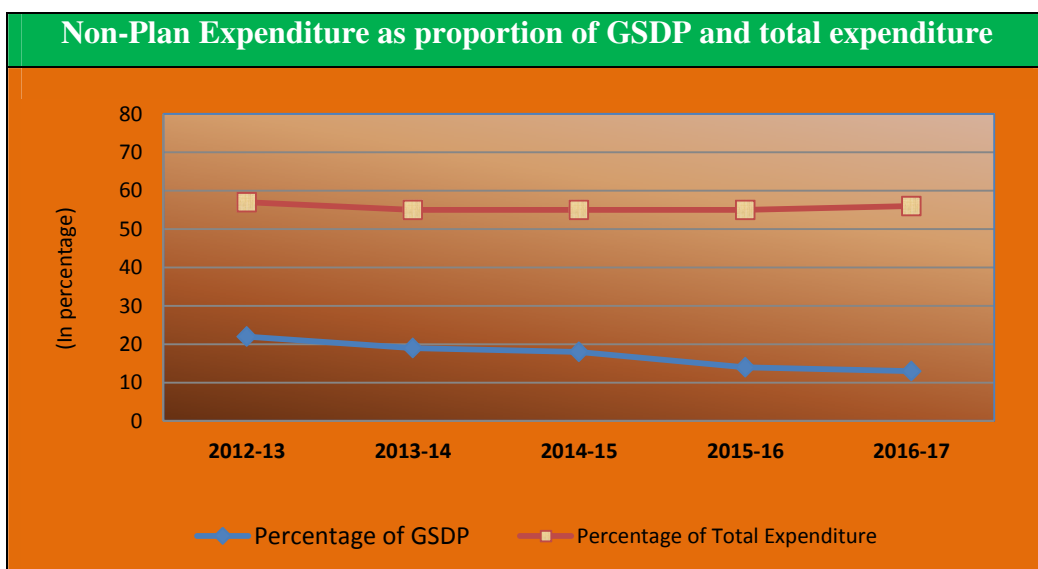
PLAN & NON-PLAN EXPENDITURE

4.1. Distribution of Expenditure



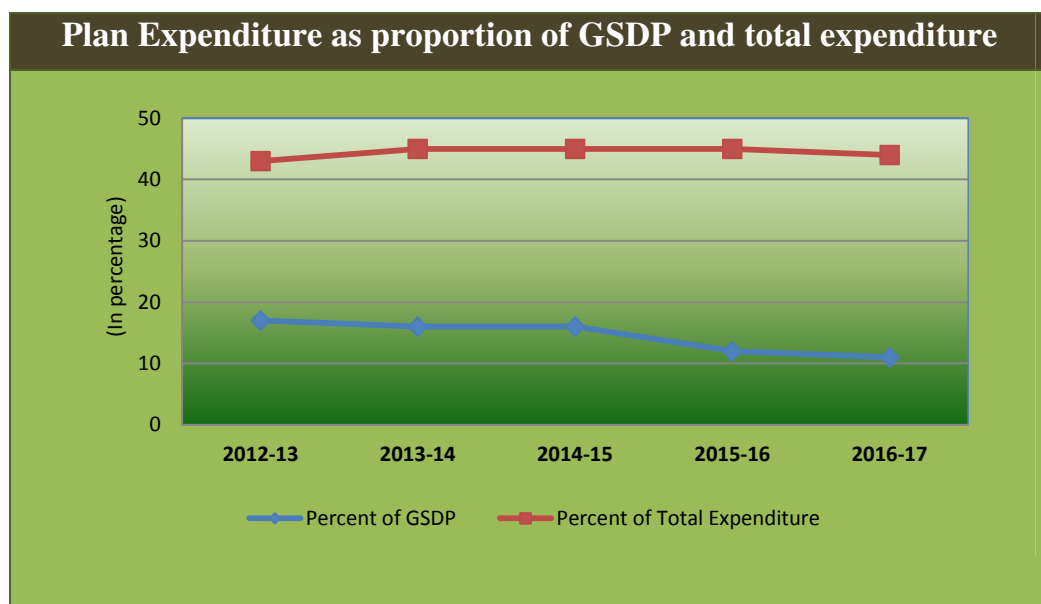
4.2. Non-plan Expenditure

Non-plan expenditure during 2016-17, representing 56 *per cent* of total disbursements, was ₹ 2,537 crore (₹ 2,537 crore under Revenue, ₹ 00 crore under Capital and ₹ 00 crore under Loans and Advances).



4.3. Plan Expenditure

During 2016-17, Plan expenditure, representing 44 *per cent* of total disbursements, was ₹ 1,988 crore (₹ 1,251 crore under Revenue, ₹ 720 crore under Capital and ₹ 17 crore under Loans and Advances).



4.3.1. Plan expenditure under Capital Account

(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Total Capital Expenditure	847	922	1,008	661	737
Capital Expenditure (Plan)	842	912	981	634	720
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	99	99	97	96	98

4.3.2. Plan expenditure under Loans and Advances

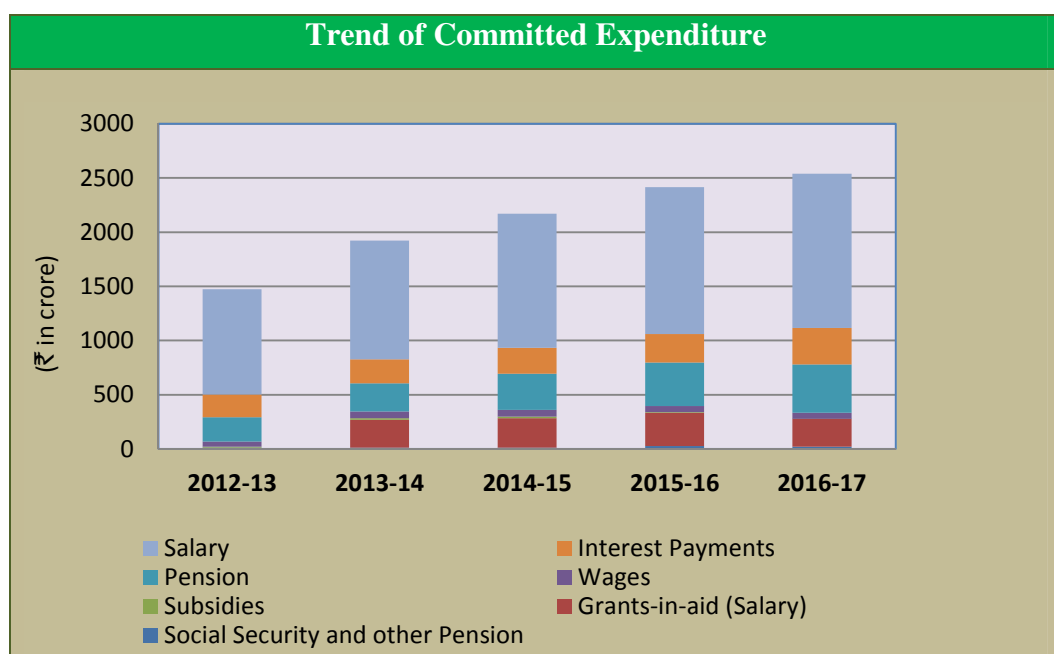
Significant disbursement of Loans and Advances are as under:-

Major Heads	Amount (₹ in crore)	Purpose
6202- Loans for Development of Education, Sports, Art and Culture	2.00	For Implementation of various schemes
7475 – Loans for other General Economic Services	15.00	Repayment of loan contracted by SIDCO

4.4. Committed Expenditure

(₹ in crore)

Component	2012-13	2013-14	2014-15	2015-16	2016-17
Committed Expenditure	1,474	1,921	2,169	2,417	2,539
Revenue Expenditure	3,012	3,458	3,731	3,645	3,788
Committed expenditure to Revenue Receipts (In Per cent)	38.9	44.4	48.6	63.9	55.1
Committed expenditure to Revenue expenditure (In Per cent)	48.9	55.6	58.1	66.3	67.0



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

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts

(₹ in crore)

Nature of expenditure	Original grant	Supplementary grant	Total	Actual expenditure	Saving (-) Excess (+)	Surrender
Revenue Voted	4,394	294	4,688	3,427	(-)1,261	(-)1,122
Charged	365	...	365	362	(-) 3	(-).... 4
Capital Voted	878	391	1,269	737	(-) 532	(-) 424
Charged	...	...	...	...	...	...
Public Debt Charged	247	...	247	246	(-).....1	(-)....1
Loans and Advances Voted	18	...	18	17	(-)....1	(-)....1
Appropriation to Contingency Fund Voted	...	...	...	...	...	...
Total	5,902	685	6,587	4,789	(-)1,798	(-)1,552

5.2. Trends of Savings/Excesses during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2012-13	(-) 743	(-) 681	(-) 22	*...	(-)1,425
2013-14	(-) 705	(-) 499	(-) 12	*...	(-) 1,193
2014-15	(-) 1,262	(-) 776	(-) 2	(-) 1	(-) 2,042
2015-16	(-) 820	(-) 552	(-) 4	(+) 5	(-)1,371
2016-17	(-) 1,264	(-) 533	(-) 3	(-) 1	(-)1,801

* Negligible amount.

5.3. Significant Savings

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

Some grants with persistent and significant savings are given below:

(₹ in crore)

Grant	Nomenclature	2012-13	2013-14	2014-15	2015-16	2016-17
01	Food Security and Agriculture Development	4	35	30	40	36
02	Animal Husbandry, Live Stock, Fisheries and Veterinary Services	8	8	16	27	32
11	Food, Civil Supplies and Consumer Affairs	10	8	13	19	49
12	Forest Environment & Wild Life Management	60	38	38	60	41
19	Irrigation & Flood Control	63	72	86	70	87
22	Land Revenue and Disaster Management	51	33	42	47	35

Persistent Savings - (Concl'd.)

(₹ in crore)

Grant	Nomenclature	2012-13	2013-14	2014-15	2015-16	2016-17
29	Development Planning, Economic Reforms & North Eastern Council Affairs	12	4	70	35	86
38	Social Justice, Empowerment & Welfare	34	23	33	44	39
39	Sports and Youth Affairs	72	24	41	40	32
41	Urban Development and Housing	9	6	60	39	63

During 2016-17, supplementary grants totaling ₹ 615 crore (14 per cent of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
01	Food Security and Agriculture Development	Revenue	77	3	52
02	Animal Husbandry, Livestock, Fisheries and Veterinary Services	Revenue	46	3	43
07	Human Resource Development	Revenue	274	40	513
10	Finance, Revenue and Expenditure	Revenue	564	63	512
11	Food, Civil Supplies and Consumer Affairs	Revenue	24	86	14

Significant savings - (Concl.)

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
12	Forest, Environment and Wild Life Management	Revenue	159	60	131
13	Health Care, Human Services and Family Welfare	Revenue	223	13	211
14	Home	Revenue	48	23	44
15	Horticulture and Cash Crops Development	Revenue	102	8	61
18	Information Technology	Revenue	18	2	5
19	Irrigation and Flood Control	Revenue Capital	155	7	30
20	Judiciary	Revenue	18	1	14
22	Land Revenue and Disaster Management	Revenue	166	2	111
29	Development Planning Economic Reforms and INEC	Revenue	371	1	27
31	Energy and Power	Revenue	225	2	214
34	Roads and Bridges	Revenue Capital	78 125	4 122	72 85
38	Social Justice, Empowerment and Welfare	Revenue Capital	140 28	7 7	98 13
41	Urban Development and Housing	Revenue Capital	114 59	8 26	34 42

ASSETS AND LIABILITIES

6.1. Assets

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

6.1.1. Investments and Returns

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 97 crore at the end of 2016-17. However, dividends received during the year was ₹ 2 crore (2.06 per cent) on investment. During 2016-17, there was no investment and income from dividend decreased by ₹11crore.

6.1.2. Cash Balance and Investment of Cash Balances

Cash Balance with State Bank of Sikkim and other banks stood at ₹ 215 crore on 31 March 2016 and decreased to ₹ 103 crore at the end of March 2017. The position of cash balance and investment of cash balance is as under:

(₹ in crore)

Component	As on 1 April 2016	As on 31 March 2017	Net increases(+)/ decrease(-)
Cash Balances	215	112	(-)103
Investments from cash balance	1,151	1,910	(+)759
Other cash balances	1	1	...
(a) Departmental Balances	1	1	...
(b) Permanent Cash imprest	...	...	...
Investment from earmarked fund balances	115	132	(+)17
(a) Guarantee Redemption Fund	37	42	(+)5
(b) Other Funds	78	90	(+)12
Interest realized*	10	3	(-)7

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

6.1.3. Loans and Advances by the State Government

Total loans and advances made by the State Government at the end of 2016-17 was ₹ 176 crore. During 2016-17, ₹ 1 crore has been received towards repayment of loans and advances from other co-operatives. Effective steps to recover the outstanding loans would help the Government's fiscal position.

Information regarding recoveries in arrears in respect of principal and interest is required to be furnished by the concerned departments every year to the Accountant General by June.

6.2. Debt and Liabilities

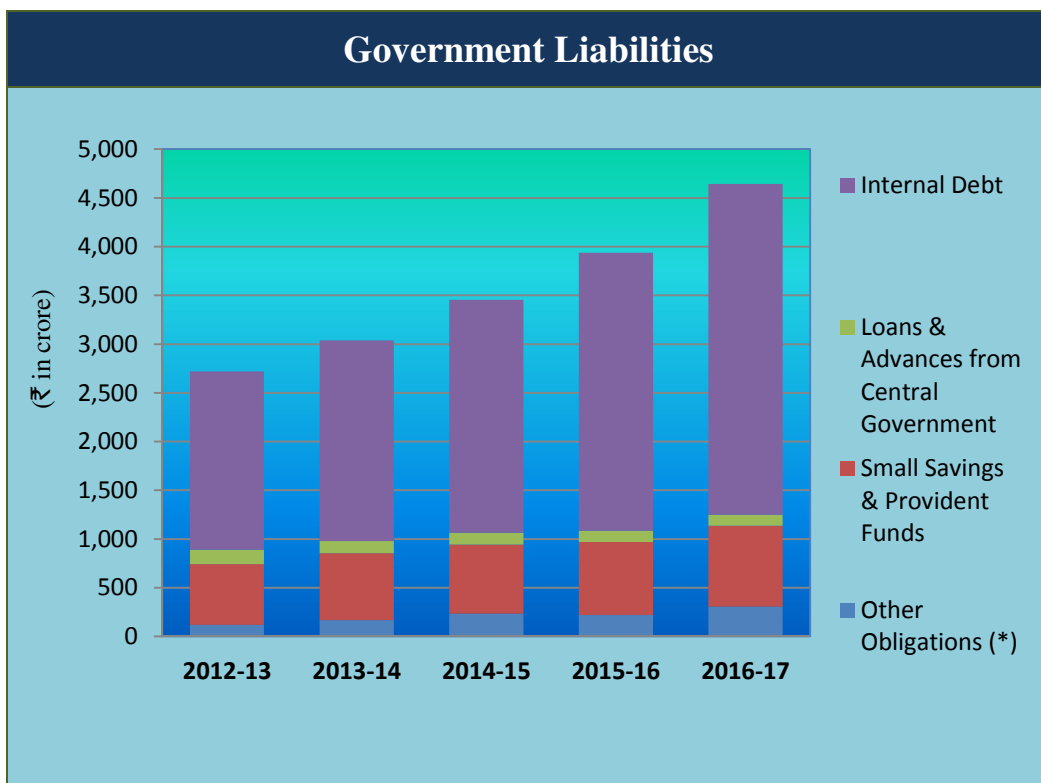
Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be fixed from time to time by the State Legislature.

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

(₹ in crore)

Year	Public Debt	Percentage to GSDP	Public Account (*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2012-13	1,978	20	779	08	2,757	28
2013-14	2,186	18	882	07	3,068	25
2014-15	2,510	17	971	07	3,481	24
2015-16	2,969	18	992	06	3,961	24
2016-17	3,506	19	1,163	06	4,669	25

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



(*) Other Obligations includes Reserve Funds and Deposits.

Public debt and other liabilities of the Government jumped from 24 *per cent* of GSDP at the end of 2014-15 to 25 *per cent* of GSDP at the end of 2016-17. The Public Debt to GSDP ratio, however, was within the FRBM target of 30.

6.3. Guarantees (Contingent Liabilities)

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

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed	Guarantees outstanding at the end of year
2012-13	310	187
2013-14	157	121
2014-15	157	113
2015-16	157	89
2016-17	518	441

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

Guarantee fees are calculated at 1 *per cent*. During 2016-17, the State Government transferred ₹ 2 crore to the Guarantee Redemption Fund and out of total balance of ₹ 42 crore, ₹ 42 crore was invested.

OTHER ITEMS

7.1. Financial assistance to local bodies and others

During the past five years, Grants-in-aid to local bodies etc., increased from ₹ 300 crore in 2012-13 to ₹ 305 crore in 2016-17. Grants to Zilla Parishads, Gram Panchayats and Municipalities (₹ 257 crore) represented 84 *per cent* of total grants given during the year.

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

(₹ in crore)

Year	Zilla Parishads	Municipalities and Municipal Corporations	Gram Panchayats	Others	Total
2012-13	8	...	15	277	300
2013-14	10	...	23	322	355
2014-15	14	42	27	321	404
2015-16	5	...	338	4	347
2016-17	...	...	257	48	305

7.2. Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of figures available with the departments and the figures appearing in the accounts compiled by the Senior Deputy Accountant General (A&E). This exercise is to be conducted by respective Heads of Departments/ Controlling officers. During 2016-17, all 47 Controlling Officers have reconciled the total expenditure of ₹ 4,508 crore (net). Similarly, all 38 Controlling Officers have reconciled the total Government receipts of ₹ 4,610 crore for the year 2016-17.

7.3. Rush of expenditure

The financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under ten Heads of Account during March 2017 ranged between 41 *per cent* and 84 *per cent* of the total expenditure during the year indicating a tendency to utilize the budget at the close of the financial year.

The flow of expenditure during the four quarters of 2016-17 in the above mentioned Heads was as below:

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March	Percentage of 3/2017 w.r.t. total expenditure of 2016-17
		(₹ in crore)						
2075	Miscellaneous General Services	2.48	0.65	0.36	11.45	14.94	10.85	72.62
2216	Housing	2.79	1.95	10.43	87.68	102.85	86.24	83.85
2435	Other Agricultural Programmes	1.63	...	0.02	13.77	15.42	11.84	76.78
2711	Flood Control and Drainage	...	0.05	0.78	3.93	4.76	3.92	82.35
3435	Ecology and Environment	0.26	0.21	12.43	20.23	33.13	19.23	58.04
4059	Capital Outlay on Public Works	1.28	27.12	5.73	30.13	64.26	28.43	44.24
4202	Capital Outlay on Education, Sports, Art and Culture	0.01	0.99	6.13	38.77	45.90	33.55	73.09

Flow of expenditure - (Concl'd.)

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March	Percentage of 3/2017 w.r.t. total expenditure of 2016-17
(₹ in crore)								
4217	Capital Outlay on Urban Development	...	4.80	6.05	31.62	42.47	25.91	61.00
4575	Capital Outlay on Other Special Areas Programmes	1.32	3.49	11.62	13.92	30.35	12.37	40.75
4801	Capital Outlay on Power Projects	0.08	8.59	2.46	46.71	57.84	44.50	76.93

7.4. Submission of accounts by Treasuries

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

7.5. Utilisation Certificates for Grants-in-aid

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

Year	Number of Utilisation Certificate awaited	Amount (₹ in crore)
Up to 2014-15	1472	224.76
2015-16	182	112.02
2016-17*	344	141.64
Total	1998	478.42

* Utilisation certificates in respect of 344 cases of grants-in-aid disbursed during 2016-17 will become due in 2017-18.

7.6. Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through Abstract Contingent (AC) Bills. Such AC bills are required to be settled within a maximum three months through submission of Detail Contingent (DC) Bills. At the end of 31 March 2017, 2679 DC Bills amounting to ₹ 66 crore were outstanding. Further, 1969 DC Bills involving ₹ 46 crore were pending for more than a year. To the extent of non-receipt of DC Bills, the expenditure shown during the year cannot be vouched as final.

7.7. Commitments on account of Incomplete Capital Works

A total expenditure of ₹ 508 crore was incurred up to the year 2016-17 by the State Government on various incomplete projects costing more than rupees ten crore each which were taken up by the Water Resources, Public Works, Public Health Engineering, Human Resources Development, Urban Development and Housing and Energy and Power Departments.

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