



सत्यमेव जयते

**State Finances Audit Report
of
the Comptroller and Auditor General of India
for the year ended 31 March 2023**



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



Government of Sikkim
Report No. 1 of 2024

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PREFACE

1. This Report on Finances of the State Government of Sikkim, has been prepared for submission to the Governor of Sikkim under Article 151 (2) of the Constitution of India for being laid in the Legislature of the State.
2. **Chapter I** describes the basis and approach to the Report and the underlying data, providing an overview of the structure of Government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the fiscal/revenue deficits/surplus.
3. **Chapter II** of this Report provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2018-19 to 2022-23, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
4. **Chapter III** 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.
5. **Chapter IV** provides 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.
6. **Chapter V** provides an overall picture on the functioning of the State Public Sector Enterprises (SPSEs). The term State Public Sector Enterprises (SPSEs) encompasses the State Government owned/controlled Government Companies set up under the Companies Act, 2013/ Sikkim Registration of Companies Act 1961 and Statutory Corporations established under the proclamations of the erstwhile Chogyal (King) of Sikkim.
7. The Report containing audit findings of Performance Audit; Compliance Audit of transactions in various departments and audit findings arising out of the audit of Statutory Corporations, Boards and Government Companies and Revenue Sector is presented separately.

EXECUTIVE SUMMARY

Executive Summary

About the Report

This Report of the CAG of India is on the State Finances for the year 2022-23. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

Gross State Domestic Product (GSDP) (at current prices) grew at an average growth rate of 10.53 per cent from ₹ 28,402 crore in 2018-19 to ₹ 42,756 crore in 2022-23. Budget Outlay of the State grew at an average growth rate of 22.73 per cent from ₹ 6,564.45 crore in 2018-19 to ₹ 10,007.56 crore in 2022-23.

There was 13.84 per cent growth in GSDP over 2021-22. The revenue receipts grew at 14.45 per cent and the percentage of revenue receipts over GSDP improved from 18.85 per cent in 2021-22 to 18.95 per cent in 2022-23. The tax revenue increased by 18.05 per cent during the period and the State's own tax revenue increased by 19.36 per cent. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Sikkim increased from ₹ 7,985.47 crore in 2021-22 to ₹ 10,007.56 crore in 2022-23 thus increasing by 25.32 per cent. Of this, revenue expenditure showed 14.42 per cent increase from 2021-22. Revenue surplus increased from ₹ 411.88 crore to ₹ 473.22 crore registering 14.89 per cent increase over 2021-22, while fiscal deficit increased from ₹ 904.30 crore in 2021-22 to ₹ 1,903.32 crore in 2022-23 increasing by 110.47 per cent.

Receipt-Expenditure Mismatch

The continuous mismatch between receipts and expenditure indicates rising fiscal stress. The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants in aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account as well as capital expenditure (assets creation, loans and advances, investments, etc.).

From 2018-19 to 2022-23, revenue receipts grew from ₹ 5,920.36 crore to ₹ 8,103.80 crore, with an average annual growth rate of 10.38 per cent. Capital receipts also increased from ₹ 1,146.98 crore to ₹ 2,037.34 crore during this period. The share of Grants-in-aid in revenue receipts decreased from 26.60 per cent in 2018-19 to 21.79 per cent in 2022-23, indicating decreased reliance on support from the Government of India. The State Government received ₹ 1,118.22 crore as Central share for the Centrally Sponsored Schemes (CSSs) in the year.

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. Between 2018-19 and 2022-23, revenue expenditure increased from ₹ 5,226.57 crore (18.40 *per cent* of GSDP) to ₹ 7,630.58 crore (17.85 *per cent* of GSDP). It consistently made up a significant portion (76 to 89 *per cent*) of the total expenditure during this period.

Result of expenditure beyond means

The gap between the revenue receipt and revenue expenditure results in revenue deficit. The State had Revenue Surplus on 2018-19 but it turned into huge deficit of ₹ 1,343.81 crore in 2019-20, though in 2020-21 the position improved slightly as it stood at ₹ 760.83 crore. However, the State could achieve Revenue Surplus of ₹ 411.88 crore in 2021-22 and ₹ 473.22 crore during 2022-23.

The State Government spent ₹ 2,376.60 crore on capital account. This was 23.75 *per cent* of the total expenditure in the year 2022-23.

The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State increased to ₹ 1,903.32 crore (4.45 *per cent* of GSDP) in 2022-23 from ₹ 642.32 crore (2.26 *per cent* of GSDP) in 2018-19.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 67-78 *per cent* of revenue expenditure during 2018-19 (67.11 *per cent*) and 2022- 2023 (71.58 *per cent*). The Committed expenditure increased at an average rate of 12.72 *per cent* i.e. from ₹ 3,507.09 crore in 2018-19 to ₹ 5,462.70 crore in 2022-23 {an increase of 10.57 *per cent* over 2021-22 (₹ 522.05 crore)}.

In addition to the committed expenditure, inflexible expenditure increased from 4.12 *per cent* to 6.24 *per cent* of revenue expenditure during 2018-19 to 2022-23, indicating a rising trend. The inflexible expenditure increased from ₹ 416.76 crore in 2021-22 to ₹ 476.14 crore in 2022-23 registering an increase of 14.25 *per cent*. The average growth of inflexible expenditure during the period from 2018-19 (₹ 215.16 crore) to 2022-23 (₹ 476.14 crore) was 22.10 *per cent*.

Taken together, the committed and inflexible expenditure in 2022-23 was ₹ 5,938.84 crore; 77.83 *per cent* of the revenue expenditure. Upward trend on committed and inflexible expenditure leaves the Government with lesser flexibility for other priority sectors and capital creation.

Off-budget borrowings

During the year 2022-23, the State Government repaid ₹ 198.95 crore as against outstanding of ₹ 1,000.15 crore worth of loans availed by three financial institutions¹ for implementation of various Government projects, and interest accrued thereupon.

¹ Sikkim Housing Development Board (SHDB), State Trading Corporation of Sikkim (STCS) and Sikkim Industrial Development and Investment Corporation Limited (SIDICO).

The borrowings by these Institutions had not formed part of the outstanding liabilities of the State Government during the respective years. Further, out of the total repayments made during the year, ₹ 113.08 crore was repayment of principal and ₹ 85.87 crore was interest payment.

Contingent Liabilities on account of Guarantees

During 2022-23, State Government has issued one fresh guarantee to SIDICO (Housing Sector) amounting to ₹121.34 crore. The total guarantees (principal plus interest) outstanding as on 01 April 2022 was ₹4,878.29 crore, which exceeded the prescribed limit of thrice the total Tax Receipts (₹966.70 crore) of 2020-21.

Fiscal sustainability

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, etc. So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure, which includes salaries and wages, pension payments, interests, etc. and also other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds, transfer to local bodies, etc.

FRBM requirements and compliance with fiscal parameters

The FRBM Act / Rules prescribes certain limits within which, revenue deficit, fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP) should be, and similarly for guarantees as a percentage of revenue receipts of the previous year. In 2022-23, there was a revenue surplus however, fiscal deficit was 4.45 *per cent* as against the limit of 3.5 *per cent*; debt was 29.02 *per cent* as against limit of 28.10 *per cent*.

Further, if the quantum of the off-budget borrowings is included as part of debt, the overall liability (Includes Public Debt and Public Account Liabilities) of the Government was 29.02 *per cent* of the GSDP.

As per the debt stabilisation analysis, the public debt of the Government of Sikkim has grown on an average at a rate of 20.26 *per cent* annually of the outstanding public debt between 2018-19 to 2022-23. Public debt-GSDP ratio of Sikkim has increased from 17.56 *per cent* in 2018-19 to 24.61 *per cent* in 2022-23.

The State had primary deficit during the years 2018-19 to 2022-23. In the pre-Covid period of 2018-19 and 2019-20, the real growth rate of GSDP was 5.02 *per cent* on an average while Domar gap deteriorated in 2019-20 due to falling GSDP growth rate and increasing interest rate. In the post-Covid period, the Domar gap has remained positive indicating that real interest rates have remained below the GSDP growth rates. However, the sustainability of public debt depends on whether the State economy maintains the real growth rate in the long run.

Budget performance

Aggregate budget outturn

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the

amount originally approved both in terms of excess and saving. In Revenue section, deviation in outturn compared with BE was (-) 14.19 per cent. This was due to deviation between 0 and ± 25 per cent in 38 grants, between ± 25 per cent to ± 50 per cent in six grants and between 50 per cent to ± 100 per cent in three grants. In Capital section, deviation in outturn compared with BE was (+) 37.04 per cent. This was due to deviation between 0 and ± 25 per cent in nine grants, between ± 25 per cent to ± 50 per cent in seven grants, between 50 per cent to ± 100 per cent in six grants and equal to or more than 100 per cent in five grants. However, no provision was made in respect of 20 grants of the Capital section.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure. In Revenue section, deviation in outturn compared with RE was (-) 12.45 per cent. This was due to deviation between 0 and ± 25 per cent in 40 grants, between ± 25 per cent to ± 50 per cent in five grants and between 50 per cent to ± 100 per cent in two grants. In Capital section, deviation in outturn compared with RE was (-) 16.00 per cent. This was due to deviation between 0 and - 25 per cent in 16 grants and one grant namely Culture which was + 4.80 per cent, between -25 per cent to -50 per cent in four grants, between 50 per cent to -100 per cent in five grants and equal to or more than 100 per cent in one grant. However, no provision was made in respect of 20 grants of the Capital section.

It was noticed that supplementary provisions of ₹ 497.02 crore during the year 2022-23 in 22 cases (more than ₹ 50 lakh in each case) proved unnecessary, as the expenditure did not come up even to the level of original provisions.

Budgetary assumptions of the State Government were not very realistic during 2022-23 and budgetary estimates were off the mark to a considerable extent, and control over the execution and monitoring of budget was inadequate. A reliable budget practice should need to deal with such deviations.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the Government accounts, non- or short – discharging of liabilities and misclassification of transactions and data gaps.

Regularization of Excess over Grants/ Appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per article 204 and 205 (1) (b) of the constitution. It was observed that in 2022-23 there was excess expenditure of ₹ 9.41 crore under one grant which required regularization. Further, an excess expenditure of ₹ 12.82 crore

in respect of previous years (from 2014-15 to 2019-20) was pending for regularisation by the PAC/State Legislature.

Compliance with IGAS

As against the requirements of the Indian Government Accounting Standards (IGAS), the State Government complied with the notified three Indian Government Accounting Standards (IGAS) viz., IGAS 1- Guarantees given by the Government, IGAS 2- Accounting and classification of Grants-in-Aid and IGAS 3- Loans and Advances made by the Government.

Funds to Single Nodal Agency

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The State Government received ₹408.09 crore, being Central share during the year, in its Treasury Accounts. As on 31 March 2023, the Government transferred Central share of ₹876.65 crore received in Treasury Accounts and State share of ₹160.22 crore to the SNAs. The entire amount of ₹ 1,036.87 crore was transferred through Fully Vouched Contingent Bills. Detailed vouchers and supporting documents of actual expenditure were not received by AG office from the SNAs. As per information available on PFMS portal, ₹418.98 crore are lying unspent in the bank accounts of SNAs as on 31 March 2023.

Utilisation Certificates against conditional grants

Despite the requirement of submitting Utilisation Certificates (UCs) against conditional grants within a stipulated time period, 947 outstanding UCs of ₹ 96.20 crore were pending as on 31st March 2023.

DC bills against AC bills

Similarly, despite the requirement of submitting Detailed Debit Contingency (DDC) Bills against the advance money withdrawn through Abstract Contingency (AC) Bills, 2,286 AC bills of ₹ 52.42 crore were pending for submission of DC bills as on 31st March 2023, out of which 1,987 AC Bills amounting to ₹ 34.98 crore pertained to the period upto 2021-22.

Funds outside Government Account

During 2022-23, an amount of ₹ 582.39 crore earned by Power Department, Sikkim (PDS) on account of receipts of royalty revenue (₹ 444.75 crore) and sale of power (₹ 137.64 crore). However, it was not deposited into the Government Account by the DDOs in contravention to the Article 266 (1) of the Constitution of India as well as Rule 4 (1) of the SFR. Further, PDS had also expended of ₹ 164.41 crore towards purchase of power and ₹424.45 crore towards repayment of the loan availed by SPICL on behalf of the Government of Sikkim without routing it through the Government account.

Compliance with prevailing rules and codal provisions are meant to ensure control and accountability in accounting and financial reporting. Non-compliance and deviations impact the quality of accounting and financial reporting adversely. Non-timely submission

of UCs against conditional grants; non-submission of DC bills against AC bills; funds remaining outside Government accounts; and non-supply of details of expenditure from SNAs have impacted the quality of accounts adversely.

Working of State Public Sector Undertakings

In Sikkim, there are four Government Companies which are incorporated under the Companies Act, 2013 and are audited under the provisions of the Companies Act, 2013. Besides, there are nine Companies which are incorporated under the Sikkim Registration of Companies Act, 1961. Further, there are four Statutory Corporations which were incorporated under the Proclamation of the erstwhile Chogyal (King) of Sikkim and registered under the Sikkim Registration of Companies Act, 1961. The companies incorporated under the Sikkim Registration of Companies Act, 1961 and the Statutory Corporations are audited on 'entrustment basis' under Section 19 (3) or 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (CAG's DPC Act).

Audit noticed that SPSEs did not adhere to the prescribed timeline regarding submission of their Financial Statements except for three SPSEs (Sikkim Urja Limited, Sikkim Power Transmission Limited and Sikkim Industrial Development and Investment Corporation Limited). There were total 58 Accounts of 14 SPSEs in arrears as on 30 September 2023, which included 47 Accounts of 10 Government companies and 11 Accounts of 4 Statutory Corporations

Out of the total profit of ₹ 1,384.13 crore earned by 11 SPSEs, 99.02 per cent was contributed by three SPSEs. Further, out of total loss of ₹ 212.45 crore incurred by six SPSEs, loss of ₹ 210.69 crore (99.17 per cent) was incurred by one SPSEs (Sikkim Power Investment Corporation Limited). Out of 11 SPSEs which earned profits as per the latest finalized accounts, only one SPSE (State Bank of Sikkim) declared dividend. Remaining 10 SPSEs, which earned aggregate profits of ₹ 1,347.09 crore did not declare any dividend.

The State Government may impress upon the managements of SPSEs to ensure timely submission of their financial statements. In the absence of finalised accounts, Government investments in such SPSEs remain outside the oversight of the State Legislature. The State Government may also analyse the reasons of losses in loss making SPSEs and initiate steps to make their operations efficient and profitable.

CHAPTER-I: OVERVIEW

Chapter-I

Overview

1.1 Profile of the State

Sikkim, a sparsely populated State situated in the Eastern Himalayas became part of the Indian Union on 16 May 1975. It has a total area of 7,096 sq. km. which constitutes 0.22 *per cent* of the total geographical area of India; and a population of 6.11 lakh. Sikkim being a landlocked State, National Highway 10 is the lifeline, which connects the State with the rest of the country. Sikkim has been organised into six districts. The districts have further been divided into 16 sub-divisions, 32 blocks and 199 gram panchayats. The State has been included in the North Eastern Council (NEC) since December 2002.

As per Population Projections by National Commission on Population, Ministry of Health & Family Welfare, the State's population was 6.89 lakh. The population density of the State at 97 persons per sq. km was lower than the national average of 422 persons per sq. km. The State's literacy rate is 81.40 *per cent* (as per 2011 Census) as shown in *Appendix 1.1 (Part-A)*.

Gross State Domestic Product (GSDP) of Sikkim in 2022-23 at current prices was ₹ 42,756 crore. General and financial data relating to Sikkim is given in *Appendix 1.1 (Part-A)*.

1.1.1 Gross State Domestic Product of the State

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Gross Value Added (GVA) is being used for economic analysis by GoI and international organisations like IMF and World Bank as GVA is considered better indicator of economic growth compared to GDP, as it ignores the impact of taxes and subsidies. While GDP can be and is also computed as the sum total of the various expenditures incurred in the economy including private consumption spending, government consumption spending and gross fixed capital formation or invest spending, reflecting essentially on the demand conditions in the economy. Both measures have difference in treatment of net taxes as a result of which the inclusion of taxes in GDP may differ from the real output situation. From a policymaker's perspective it is therefore vital to have a comparison of the GVA and GSV data for better analysis and making policy interventions.

Changes in sectoral contribution to the GSDP is also important to understand the changing structure of economy. The economic activity is generally divided into Primary, Secondary and Tertiary Sector, which corresponds to the Agriculture, Industry and Service sectors.

The trends in GSDP and GVA compared to GDP and GSVA are shown in **Table 1.1**.

Table 1.1: Trends in GSDP compared to the GDP (at current prices)

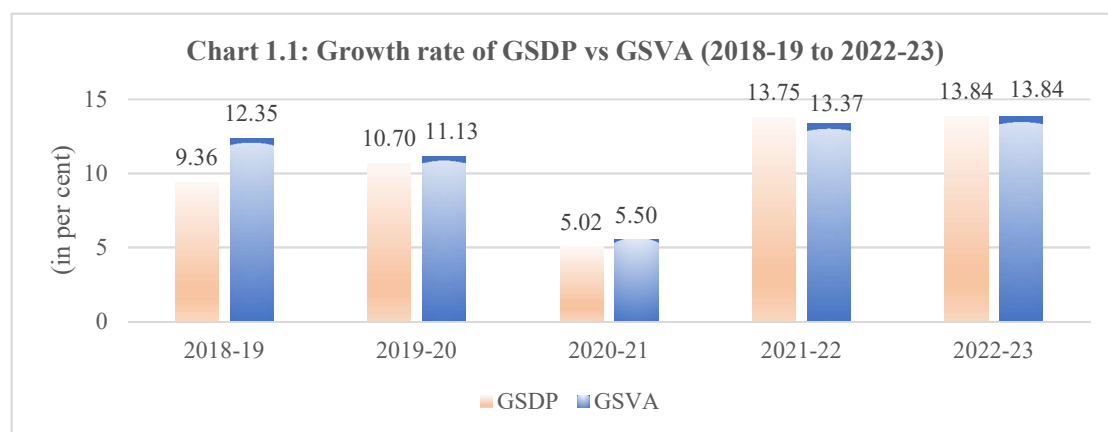
	(₹ in crore)				
Year	2018-19	2019-20	2020-21	2021-22	2022-23
INDIA					
GDP (2011-12 Series)	1,88,99,668	2,01,03,593	1,98,29,927	2,34,71,012 (PE)	2,72,40,712 (QE)
GVA	1,71,75,128	1,83,81,117	1,81,88,780	2,14,38,883	2,47,42,871
Growth rate of GDP over previous year (in per cent)	10.59	6.37	(-).1.36	18.36	16.06
Growth rate of GVA over previous year (in per cent)	10.77	7.02	(-).1.05	17.87	15.41
Per capita GDP (in ₹)	1,42,424	1,49,915	1,46,301	1,71,498	1,96,983
State/ Union Territory					
GSDP (2011-12 Series)	28,402	31,441	33,018	37,557 (PE)	42,756 (QE)
GSVA	26,955	29,954	31,600	35,825	40,784
Growth rate of GSDP over previous year (in per cent)	9.36	10.70	5.02	13.75	13.84
Growth rate of GSVA over previous year (in per cent)	12.35	11.13	5.50	13.37	13.84
Per capita GSDP (in ₹)	4,30,340	4,71,379	4,90,607	5,52,315	6,23,268

Source: Ministry of Statistics & Programme Implementation, GOI

PE – Provisional Estimate, QE- Quick Estimate

During 2022-23, the Gross State Domestic Product (GSDP) at current price was ₹ 42,756 crore, up from ₹ 37,557 crore in 2021-22, representing an increase of 13.84 per cent which was lower than that of GDP growth rate of 16.06 per cent and the GDP in 2022-23 at current prices was ₹ 2,72,40,712. The per capita GSDP of the State for the year 2022-23 was ₹ 6,23,268 while that of the country was ₹ 1,96,983 and the per capita GSDP (₹ 6,23,268) of 2022-23 was almost more than three times the per capita GDP (₹ 1,96,983) of the nation. The per capita GSDP is highest among the North Eastern & Himalayan (NE&H) States and highest in India. However, department in its reply stated that the high per capita GSDP does not give a true and fair picture as the major constituent of the state is the pharmaceutical industry whose business primarily occurs inter-state.

The trends of growth rate of GSDP and GSVA for the period 2018-19 to 2022-23 is indicated in the **Chart 1.1**:



Source: Ministry of Statistics and Programme Implementation, GoI

It can be seen from the above chart that during 2022-23, GSDP and GSVA both increased by 13.84 *per cent* as compared to the previous year. Lowest increase of GSDP and GSVA during the last five year was noticed during 2020-21.

Sectoral components of GSVA and GSDP

Changes in sectoral contribution to the GSDP and GSVA is also important to understand the changing structure of economy. The economic activity is generally divided into Primary, Secondary and Tertiary Sectors, which corresponds to the Agriculture, Industry and Service sectors respectively. Primary Sector (excluding mining and quarrying) is the representative of the Agriculture Sector, while the Secondary Sector together with mining and quarrying represents Industry Sector and Tertiary Sector equates Service Sector.

The contribution and growth of Agricultural, Industry and Service Sector in GSVA and growth is indicated in **Table 1.2(a)** and **1.2(b)**:

Table 1.2(a): Sectoral Contribution in GSVA

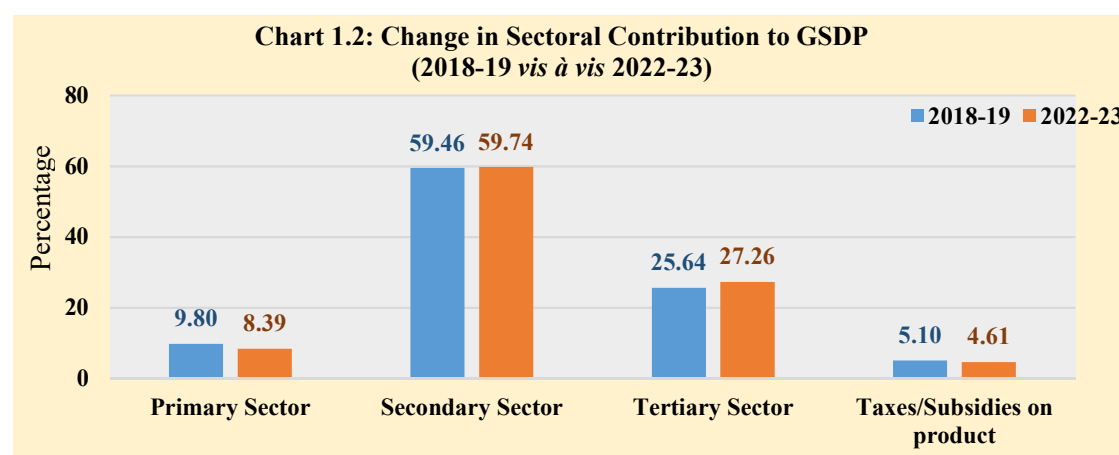
Year	2018-19	2019-20	2020-21	2021-22	2022-23
Agriculture	10.33	10.18	9.57	9.14	8.79
Industry	62.65	59.47	62.92	62.55	62.63
Service	27.02	30.35	27.51	28.30	28.58

Table 1.2(b): Sectoral Growth in GSVA

Year	2018-19	2019-20	2020-21	2021-22	2022-23
Agriculture	16.43	9.51	(-)0.88	8.34	9.50
Industry	9.07	5.47	11.62	12.71	13.98
Service	19.06	24.86	(-)4.37	16.62	14.93

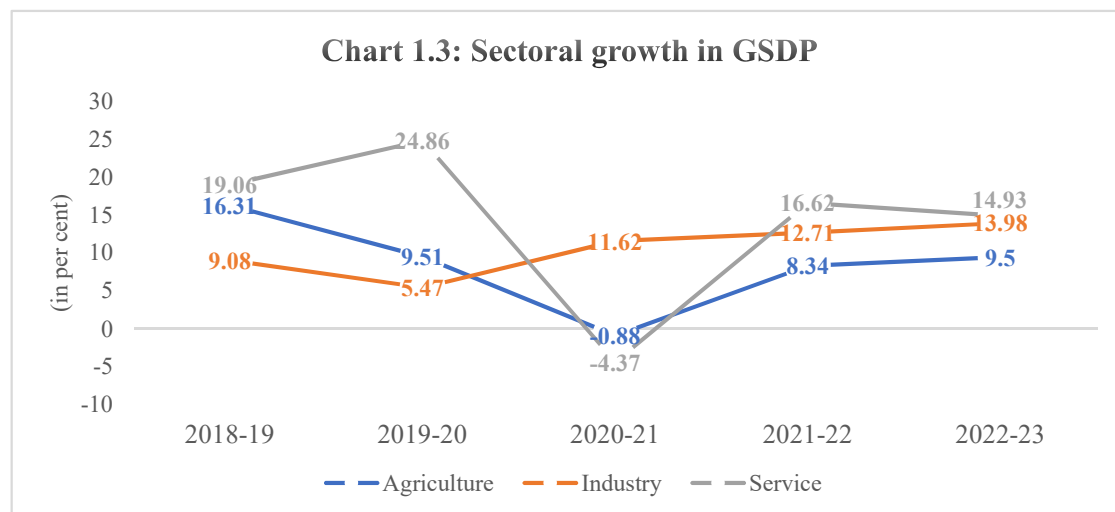
Source: Ministry of Statistics & Programme Implementation, GOI

Chart 1.2 shows that during the five-year period 2018-23, there was a marginal decrease in the relative share of Primary Sector in GSDP, as the share of Primary Sector decreased from 9.80 *per cent* in 2018-19 to 8.39 *per cent* in 2022-23. In addition, the share of Secondary Sector increased from 59.46 *per cent* in 2018-19 to 59.74 *per cent* in 2022-23. However, the share of Tertiary Sector grew from 25.64 *per cent* in 2018-19 to 27.26 *per cent* in 2022-23.



Source: Ministry of Statistics and Programme Implementation, GoI

Furthermore, it is pertinent to mention that there were components of taxes and subsidies on the components pertaining to each of the sectors.



Source: Ministry of Statistics and Programme Implementation, GoI

Thus, it could be seen from **Chart 1.3** that rate of growth of all the three Sectors viz., Agriculture, Industry and Service witnessed a fluctuating trend during 2018-23.

During 2022-23, there was a slight growth in two sectors contributing to GSDP viz. Agriculture and Industry whereas the Service sector saw a declining growth rate.

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of 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. State Finances Audit Report (SFAR) of Sikkim for the year ending 31 March 2023 has been prepared by the CAG for submission to the Governor of Sikkim under Article 151 (2) of the Constitution of India.

The Office of the Sr. Deputy Accountant General (Accounts & Entitlements), Sikkim prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans, initial and subsidiary accounts rendered by the treasuries, offices, and departments responsible for keeping of such accounts functioning under the control of the State Government. These accounts are audited independently by the Accountant General (Audit) and certified by the CAG.

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;
- ✓ **GSDP data** and other State related statistics;
- ✓ **Results of audit** carried out by the Office of the Accountant General (Audit) Sikkim at the State Secretariat as well as at the field level offices during the year;

- ✓ Other data with Departmental Authorities and Treasuries (accounting as well as MIS); and
- ✓ Various Audit Reports of the CAG of India.

The analysis is also carried out in the context of recommendations of the Finance Commission (FC), Sikkim Fiscal Responsibility and Budget Management (SFRBM) Act, 2010 best practices and guidelines of Government of India (GoI).

1.3 Overview of Government Account Structure and Budgetary Processes

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

I. Consolidated Fund of the State (Article 256(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 the 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.

II. 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.

III. Public Account of the State (Article 266(2) of the Constitution of India) I. 6 1.4

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.

Budget Document

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a Statement of Estimated Receipts and Expenditure of the Government in respect of every financial year. This 'Annual

Financial Statement’ constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditure.

This section provides a broad perspective of the finances of Government of Sikkim (GoS) during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The analysis has been made based on Finance Accounts and the information obtained from the State Government. The structure and form of Government Accounts, layout of Finance Accounts, methodology adopted for the assessment of fiscal position and State Profile are given in **Appendix 1.1 (Parts A, B & C)**. The time series data on key fiscal variables/ parameters and fiscal ratios relating to the State Government finances for the period 2018-23 are presented in **Appendix 1.2**.

Revenue Receipts consist of Tax Revenue, State’s share of Union Taxes/ Duties, Non-Tax Revenue and Grants-in-Aid received from GoI.

Revenue Expenditure consists of those expenditure of the Government which do not result in creation of physical or financial assets. It relates to expenses incurred for the normal functioning of Government departments and various services, interest payments on debt incurred by the Government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

The **Capital Receipts** consists of:

- **Debt receipts:** Market loans, bonds, loans from financial institutions, net transaction under Ways and Means Advances, loans and advances from Central Government, *etc.*; and
- **Non-debt receipts:** Proceeds from disinvestment, recoveries of loans and advances, *etc.*

Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the Government to PSUs and other parties.

In Government Accounts, classification system is based on both functional and economic properties, as detailed in **Table 1.3**.

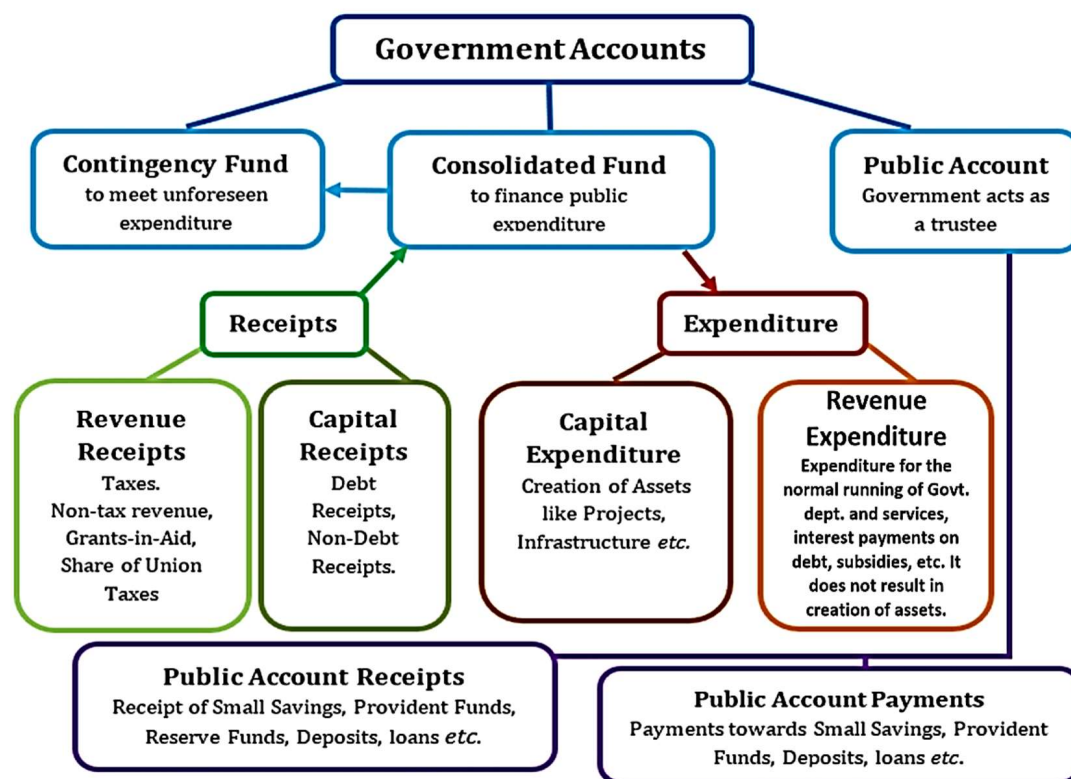
Table 1.3: Government Accounts Classification System

Particulars	Attribute of transaction	Classification
Standardised in LMMH by CGA	Function- Education, Health, <i>etc.</i> / Department	Major Head under Grants (four-digit)
	Sub-Function	Sub Major head (two-digit)
	Programme	Minor Head (three-digit)
Flexibility left for States	Scheme	Sub-Head (two or three digits)
	Sub scheme	Detailed Head (two or three digits)
	Economic nature/Activity	Object Head-salary, minor works, <i>etc.</i> (two-digit)

The functional classification provides us the Department, function, scheme or programme, and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of four-digit Major Heads. For instance, zero and one is

for revenue receipts, two and three for revenue expenditure, four and five for capital expenditure, *etc.* Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance, while “salary” object head is Revenue Expenditure, “construction” object head is Capital Expenditure. Object Head is the primary unit of appropriation in the budget document.

Chart 1.4: Structure of Government Accounts



Public Debt and Public Liability: In this Report ‘Public Debt’ has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loan given by Central Government *etc.* For this purpose, the major heads 6003 and 6004 - Public Debt have been taken into consideration. Further, the transactions relating to ‘Small Savings, Provident Fund, *etc.*’, ‘Reserve Funds’ and ‘Deposit and Advances’ under Public Account are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to ‘Remittances’ and ‘Suspense’ under Public Account, includes merely adjusting heads such as transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles. In this Report, Public Liability’ has been taken to include the transactions under major heads 8001 to 8554 relating to ‘Small Savings, Provident Fund, *etc.*’, ‘Reserve Funds’ and ‘Deposit and Advances’ along with the transactions under major heads 6003 and 6004.

Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of State causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year in form of an Annual Financial Statement. As per Article 203, the statement is submitted to the State Legislature in the form of Demands for Grants/

Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

In terms of Article 203, the Annual Financial Statement or Budget of Government of Sikkim for year 2022-23 was submitted to the State Legislature in the form of 47 Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill was passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter III** of this Report.

1.3.1 Snapshot of Finances

Table 1.4 provides comparison of actual financial parameters of 2022-23 *vis-à-vis* Budget Estimates (BEs) for the year 2022-23 and actuals of 2021-22.

Table 1.4: Summarised position of Finances of State

(₹ in crore)

Sl. No.	Components	2021-22 Actuals	2022-23		Percentage of Actuals to	
			BEs	Actuals	BEs	GSDP
1	Tax Revenue	1,254.41	1,336.42	1,497.26	112.04	3.50
2	Non-Tax Revenue	680.63	990.09	976.11	98.59	2.28
3	Share of Union taxes/duties	3,287.55	3,168.59	3,864.75	121.97	9.04
4	Grants-in-Aid (GIA) and Contributions	1,858.13	2,925.50	1,765.68	60.35	4.13
5	Revenue Receipts (1+2+3+4)	7,080.72	8,420.60	8,103.80	96.24	18.95
6	Recovery of Loans and Advances	0.45	0.08	0.44	550.00	0.00
7	Other Receipts	0	0	0	-	0.00
8	Borrowings and other Liabilities	904.30	1,528.22	1,903.32	124.54	4.45
9	Capital Receipts (6+7+8)	904.75	1,528.30	1,903.76	124.57	4.45
10	Total Receipts (5+9)	7,985.47	9,948.9	10,007.56	100.59	23.41
11	Revenue Expenditure	6,668.84	8,354.77	7,630.58	91.33	17.85
12	a) Interest payments	635.04	732.45	718.18	98.05	1.68
13	b) GIA for creation of capital assets	0.00	0	0	-	0.00
14	Capital Expenditure	1,315.78	1,592.78	2,376.60	149.21	5.56
15	Loan and advances	0.85	1.35	0.38	28.15	0.00
16	Total Expenditure (11+14+15)	7,985.47	9,948.9	10,007.56	100.59	23.41
17	Revenue Surplus (+)/ Deficit (-) (5-11)	411.88	65.83	473.22	718.85	1.11
18	Fiscal Deficit {(5+6+7)-16}	904.30	1,528.22	1,903.32	124.54	4.45
19	Primary Deficit (18-12)	269.26	2,260.67	1,185.14	116.62	6.17

Source: Finance Accounts, Estimates of Receipts and Expenditure

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.

It can be seen from **Table 1.4** that Revenue Receipts of the State increased by ₹ 1,023.08 crore compared to the year 2021-22, mainly due to increase in Tax Revenue, Non-Tax Revenue and Share of Union taxes/duties. Total Expenditure increased to ₹ 10,007.56 crore in 2022-23 from ₹ 7,985.47 crore in the previous year, an increase of ₹ 2022.09 crore.

During 2022-23, against an estimated Revenue Surplus of ₹ 65.83 crore, the State ended up with a Revenue Surplus of ₹ 473.22 crore and a Fiscal Deficit of ₹ 1,903.32 crore against the estimate of ₹ 1,528.22 crore.

1.3.2 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. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds, and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances. The summarised position of assets and liabilities for 2021-22 and 2022-23 with increase and decrease is given in **Table 1.5**:

Table 1.5: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities				Assets					
Particulars	2021-22	2022-23	Per cent increase/decrease	Particulars	2021-22	2022-23	Per cent increase/decrease		
Consolidated Fund									
a	Internal Debt	8,068.39	9,395.94	16.45	a	Gross Capital Outlay	16,029.88	18,406.47	14.83
b	Loans and Advances from GoI	585.74	1,127.34	92.46	b	Loans and Advances	253.30	253.23	(-0.03)
Contingency Fund									
		1.00	1.00	0.00		--	--		
Public Account									
a	Small Savings, Provident Funds, etc.	1,416.31	1,453.36	2.62	a	Advances	1.03	1.03	0.00
b	Deposits	376.98	363.13	(-3.67)	b	Remittance	0.00	0.00	
c	Reserve Funds	1,034.72	1,003.84	(-2.98)	c	Suspense and Miscellaneous	0.00	0.00	
d	Remittances	369.98	451.61	22.06		Cash balance (incl. investment in Earmarked Fund)	2,789.19	2,682.73	(-3.82)
e	Suspense and Miscellaneous	359.35	213.11	(-40.69)					
Total		12,212.47	14,009.33	14.71					
Cumulative excess of receipts over expenditure		6,860.93	7,334.13	6.90					
Total		19,073.40	21,343.46	11.90	Total	19,073.40	21,343.46	11.90	

Source: Finance Accounts, Statement No 1

As can be seen from **Table 1.5**, the assets of the state government increased by ₹ 2,270.06 crore and the liabilities (excluding surplus on Government Accounts) increased by ₹ 1,796.86 crore during 2022-23. Consequently, the growth rate of assets decreased from 12.46 per cent in 2021-22 to 11.90 per cent in 2022-23 whereas, the growth rate of liabilities excluding surplus on Government Accounts decreased to 14.71 per cent in 2022-23 from 16.19 per cent in 2021-22.

1.4 Fiscal Balance: Achievement of deficit and total debt targets

The State Government enacted the Sikkim Fiscal Responsibility and Budget Management (SFRBM) Act in September 2010 (last amended in June 2021). The Rules under the Sikkim FRBM Act were notified in March 2011 with the objective

of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit and overall/ outstanding debt to acceptable level, establishing improved debt management and improving transparency in a medium-term framework. In this context, the Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level.

As per the SFRBM Act, the State Government was to eliminate Revenue Deficit by 2011-12 and maintain Revenue Surplus thereafter and reduce Fiscal Deficit to three *per cent* of the estimated GSDP. Further, Government of Sikkim amended (June 2010) the state FRBM Act as per the recommendations of the FC-XV. According to the amendments, 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.

Further, the Act also envisaged that the State Government would limit the percentage of total outstanding debt to GSDP to 19.32 *per cent* in 2018-19 and 28.10 *per cent* in 2022-23. Targets of key fiscal parameters envisaged in the SFRBM Act and their achievement during 2018-23 are given in **Table 1.6(a)**:

Table 1.6(a): Compliance with State FRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Actuals (in crore)				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	Maintain Revenue Surplus	(+) 693.79	(-) 1,343.81	(-) 760.83	(+) 411.88	(+) 473.22 [#]
		✓	✗	✗	✓	✓
Fiscal Deficit (-)/ Surplus (+) (as per cent of GSDP)	2017-20: 3 <i>per cent</i> 2020-21: 5 <i>per cent</i> 2021-22: 4 <i>per cent</i> 2022-23: 3.5 <i>per cent</i>	(-) 642.32 (-2.26)	(-) 2,081.18 (-6.62)	(-) 2,273.54 (-7.15)	(-) 904.30 (-2.46)	(-) 1,903.32 [#] (-4.45)
		✓	✗	✗	✓	✗
Ratio of total outstanding liability to GSDP (in per cent)	Target	19.32	19.04	24.64	27.50	28.10
	Achievement	22.30	23.54	27.44	28.92	29.02*
		✗	✗	✗	✗	✗

Source: FRBM Act 2021 and Departmental information

[#] Revenue Surplus and Fiscal Deficit was before adjustment of understated amount of ₹393.65 crore and ₹30.80 crore respectively as mentioned in Para 1.5

* Increase in Ratio of total outstanding liability to GSDP during 2022-23 is due to inclusion of outstanding off budget borrowing amounting to ₹ 1,000.15 crore in total liability of the State. The same is not included for the previous years due to non-availability of data.

During 2022-23 the ratio of total outstanding liability to GSDP exceeded the limit prescribed by the SFRBM Act, even after setting aside the loan provided by the Government of India under Special Assistance to State for Capital investment and allowing extra borrowing ceiling equivalent to the pension contribution actually deposited with the designated authority *i.e.* National Security Depository limited/trustee bank as per the guidelines of National Pension System for the year 2022-23.

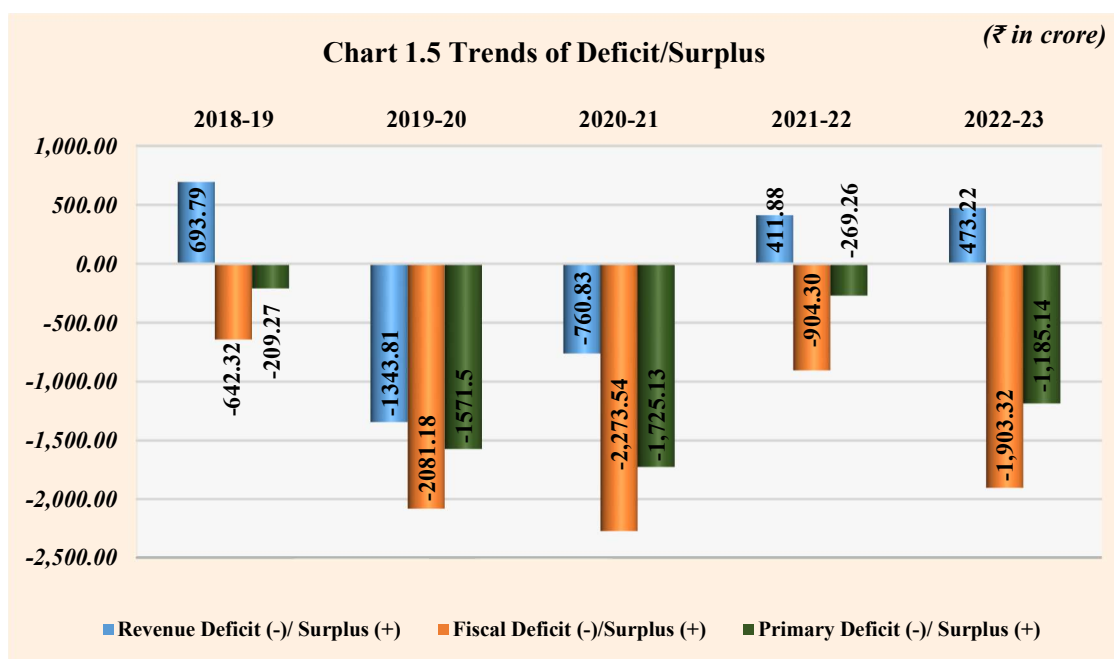
The targets set by the State budget vis-à-vis achievements in respect of major fiscal aggregates with reference to GSDP during 2022-23 are given in **Table 1.6(b)**.

Table 1.6(b): Compliance with State budget

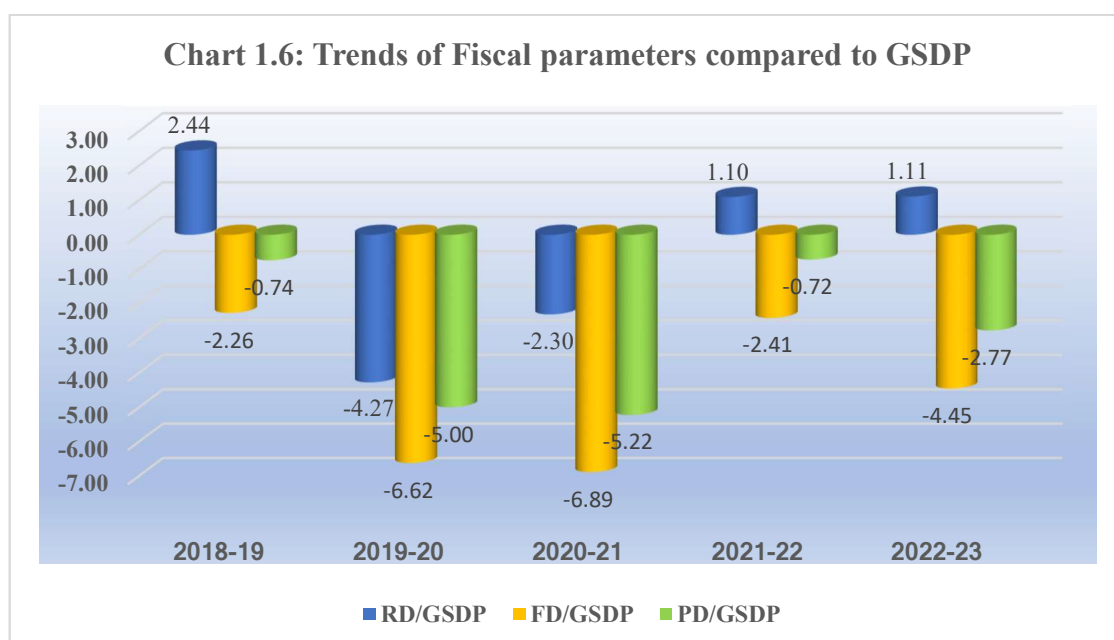
Fiscal Variables	Targets in the Budget	Actuals	Percentage variation of actuals over targets in Budget
Revenue Deficit (-)/ Surplus (+) (as per cent of GSDP)	(+)0.17	(+)1.11 [#]	(+)0.94
Fiscal Deficit (-)/ Surplus (+) (as per cent of GSDP)	(-)4.00	(-)4.45 [#]	(-)0.45
Ratio of total outstanding liability to GSDP (in per cent)	(+)32.51	(+)29.02 [*]	(-)3.49

[#] Revenue Surplus and Fiscal Deficit was before adjustment of understated amount of ₹393.65 crore and ₹30.80 crore respectively as mentioned in Para 1.5

^{*} including off-budget borrowings



Figures for 2022-23 have been taken from Table 1.6(a)



Ref: Appendix 1.2

Revenue Surplus/ Deficit

Revenue Deficit is the gap between Revenue Receipts and Revenue Expenditure. As per the SFRBM Act, 2010 the State Government was to eliminate Revenue Deficit by 2011-12 and maintain Revenue Surplus thereafter. The State had Revenue Surplus on 2018-19 but it turned into huge deficit of ₹1,343.81 crore in 2019-20, though in 2020-21 the position improved slightly as it stood at ₹760.83 crore. However, the State could achieve Revenue Surplus of ₹ 411.88 crore in 2021-22 and ₹ 473.22 crore during 2022-23.

Fiscal Deficit

Fiscal Deficit represents the gap between the Non-debt receipts and Total Expenditure. This gap can be met either by additional Public Debt (internal or external) or by the use of surplus funds from Public Account. Fiscal Deficit normally represents the net incremental liabilities of the Government or its additional borrowing requirements. The State had Fiscal Deficit during the last five-year period (2018-23). After successfully containing the Fiscal Deficit below three *per cent* of GSDP during 2018-19, the State's Fiscal Deficit increased from 6.62 *per cent* in 2019-20 to 6.89 *per cent* of GSDP during 2020-21, and in 2021-22, the State's Fiscal Deficit was contained to 2.41 *per cent* of GSDP, well within the target set in the SFRBM Act, 2021. However, in 2022-23, the State's Fiscal Deficit target could not be achieved as it increased to 4.45 *per cent* of GSDP. During 2022-23, the Fiscal Deficit increased by ₹999.02 crore (by 110.47 *per cent*) from ₹904.30 crore in 2021-22 to ₹1903.22 crore.

Medium Term Fiscal Plan (MTFP)

As per the SFRBM Act, the State Government has to lay before the State Legislature, a Five-Year Fiscal Plan along with the Annual Budget. The Medium-Term Fiscal Plan (MTFP) sets forth a five-year rolling target for the prescribed fiscal indicators.

Table 1.7 indicates the variation between the projections made for 2022-23 in MTFP presented to the State Legislature and the Actuals of the year.

Table 1.7: Actuals vis-à-vis projection in MTFP for 2022-23

Sl. No.	Fiscal Variables	Projections as per MTFP	Actuals (2022-23)	
			Actuals	Variation
1	Tax Revenue	1,336.42	1,497.26	160.84
2	Non-Tax Revenue	990.09	976.11	(-)13.98
3	Share of Central Taxes	3,168.59	3,864.75	696.16
4	Grants-in-Aid from GoI	2,925.50	1,765.68	(-) 1,159.82
5	Revenue Receipts (1+2+3+4)	8,420.60	8,103.80	(-)316.80
6	Revenue Expenditure	8,354.32	7,630.58	(-)723.74
7	Revenue Deficit (-)/ Surplus (+) (5-6)	(-) 72.69 [^]	(+)473.22 [#]	(+)545.91
8	Fiscal Deficit (-)/ Surplus (+)	(-)1,710.24 [^]	(-)1,903.32 [#]	(-)193.08
9	Debt-GSDP ratio (<i>per cent</i>)	32.51	29.02 [*]	(-)2.37
10	GSDP growth rate at current prices (<i>per cent</i>)	11	13.84	2.84
11	Fiscal Deficit-GSDP ratio (<i>per cent</i>)	4.00	4.45	0.45

Source: Departmental information, Finance Accounts and MTFP Report

[^] Fiscal Deficit: 4 *per cent* of ₹ 42,756 crore (GSDP)=₹ 1,710.24 crore and Revenue Deficit: 0.17 *per cent* of GSDP = (-) ₹ 72.69 crore.

[#] Revenue Surplus and Fiscal Deficit was before adjustment of understated amount of ₹393.65 crore and ₹30.80 crore respectively as mentioned in para 1.5.

^{*} including off-budget borrowings

From **Table 1.7**, it can be seen that the State could not achieve the projections of fiscal Deficits of the MTFP for 2022-23. During 2022-23 the Debt-GSDP ratio is within the projection as per MTFP. However, the Fiscal Deficit is not within the projection as per MTFP. There is a variation of Fiscal Deficit as per the projection and the actuals.

1.5 Deficits and Total Debt after examination in audit

As per the FRBM Act, the State Government must ensure compliance to the targets fixed for the fiscal indicators such as deficits, ceiling on debt and on guarantees, *etc.* The Revenue Deficit and the Fiscal Deficit as worked out for the states gets impacted due to various circumstances such as Misclassification of revenue expenditure as capital and off budget fiscal operations. Besides, deferment of clear-cut liabilities, not depositing Cess/ Royalty to Consolidated Fund, short contribution to New Pension Scheme, Sinking and Redemption funds, *etc.* also impact the Revenue and Fiscal Deficit figures. In order to arrive at actual deficit figures, the impact of such irregularities needs to be reversed.

In order to arrive at actual deficit figures, the effect of misclassification of revenue expenditure/ capital outlay and/ or any such misclassification needs to be included. The impact on Revenue Deficit/ Surplus and Fiscal Deficit of Government of Sikkim during the year 2022-23, consequent to under-booking of expenditure or noncrediting of receipts, is detailed in **Table 1.8**.

Table 1.8: Transactions impacting Revenue Deficit and Fiscal Deficit

(₹ in crore)

Item	Impact on Revenue Surplus		Impact on Fiscal Deficit	
	Over-statement	Under-statement	Over-statement	Under-statement
Interest Adjustment	8.99			8.99
Guarantees commission not transferred to Guarantee Redemption Fund	8.56			8.56
Short Contribution of National Pension System (NPS)	6.78			6.78
Receipts on account of sale of power (trading)	--	137.64	137.64	--
Royalty from HEPs	--	444.75	444.75	--
Expenditure towards purchase of Power	164.41		--	164.41
Royalty utilised for servicing loans	--	--	--	424.45
Total (Net) Impact		393.65 (Understatement)		30.80 (Understatement)

Source: Notes to Finance Accounts, information from Department

As could be seen from **Table 1.8**, the Revenue Surplus was understated by ₹ 393.65 crore and Fiscal Deficit were understated by ₹ 30.80 crore during the year 2022-23.

Role of Power Department of Sikkim in deficits

Power Department of Sikkim (PDS) had earned revenue of ₹ 137.64 crore by selling surplus power outside the State and had received royalty of ₹ 444.75 crore during the financial year 2022-23. These receipts of ₹ 582.39 crore were not deposited in the Consolidated Fund of State by the PDS. This is in violation of Article 266(1) of Constitution of India which states that all revenues received by the Government of a State, all loans raised by that Government 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”. Similarly, Article 293 of Constitution of India states that “the executive power of a State extends to borrowing within the territory of India upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the Legislature of such State by law and to the giving of guarantees within such limits, if any, as may be so fixed”. Further, Rule 4 (1) of Sikkim Financial Rules, 1979 points out that “all moneys received by or on behalf of the Government shall be brought into the Government Account without delay”.

This has also led to understatement of Government Revenue Receipts by ₹ 582.39 crore, understatement of Revenue Surplus and overstatement of Fiscal Deficit to that extent. During 2022-23, PDS had also incurred expenditure of ₹ 164.41 crore towards purchase of power without routing it through the Government account. This led to overstatement of Revenue Surplus and understatement of Fiscal Deficit to that extent.

Further, PDS directly repaid the loan availed by SPICL on behalf of the Government of Sikkim amounting to ₹424.45 crore during 2022-23 from the royalties which was not routed through the Government Accounts. These transactions were not reflected in Government accounts. This led to understatement of Fiscal Deficit to that extent.

The matter was pointed out by the CAG in earlier Audit Reports also. However, the Department has persisted with same irregular practice. The act of receiving receipts and incurring expenses without routing through the Consolidated Fund of State is violative of Article 266 (2) of the Constitution of India.

1.6 Conclusion

During 2022-23, the GSDP at current price was ₹ 42,756 crore, up from ₹ 37,557 crore in 2021-22, representing an increase of 13.84 *per cent* which was lower than that of GDP growth rate of 16.06 *per cent*.

During the five-year period 2018-23, there was a marginal decrease in the relative share of Primary Sector in GSDP, as the share of Primary Sector decreased from 9.80 *per cent* in 2018-19 to 8.39 *per cent* in 2022-23. However, the share of Secondary Sector increased from 59.46 *per cent* in 2018-19 by a little margin to 59.74 *per cent* in 2022-23. In addition, the share of Tertiary Sector grew from 25.64 *per cent* in 2018-19 to 27.26 *per cent* in 2022-23.

During 2022-23, against an estimated Revenue Surplus of ₹ 856.06 crore, the State ended up with a Revenue Surplus of ₹ 473.22 crore and a Fiscal Deficit of ₹ 1,903.32 crore against the estimate of ₹ 1,899.20 crore.

During the five-year period 2018-23, the ratio of total outstanding debt to GSDP of the State consistently exceeded the norms prescribed in the SFRBM Act as well as projections of Finance Commissions.

The State has maintained Revenue Surplus of ₹ 411.88 crore and ₹ 473.22 crore in 2021-22 and 2022-23 respectively.

1.7 Recommendations

- *The State Government needs to make efforts to achieve the projections/ targets on major fiscal parameters, as per Sikkim FRBM Act through prudent financial management.*
- *The State Government may ensure that receipts of Power Department of Sikkim is accounted for in the Government Accounts and that it makes budget provisions for the expenditure incurred by the Power Department.*

**CHAPTER-II:
FINANCES OF THE STATE**

Chapter-II

Finances of the State

2.1 Major changes in Key fiscal aggregates in 2022-23 vis-à-vis 2021-22

Major changes in key fiscal aggregates of the State during the financial year 2022-23, compared to the previous year, are given in **Table 2.1**.

Table 2.1 Changes in key fiscal aggregates in 2022-23 compared to 2021-22

Revenue Receipts	<ul style="list-style-type: none"> ✓ Revenue Receipts of the State increased by 14.45 per cent ✓ Own Tax Receipts of the State increased by 19.36 per cent ✓ Own Non-Tax Receipts increased by 43.41 per cent ✓ State's Share of Union Taxes and Duties increased by 17.56 per cent ✓ Grants-in-Aid from Government of India decreased by 4.98 per cent
Revenue Expenditure	<ul style="list-style-type: none"> ✓ Revenue Expenditure increased by 14.42 per cent ✓ Revenue Expenditure on General Services increased by 16.61 per cent ✓ Revenue Expenditure on Social Services increased by 13.87 per cent ✓ Revenue Expenditure on Economic Services increased by 13.38 per cent ✓ Expenditure on Grants-in-Aid and Contributions decreased by 9.86 per cent
Capital Receipts	<ul style="list-style-type: none"> ✓ Debt Capital Receipts increased by 8.20 per cent ✓ Non-debt Capital Receipts decreased by 2.22 per cent
Capital Expenditure	<ul style="list-style-type: none"> ✓ Capital expenditure increased by 80.62 per cent ✓ Capital outlay on General Services increased by 18.99 per cent ✓ Capital outlay on Social Services increased by 174.81 per cent ✓ Capital outlay on Economic Services increased by 49.07 per cent
Loans and Advances	<ul style="list-style-type: none"> ✓ Recoveries of Loans and Advances decreased by 2.22 per cent ✓ Disbursement of Loans and Advances decreased by 55.29 per cent
Public Debt	<ul style="list-style-type: none"> ✓ Public Debt Receipts increased by 8.20 per cent ✓ Repayment of Public Debt increased by 39.91 per cent
Public Account	<ul style="list-style-type: none"> ✓ Public Account Receipts increased by 24.87 per cent ✓ Disbursement from Public Account increased by 24.82 per cent
Cash Balance	<ul style="list-style-type: none"> ✓ Cash balance decreased by ₹106.46 crore (3.82 per cent)

Source: Finance Accounts

2.2 Sources and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year with those of the previous year is given in **Table 2.2**.

Table 2.2: Details of Sources and Application of funds during 2021-22 and 2022-23

		(₹ in crore)		
	Particulars	2021-22	2022-23	Increase (+)/ Decrease (-) (per cent)
Sources	Opening Cash Balance	1,992.24	2,789.19	34.66
	Revenue Receipts	7,080.72	8,103.80	14.45
	Recoveries of Loans and Advances	0.45	0.44	(-)2.22
	Public Debt Receipts (Net)	1,762.70	1,869.15	6.04
	Public Account Receipts (Net)	(-)61.45	(-)72.30	(-)3.01
	Total		10,774.66	12,690.29	17.86
Application	Revenue Expenditure	6,668.84	7,630.58	14.42
	Capital Expenditure	1,315.78	2,376.60	80.62
	Disbursement of Loans and Advances	0.85	0.38	(-)55.29
	Contingency Fund	0.00	0.00	
	Closing Cash Balance	2,789.19	2,682.73	(-)3.49
	Total		10,774.66	12,690.29	17.86

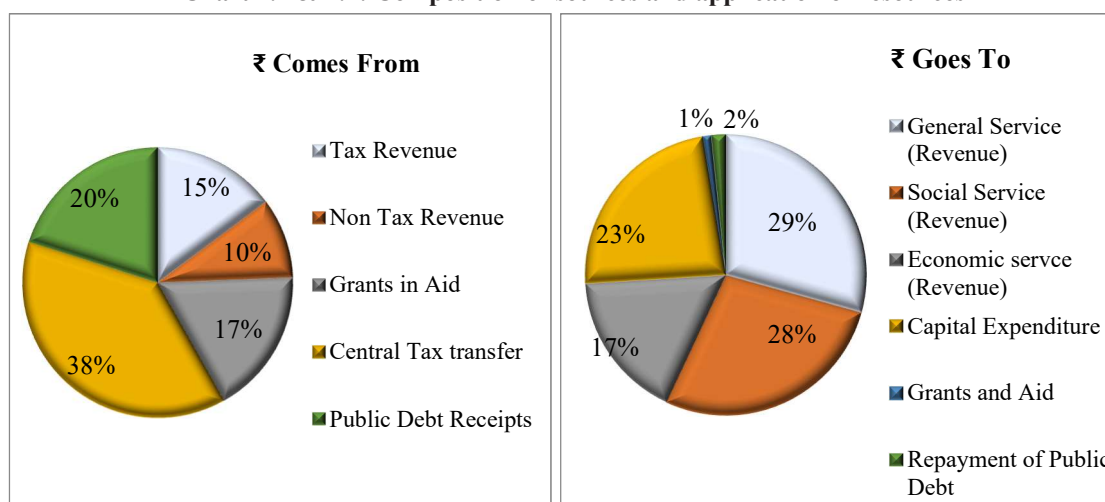
Source: Finance Accounts

Appendix 2.1 A & B provides details of receipts and disbursements and the overall fiscal position of the State during current year as well as previous year.

The total inflow and outflow of the Government after deducting the cash balances during the year 2022-23 was ₹ 9,901.10 crore (₹12,690.29 – ₹2,789.19) and ₹ 10,007.56 crore (₹ 12,690.29 crore – ₹ 2,682.73 crore) respectively leading to decrease in cash balance by ₹ 106.46 crore.

Charts 2.1 and 2.2 give the details of Total Receipts into and expenditure from the Consolidated Fund during 2022-23 in terms of percentages.

Chart 2.1 & 2.2: Composition of sources and application of resources



2.3 Resources of the State

The resources of the State are described below:

- Revenue Receipts** consist of Tax Revenue (Own Tax revenue plus share of Union Taxes and Duties), Non-Tax revenue and Grants-in-aid from the Government of India (GoI).
- Capital Receipts** (Debt and Non-debt 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.

Both revenue and capital receipts form part of the Consolidated Fund of the State.

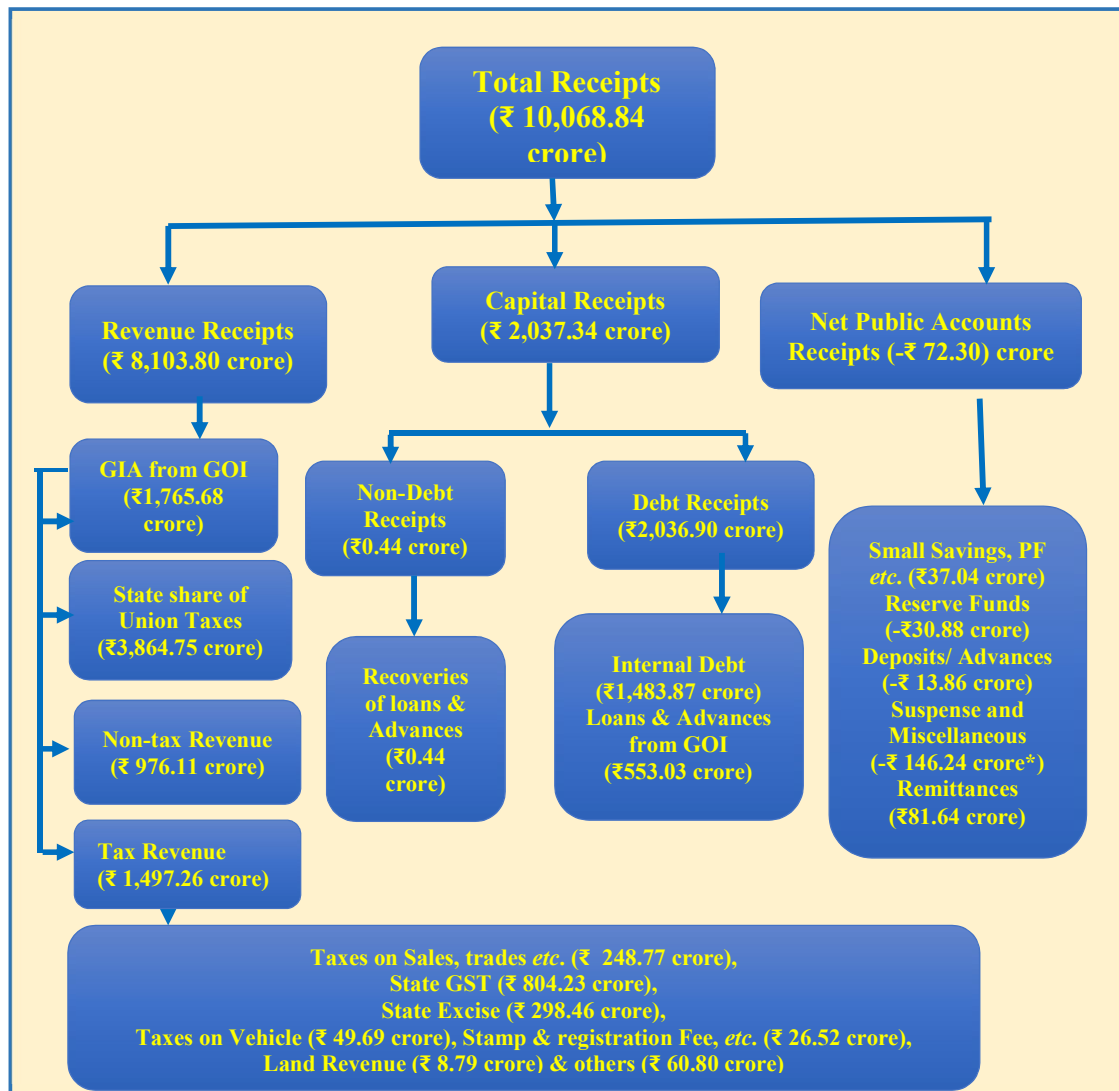
- Net Public Account Receipts:** There are receipts and disbursements in respect of certain transactions such as Small Savings, provident funds, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund.

These 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. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

This paragraph provides the composition of the overall receipts. Besides, the Revenue and Capital Receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit. The composition of total receipts of the State is depicted in **Chart 2.3**.

Chart 2.3: Composition of receipts of the State during 2022-23



Source: Finance Accounts

*Other than amount closed to Government Account and Cash Balance Investment Account

Out of the total resources of ₹10,068.84 crore of the State Government during the year 2022-23, Revenue Receipts (₹ 8,103.80 crore) constituted 80.48 per cent, Capital Receipts (₹ 2,037.34 crore) and net Public Account Receipts (-₹72.30 crore) constituted 20.23 per cent and 0.72 per cent of the total resources respectively.

2.3.2 State's Revenue Receipts

Revenue Receipts of the State Government consists of Tax and Non-Tax Revenue raised by the State and central transfers, which include Grants-in-Aid and share of the State in Central taxes. The details are shown in **Appendix 2.2**.

Table 2.3: Sources of State's Revenue

(₹ in crore)					
Sources of Revenue	2018-19	2019-20	2020-21	2021-22	2022-23
State's Own Revenue	1,550.70	1,663.81	1,628.99	1,935.04	2,473.37
Grants-in-Aid from GoI	1,574.99	881.90	1,676.56	1,858.13	1,765.68
Central Tax transfers	2,794.67	2,295.56	2,302.27	3,287.55	3,864.75
Total Revenue Receipt	5,920.36	4,841.27	5,607.82	7,080.72	8,103.80

Source: Finance Accounts of Respective Years

The State's revenue during 2022-23 were higher than previous year. This was mainly due to increase in Central Tax Transfers and State's Own Revenue during 2022-23 as compared to 2021-22.

2.3.2.1 Trends and growth of Revenue Receipts

Trends and growth of Revenue Receipts with respect to Gross State Domestic Product GSDP over the five-year period (2018-23) are shown in Table 2.4. The trends and composition of Revenue Receipts over the same period are presented in Appendix 2.2.

Table 2.4: Trends in Revenue Receipts

(₹ in crore)					
Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Receipts (RR)	5,920.36	4,841.27	5,607.82	7,080.72	8,103.80
Rate of growth of RR (per cent)	13.57	(-) 18.23	15.83	26.27	14.45
Tax Revenue	3,687.59	3,265.97	3,268.97	4,541.96	5,362.01
Own Tax Revenue	892.92	970.41	966.70	1,254.41	1,497.26
State's share in Union taxes and duties	2,794.67	2,295.56	2,302.27	3,287.55	3,864.75
Non-Tax Revenue	657.78	693.40	662.29	680.63	976.11
Grants- in aid from GoI	1,574.99	881.90	1,676.56	1,858.13	1,765.68
Own Revenue (Own Tax and Non-Tax Revenue)	1,550.70	1,663.81	1,628.99	1,935.04	2,473.37
Rate of growth of Own Revenue (per cent)	15.49	7.29	(-)2.09	18.79	27.82
GSDP (2011-12 Series)	28,402	31,441	33,018	37,557	42,756(Q)
Rate of growth of GSDP (per cent)	9.36	10.70	5.02	13.75	13.84
RR/GSDP (per cent)	20.85	15.40	16.98	18.85	18.95
Buoyancy Ratios¹					
Revenue Buoyancy w.r.t GSDP	1.44	-	3.15	1.91	1.04
State's Own Revenue Buoyancy w.r.t GSDP	1.65	0.68	-	1.37	2.01

Source: Finance Accounts for Revenue Receipts and Directorate of Economics and Statistics & Finance Accounts, GoS GSDP figures, Q-Quick Estimates

During the period 2022-23, Revenue Receipts of the State grew by 14.45 per cent. This was 3.52 per cent more than the growth of Revenue Receipts for the NE & H States (10.93 per cent) during the same period. Buoyancy ratio of the State's Revenue/ GSDP stood at 1.04 per cent and State's Tax Revenue to GSDP stood at 2.01 per cent.

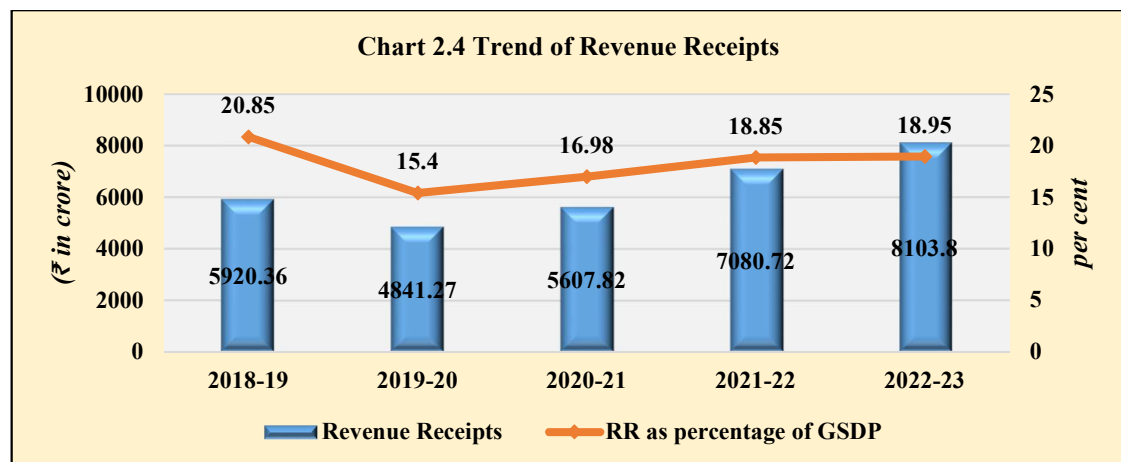
¹ Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.85 implies that Revenue Receipts tend to increase by 1.85 percentage points, if the GSDP increases by one per cent.

Table 2.4 shows that the revenue receipts increased by 36.88 per cent from ₹ 5,920.36 crore in 2018-19 to ₹ 8,103.80 crore in 2022-23. During the period of five years, it increased at an annual average growth rate of 10.38 per cent. Tax revenue and non-tax revenue increased by ₹ 820.05 crore (18.05 per cent) and ₹ 295.48 crore (43.41 per cent) respectively in 2022-23 as compared to 2021-22.

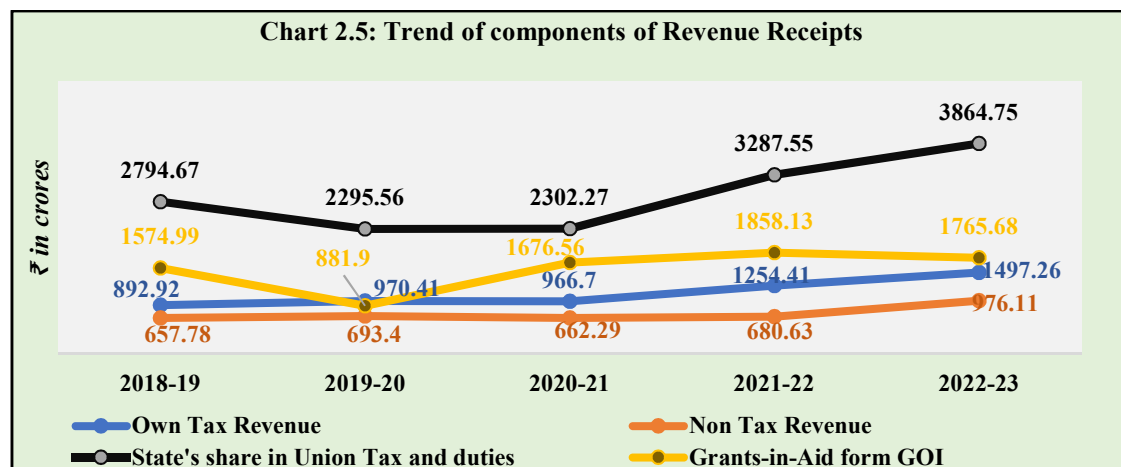
Grant-in-aid from GoI on the other hand decreased by ₹ 693.09 crore (44.01 per cent) in 2019-20 as compared to 2018-19. It, however increased by 110.70 per cent during the period 2019-20 to 2021-22 but again decreased by ₹ 92.45 crore (4.98 per cent) in 2022-23 as compared to 2021-22.

The revenue buoyancy with reference to GSDP decreased from 1.44 per cent in 2018-19 to 1.04 per cent in 2022-23. The State’s own revenue buoyancy with reference to GSDP increased considerably from 1.65 per cent in 2018-19 to 2.01 per cent in 2022-23. The increased in own revenue buoyancy in 2022-23 vis-a-vis the previous years was primarily due to sharp increase in own tax revenue of the State. The major increase was in receipts under SGST, State Excise and Sales Tax. There was also an increase in non-tax revenue in the current year over the previous year. Trends in components of own tax revenue and non-tax revenue are discussed in paragraphs 2.3.2.2 (i) and 2.3.2.2 (ii) respectively.

Trends of revenue receipts are shown in **Chart 2.4** and **Chart 2.5**



Source: Finance Accounts of Respective Years



Source: Finance Accounts of Respective Years

State's own resources accounted for 30.52 per cent of Revenue Receipts during 2022-23, while Central Tax Transfers and Grants-in-Aid together contributed 69.48 per cent which is indicative of the fact that the State's fiscal position is largely dependent on Central Tax transfers and Grants-in-Aid from GoI.

2.3.2.2 State's Own Resources

The status of collection of State's Tax Revenue and Non-Tax Revenue during 2018-23 is given in **Table 2.5**.

Table 2.5: State's own resources

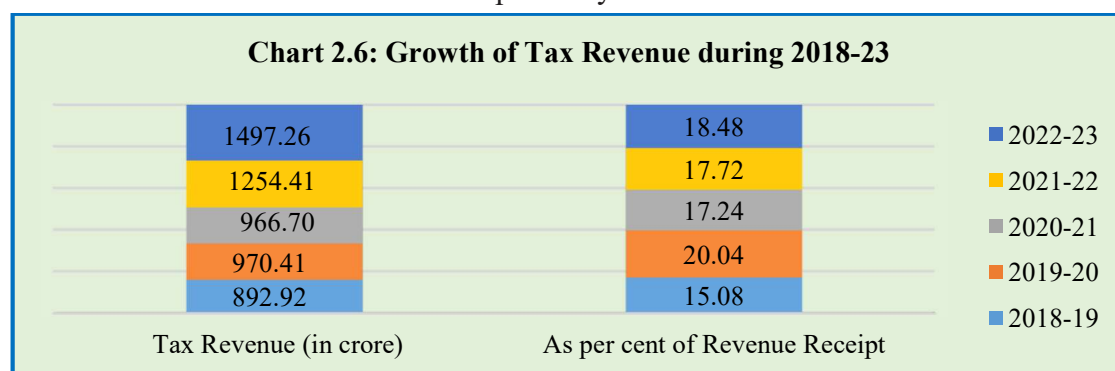
(₹ in crore)					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Tax Revenue	892.92	970.41	966.70	1,254.41	1,497.26
Non-tax Revenue	657.78	693.40	662.29	680.63	976.11
Total	1,550.70	1,663.81	1,628.99	1,935.04	2,473.37

Source: Finance Accounts of Respective Years

(i) Own tax revenue

Own tax revenue of the State consists of State Goods and Services Tax (SGST), State Excise, Taxes on Vehicles, Stamp Duty and Registration Fees, Land Revenue. Taxes on Goods and Passengers, etc.

Trends of own tax revenue and analysis of its components during the period 2018-23 are shown in **Chart 2.6** and **Table 2.6** respectively.



Source: Finance Accounts of Respective Years

Component-wise details of Tax Revenue collected during the period 2018-23 as well as trend of growth of individual components of revenue is depicted in **Table 2.6**.

Table 2.6: Components of State's Own Tax Revenue

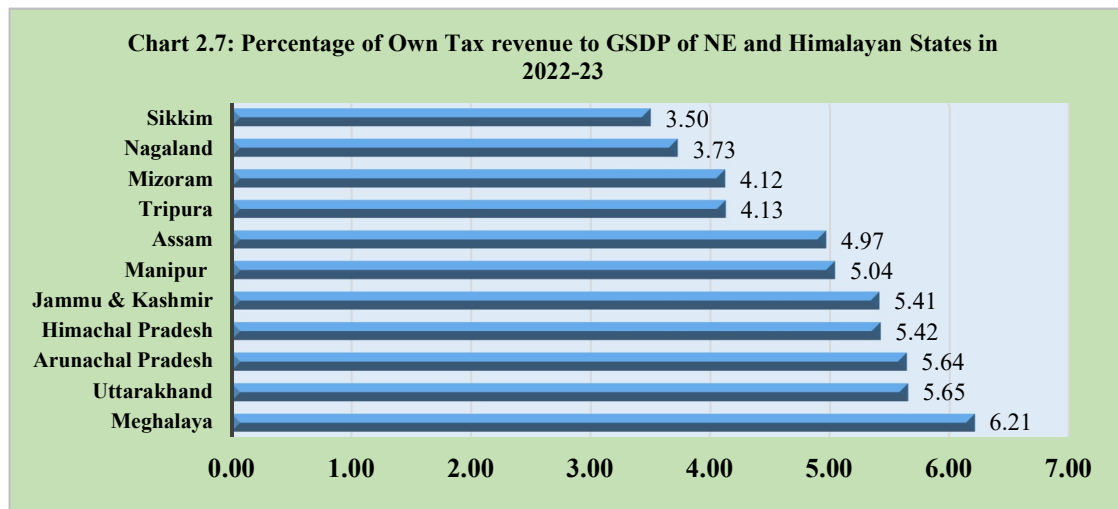
(₹ in crore)						
Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	Sparkline
Sales Tax	188.2	197.63	195.25	227.18	248.77	
SGST	405.72	454.89	463.04	655.55	804.23	
State Excise	183.09	207.15	210.27	249.2	298.46	
Taxes on Vehicles	33.11	41.08	28.96	39.09	49.69	
Stamp Duty & Registration Fee	14.95	13.3	13.13	23.35	26.52	
Land Revenue	9.09	4.4	13.33	9.53	8.79	
Other Taxes	58.76	51.96	42.72	50.51	60.8	
Total	892.92	970.41	966.7	1,254.41	1,497.26	
Rate of Growth	29.72	8.68	-0.38	29.76	19.36	

Source: Finance Accounts

It can be seen that Tax Revenue increased by ₹ 604.34 crore from ₹ 892.92 crore in 2018-19 to ₹ 1,497.26 crore in 2022-23 at an annual average growth rate of 13.54 per cent. Tax Revenue increased to ₹ 1,497.26 crore in 2022-23 from ₹ 1,254.41 crore in 2021-22, representing an increase of 19.36 per cent. During the current year, major contributors of Tax Revenue were Goods and Services Tax (53.71 per cent), State Excise (19.93 per cent) and Sales Tax (16.62 per cent).

The total own tax revenue increased by ₹242.85 crore (19.36 per cent) during the current year over the previous year. The major increase was in receipts under SGST (₹ 148.68 crore), State Excise (₹ 49.26 crore) and Sales Tax (₹ 21.59 crore).

State's Tax Revenue of ₹1,497.26 crore at 3.50 per cent of GSDP during 2022-23 was lower than the other NE&H States as shown in **Chart 2.7**.



Source: Economic Adviser Report

(a) State Goods and Services Tax (SGST)

Department stated (January 2024) that during 2022-23 SGST amount for ₹ 852.67 crore was transferred from RBI to CBI and ₹ 812.95 crore was transferred from CBI to SBS. But in Finance Account 2022-23 it is seen that the Input Tax Credit cross utilisation of SGST and IGST during 2022-23 is ₹ 804.23 crore. The difference amount is under reconciliation.

(b) Analysis of arrears of revenue and arrears of assessment

The arrears of revenue indicate delayed realisation of revenue due to the Government. Similarly, arrears of assessment indicate potential revenue which is blocked due to delayed assessment. Both deprive the State of potential revenue receipts and ultimately affect the revenue deficit.

Arrears of revenue

As on 31 March 2023, the arrears of revenue in respect of Power Department was ₹ 417.14 crore, of which ₹ 109.72 crore was outstanding for more than five years, as depicted in **Table 2.7**. No information was furnished by other revenue earning Departments in spite of several reminders.

Table 2.7: Arrears of revenue

(₹ in crore)

Sr. No.	Head of revenue	Amount outstanding as on 31 March 2023	Amount outstanding for more than five years as on 31 March 2023
1	Power	417.14	109.72
Total		417.14	109.72

Source: Departmental Information

Arrears in assessment

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

(c) Details of evasion of tax detected by 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. Promptness in disposal of refund cases is an important indicator of performance of the Department concerned.

No cases of evasion of tax was detected by the Excise Department and in Commercial Taxes Department one case each of CGST and SGST involving ₹ 0.005 crore in each case was detected for which assessment/ investigation completed and additional demand with penalty *etc.* raised. The details of disposal of refund cases during the year 2022-23, as reported by the department concerned, are depicted in **Table 2.8**.

Table 2.8: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	GST		State Excise	
		No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	10	0.93	Nil	Nil
2.	Claims received during the year	51	5.15	Nil	Nil
3.	Refunds made during the year	30	1.38	Nil	Nil
4.	Refunds rejected during the year	04	1.75	Nil	Nil
5.	Balance outstanding at the end of year	27	2.95	Nil	Nil

Source: Departmental figure

(ii) Non-Tax Revenue

Component-wise details of Non-Tax Revenue consisting of Interest receipts, Dividends and Profits, Power receipts, Departmental receipts *etc.* collected during 2018-23 were as given in **Table 2.9**.

Table 2.9: Components of State's Non-Tax Revenue

(₹ in crore)

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					BEs	Actuals
Interest Receipts	125.33	143.82	126.95	49.92	58.30	66.13
Dividends and Profits	4.38	3.21	2.78	1.45	1.40	4.12
Other Non-Tax Receipts (total of ato h)	582.07	546.37	532.56	629.26	930.39	905.86
a) Police	46.64	86.77	26.17	112.38	70	125.55

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					BEs	Actuals
b) Road Transport	53.96	57.10	47.87	61.78	84.88	68.34
c) Forestry & Wild Life	17.53	15.78	14.88	24.31	23.19	180.26
d) Education	2.32	3.55	14.29	10.59	12.64	9.51
e) Tourism	6.16	11.67	3.44	4.12	4.40	9.87
f) Power	269.44	256.37	346.05	306.77	394.44	402.72
g) Other Administrative Services	5.04	12.65	12.00	19.45	9.29	15.02
h) Others ²	180.98	102.48	67.86	89.86	331.55	94.59
Total	657.78	693.40	662.29	680.63	990.09	976.11
Rate of Growth	0.52	5.42	(-) 4.49	3	45.47	43.41

Source: Finance Accounts

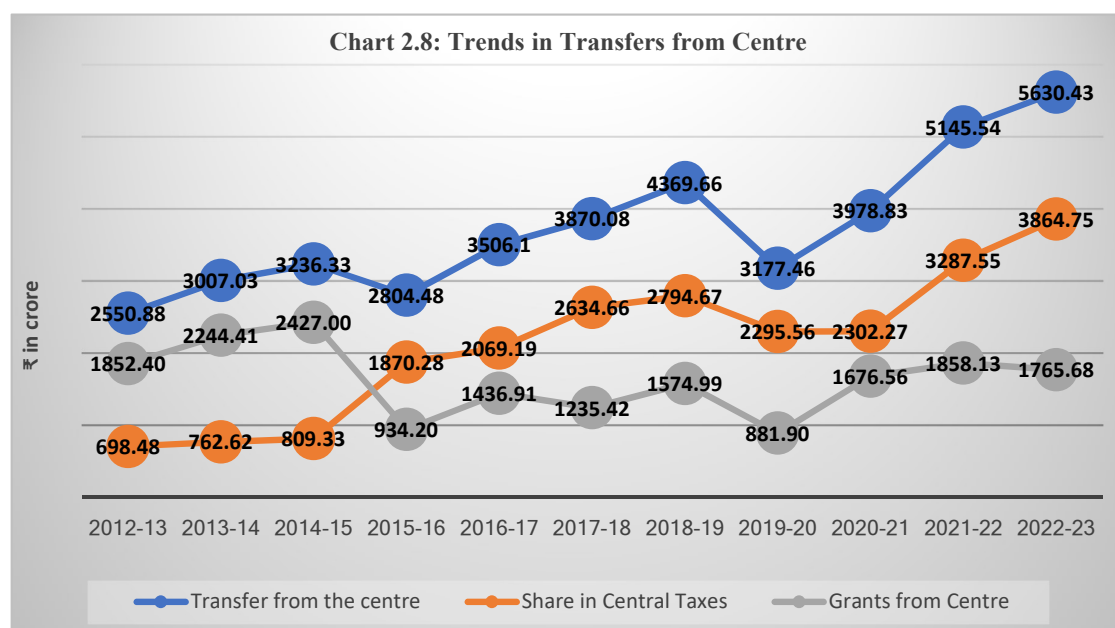
Non-Tax Revenue, which ranged between 9.61 *per cent* and 12.05 *per cent* of Revenue Receipts of the State during the five-year period from 2018-23, increased by ₹295.48 crore (43.41 *per cent*) during 2022-23 over the previous year.

During the year 2022-23, there was an increase of ₹ 295.48 crore (43.41 *per cent*) in total non-tax revenue over the previous year which was mainly due to increase of ₹ 16.21 crore in interest receipts and ₹ 279.27 crore in other non-tax receipts. The increase in other non-tax receipts was mainly under Forestry & Wildlife (₹155.95 crore) and Power (₹95.95 crore).

However, Revenue from Education and Other Administrative Services witnessed decrease of ₹1.08 crore (10.20 *per cent*) and ₹4.43 crore (22.78 *per cent*) respectively during 2022-23 as compared to previous year.

2.3.2.3 Transfers from the Centre

The transfers from Centre are dependent on the Finance Commission (FC) recommendations. The trends for last 10 years are given in **Chart 2.8**.



Source: Finance Accounts of the respective years

² Others includes revenue from Water supply & sanitation, Housing, Information & Publicity, Labour & Employment, Social Security & Welfare, Animal Husbandry, Food, Co-operation, Other Rural Dev Programme, and Industries.

(i) Central tax transfer

The actual release of share in Union taxes and duties to State Government *vis-a-vis* projections made by Thirteenth Finance Commission, Fourteenth Finance Commission and Fifteenth Finance Commission during the period from 2011-12 to 2022-23 is tabulated in **Table 2.10**.

Table 2.10: State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission projections

(₹ in crore)

Year	Finance Commission projections	Projections in FCR	Actual tax devolution	Difference
1	2	3	4	5 (4-3)
XIII Finance Commission				
2011-12	0.239 per cent of net proceeds of all sharable taxes excluding Service Tax and 0.243 per cent of net proceeds of sharable Service Tax	572.00	611.65	39.65
2012-13		674.00	698.48	24.48
2013-14		796.00	762.62	(-)33.38
2014-15		938.00	809.32	(-)128.68
XIV Finance Commission				
2015-16	0.367 per cent of net proceeds of all sharable taxes excluding Service Tax and 0.369 per cent of net proceeds of sharable Service Tax	2,129.00	1,870.28	(-)258.72
2016-17		2,457.00	2,069.19	(-)387.81
2017-18		2,839.00	2,634.66	(-)204.34
2018-19		3,285.00	2,789.61	(-)495.39
2019-20		3,804.00	2,295.56	(-) 1,508.44
XV Finance Commission				
2020-21	0.388 per cent of net proceeds of all sharable taxes	3,318.00	2,302.27	(-) 1,015.73
2021-22		2,555.00	3,287.55	732.00
2022-23		2,843.00	3,864.75	1,021.755

Source: Departmental Figure and Finance Commission Report.

From **Table 2.10**, it can be seen that except for the period 2011-2013, the actual devolution of net proceeds of all shareable taxes including Service Tax was less than the FC projections. However, the actual devolution of net proceeds of all shareable taxes including Service Tax was in excess of FC projections during 2022-23.

The State Government's share in Union taxes and duties increased by ₹577.20 crore (17.56 per cent) during 2022 -23 over the previous year.

Trends in components of Central tax transfers are shown in **Table 2.11**.

Table 2.11: Central Tax transfers

(₹ in crore)

Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					BEs	Actuals
Central Goods and Services Tax	689.78	645.62	686.82	964.04	1,040.41	1,100.79
Integrated Goods & Services Tax	55.10	0	0	0	0	0
Corporation Tax	971.97	788.90	694.10	988.33	989.36	1,284.66
Taxes on Income other than Corporation Tax	715.80	603.68	718.49	982.89	955.51	1,260.52
Other Taxes on Income and Expenditure	5.06	0	0	0.01	0	0
Customs	198.12	150.11	117.73	216.61	137.38	155.96
Union Excise Duties	131.66	106.08	73.44	103.14	42.79	50.87
Service Tax	25.39	0	9.67	29.03	3.18	5.89
Other Taxes ³	1.79	1.17	2.02	3.36	0	6.06

³ Include Taxes on Wealth and Other Taxes and Duties on Commodities and Services

Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					BEs	Actuals
Central Tax transfers	2,794.67	2,295.56	2,302.27	3,287.41	3,168.63	3,864.75
<i>Percentage of increase over previous year</i>	6.07	(-) 17.86	0.29	42.79		17.56
<i>Percentage of Central tax transfers to Revenue Receipts</i>	47.20	47.42	41.05	46.43		47.69

Source: Finance Accounts of respective years

Over the five-year period 2018-23, Central tax transfers increased by ₹1,070.08 crore (38.29 per cent), from ₹2,794.67 crore in 2018-19 to ₹3,864.75 crore in 2022-23. During 2018-23, Central tax transfers which had decreased sharply by 17.86 per cent (₹499.11 crore) in 2019-20, increased marginally by 0.29 per cent (₹6.71 crore) in 2020-21, by 42.79 per cent (₹985.14 crore) in 2021-22 and 17.56 per cent (₹577.34 crore) in 2022-23 over the respective previous year. Central tax transfers constituted 47.69 per cent of the Revenue Receipts during 2022-23.

(ii) Grants-in-Aid from Government of India

Trend of Grants-in-Aid (GIA) from GoI and its components are shown in Table 2.12.

Table 2.12: Grants-in-Aid from Government of India

Head	2018-19	2019-20	2020-21	2021-22	2022-23	
					BEs	Actuals
Grants for Centrally Sponsored Plan Schemes	4.19	(-) 0.48	0.30	(-)0.14 ⁴	0	0
Grants for Centrally Sponsored Schemes (CSS)	1,147.81	609.52	878.22	749.07	1,756.18	1,118.22
Finance Commission Grants	125.86	76.50	635.84	787.48	562.98	532.90
<i>Of which Post devolution Revenue deficit grant</i>	-	-	448.00	678.00	440.00	440.00
Other transfers	297.13	196.36	162.20	321.72	606.34	114.56
Total	1,574.99	881.90	1,676.56	1,858.13	2,925.50	1,765.68
<i>Percentage of increase over the previous year</i>	27.49	(-)44.01	90.11	10.83		(-)4.98
<i>Percentage of GIA to Revenue Receipts</i>	26.60	18.22	29.90	26.24		21.79

Source: Finance Accounts

The flow of Grants-in-Aid (GIA) from GoI depicted fluctuating trend during 2018-23. During the five-year period, the transfers on this account were the highest in 2021-22. The GIA decreased by ₹ 92.45 crore (4.98 per cent) during the current year as compared to the previous year. The CSS grants had increased, and other grants had decreased during the year, as compared to the previous year. The GIA constituted 21.79 per cent of the Revenue Receipts during the year 2022-23.

The FC Grants constituted major portion (30.18 per cent) of total GIA received during the year. The FC Grants decreased to ₹532.90 crore in 2022-23 from ₹787.48 crore in 2021-22 witnessing a decrease of ₹254.58 crore (32.33 per cent).

⁴ Refund of unspent balance for the scheme Vocational Training Improvement Project (VTIP) to GoI vide Vr No 66 dated 2.6.2021. Grants in Aid was released during the financial year 2006-07 to 2017-18.

Table 2.12 shows that the GIA from GoI increased at an annual average rate of 15.89 *per cent* during the period 2018-19 to 2022-23. The decrease in GIA during the current year (4.98 *per cent*) over the previous year was due to substantial decrease in Other transfers/Grants to States/Union Territories with Legislature by ₹207.16 crore (64.39 *per cent*). Further, the contribution of GIA towards revenue receipts decreased from 26.60 *per cent* in 2018-19 to 21.79 *per cent* in 2022-23.

(a) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹1,118.22 crore for Centrally Sponsored Schemes during 2022-23, the major amounts were given to:

- Green Revolution (Krishi Unnati Schemes and Rastriya Krishi Vikas Yojana): Rashtriya Krishi Vikas Yojana (₹104.85 crore - 1081 *per cent* increase over previous year);
- Pradhan Mantri Gram Sadak Yojana: (₹263.33 crore - 145 *per cent* increase over previous year);
- National Education Mission (NEM) – Samagra Siksha (₹139.97 crore - 86 *per cent* increase over previous year);
- Urban Rejuvenation Mission (AMRUT) and Smart Cities - (₹171.50 crore – 772 *per cent* increase over previous year) and
- National Health Mission (NHM): National Rural Health Mission - (₹62.87 crore – 176 *per cent* increase over previous year).

Ministry of Finance, Government of India vide letter No.1(13)PFMS/FCD/2020 dated 23.03.2021 had notified procedure for release of funds under Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released through SNA. For each CSS, SNA is set up with own Bank Account in scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share.

The State Government received ₹408.09 crore, being Central share during the year, in its Treasury Accounts. As on 31 March 2023, the Government transferred Central share of ₹876.65 crore received in Treasury Accounts and State share of ₹160.22 crore to the SNAs. The entire amount of ₹1,036.87 crore was transferred through Fully Vouched Contingent Bills. Detailed vouchers and supporting documents of actual expenditure were not received by AG office from the SNAs. As per information available on PFMS portal, ₹418.98 crore are lying unspent in the bank accounts of SNAs as on 31 March 2023.

(b) Fifteenth Finance Commission Grants

The Fifteenth FC constituted on 27 November 2017, had major recommendations: 4.31 *per cent* of divisible pool to be given as grants to States for local bodies, grants for post devolution revenue deficit, grants for disaster risk management based on capacity, risk exposure and proneness to hazard and vulnerability. Comparative statement of transfers to the State on account of awards of XIV FC and XV FC during 2021-22 and 2022-23 respectively is given in **Table 2.13**.

Table 2.13: Grants-in-Aid released by GoI as per recommendation of FC*(₹ in crore)*

Department	Sectors	2021-22	2022-23	Increase (+)/ Decrease (-)
Panchayat and Rural Development	Panchayati Raj Institutions	51.98	33.00	(-)18.98
Urban Development	Urban Local Bodies (ULB)	17.50	7.50	(-)10.00
Revenue and Disaster Management	State Disaster Response Fund and State Disaster Mitigation Fund	40.00	52.40	12.40
Finance	Post Devolution Revenue Deficit Grant	678.00	440.00	(-)238.00
Total		787.48	532.90	(-)254.58

Source of data: Finance Accounts (ST 14 – 1601 MH)

As can be seen from **Table 2.13** that there was decrease (32.33 per cent) in FC grants during 2022-23 as compared to the previous year.

Based upon the projected tax revenue of the Union Government and the shares derived from the horizontal devolution formula, the share of each State is derived in absolute numbers by the FC. This has been used to derive the post-devolution revenue deficit/surplus for States. Accordingly, Sikkim was recommended for release of revenue deficit grant and an amount of ₹440.00 crore was released to Sikkim for the year 2022-23.

The Fifteenth Finance Commission (15th FC) grants were provided to the States for local bodies and State Disaster Response Fund (SDRF), post devolution revenue deficit and health sector. Details of grants provided by GoI are given in **Table 2.14**.

Table 2.14: Recommended amount, actual release and transfers of Grant-in-aid*(₹ in crore)*

Transfers	Recommendation of 15 th FC for 2022-23	Actual release by GoI during 2022-23	Actual release by State Government during 2022-23	Release by State Government (per cent of GoI release)
(i) Grants to PRIs (Rural Local Bodies)	33.00	33.00	33.00	33.00 (100)
(a) Tied Grant	19.80	19.80	19.80	19.80 (100)
(b) Untied Grants	13.20	13.20	13.20	13.20 (100)
(ii) Grants to ULBs	16.00	7.50	10.00	10.00 (133)
(a) Non-million plus cities (untied grants for local needs)	6.40	3		
(b) Non-million plus cities (tied grants for drinking water, rain water harvesting, SWM and Sanitation)	9.60	4.50		
Total for Local Bodies	49.00	40.50	43.00	43.00 (106)
SDRF	Centre share	42.48	42.40	42.40 (100)
	State share	4.72	4.80	4.80(100)
Total SDRF	47.20	47.20	47.20	47.20 (100)
SDMF	11.8	10.00	10.00	10.00 (100)
Total for SDRMF	59	57.20	57.20	57.20 (100)
Grants for Health Sector	21	0	0	0
Post Devolution Revenue Deficit Grant	440.00	440.00		--

Source: 15th FC Report and departmental information

PRIs-Panchayati Raj Institutions and ULBs-Urban Local Bodies.

- As against the amount of ₹ 33 crore recommended by the 15th FC in respect of PRIs, GoI released ₹ 33 crore during 2022-23. The amount released by GoI was released by GoS during the same period.
- In respect of ULBs, against the recommended amount of ₹ 16 crore, GoI released ₹ 7.50 crore during 2022-23. The State Government released ₹ 10 crore during 2022-23.
- In respect of SDRF, 15th FC recommended Centre and State share in the ratio of 90:10. As against the recommended share of ₹47.20 crore, GoI released ₹ 47.20 crore during the year 2022-23.

2.3.3 Capital Receipts

Capital Receipts consist of public debt receipts, non-debt receipts like proceeds from disinvestments (under miscellaneous capital receipts), and recoveries of loans and advances. The net public debt receipts after discharging of public debt plus other capital receipts, is the net Capital Receipts.

Table 2.15 shows the trends in growth and composition of net Capital Receipts.

Table 2.15: Trends in growth and composition of Capital Receipts

Sources of State's Receipts	2018-19	2019-20	2020-21	2021-22	2022-23
Capital Receipts	1,146.98	833.51	1,565.88	1,883.05	2,037.34
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	1.77	0.30	1.17	0.45	0.44
Public Debt Receipts	1,145.21	833.21	1,564.71	1,882.60	2,036.90
<i>Internal Debt</i>	<i>1,140.09</i>	<i>819.36</i>	<i>1,361.87</i>	<i>1,579.00</i>	<i>1,483.87</i>
Growth rate of Internal Debt (in per cent)	8.50	(-)28.13	66.21	15.94	(-)6.02
Loans and advances from GoI	5.12	13.85	202.84	303.60	553.03
Growth rate of loans and advances from GoI (in per cent)	102.37	170.51	1,364.55	49.67	82.16
Growth rate of debt Capital Receipts (in per cent)	8.71	(-)27.24	87.79	20.32	8.20
Growth rate of non-debt capital receipts (in per cent)	94.51	(-)83.05	290	(-)61.54	(-)2.22
Rate of growth of GSDP (in per cent)	9.36	10.70	5.02	13.75	13.84
Rate of growth of Capital Receipts (in per cent)	8.78	(-)27.33	87.87	20.26	8.19

Source: Finance Accounts and for GSDP— Source: Economic & Statistical Organisation

During the last five-year period, Capital Receipts increased by 77.63 per cent (₹ 890.36 crore) from ₹1,146.98 crore in 2018-19 to ₹2,037.34 crore in 2022-23. The rate of growth of Capital Receipts which was (-)27.33 per cent in 2019-20 increased to 8.19 per cent in 2022-23. Internal debts constituting 72.83 per cent of Capital Receipts during the current year decreased from ₹ 1,579.00 crore during 2021-22 to ₹ 1,483.87 crore in 2022-23. Non-debt Capital Receipts in the form of recoveries of Loans and Advances decreased by ₹ 0.01 crore (2.22 per cent) during 2022-23 over previous year.

Scheme for special assistance to States for Capital Expenditure: Government of India extended the “Scheme for Special Assistance to States for Capital expenditure”

for the financial year 2022-23. Under the Scheme, State received ₹551.36 crore interest free loan which is to be repaid after 50 years.

Against the fund of ₹551.36 crore received for “Scheme for Special Assistance to States for Capital expenditure”, Government of Sikkim incurred an expenditure of ₹551.30 crore on various capital works during the year 2022-23.

2.3.4 State’s performance in mobilisation of resources

State’s performance in mobilisation of resources in the form of its own sources comprising own-tax and non-tax sources can be judged against the projections of XV FC and targets of budget. **Table 2.16** shows the performance of State in mobilisation of resources against the projections and targets during 2022-23.

The State’s actual own tax and non-tax revenue for the year 2022-23 *vis-a-vis* assessment made by Fifteenth Finance Commission (15th FC) and Budget Estimates are given in **Table 2.16**.

Table 2.16: Tax and non-tax revenue *vis-à-vis* projections during 2022-23

(₹ in crore)

Particulars	15 th FC projections	Budget Estimates	Actual	Percentage variation of actual over	
				15 th FC projections	Budget Estimates
Own Tax Revenue	1,299.00	1,336.42	1,497.26	15.26	12.04
Non-tax Revenue	596.00	990.09	976.11	63.78	(-) 1.41

Source: FC Report and Estimates of Receipts

In comparison to the assessment made by XV-FC, Tax Revenue was more by ₹198.26 crore and the Non-Tax Revenue was also more by ₹380.11 crore. When compared to Budget Estimates, the Tax Revenue was more by ₹160.84 crore but Non-Tax Revenue fell short by ₹ 13.98 crore (1.41 *per cent*).

2.4 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. Analysis of allocation of expenditure in the State is given in succeeding paragraphs.

Growth and composition of expenditure

Revenue Expenditure: Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day-to-day running of the organisation, including establishment and administrative expenses shall be classified as revenue expenditure.

Capital Expenditure: All charges for the first construction of a project as well as charges for intermediate maintenance of the work while not opened for service and also charges for such further additions and improvements as may be sanctioned under the rules made by competent authority shall be classified as capital expenditure.

Loans and Advances: Loans and advances by the Government to Public Sector Undertakings (PSU) and other parties.

Trends of overall expenditure and its components are shown in **Table 2.17** and **Chart 2.9**. Total Expenditure, its composition and relative share in GSDP during the years 2018-19 to 2022-23 is presented in Table 2.17.

Table 2.17: Total expenditure and its composition

(₹ in crore)					
Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	6,564.45	6,922.75	7,882.53	7,985.47	10,007.56
Revenue Expenditure (RE)	5,226.57	6,185.08	6,368.65	6,668.84	7,630.58
Capital Expenditure (CE)	1,291.31	720.61	1,513.88	1,315.78	2,376.60
Loans and Advances	46.57	17.06	0	0.85	0.38
GSDP	28,402	31,441	33,018	37,557	42,756
As a percentage of GSDP					
TE/GSDP	23.11	22.02	23.87	21.26	23.41
RE/GSDP	18.40	19.67	19.29	17.76	17.85
CE/GSDP	4.55	2.29	4.59	3.50	5.56
Loans and Advances/ GSDP	0.16	0.05	0	0	0

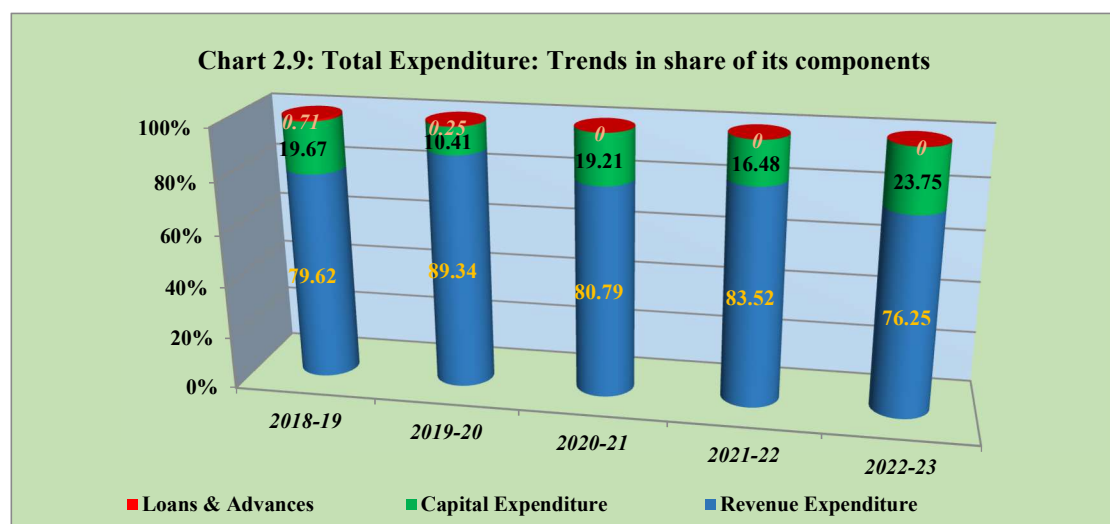
Source: Finance Accounts

During the period 2018-23, Total Expenditure of the State increased by 74.19 per cent (₹3,443.11crore) from ₹6,564.45 crore in 2018-19 to ₹10,007.56 crore in 2022-23. During the current year, it increased by 25.32 per cent over the previous year.

The ratio of Total Expenditure of the State to GSDP fluctuated between 21.26 per cent and 23.87 per cent during 2018-23. During 2022-23, it increased to 23.41 per cent from 21.26 per cent in previous year, mainly on account of fluctuations in Capital Expenditure during the five-year period.

Trend of Expenditure: Revenue, Capital and Loans & Advances

In the context of State Finances, the quality of expenditure has always been an important issue. Revenue Expenditure, which is in the nature of current consumption, accounted for 76.25 per cent of the State's aggregate expenditure, whereas Capital Expenditure, which is in the nature of asset creation, was 23.75 per cent during 2022-23. During the period 2018-23, Revenue Expenditure ranged between 76.25 to 89.34 per cent, while Capital Expenditure has remained within the range of 10.41 to 23.75 per cent, as seen in Chart 2.9:



Source: Finance Accounts

Relative share of various sectors of expenditure during 2018-23 is depicted in **Table 2.18** and **Chart 2.10**.

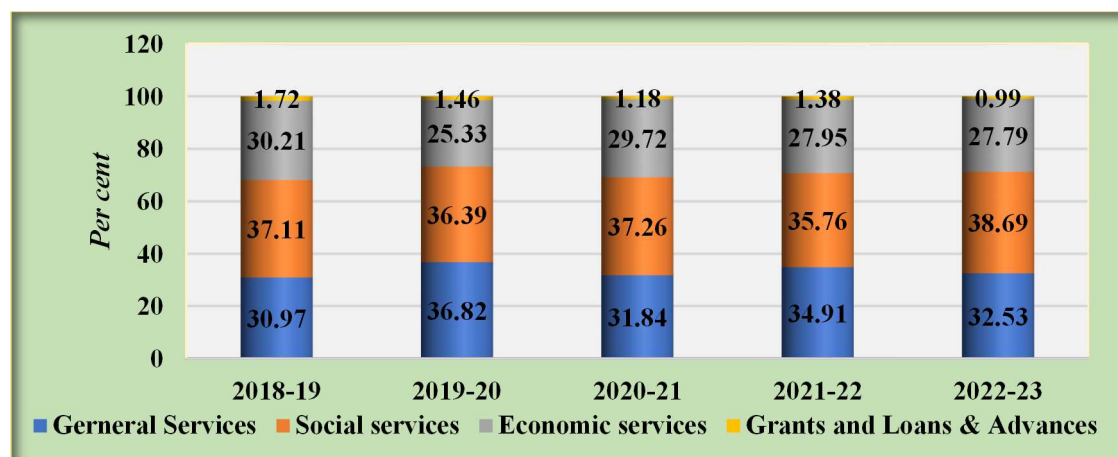
Table 2.18: Relative share of various Sectors in Total Expenditure

(₹ in crore)					
Sectors	2018-19	2019-20	2020-21	2021-22	2022-23
General Services	2,032.95	2,548.62	2,509.30	2,787.52	3,256.11
Social Services	2,437.22	2,519.45	2,936.99	2,855.83	3,871.58
Economic Services	2,027.34	1,770.10	2,342.92	2,231.77	2,780.79
Others (Grants to Local Bodies and Loans and Advances)	66.94	84.60	93.32	110.35	99.08
Total Expenditure	6,564.45	6,922.75	7,882.53	7,985.47	10,007.56
Sectoral share in Total Expenditure (in per cent)					
General Services	30.97	36.82	31.84	34.91	32.53
Social Services	37.11	36.39	37.26	35.76	38.69
Economic Services	30.21	25.33	29.72	27.95	27.79
Others (Grants to Local Bodies and Loans and Advances)	1.72	1.46	1.18	1.38	0.99
Total	100.00	100.00	100.00	100.00	100.00

Source: Finance Accounts

The relative share of above components of expenditure indicates that the share of General Services and Economic Services decreased by 2.38 per cent and 0.16 per cent respectively during 2022-23 over the previous year, while relative share of Social Services increased by 2.93 per cent.

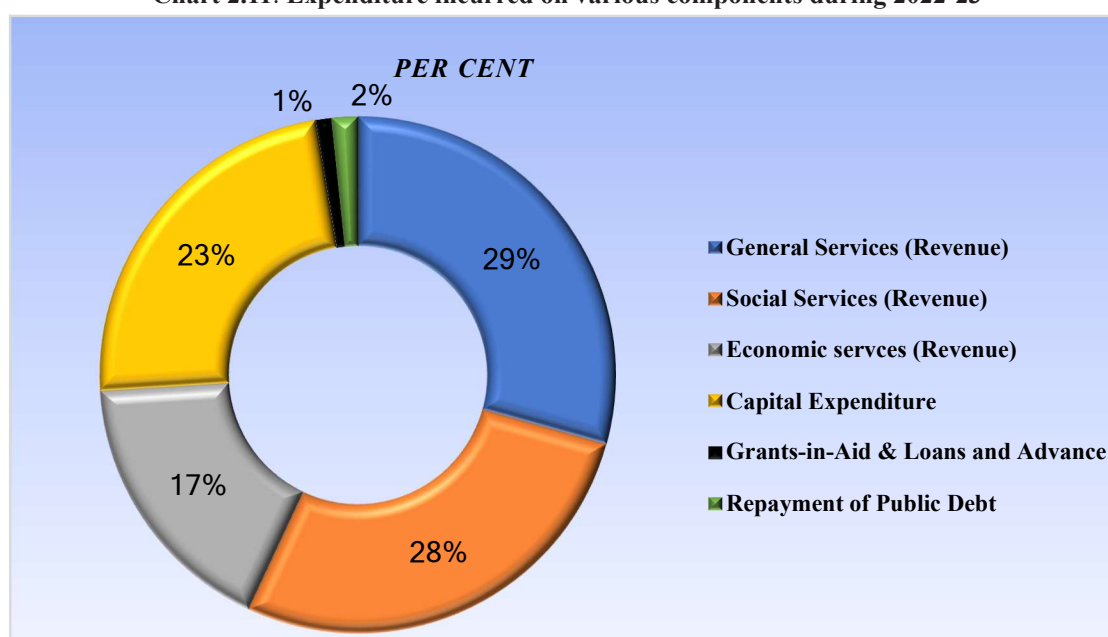
Chart 2.10: Total Expenditure - Expenditure by activities



Source: Finance Accounts

Chart 2.10 shows that the share of General Services and Social Services in total expenditure increased from 30.97 per cent and 37.11 per cent in 2018-19 to 32.53 per cent and 38.69 per cent respectively in 2022-23, while that of Economic Services and Grants to local bodies and loan and advances decreased from 30.21 per cent and 1.72 per cent in 2018-19 to 27.79 per cent and 0.99 per cent during the same period. **Chart 2.11** shows composition of expenditure by function.

Chart 2.11: Expenditure incurred on various components during 2022-23



Source: Finance Accounts

2.4.1 Revenue Expenditure

Revenue Expenditure is incurred to maintain the current level of services and payment for the past obligations. As such, it does not result in any addition to the State's infrastructure and service network.

Revenue Expenditure on an average constituted 81.90 per cent (ranging between 76.25 per cent in 2022-23 and 89.34 per cent in 2019-20) of the Total Expenditure during the period 2018-23. Rate of growth of Revenue Expenditure displayed wide fluctuation during the five-year period 2018-23 as during 2019-20 and 2020-21, it grew by 18.34 per cent and 2.97 per cent respectively and during 2021-22 and 2022-23 its growth was 4.71 per cent and 14.42 per cent respectively. Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and buoyancy vis-à-vis GSDP and Revenue Receipts are indicated in Table 2.19 and the sectoral distribution of Revenue Expenditure pertaining to 2022-23 is given in Chart 2.12.

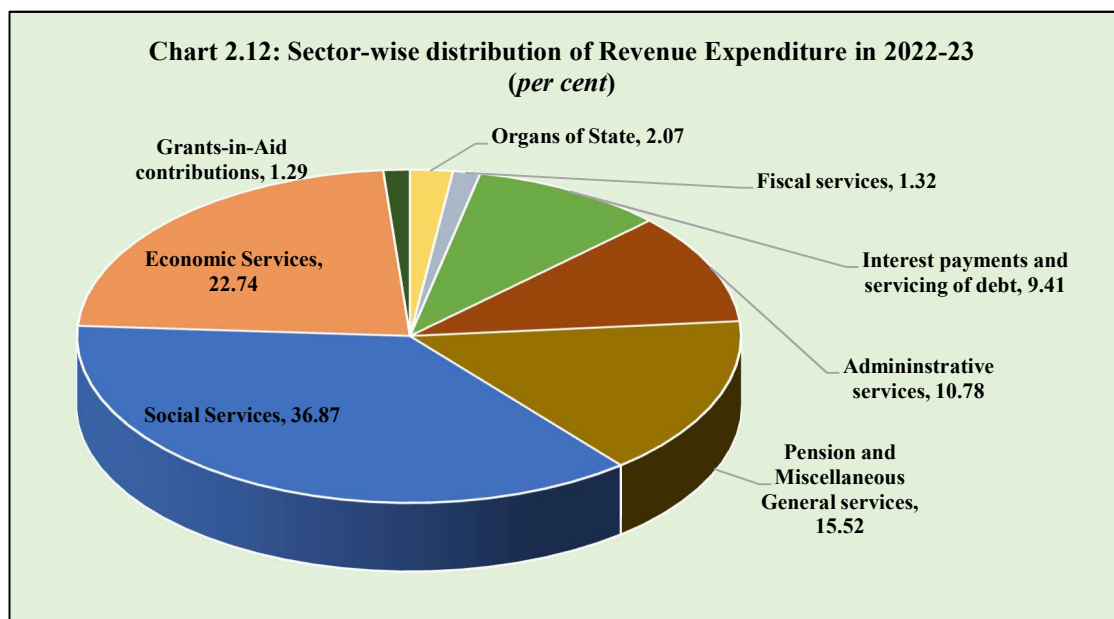
Table 2.19: Revenue Expenditure – Basic Parameters

Parameters	₹ in crore				
	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	6,564.45	6,922.75	7,882.53	7,985.47	10,007.56
Revenue Expenditure (RE)	5,226.57	6,185.08	6,368.65	6,668.84	7,630.58
Rate of Growth of RE (per cent)	25.89	18.34	2.97	4.71	14.42
Revenue Expenditure as percentage of TE	79.62	89.34	80.79	83.52	76.25
RE/GSDP (per cent)	18.40	19.67	19.29	17.76	17.85
RE as percentage of RR	88.28	127.76	113.57	94.18	94.16
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	2.76	1.71	0.59	0.34	1.04

Source: Finance Accounts

The revenue expenditure increased by ₹2,404.01 crore (46 per cent) from ₹ 5,226.57 crore in 2018-19 to ₹ 7,630.58 crore in 2022-23. It increased at an annual

average growth rate of 13.27 *per cent*, whereas as percentage of GSDP, it decreased from 18.40 *per cent* to 17.85 *per cent* during the same period. Buoyancy of revenue expenditure with reference to revenue receipts also improved in 2022-23.



2.4.1.1 Major changes in Revenue Expenditure

Table 2.20 details significant variations under various Heads of Account with regard to Revenue Expenditure of the State during the current year and the previous year.

The revenue expenditure increased substantially by ₹961.74 crore (14.42 *per cent*) from ₹ 6,668.84 crore in 2021-22 to ₹ 7,630.58 crore in 2022-23. Significant variations under various Major Heads of Accounts with regard to revenue expenditure of the State during the current year as compared to the previous year are depicted in **Table 2.20**.

Table 2.20: Variations in Revenue Expenditure during 2022-23 compared to 2021-22

(₹ in crore)

Major Heads of Account	2021-22	2022-23	Increase (+)/ Decrease (-)
2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	113.35	233.83	120.48
2245-Relief on Account of Natural Calamities	64.36	109.83	45.47
2045-Other Taxes and Duties on Commodities and Services	14.87	37.05	22.18
2013-Council of Ministers	17.76	34.94	17.18
2408-Food Storage and Warehousing	20.84	37.22	16.38
2205-Art and Culture	18.97	32.97	14.00
2015-Elections	9.39	20.54	11.15
2711-Flood Control and Drainage	24.25	10.99	(-)13.26
2405-Fisheries	21.37	9.01	(-)12.36

Source: Finance Accounts

Table 2.20 indicates that there has been:

- Increase of ₹ 120.48 crore (106.29 *per cent*) under ‘Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes’ was mainly due to increase of ₹ 155.72 crore in Welfare of Minorities Economic Development.

- Increase of ₹ 45.47 crore (70.65 per cent) under ‘Relief on Account of Natural Calamities’ and increase of ₹ 22.18 crore (149.16 per cent) under ‘Other Taxes and Duties on Commodities and Services’ was mainly due to increase of ₹ 57.63 crore and ₹ 22.32 crore in Transfer to Reserve Funds /Deposit Accounts respectively.
- Increase of ₹ 17.18 crore (96.73 per cent) under ‘Council of Ministers’ was mainly due to increase of ₹ 15.27 crore in Discretionary grants by Ministries and in tour Expenses.
- Increase of ₹ 16.38 crore (78.60 per cent) under ‘Food Storage and Warehousing’ was mainly due to increase of ₹ 11.68 crore in Food Subsidies.
- Increase of ₹ 14.00 crore (73.80 per cent) under ‘Art and Culture’ was mainly due to increase of ₹ 4.90 crore in Promotion of Arts and Culture and increase of ₹ 6.28 crore in Archives.
- Increase of ₹ 11.15 crore (118.84 per cent) under ‘Elections’ was mainly due to increase of ₹ 9.65 crore in Charges for Conduct of Election to Panchayats/Local Bodies.
- Decrease of ₹ 13.26 crore (54.68 per cent) under ‘Flood Control and Drainage’ which was mainly due to decrease of ₹ 13.26 crore in Civil Works.
- Decrease of ₹ 12.36 crore (51.84 per cent) under ‘Fisheries’ which was mainly due to decrease of ₹ 11.47 crore in Inland fisheries.

2.4.1.2 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.

Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector. Trend analysis of committed and inflexible expenditure and its components is depicted in **Table 2.21** and share of committed expenditure in revenue expenditure is shown in **Chart 2.13**.

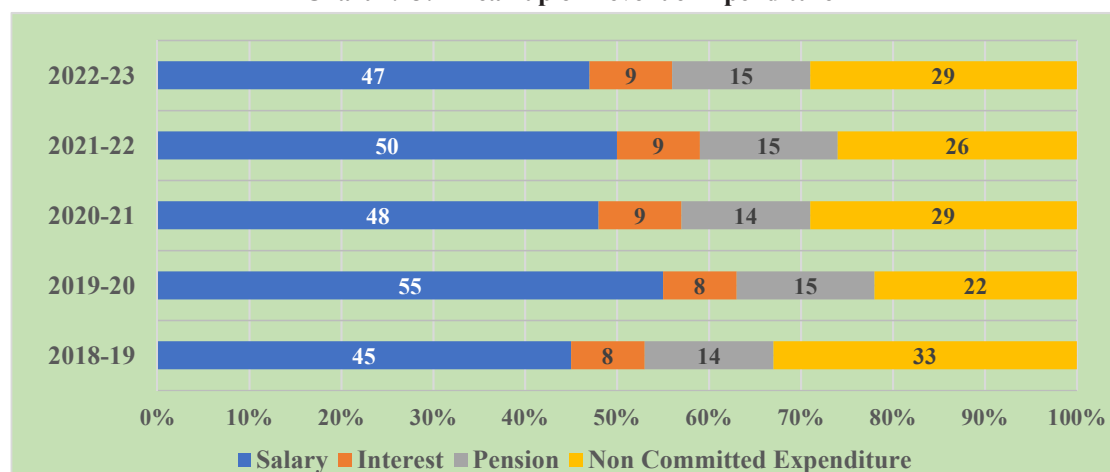
Table 2.21: Components of Committed and Inflexible – Expenditure

(₹ in crore)					
Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Salaries & Wages	2,014.66	3,197.71	3,035.88	3,267.65	3,538.49
Salaries paid through GIAs	322.14	184.13	37.77	54.72	55.78
Total Salaries & Wages	2,336.80	3,381.84	3,073.65	3,322.37	3,594.27
Expenditure on Pensions	737.24	910.58	908.13	983.24	1,150.25
Interest Payments	433.05	509.68	548.41	635.04	718.18
Total	3,507.09	4,802.10	4,530.19	4,940.65	5,462.70
Components of Inflexible Expenditure					
Statutory devolution to local bodies	66.40	83.86	93.32	109.50	98.70
Recoupment of Contingency Fund	-	-	-	-	-
Transfer of cess to reserve fund/ other body	25.00	28.04	43.95	-	-
Share contribution of CSS against the Central Fund received	44.64	60.29	102.09	210.10	283.46

Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Payment of interest on the balances of the interest-bearing funds					
a) Small Savings, Provident Funds, etc.	79.12	80.93	86.35	86.70	86.98
b) General and Other Reserve Funds	00	11.69	12.01	10.46	7.00
Total	215.16	264.81	337.72	416.76	476.14
As a percentage of Revenue Receipts (RR)					
Committed Expenditure					
Salaries & Wages	34.03	66.05	54.14	46.15	43.66
Salaries paid through GIAs	5.44	3.80	0.67	0.77	0.69
Expenditure on Pensions	12.45	18.81	16.19	13.89	14.19
Interest Payments	7.31	10.53	9.78	8.97	8.86
Total	59.23	99.19	80.78	69.78	67.40
Inflexible Expenditure					
Total	3.63	5.47	6.02	5.89	5.88
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	38.55	51.70	47.67	49.00	46.37
Salaries paid through GIAs	6.16	2.98	0.59	0.82	0.73
Expenditure on Pensions	14.11	14.72	14.26	14.74	15.07
Interest Payments	8.29	8.24	8.61	9.52	9.41
Total	67.11	77.64	71.13	74.08	71.58
Inflexible Expenditure					
Total	4.12	4.28	5.30	6.25	6.24
Non-committed RE	1,719.48	1,382.98	1,838.46	1,728.19	2,167.88
Percentage of RE	32.90	22.36	28.87	25.91	28.41
Percentage of TE	26.19	19.98	23.32	21.64	21.66
Subsidies	2.67	0.00	2.86	2.75	4.89
Subsidies as percentage of non-committed expenditure	0.16	0.00	0.16	0.16	0.23

Source: Finance Accounts

Chart 2.13: Break up of Revenue Expenditure



Source: Finance Accounts

As can be seen from the details given in **Table 2.21** and **Chart 2.13**, on an average, the committed expenditure constituted 72.45 per cent of Revenue Expenditure and 73.66 per cent of Revenue Receipts of the State during the five-year period 2018-23. Committed expenditure which was 99.19 per cent of Revenue Receipts in 2019-20, decreased to 67.41 per cent of Revenue Receipts in 2022-23. Similarly, the percentage of committed expenditure to Revenue Expenditure decreased from 77.64 per cent in 2019-20 to 71.59 per cent in 2022-23.

Salaries and wages

Expenditure on salaries and wages (₹ 3,594.27 crore) increased by 8.19 per cent during 2022-23 over the previous year (₹3,322.37 crore) and constituted 47.10 per cent of revenue expenditure.

Interest payment

During 2022-23 interest payments were to the tune of ₹718.18 crore (9.41 per cent of revenue expenditure), interest on Market Borrowings (₹593.69 crore) and interest on State Provident Fund (₹ 80.00 crore) continued to be the major components of interest payments.

Pensions

The expenditure on pension and other retirement benefits to State Government pensioners during the year was ₹1,150.25 crore and constituted 15.07 per cent of the revenue expenditure during the year. Superannuation and Retirement Allowances (₹ 471.09 crore) increased by ₹ 71.85 crore, Family Pensions (₹129 crore) increased by ₹ 11.83 crore and Commuted Value of Pensions (₹142.78 crore) increased by ₹ 22.54 crore, Gratuities (₹170.53 crore) increased by ₹ 29.08 crore from those in 2021-22.

(i) Undischarged liabilities in National Pension System

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

As on 31.03.2023, the State had 25,294 eligible employees under NPS, out of them, Permanent Retirement Account Number (PRAN) (Unique Number) were allotted to 24,735 employees, whereas 559 employees were awaiting allotment of PRAN. Details of employee's share, Government contribution, interest accrued thereon and transfer of contributions to NSDL/ trustee Bank during the period from 2017-18 to 2022-23 are given in Table 2.22.

Table 2.22: Details of Contribution and Transfers to NSDL under NPS

(₹ in crore)

Year	Opening Balance	Details of contribution by		Total contribution	Transfer to NSDL	Short transfer/ Closing Balance	Rate of Interest	Interest due on Opening Balance**
		Employees	Government					
2017-18	28.51	38.09	40.70	78.79	79.63	27.67	7.60	2.17
2018-19	27.67	46.94	49.48	96.42	94.54	29.55	7.60	2.10
2019-20	29.55	73.90	77.42	151.32	114.74	66.13	7.60	2.25
2020-21	66.13	87.99	88.89	176.88	159.89	83.12	7.10	4.70
2021-22	83.12	99.91	99.91	199.82	213.69	69.25	7.10	5.90
2022-23	69.25	114.57	107.79	222.36	238.64	52.97	7.10	4.92
Total		461.4	464.19	925.59	901.13	328.69		22.04

Source: Notes to Finance Accounts.

** Interest has been calculated (at GPF Rate) on the Opening Balance of the respective year

Audit analysis of contributions under NPS revealed that during 2022-23, the total deposit under Major Head 8342-117 Defined Contribution Pension Scheme was ₹ 222.36 crore (Employees' contribution ₹ 114.57 crore and Government contribution ₹ 107.79 crore). The State has short released of ₹6.78 crore as its contribution. However, out of the total available fund of ₹291.61 crore under National Pension System (NPS) up to 2022-23, State Government transferred only ₹238.64 crore to the NSDL, leaving a balance of ₹52.97 crore as on 31 March 2023. Thus, there was an un-transferred amount of ₹52.97 crore to the NSDL and the current liability stands deferred to future year(s). Uncollected, unmatched and un-transferred amounts, with accrued interest, represent outstanding liabilities of the Government under the Scheme.

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

From scrutiny of the State Government accounts, it was observed that the Government has not transferred its contribution towards the individual subscriber on monthly basis, and instead transferred it mostly at the end of the year, thereby affecting the overall value of the investment. Thus, there was inconsistency in transferring of NPS fund to NSDL which affects the interest of the subscribers.

The department stated (December 2023) that there are few technical hurdles as the monthly CPF/NPS contribution of only those employees who has PRAN Card can be transferred to NSDL. However, the entire CPF/NPS subscribers have not obtained PRAN Card by submitting the Common Subscriber Registration Form (CSRFF). Though the number of defaulters reduced to 107 after the stoppage of individual salary from December 2022, still the target to make it 'NIL' within the span of one year was yet to be achieved. The number of employees without PRAN now stands at 79.

Inflexible expenditure

The components of Inflexible expenditure which include among others Statutory devolution to local bodies and contribution to Reserve Fund showed a continued increase during the period 2018-19 to 2022-23. As a percentage of revenue expenditure, the inflexible expenditure increased from 4.12 - 6.24 *per cent*. Further, the inflexible expenditure (₹ 476.14 crore) increased by 14.25 *per cent* during 2022-23 over the previous year (₹ 416.76 crore).

2.4.1.3 Subsidies

There was no booking of expenditure on subsidies during the year 2019-20, but during the years 2020-21, 2021-22 and 2022-23, ₹2.86 crore, ₹2.75 crore and ₹4.89 crore was booked under expenditure on Subsidy respectively, as detailed in **Table 2.23**.

Table 2.23: Booking of Expenditure on subsidies during 2018-23

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Subsidies (₹ in crore)	2.67	0.00	2.86	2.75	4.89
Food Subsidies (₹ in crore)	2.44	0.00	2.78	2.50	4.06
Subsidies as a percentage of Revenue Receipts	0.05	0.00	0.05	0.04	0.06

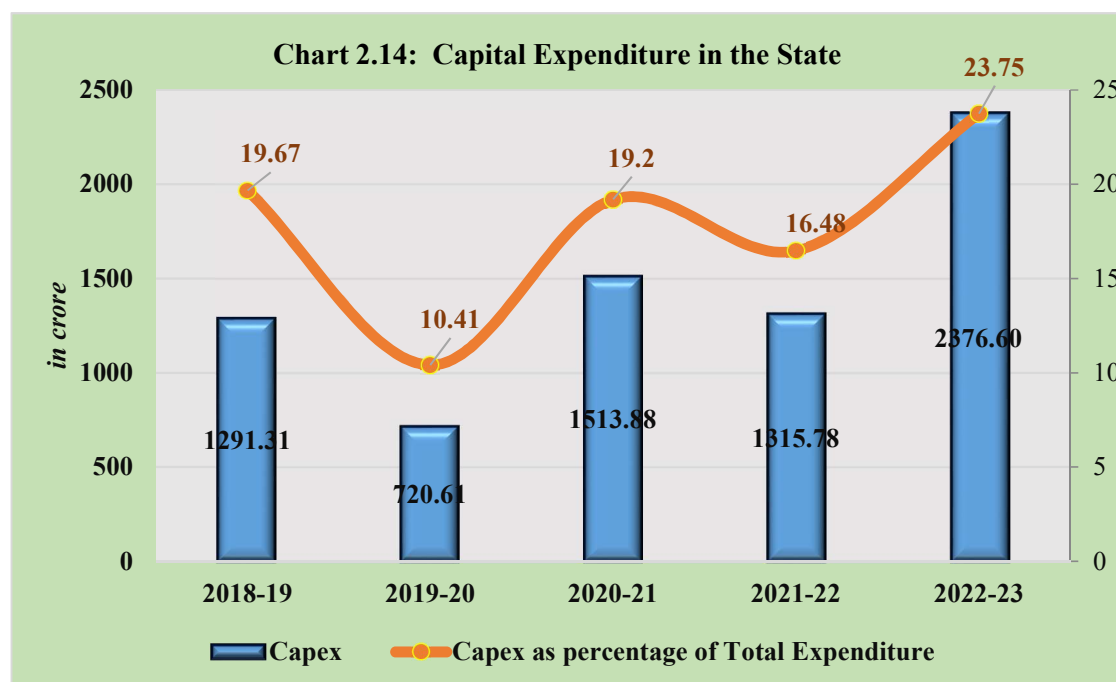
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Subsidies as a percentage of Revenue Expenditure	0.05	0.00	0.04	0.04	0.06
Subsidies as percentage of Total Expenditure	0.04	0.00	0.04	0.03	0.05
Subsidies as percentage to Revenue Deficit/surplus	0.38	0.00	0.38	0.67	1.03
Food subsidy as percentage to total subsidy	91.39	0.00	97.20	90.91	83.03

Source: Finance Accounts

The biggest component of the subsidy outgo of Government of Sikkim was the subsidy to Food, Civil Supplies and Consumer Affairs Department, which accounted for 83.03 per cent (₹4.06 crore) of the total subsidy during 2022-23.

2.4.2 Capital Expenditure

Capital Expenditure is primarily expenditure on creation of fixed infrastructure assets, such as buildings, roads, bridges, etc. Capital expenditure, in both the Centre and the State, is being met from budgetary support and extra budgetary resources/ off-budget. It also includes investments made by the State Government in Companies/ Corporations. Trend of capital expenditure in the state over the last five years i.e. 2018-23 is given in Chart 2.14.



Source: Finance Accounts

Chart 2.14 shows that the capital expenditure fluctuated during the five years period. It increased by ₹1,085.29 crore (84.05 per cent) from ₹1,291.31 crore (19.67 per cent of total expenditure) in 2018-19 to ₹2,376.60 crore (23.75 per cent of total expenditure) in 2022-23.

2.4.2.1 Major changes in Capital Expenditure

Table 2.24 highlights cases of significant increase or decrease of Capital Expenditure in various Heads of Account during 2022-23 vis-à-vis the previous year.

Table 2.24: Capital expenditure during 2022-23 compared to 2021-22

(*₹ in crore*)

Major Heads of Accounts	2021-22	2022-23	Percentage Increase (+)/ Decrease (-)
4216- Capital outlay on Housing	9.84	451.00	4483
4515-Capital Outlay on Other Rural Development Programmes	5.33	33.93	537
4217-Capital Outlay on Urban Development	44.52	223.42	402
4711-Capital Outlay on Flood Control Projects	27.77	80.43	190
4801-Capital Outlay on Power Projects	102.64	225.46	120
4702-Capital Outlay on Minor Irrigation	0.00	19.38	100
4851-Capital Outlay on Village and Small Industries	0.00	19.00	100
4859-Capital outlay on Telecommunication and Electronic Industries	0.00	50.00	100

Source: Finance Accounts

Capital Expenditure on Housing, Other Rural Development, Urban Development and Flood Control increased by 4,483 *per cent*, 537 *per cent*, 402 *per cent* and 190 *per cent* respectively in 2022-23 as compared to previous year.

Increase in Capital Expenditure on Housing was mainly in Rural Housing under Other Expenditure for Sikkim *Garib Awas Yojana* and Sikkim *Garib Awas Yojana* (Rural) Phase II. Increase in Other Rural Development was mainly in Panchayati Raj, Community Development and Rural Development. Increase in Urban Development was in development of small and Medium Towns Smart Cities and implementation of Master Plan. Increase in Flood Control was in Flood Control Projects for implementation of various new major (JTW) and construction of mini *jhora* training works.

2.4.2.2 Quality of Capital Expenditure

If the State Government keeps on making investments in loss making Government companies, whose net worth has completely eroded, there are no chances of return on investment. Similarly, experience has shown the inevitability of write-off of the loans given to loss making corporations and other bodies such as financial corporations, *etc.* Requisite steps have to be taken to infuse transparency in such financial operations. This section presents an analysis of investments and other capital expenditure under taken by the Government during the current year.

(i) Quality of Investment in the companies, corporations and other bodies

Return on investment in share capital invested in Public Sector Undertakings (PSUs) is an important determinant of quality of capital expenditure. As of March 2023, Government had invested ₹111.08 crore in Statutory Corporations, Banks, Joint Stock Companies and Co-operatives as detailed in succeeding paragraphs. The return during 2022-23 was 3.71 *per cent* as detailed in **Table 2.25**.

Table 2.25: Return on Investment

Investment/return/ cost of borrowings	2018-19	2019-20	2020-21	2021-22	2022-23
Investment at the end of the year (₹ in crore)	105.46	104.18	106.68	107.58	111.08
Return (₹ in crore)	4.38	3.06	2.78	1.45	4.12
Return (per cent)	4.15	2.94	2.61	1.35	3.71
Average rate of interest on Government Borrowings (per cent) ⁵	7.69	8.03	7.32	6.92	6.51
Difference between interest rate and return (per cent)	3.20	4.48	4.05	5.03	2.39
Difference between cost of Government borrowings and return on investment (₹ in crore) [#]	3.37	4.67	4.32	5.41	2.65

Source: Finance Accounts # Investment at the end of the year

(Investment at the end of the year X Difference between interest rate and return)/100

The Return on Investment during the current year were on account of dividend receipts from State Bank of Sikkim, Sikkim Distilleries Limited and Sikkim State Co-operative Bank (SISCO) amounting to ₹2.67 crore, ₹1.45 crore and ₹0.20 lakh respectively.

The details of investment of ₹ 111.08 crore up to the end of 2022-23 by the State Government in Statutory Corporations (three), Joint Stock Companies (25) and Banks and Co-operative Societies (nine) are detailed in **Appendix 2.3**.

As shown in the table, the return on investments was only between 1.35 per cent and 4.15 per cent during 2018-23 while the average rate of interest paid by the State Government on its borrowings was between 6.10 per cent and 7.42 per cent during the same period.

(ii) 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 2.26** presents the position of outstanding loans and advances as on 31 March 2023 and interest receipts vis-à-vis interest payments by the State Government on its borrowings during the last five years.

Table 2.26: Quantum of loans disbursed and recovered during 2018-23

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Opening Balance of loans outstanding	192.49	237.30	254.06	252.89	253.29
Amount advanced during the year	46.57	17.06	0.00	0.85	0.38
Amount recovered during the year	1.77	0.30	1.17	0.45	0.44
Closing Balance of the loans outstanding	237.29	254.06	252.89	253.29	253.23
Net addition	(+) 44.80	(+) 16.76	(-) 1.17	(+) 0.40	(-) 0.06
Interest received	0.00	0.00	0.00	0.00	0.00
Average Rate of Interest paid on the outstanding borrowings of the Government	7.69	8.03	7.32	6.92	6.51
Difference between the rate of interest received and interest paid (per cent)	7.69	8.03	7.32	6.92	6.51

Source: Finance Accounts

The total outstanding loans advanced by the State Government decreased by ₹ 0.06 crore from ₹ 253.29 crore in 2021-22 to ₹ 253.23 crore in the year 2022-23. State government did not receive any interest during 2018-23.

⁵ Example for 2022-23 Average interest rate calculation: -Total outstanding debt ₹ 10,862.94 crore (2021-22) Plus Total outstanding debt ₹ 12,696.89 crore (2022-23) = Average outstanding Debt ₹23,559.83 crore/ 2 = ₹ 11,779.92 crore; Interest paid during 2022-23 = ₹ 718.18 crore; Average interest rate in per cent = ₹ 718.18 crore / ₹ 11,779.92 crore = 6.10 per cent.

(iii) Capital locked in incomplete projects**Investment in Incomplete Projects**

An assessment of trends in capital blocked in incomplete capital works indicates quality of capital expenditure. 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 leads to the extra burden in terms of servicing of debt and interest liabilities.

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

According to the information available in Appendix IX and Statement 16 of the Finance Accounts for the year 2022-23 (details given in *Appendix 2.4 A & B*), out of 15 works executing Departments, only nine departments furnished the details of works executed, to Audit.

These Departments had 101 ongoing projects were due to be completed on or before March 2023. As the remaining 6 departments did not furnish the details, actual number of incomplete projects in the State could not be ascertained by audit. Department-wise and age-wise information pertaining to incomplete projects of these nine departments as on 31 March 2023 is given in **Table 2.27** and **2.28**.

Table 2.27: Age profile of incomplete projects as on 31 March 2023*(₹ in crore)*

To be completed	No of incomplete projects	Estimated cost	Expenditure
Upto 2013-14	3	87.22	74.45
2013-14	2	6.80	5.37
2014-15	0	0	0
2015-16	1	8.41	5.21
2016-17	1	5.89	3.56
2017-18	7	134.41	26.05
2018-19	4	27.11	11.48
2019-20	19	644.70	294.81
2020-21	15	298.11	128.64
2021-22	16	138.56	138.29
2022-23	33	327.54	134.56
Total	101	1678.75	822.42

Source: Finance Accounts Vol-II, Appendix IX

Table 2.28: Department-wise profile of incomplete projects as on 31 March 2023 (₹ in crore)

Department	No. of incomplete projects	Estimated cost	Expenditure
Food & Civil Supplies	10	19.88	13.26
Animal Husbandry & Veterinary Services	5	4.82	1.64
Building & Housing	26	606.00	265.52
Director General of Police	2	20.48	18.00
Tourism & Civil Aviation	15	670.31	289.58
Urban Development	22	157.69	113.00
Public Health Engineering	12	120.41	86.77
Sports and Youth Affairs	9	79.17	34.65
Total	101	1678.75	822.42

Source: Finance Accounts Vol-II, Appendix IX

Out of these 101 projects, 14 projects (sanctioned cost ₹242.73 crore and expenditure ₹114.64 crore) were on-going for five years or more.

Further, department-wise analysis revealed that out of these 101 incomplete projects, which were scheduled to be completed by 31 March 2023, Building & Housing Department had the highest number of incomplete projects (26) followed by Urban Development (22); Tourism & Civil Aviation (15) and Public Health Engineering (12).

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.

2.4.3 Expenditure priorities

Enhancing human development levels requires the States to step up their expenditure on key Social Services like Education, Health, etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the better the quality of expenditure.

Table 2.29 presents analysis of the fiscal priority of the State Government about Capital Expenditure (CE), Expenditure on Education Sector and Health Sector *vis-à-vis* Total Expenditure (TE) with their comparison to North-eastern and Himalayan (NE&H) States in 2018-19 and 2022-23.

Table 2.29: Expenditure priority of the State w.r.t. Health, Education and Capital expenditure

<i>(in per cent)</i>					
Year	Particulars	TE/GSDP	CE/TE	Education/TE	Health/TE
2018-19	NE & H States Average	27.30	16.11	17.70	6.48
	Sikkim	23.11	19.67	15.75	6.20
2022-23	NE & H States Average	27.24	15.52	15.77	6.95
	Sikkim	23.41	23.75	15.28	6.28

GSDP: Figures furnished by Department of Economics, Statistics, Monitoring and Evaluation (DESME), Government of Sikkim.

TE:-Total Expenditure (Revenue + Capital + Disbursement of Loans and Advances).

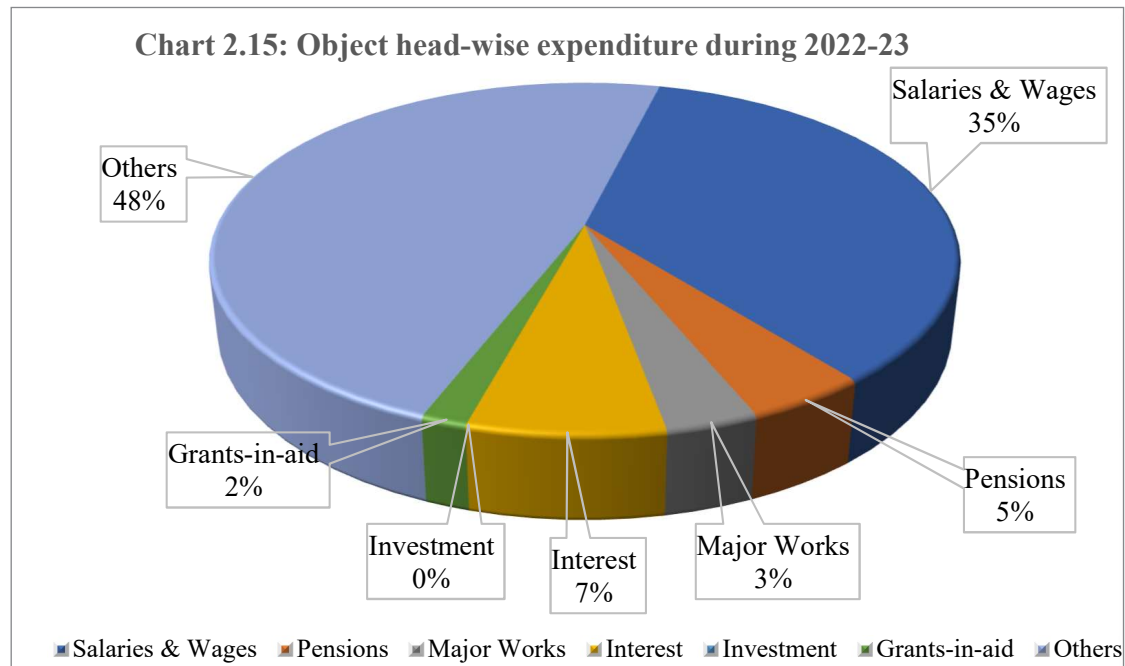
Table 2.29 shows that:

- The State Government's total expenditure as proportion of GSDP, increased from 23.11 *per cent* in 2018-19 to 23.41 *per cent* in 2022-23 whereas for NE&H States it decreased from 27.30 *per cent* to 27.24 *per cent* during the same period.
- Capital expenditure facilitates asset creation which generates opportunities for higher growth. The ratio of capital expenditure to total expenditure increased from 19.67 *per cent* in 2018-19 to 23.75 *per cent* in 2022-23. Whereas this ratio for NE&H States decreased from 16.11 *per cent* to 15.52 *per cent* during the same period.
- The ratio of expenditure on education to the total expenditure in Sikkim decreased from 15.75 *per cent* in 2018-19 to 15.28 *per cent* in 2022-23. Similarly, it also decreased from 17.70 *per cent* to 15.77 *per cent* in the case of NE&H States during the same period.

- The ratio of expenditure on health to total expenditure in Sikkim slightly increased from 6.20 per cent in 2018-19 to 6.28 per cent in 2022-23. Similarly, it also increased from 6.48 per cent to 6.95 per cent in the case of NE&H States during the same period.

2.4.4 Object head-wise expenditure

Object head-wise expenditure gives information about the object/ purpose of the expenditure. **Chart 2.15** shows object head-wise expenditure.



Source: Finance Accounts 2022-23

2.5 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 accounted in Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these transactions. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.5.1 Net Public Account Balances

The sector-wise and sub-sector-wise net balances in Public Account of the State is given in **Table 2.30**.

Table 2.30: Component-wise net balances in Public Account as of 31 March of the year

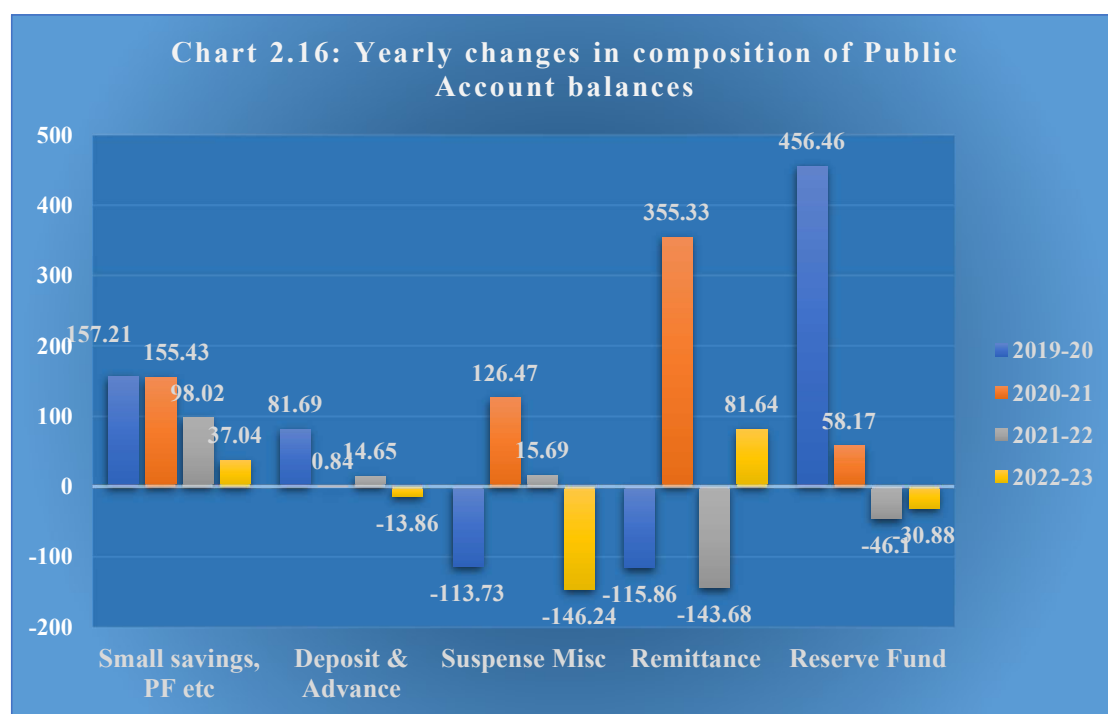
(₹ in crore)

Sector	Sub Sector	2018-19	2019-20	2020-21	2021-22	2022-23
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	1,005.65	1,162.86	1,318.29	1,416.32	1,453.36
Reserve Funds	(a) Reserve Funds bearing Interest	23.08	391.31	376.29	296.69	234.07
	(b) Reserve Funds not bearing Interest	543.12	631.35	704.54	738.03	769.77
	Sub total	566.2	1,022.66	1,080.83	1,034.72	1,003.84
Deposits and Advances	(a) Deposits bearing Interest	29.54	66.12	83.15	68.52	52.24
	(b) Deposits not bearing Interest	250.27	295.38	279.19	308.46	310.88
	(c) Advances	(-1.03)	(-1.03)	(-1.03)	(-1.03)	(-1.03)
	Sub total	278.78	360.47	361.31	375.95	362.09
Suspense and Miscellaneous	(a) Suspense	6.58	4.56	5.20	5.48	9.38
	(b) Other Accounts	324.34	212.63	338.46	353.87	203.73
	(c) Accounts with Governments of Foreign Countries	0	0	0	0	0
	(d) Miscellaneous	0	0	0	0	0
	Sub total	330.92	217.19	343.66	359.35	213.11
Remittances	(a) Money Orders, and other Remittances	274.19	158.33	513.66	369.97	451.61
	(a) Inter- Governmental Adjustment Account	0	0	0	0	0
	Sub total	274.19	158.33	513.66	369.97	451.61
Total		2,455.74	2,921.51	3,617.75	3,556.33	3,484.01

Source: Finance Accounts of respective years

Note: +ve denotes debit balance and -ve denotes credit balances

The yearly changes in composition of balances in Public Account over the five-year period 2018-23 are given in Chart 2.16.



Source: Finance Accounts of respective years

2.5.2 Reserve Funds

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

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

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

Details of Reserve Funds are available in Statements 21 and 22 of the Finance Accounts. There were four interest bearing funds and two Reserve Funds not bearing interest as on 31 March 2023. The fund balances lying in these Reserve Funds as on 31 March 2023 are given in **Table 2.31**.

Table 2.31: Detail of Reserve Funds

(₹ in crore)

Sr. No.	Name of Reserve Fund	Balance as on 31 March 2023
A	Reserve Funds bearing Interest	234.07
1.	State Disaster Response Fund	10.05
2.	State Compensatory Afforestation	209.49
3.	State Disaster Mitigation Fund	14.53
B	Reserve Funds not bearing Interest	769.77
1.	Sinking Funds	566.47
2.	Guarantee Redemption Fund	71.45
3.	Other Funds	131.85
	Grand Total	1,012.84

Source: Finance Accounts

2.5.2.1 Consolidated Sinking Fund

The State Government constituted a Consolidated Sinking Fund for redemption of the open market loans of the Government commencing from 2004-05. As per guidelines of the Fund, the Government is required to contribute to the fund at the rate of one to three *per cent* of the outstanding open market loans as at the end of the previous year. The scope of this fund has been extended to cover all outstanding liabilities of the Government through a notification by the State issued on 18 August 2007 based on recommendations of the XII FC. For the year 2022-23, the flow of Consolidated Sinking Fund is detailed in **Table 2.32**.

Table 2.32: Flow of Consolidated Sinking Fund during 2018-23

(₹ in crore)

Year	Opening balance	Additions to the Fund (contribution and interest)			Payments out of the Fund	Closing balance	Amount invested
		Required contribution	Actual contribution	Interest accrued			
2018-19	386.79	36.21	12.00	29.96	Nil	428.75	428.75
2019-20	428.75	44.16	12.00	36.17	Nil	476.92	476.92
2020-21	476.92	48.95	12.00	29.23	Nil	518.15	518.15
2021-22	518.15	61.87	12.00	21.32	Nil	551.47	551.47
2022-23	551.47	76.58	15.00	0.00	Nil	566.47	566.47
Total				116.68			

Source: Finance Accounts of respective years

According to the guidelines of the Fund, State may contribute a minimum of 1 to 3 per cent of their outstanding open market loan⁶ at the end of the previous year to the Consolidated Sinking Fund. However, during 2022-23, Government contributed ₹15.00 crore (which is less than minimum one per cent i.e. ₹ 76.58 crore) and closing balance stood at ₹ 566.47 crore at the end of the year.

2.5.2.2 State Disaster Response Fund

Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 01 April 2010 as per the recommendations of the XII FC.

In terms of guidelines on constitution and administration of the State Disaster Response Fund (under Major Head- '8121 General & Other Reserve Funds' which is under interest bearing section), the Central and State Governments are required to contribute to the fund in the proportion of 90:10. During the year 2022-23, the State Government received ₹42.40 crore as Central Government's share. The State Government's share during the year is ₹4.80 crore. The State Government transferred ₹47.20 crore (Central share ₹42.40 crore, State share ₹4.80 crore) to the Fund under Major Head 8121-122 SDRF. The State received ₹55.23 crore from the Central Government towards NDRF, out of which ₹55.23 crore was transferred to the fund as on 31 March 2023. The flow of the Fund, during the last five-year period is given in **Table 2.33**.

Table 2.33: Flow of State Disaster Response Fund during the year 2018-23

(₹ in crore)

Year	Opening balance	Contribution by		NDRF	Accrued interest	Total	Amount spent	Closing balance	Investment out of CB
		Centre	State						
1	2	3	4	5	6	7=(2 to 6)	8	9=7-8	10
2018-19	13.32	32.40	3.60	54.93	2.23	106.48	83.89	22.59	22.50
2019-20	22.59	34.20	3.80	-	2.19	62.78	34.81	27.96	17.50
2020-21	27.96	50.00	6.00	73.86	2.57	160.39	116.85	43.54	0.00
2021-22	32.35*	40.00	4.80	-	2.68	79.83	78.74	1.09	0.00
2022-23	1.09	42.40	4.80	55.23	1.63	105.15	95.09	10.06	0.00

Source: Finance Accounts of respective years

*Out of ₹ 43.55 crore, proforma correction ₹ 11.20 crore to minor head 130-State Disaster Mitigation Fund as per Government of India guidelines.

During the year 2022-23, the State Government incurred an expenditure of ₹ 95.09 crore on natural calamities. As on 31 March 2023, the Fund had a closing balance of ₹10.06 crore as detailed in **Table 2.34**.

Table 2.34: Details of expenditure charged to SDRF

(₹ in crore)

Major Head of Account	Minor Head of Account	Expenditure during 2022-23
2245- Relief on Account of Natural Calamities 02- Floods, Cyclones etc.	101-Gratuitous Relief	7.44
	106-Repairs and Restoration of Damaged Roads and Bridges	7.20
	109-Repairs and Restoration of Damaged Water supply, drainage and sewerage works	0
	122-Repairs and Restoration of Damaged Irrigation and Flood Control Works	0

⁶ Market loans = ₹ 7658 crore (Finance Accounts 2022-23)

Major Head of Account	Minor Head of Account	Expenditure during 2022-23
	193-Assistance to Local Bodies and Other Non-Government Bodies/ Institutions	0
	911- Deduct recoveries of overpayments	0
	Sub Total	14.64
2245- Relief on Account of Natural Calamities 80-General	800-Other Expenditure	80.45
	911- Deduct recoveries of overpayments	0
	Sub Total	80.45
Grand Total		95.09

Source: Finance Accounts and detailed Appropriation Accounts

It was observed that minor head 800-Other Expenditure included expenditure on ACA for CRF to calamity relief works executed under the detail Head 74 for ₹53.14 crore and on other works relief on account of natural calamities for ₹27.31 crore executed under Head 73.

2.5.2.3 State Disaster Mitigation Fund

The State Disaster Mitigation Fund (SDMF) is to be constituted under section 48(1) (c) of the Disaster Management Act, 2005. This Fund is exclusively for the purpose of mitigation project in respect of disaster covered under State Disaster Response Fund (SDRF)/National Disaster Response Fund (NDRF) guidelines and the State specific local disaster notified by the State Government from time to time. The State Government has created the SDMF vide Notification No.33-02/2020-NDM-I, dated 14 January 2022 under Major Head 8121-130-State Disaster Mitigation Fund. During the year 2022-2023, the State Government received ₹10.00 crore from the Central Government, pertaining to year 2021-22, which was not transferred to the SDMF and retained by the Government resulting in understatement of Revenue Expenditure to the extent of ₹10.00 crore.

Central Government share of ₹10.60 crore for the year 2022-23 was released but was not booked in accounts during the year due to late receipt of sanction order in the State. Further, the State Government's share for 2022-23 was ₹1.20 crore which the State Government transferred to the fund as on 31 March 2023. The State Government has not invested ₹22.82 crore as on 01 April 2022 and retained the same. However, interest was not provided by the Government.

2.5.2.4 Guarantee Redemption Fund

The State Government constituted the Guarantee Redemption Fund to be administered by the State Bank of Sikkim (SBS). The notification stipulates that the State Government shall initially contribute a minimum of ₹1.72 crore. The Government is required to contribute an amount equivalent at least to 1/5th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees issued during the year. However, it is open to the Government to increase contribution to the fund at its discretion. During the year, Government contributed ₹3.00 crore as against an unknown amount required to be contributed to the Fund because the State Government has not worked out the details of Guarantees likely to be invoked. The total accumulation of the Fund was ₹71.45 crore as on 31 March 2023. The detailed account of the Fund as on 31 March 2023 is given in **Table 2.35**.

Table 2.35: Guarantee Redemption Fund

(₹ in crore)

Particulars	Amount
Opening Balance	68.45
Addition	3.00
Interest	0.00
Total	71.45
Amount expended from the Fund	Nil
Closing Balance	71.45
Amount invested	68.00
Amount not invested	3.45

Source: Finance Accounts

During 2022-23, the State Government transferred ₹3.00 crore to the Guarantee Redemption Fund. No guarantees were invoked during the year. The fund had a corpus of ₹71.45 crore at the end of the year out of which ₹68.00 crore stood invested. Thus, there was an un-invested amount of ₹3.45 crore.

Department stated (December 2023) that the entire amount has been invested. However, the same has not been reflected in the Finance Accounts 2022-23.

2.5.2.5 Educational Cess Fund

As per the Sikkim Educational Cess on Alcoholic Beverages Act, 2007 (Act No.9 of 2007) for the purpose of promoting education in the State of Sikkim, Government is levying and collecting Educational Cess on alcoholic beverages manufactured in Sikkim as well as imported from other states for consumption in Sikkim. However, the State Government has not formed any Rule for creation of Educational Cess Fund. Therefore, the utilisation of Cess was not readily ascertainable. The details of Educational Cess collected for the period 2018-23 is given in **Table 2.36**.

Table 2.36: Position of Educational Cess Fund during 2018-23

(₹ in crore)

Year	Total educational cess collected	Deposited into the Revenue Head 0045-112-03	Transferred to educational cess fund	Remarks
2018-19	7.37	7.37	Nil	Fund yet to be created
2019-20	7.21	7.21	Nil	
2020-21	6.09	6.09	Nil	
2021-22	7.44	7.44	Nil	
2022-23	8.51	8.51		

Source: Departmental Information

During the period 2018-23, total Educational Cess of ₹36.62 crore was collected by the Excise Department. However, the Education Department has not initiated any action to draft Rules to prescribe the modalities for utilisation of EC so collected, as required under Section 7 of the Act. Thus, the collection ₹36.62 crore as cess without even creating the cess fund indicated that the amount collected was not being utilised for the purpose for which it was collected.

2.5.2.6 Cess under Sikkim Transport Infrastructure Development Fund (STIDF)

The “Sikkim Transport Infrastructure Development Fund” was established to develop, maintain or improve transport infrastructure in Sikkim and for such purpose, it was

decided to levy and collect cess on sale of motor spirit commonly known as petrol and high speed diesel and to provide for matters connected therewith or incidental thereto. The Act came into force since August 2004. During the year 2022-23, the total collections and transfers of the Fund is given in **Table 2.37**.

Table: 2.37: Details of Cess under STIDF

(₹ in crore)

Collections under 'MH 0045-112-01'	Amount transferred to 'Sikkim Transport Infrastructure Development Fund'	Amount yet to be transferred to 'Sikkim Transport Infrastructure Development Fund'
34.68	34.68	Nil

Source:-VLC data and Finance Accounts

It can be seen from **Table 2.37** that the State Government transferred total collected amount of ₹34.68 crore to Fund.

During the year, the State Government adjusted an expenditure of ₹ 30.94 crore from Sikkim Transport Infrastructure Development Fund.

2.5.2.7 Cess under Sikkim Ecology and Environment Fund

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

As per Section 14 of the Sikkim Ecology Fund and Environmental Cess Act, 2005, the Cess levied shall first be credited to the Consolidated Fund of Sikkim and the State Legislature may by appropriation made by law in this behalf credit the proceeds of this collection to this fund from time to time, for being utilised exclusively for the purpose of this Act. This Cess is being levied since April 2007.

The expenditure incurred by the State Government towards environment is depicted in the Finance Accounts up to the level of Minor Head under various functional head of accounts. During the year 2022-23, the Government of Sikkim incurred ₹3.79 crore against the budget allocation of ₹9.84 crore under Major Heads 3435. During the previous year 2021-22, the Government of Sikkim incurred ₹3.57 crore against the budget allocation of ₹11.81 crore under Major Heads 3435.

During the year 2022-23, total Cess collection was ₹0.08 crore (M.H. 0045-112-02) which was not transferred to the fund.

2.5.2.8 Sikkim Compensatory Afforestation Fund

In compliance with the instructions issued by the Ministry of Environment and Forests, Government of India, vide their letter No.5-1/2009-FC dated 28 April, 2009 and guidelines of 02 July 2009, the State Governments are required to establish the State Compensatory Afforestation Fund Management and Planning Authority (State CAMPA) which will administer the amount received and utilisation of the monies collected for undertaking compensatory afforestation, assisted natural regeneration,

conservation and protection of forests, infrastructure development, wildlife conservation and protection and other related activities and matters connected therewith or incidental thereto. Accordingly, the State Government constituted State CAMPA vide notification no. 107/Home/2009 dated 12 August 2009.

During the year 2022-23, the State Government did not receive any amount (no amount in previous year) from the user agencies and nor remitted any amount to the National fund (no amount in previous year). The Government also did not receive any amount (no amount in previous year) from National Compensatory Afforestation Deposit. The total balance in the State Compensatory Afforestation Fund as on 31 March 2023 was ₹209.49 crore. The State Government did not transfer ₹0.04 crore to the Fund under Major Head 8121-129-State Compensatory Afforestation Fund in Public Account as on 31 March 2023.

The status of receipts and disbursements under the Fund as on 31 March 2023 is given in **Table 2.38**.

Table 2.38: Status of the State Compensatory Afforestation Fund

(₹ in crore)			
Opening Balance as on 01 April 2022	Receipt during the year	Disbursement during the year	Closing balance as on 31 March 2023
272.29	17.20 ⁷	80.00	209.49

Source: Finance Accounts (Statement 21) and Notes to Finance Accounts

The State received ₹17.20 crore during the year 2022-23 towards State Compensatory Fund. Out of total fund, only ₹80.00 crore was spent and there was an unspent balance of ₹209.49 crore. The State Government paid ₹seven crore as interest out of total interest accrued of ₹ 9.12 crore⁸.

The State Government may review the status of the Fund for an appropriate action.

2.5.3 Position of loans and advances and interest received/ paid by the State Government

In addition to investments in Corporations, Companies and Co-operative societies, State Government also provided loans and advances to many institutions/ organisations. **Table 2.26** presents the outstanding loans and advances as on 31 March 2023 along with interest receipts *vis-à-vis* interest rates of long-term loans borrowed by government during the five-year period from 2018-23. There was opening balance of Loan and advance of ₹253.29 crore and net addition during the year was ₹ (-) 0.06 crore resulted in closing balance of ₹ 253.23 crore during 2022-23.

Though the Government had not given any Loans and Advance to PSUs during the year 2022-23, but it had paid ₹198.95 crore to three PSUs (SHDB, STCS and SIDICO) towards repayment of principal and interest against the loans taken by the Government through these PSUs from Financial Institutions (HUDCO, Bank of Maharashtra, Central Bank of India, NABARD and Union Bank of India).

⁷ Transferred from MH 2049-05-901 Interest on General and other Reserve Fund.

⁸ Interest is calculated at the rate of 3.35 per cent on ₹ 272.29 crore (as per instruction of GOI Ministry of Environment, Forest, and Climate Change)

No interest on loans and advances was received by the Government during the financial year 2022-23.

2.5.4 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 2018-19 to 2022-23 is presented in **Table 2.39**.

Table 2.39: Financial assistance to Local Bodies and other institutions

(₹ in crore)					
Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
(A) Local Bodies					
Municipal Corporations and Municipalities	16.90	0.70	0.00	0.00	0.00
Panchayati Raj Institutions	35.46	184.13	37.76	45.82	47.72
Total (A)	52.36	184.83	37.76	45.82	47.72
(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	359.03	68.14	73.05	102.37	121.00
Total (B)	359.03	68.14	73.05	102.37	121.00
Total (A+B)	411.39	252.97	110.81	148.19	168.72
GIA on Salary	322.14	184.13	37.77	54.72	55.78
GIA for creation of Capital assets	0.00	0.00	0.00	0.00	0.00
GIA for non-salary	89.25	68.84	73.04	93.47	112.94
GIA given in kind	0.00	0.00	0.00	0.00	0.00
Revenue Expenditure	5,226.57	6,185.08	6,368.65	6,668.84	7,630.58
Assistance as percentage of Revenue Expenditure	7.87	4.09	1.74	2.22	2.21

Source: Finance Accounts

During the current year, financial assistance to the local bodies and other institutions increased by ₹ 20.53 crore (13.85 per cent) over the previous year. The increase was mainly due to increase in assistance to Panchayati Raj Institutions (₹ 1.90 crore: 4.15 per cent) and other Institutions (₹ 18.63 crore: 18.20 per cent). The overall quantum of financial assistance to the local bodies and other institutions as percentage to revenue expenditure decreased to 2.21 per cent during the current year from 2.22 per cent of the previous year.

The financial assistance given for salary and for non-salary purpose during 2022-23 increased over the previous year. It was further noted that assistance on salary component had continuously showed an increasing trend during the last three years (except for the year 2020-21). Moreover, share of financial assistance on Salary and for non-salary purpose was given at an average rate of 59.94 per cent and 40.06 per cent respectively.

Major recipients of the financial assistance are shown in **Table 2.40**.

Table 2.40: Major recipients of financial assistance during the year 2022-23

(₹ in crore)		
Recipient	Scheme	Amount
Gram Panchayat	Grants-in-aid	33.38
Information and Technology Programme	Grants-in-aid	20.00
Zilla Parishads	Grants-in-aid	14.34
Monasteries, Shrines and Temples	Grants-in-aid	13.60
Other Rural Development Programme	Grants-in-aid	5.64
National Rural Health Mission	Grants-in-aid	5.50
State Health Society, Sikkim	Grants-in-aid	5.45
Institute of Hotel Management Gangtok	Grants-in-aid	5.12
Tourist Transport Service	Grants-in-aid	5.00

Source: Finance Accounts

2.6 Components of Fiscal Deficit and its financing pattern

The financing pattern of Fiscal Deficit has undergone a compositional shift as reflected in **Table 2.41**. Decomposition of Fiscal Deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above Revenue and Non-Debt Receipts.

Table 2.41: Fiscal Surplus/Deficit and its financing pattern

(₹ in crore)						
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	
Fiscal Surplus (+)/ Deficit (-)	(-)642.32	(-) 2,081.18	(-)2,273.54	(-)904.30	(-)1,903.32[^]	
Composition of Fiscal Deficit						
1 Revenue Surplus (+)/ Deficit (-)	+ 693.79	(-)1,343.81	(-)760.83	+411.88	473.22	
2 Net Capital Expenditure	(-)1,291.31	(-)720.61	(-)1,513.88	(-)1,315.78	(-)2,376.60	
3 Net Loans and Advances	(-)44.80	(-)16.76	1.17	0.40	0.06	
Financing Pattern of Fiscal Deficit						
1 Market Borrowings	790.29	432.07	1,292.00	1,471.00	1,320.00	
2 Special Securities issued to NSSF	(-)15.05	(-)13.46	(-)16.10	(-)16.10	(-)16.10	
3 Loans from Financial Institutions	(-)0.6	(-)2.39	17.20	15.40	23.67	
4 Loans from GOI	(-)5.33	3.21	191.86	292.40	541.59	
5 Small Savings, PF, etc.	93.93	157.21	155.43	98.03	37.04	
6 Deposits and Advances	15.53	81.69	0.84	14.64	(-)13.86	
7 Suspense and Miscellaneous	(-)587.95	1,392.35	(-)33.19	(-)747.83	(-)146.24	
8 Remittances	130.65	(-)115.86	355.33	(-)143.68	81.64	
9 Reserve Fund	5.25	407.27	16.93	(-)72.01	(-)30.88	
10 Overall Deficit	165.42	2,342.09	1,980.30	911.85	1,796.86	
11 Increase (-)/ Decrease (+) in cash balance	+476.90	(-)260.91	+293.24	(-)7.55	106.46	
12 Gross Fiscal Surplus (+)/ Deficit (-)	(-)642.32	(-)2,081.18	(-)2,273.54	(-)904.30	(-)1,903.32	

Source: Finance Accounts

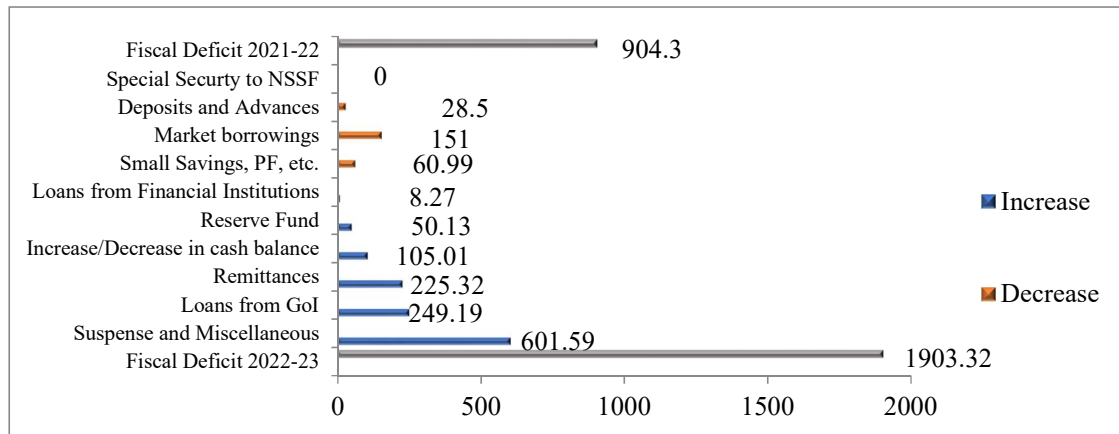
[^] Fiscal Deficit was before adjustment of understated amount of ₹30.80 crore as mentioned in para 1.5

* All these figures are net of disbursements/outflows during the year

Composition of Fiscal Deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above Revenue and Non-Debt Receipts. Market Borrowings continued to finance a major portion of Fiscal Deficit. Its share in financing Fiscal Deficit decreased from 162.67 per cent in 2021-22 to 69.35 per cent in 2022-23. During 2022-23, the Fiscal Deficit of ₹ 1,903.32 crore was mainly met from the Market Borrowings (₹1,320 crore).

The State had Fiscal Deficit continuously from 2018-19 to 2022-23. During 2022-23 the State had Fiscal Deficit of ₹1,903.32 crore.

Chart 2.17: Financing of Fiscal Deficit[^] expressed through a waterfall chart



Source: Finance Accounts

[^] Fiscal Deficit was before adjustment of understated amount of ₹30.80 crore as mentioned in para 1.5

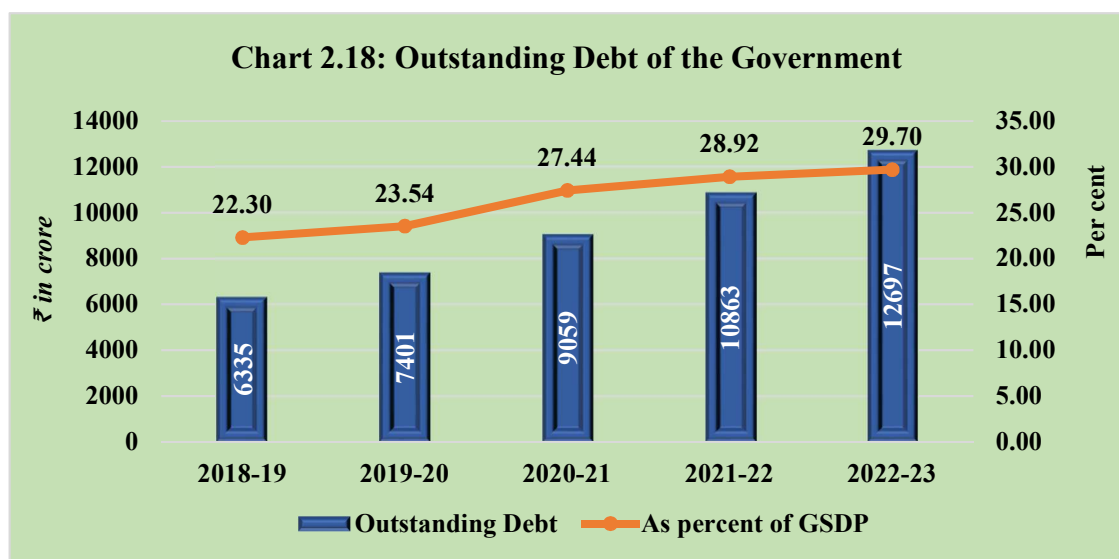
2.7 Public Liability Management

Management of public liability is the process of establishing and executing a strategy for managing the Government’s liabilities in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

Table 2.42: Total Outstanding liabilities during 2018-23

	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Debt	6,335.00	7,401.00	9,059.00	10,862.94	12,696.89
Rate of growth of outstanding debt (Percentage)	16.22	16.84	22.40	19.91	16.88
Gross State Domestic product (GSDP)	28,402	31,441	33,018	37,557	42,756
Debt/GSDP (per cent)	22.30	23.54	27.44	28.92	29.70

Source: Finance Accounts



Source: Finance Accounts

The debt/GSDP ratio of the State rose from 22.30 *per cent* in 2018-19 to 29.70 *per cent* in 2022-23. The ratio for NE&H States excluding Sikkim averagely ranged from 33.84 *per cent* in 2018-19 to 38.54 *per cent* in 2022-23. During the same period, the internal debt of State government increased from ₹4,888.77 crore in 2018-19 to ₹ 9,395.95 crore in 2022-23.

2.7.1 Liabilities profile: Components

Total Liabilities of the State Government constitutes of Internal Debt (Market Loans, Special Securities issued to National Small Savings Fund and Loans from Financial Institutions, *etc.*) and Loans and Advances from the Central Government and Public Account liabilities. The status of outstanding Debt, Public Account liabilities, growth rate of debt, repayment of debt, ratio of debt to GSDP and the actual quantum of debt available to the State during the five-year period 2018-23 is as given in **Table 2.43**, and also in **Chart 2.19**.

Table 2.43: Component wise liabilities trends

	(₹ in crore)				
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding liabilities	6,335.05	7,400.66	9,058.84	10,862.94	12,696.89
Public Debt					
Internal Debt	4,888.77	5,304.99	6,598.09	8,068.39	9,395.95
Loans from GoI	97.52	100.72	292.60	585.74	1,127.34
Public Account Liabilities	1,348.77	1,994.95	2,168.15	2,208.81	2,173.61
Small Savings, Provident Funds <i>etc.</i>	1,005.65	1,162.86	1,318.29	1,416.32	1,453.36
Reserve Funds bearing Interest	0.09	373.32	363.79	296.19	224.07
Reserve Funds not bearing Interest	63.22	97.27	123.73	119.32	133.06
Deposits bearing Interest	29.54	66.12	83.15	68.52	52.24
Deposits not bearing Interest	250.27	295.38	279.19	308.46	310.88
Rate of growth of outstanding liabilities (per cent)	16.22	16.84	22.40	19.92	16.88
Gross State Domestic Product (GSDP)	28,402	31,441	33,018	37,557	42,756
liabilities /GSDP (<i>per cent</i>)	22.30	23.54	27.44	28.92	29.70
Borrowings and Other Liabilities (as per Statement 6 of Finance Accounts)	6,335.05	7,400.66	9,058.84	10,862.94	12,696.89
Total Debt Receipts	2,007.04	2,294.67	2,765.71	2,814.83	3,119.24
Total Debt Repayments	1,123.01	1,229.06	1,107.54	1,011.47	1,285.29
Net Funds available	884.03	1,065.61	1,658.17	1,803.36	1,833.95
Repayments Receipts (<i>per cent</i>)	55.95	53.56	40.05	35.93	41.21
Off budget borrowings	504.40	245.60	278.64	453.55	1,000.15
Percentage of Interest payment to Revenue Receipt	7.31	10.53	9.78	8.97	8.86
Debt Repayment /Debt Receipts (in <i>per cent</i>)	55.95	53.54	40.04	35.93	41.21

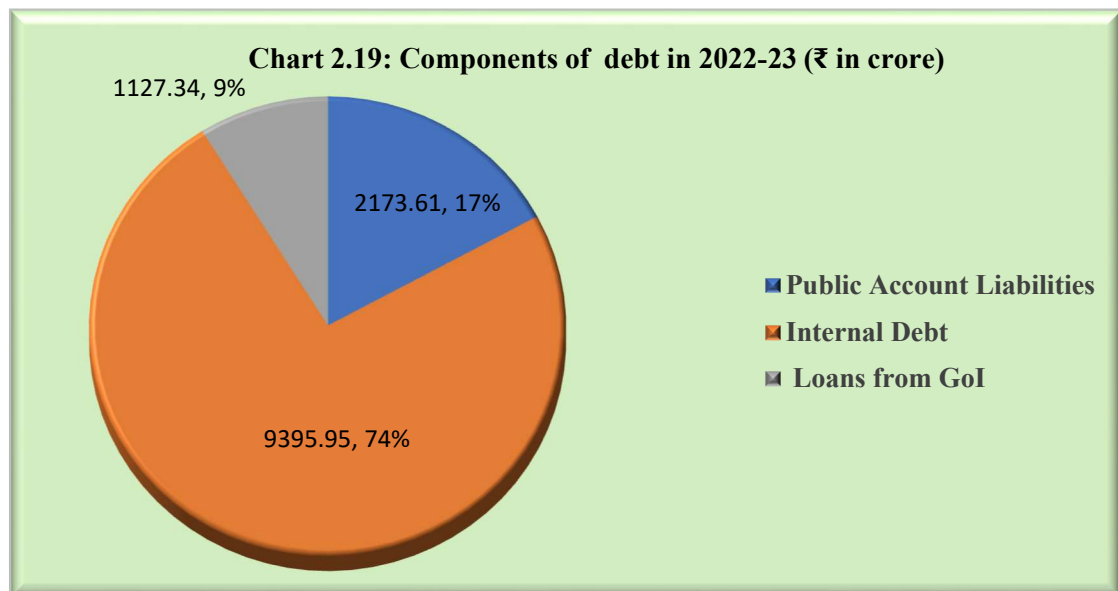
Source: Finance Accounts

During the period 2018-23, total Outstanding Debt of the State doubled from ₹6,335.06 crore in 2018-19 to ₹12,696.89 crore in 2022-23. During the current year, it increased by 16.87 *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 which was offset by decreased in Public Debt. Further, During the period 2018-23, total outstanding Public Account Liabilities of the State increased by 61.15 per cent (₹824.84 crore) from ₹1,348.77 crore in 2018-19 to ₹2,173.61 crore in 2022-23. However, it decreased by 11.59 per cent (₹35.20 crore) from ₹2,208.81 crore in 2021-22 to ₹2,173.61 crore in 2022-23 during mainly due to decrease in Reserve Funds and Deposits.

During the current year, against total debt receipts of ₹3,119.24 crore, of which the Government repaid ₹1,285.29 crore. As a result, a total debt of ₹ 1,833.95 crore was available to Government during the year. The debt receipts of the State increased from ₹2,007.04 crore in 2018-19 to ₹3,119.24 crore in 2022-23. The debt receipts increased during the current year by ₹304.41 crore (10.81 per cent) over previous year. Similarly, the debt repayment of the State increased from ₹1,123.01 crore in 2018-19 to ₹1,229.06 crore in 2019-20 thereafter continue decreased upto 2021-22 and again increased from ₹1,011.47 crore in 2021-22 to ₹1,285.29 crore in 2022-23.

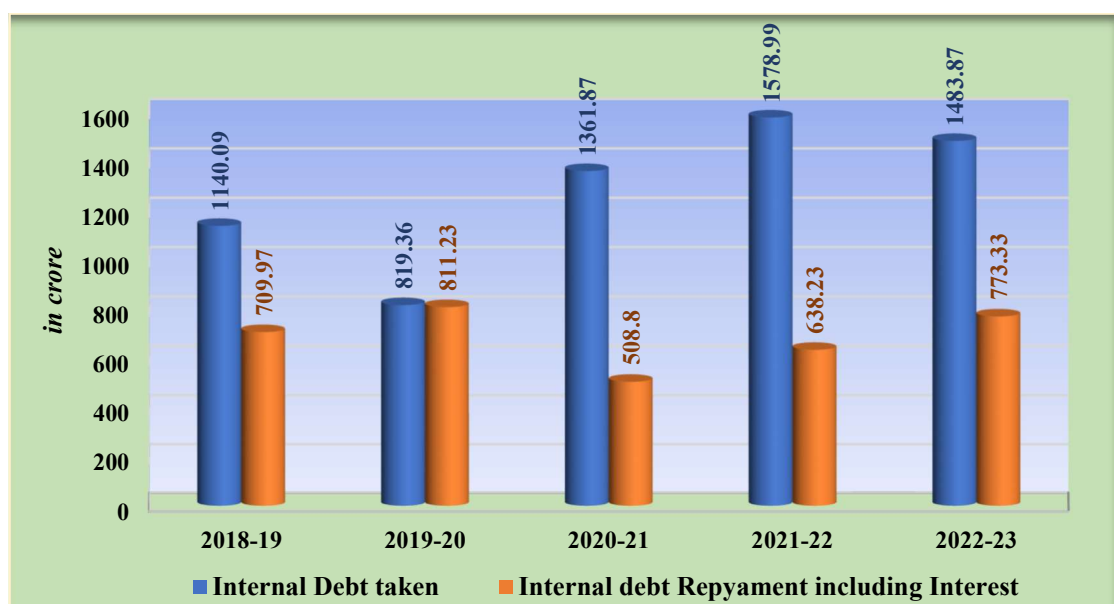
The ratio of total outstanding liability to GSDP ranged between 22.30 per cent in 2018-19 to 29.70 per cent in 2022-23 which is above the target fixed by SFRBM Act (28.10 per cent for 2022-23) and target fixed by XV FC (28.10 per cent for 2022-23). Further, during 2018-23, Public Debt constituted on an average 78 per cent of total debt and the growth rate of Outstanding Debt outpaced the growth rate of GSDP. This indicate that there would be increased pressure of debt repayment including interest on Public Debt in the forthcoming years.



Source: Finance Accounts

The receipts and payments of internal debt as per the Finance Accounts during the period 2018-23 is elaborated in **Chart 2.20**.

Chart 2.20: Internal debt taken and repayment including interest.



Source: Finance Accounts

Internal debt of the Government decreased by ₹320.73 crore in 2019-20 witnessing decrease of 28.13 per cent over previous year. There was sharp increase of ₹542.51 crore (66.21 per cent) during 2020-21 and increase of ₹217.12 crore (15.94 per cent) during 2021-22 but again decreased by ₹95.12 (6.02 per cent) crore during 2022-23 over previous year. The repayment of internal debt including interest decreased during the 2020-21 over previous year, but thereafter increased persistently and showed increase by ₹135.10 crore (21.17 per cent) in 2022-23 over previous year. Further, the Government had taken internal debt of ₹1,483.87 crore and repaid internal debt and interest amounting to ₹773.33 crore during 2022-23. Thus, net internal debt of ₹710.54 crore was available for the Government.

Public Debt increased by ₹ 5,537 crore (111.04 per cent) during the period 2018-23 wherein internal debt increased by ₹ 4,507.18 crore (92.19 per cent) and Loans from GoI increased by ₹ 1,029.82 crore (1,056.01 per cent). Public Account liabilities increased by ₹ 824.84 crore (61.15 per cent) during the period 2018- 23. Internal debt of the State Government increased by ₹343.78 crore (30.15 per cent) from ₹ 1,140.09 crore in 2018-19 to ₹1,483.87 crore in 2022-23. An amount of ₹773.33 crore was paid towards interest on internal debt during 2022-23.

Table 2.44 depicts financing pattern of the fiscal deficit during 2022-23.

Table 2.44: Receipts and Disbursements under various components financing the fiscal deficit

Particulars		Receipts	Disbursement	Net
1	Market Borrowings	1,414.00	94.00	1,320.00
2	Loans from GoI	553.03	11.44	541.59
3	Special Securities issued to National Small Savings Fund (NSSF)	0	16.10	(-)16.10
4	Loans from Financial Institutions	69.87	46.21	23.66
5	Small Savings, PF. etc.	461.21	424.17	37.04
6	Reserve Funds	188.85	219.73	(-)30.88
7	Deposits and Advances	371.78	385.64	(-)13.86

Particulars		Receipts	Disbursement	Net
8	Suspense and Miscellaneous	7,434.34	7,580.58	(-)146.24
9	Remittances	2,950.98	2,869.34	81.64
10	Overall Deficit			1,796.86
11	Increase (-)/Decrease (+) in cash balance	2,682.73	2,789.19	106.46
12	Gross Fiscal Deficit			(-)1,903.32 [^]

Source: Finance Accounts

[^] Fiscal Deficit was before adjustment of understated amount of ₹30.80 crore as mentioned in para 1.5

2.7.2 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing.

As per Annexure to Statement 17 of the Finance Accounts for the year 2022-23, the outstanding public debt of the State was ₹ 10,523.28 crore as on 31 March 2023. The maturity profile of the outstanding public debt stock along with interest payable thereupon during the next 10 years is as indicated in **Table 2.45** and **Chart 2.21**.

Table 2.45: Maturity Profile of repayment of Public debt of the State

(₹ in crore)

Period of repayment (years)	Principal Amount	Interest Amount	Public Debt (including interest)	Percentage (w.r.t total public debt)
0-1	296.00	21.58	317.58	2.81
1-3	1,884.71	137.40	2,022.11	17.89
3-5	3,033.26	221.13	3,254.39	28.80
5-7	4,240.48	309.13	4,549.61	40.26
7-10	17.59	1.28	18.87	0.17
Above 10	1,060.45	77.31	1,137.76	10.07
Total	10,532.49	767.83	11,300.32	100

Source: Finance Accounts

Table 2.45 indicates that the State Government has to repay 20.70 per cent (₹2,339.69 crore) of its public debt (including approximate interest) within the next three years, 28.80 per cent (₹ 3,254.39 crore) between 3-5 years, 40.26 per cent (₹4,549.61 crore) between 5-7 years and 0.17 per cent (₹ 18.87 crore) between 7-10 years. It signifies that the State has to repay 89.93 per cent of its debt (₹10,162.56 crore) in the next ten years.

Table 2.46 and **Chart 2.21** show the year-wise repayment schedule during next ten years of the Public Debt outstanding as on 31 March 2023.

Table 2.46: Repayment Schedule of Public Debt (including interest) during next 10 years i.e. up to 2032-33 debt Maturity profile of repayment of public debt

(₹ in crore)

Year	Repayment of				
	Principal			Interest	Total
	Internal Debt	Loans from Gol	Total		
2023-24	284.76	11.24	296.00	21.58	317.58
2024-25	402.03	11.22	413.25	30.13	443.38
2025-26	651.38	9.42	660.80	48.17	708.97
2026-27	801.18	9.48	810.66	59.10	869.76
2027-28	1,048.23	9.40	1,057.63	77.10	1,134.73
2028-29	1,126.44	8.70	1,135.14	82.75	1,217.89

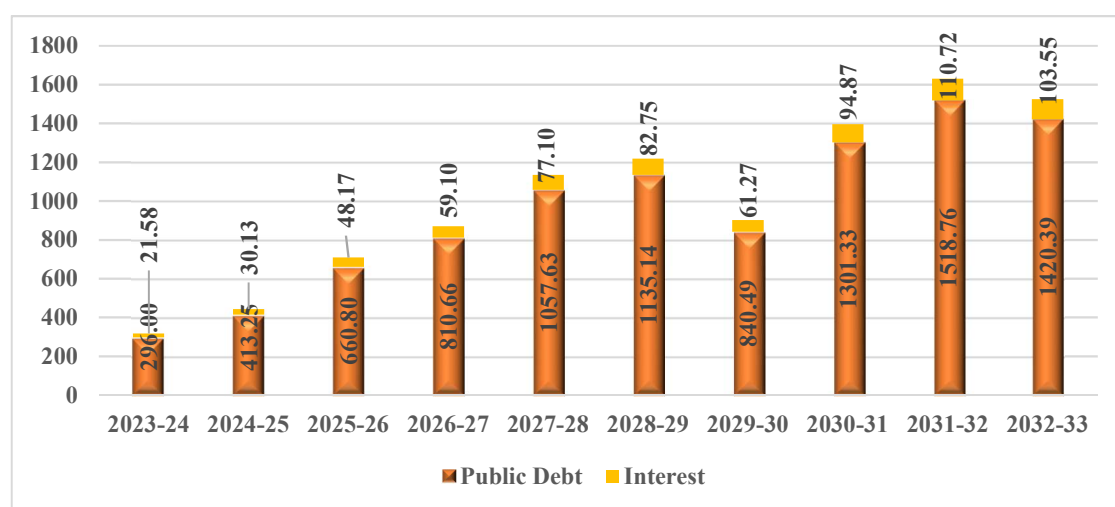
Year	Repayment of				
	Principal			Interest	Total
	Internal Debt	Loans from GoI	Total		
2029-30	832.07	8.42	840.49	61.27	901.76
2030-31	1,298.58	2.75	1,301.33	94.87	1,396.20
2031-32	1,516.04	2.72	1,518.76	110.72	1,629.48
2032-33	1,418.07	2.32	1,420.39	103.55	1,523.94
2033-73	17.16	1060.88	1078.04	78.59	1,156.63
Total	9,395.94	1,136.55*	10,532.49	767.83	11,300.32

Source:- Finance Accounts

Approximate interest calculated at an average interest rate of 7.29 per cent (average of interest rates for the last five years as given in Table 2.47)

* Difference of ₹ 9.21 crore between maturity profile and Statement No.17 of Finance Accounts is under reconciliation with Finance Department.

Chart 2.21: Repayment Schedule of Public Debt (including interest) during next 10 years i.e. upto 2032-33 Debt Maturity Profile



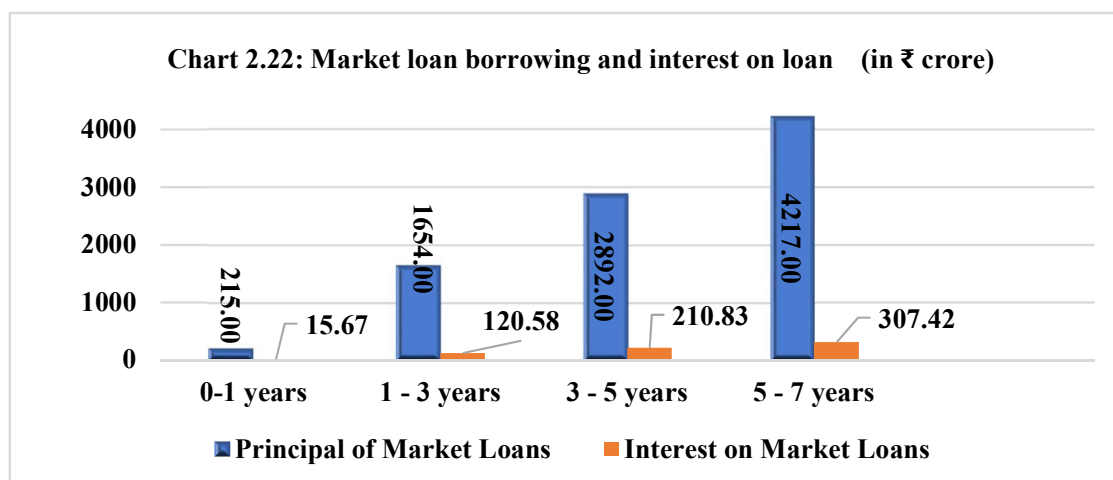
Source: Finance Accounts

Maturity profile of outstanding stock of public debt as on 31 March 2023 indicates that out of outstanding public debt of ₹ 10,532.49 crore, 89.76 per cent of outstanding public debt (₹ 9,454.45 crore) needs to be repaid within the next seven years while the remaining 10.24 per cent of outstanding public debt is in the maturity bracket of more than seven years. Of the total outstanding Public Debt, Internal Debt consisting of market borrowings, loans from NABARD and Special Securities issued to NSSF constituted 88.93 per cent (₹ 9,358.87 crore).

Further, based on the outstanding public debt stock as on 31 March 2023, repayment of Public Debt and Interest would increase from ₹ 317.58 crore in 2023-24 to ₹ 1,523.94 crore in 2032-33 (379.86 per cent). Since the calculations of repayment of Public Debt and interest thereupon have been done based on the Outstanding Public Debt as on 31 March 2023, the repayment of Public Debt and interest thereupon is bound to increase in view of the trends of borrowings of the State Government.

Repayment schedule of Market Loans

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. The details of maturity profile of Principal due on Market Loans and Interests thereon are given in **Chart 2.22**.



Source: Finance Accounts and Departmental figure.

From **Chart 2.22**, it could be seen that the maximum burden on State finances on account of repayment of principal and interest falls in 5 to 7 years range when principal of ₹ 4,217 crore and interest of ₹ 307.42 crore is payable.

As on 31 March 2023, market loans amounting to ₹ 9,632.50 crore along with interest were due for repayment. The State will have to repay market loans of ₹ 3,072.79 crore (31.90 per cent) (₹ 2,864 crore as principal and ₹ 208.79 crore as interest) during the next five years *i.e.*, up to 2027-28. Market loans of 6,559.71 crore (68.10 per cent) (₹ 6,114 crore as principal and ₹ 445.71 crore as interest) will have to be repaid in subsequent five years period up to 2032-33.

2.8 Debt Sustainability Analysis (DSA)

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters; Domar approach and compliance of macro-fiscal parameters to the respective FRBM targets. The results of the analysis are given in the following paragraphs:

Debt sustainability is defined as the ability of the State to service its debt now and in future. However, higher the level of public debt, the more likely it is that fiscal policy and Public Debt are unsustainable, as a higher debt requires a higher primary surplus to sustain it. A high level of debt raises a number of challenges:

- large primary fiscal surpluses are needed to service a high level of debt; such surpluses may be difficult to sustain, both economically and politically.
- a high level of debt heightens an economy's vulnerability to interest rate and growth shocks.
- a high debt level is generally associated with higher borrowing requirements, and therefore a higher risk of a rollover crisis (*i.e.*, being unable to fulfil borrowing requirements from private sources or being able to do so only at very high interest rates).
- high levels of debt may be detrimental to economic growth; while lower growth is a concern in itself, it also has a direct impact on debt dynamics and debt sustainability in the long term.

Debt vulnerability is also associated with its profile. A high share of short-term debt at original maturity, increases vulnerability to rollover (re-financing risk) and interest rate risks. Sustainability of Public Debt ensures that it does not explode and governments are not forced to increase taxes, or decrease spending.

➤ **Debt Sustainability Indicators**

Ratio of total outstanding debt to GSDP (in per cent)	<p>The debt-to-GDP ratio is the metric comparing a state’s public debt to its gross domestic product (GSDP). By comparing what a State owes with what it produces, the debt-to-GDP ratio reliably indicates that particular State’s ability to pay back its debts.</p> <p>A falling debt/GSDP ratio can be considered as leading towards stability. If Debt/GSDP ratio is increasing rapidly and goes above a threshold, we can say that current level of the primary balance is not sufficient to stabilise the debt-to-GDP ratio, which is on an explosive path. Sufficient fiscal adjustment should be made by reducing the Fiscal Deficit (primary balance) to a level necessary to make public debt sustainable.</p>
Ratio of revenue receipts to total outstanding debt	If the ratio is increasing, it would be easy for the government to repay its debt using revenue receipts only without resorting to additional debt.
Ratio of State’s own resources to total outstanding debt	If the ratio is increasing, it would be easier for the government to repay its debt using its own resources.
Rate of Growth of Outstanding Public Debt vis-à-vis Rate of Growth of GSDP	If the growth rate of public debt is higher than the GSDP growth rate, it will lead to higher debt to GSDP ratio.
Average interest Rate of Outstanding Debt (Interest paid/OB of Public Debt + CB of Public Debt/2)	Higher interest rate means that there is scope for restructuring of debt.
Percentage of Interest payments to Revenue Receipt	<p>Higher percentage of interest payments leaves less funds for priority areas. It measures the margin of safety a government has for paying interest on its debt during a given period. Governments need to have more than enough revenues to cover interest payments in order to survive future (and perhaps unforeseeable) financial hardships that may arise.</p> <p>If significant portion of borrowed funds are used for repayment of borrowings and interest thereon, the net debt available with State for development activities is curtailed.</p>
Percentage of Public Debt Repayment to Public Debt Receipt	Higher the percentage, the greater the proportion of debt utilised for debt servicing rather than productively.
Net Debt available to the State	It is the excess of Public Debt Receipts over Public Debt repayment and Interest payment of Public Debt.
Debt Maturity profile of repayment of State debt – including default history, if any	A high share of short-term debt at original maturity, increases vulnerability to rollover (re-financing risk) and interest rate risks. The past record of repayments as per schedule in conjunction with the proportion of debt repayable in the forthcoming seven years, is indicative of debt servicing position.

(A) Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators is given in **Table 2.47** and **Chart 2.23**.

Table 2.47: Trends in debt Sustainability indicators

(₹ in crore)

Debt Sustainability Indicators	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Public Debt* (as on 31 March of the year)	4,986.29	5,405.72	6,890.69	8,654.13	10,523.28
Rate of Growth of Outstanding Public Debt	18.24	8.41	27.47	25.59	21.60
Rate of Growth of Revenue receipts	13.57	-18.23	15.83	26.27	14.45
GSDP	28,402	31,441	33,018	37,557	42,756
Rate of Growth of GSDP	9.36	10.70	5.02	13.75	13.84
Public Debt/GSDP (<i>percentage</i>)	17.56	17.19	20.87	23.04	24.61
Debt Maturity profile of repayment of State debt – including default history, if any	375.88	413.78	79.75	119.90	167.75
Public Debt Receipts	1,145.21	833.21	1,564.71	1,882.60	2,036.90
Public Debt Repayment	375.88	413.78	79.75	119.90	167.75
Interest paid on outstanding Public debt	353.93	417.06	450.05	537.88	624.19
⁹ Average interest Rate of Outstanding Public Debt (<i>per cent</i>)	7.69	8.03	7.32	6.92	6.51
Revenue deficit/ surplus without interest payment	1,047.72	(-) 926.75	(-) 310.78	985.76	1,097.41
Percentage of Interest payment (Public Debt) to Revenue Receipt	5.98	8.61	8.03	8.10	7.70
Percentage of Public Debt Repayment to Public Debt Receipt	32.82	49.66	5.10	6.37	8.24
Net Public Debt available to the State [#]	415.4	2.37	1,034.91	1,188.82	1,244.96
Net Debt available as <i>per cent</i> to Debt Receipts	20.70	0.10	66.14	63.15	61.12
Primary deficit (-)/ Primary surplus (+)	(-) 209.27	(-) 1,571.50	(-) 1,725.13	(-) 269.26	(-) 1,185.14
¹⁰ Debt Stabilisation (Quantum spread + Primary Deficit)	-324.52	-1753.49	-2206.79	-349.75	-1151.43
Total o/s Debt/Liabilities at the end of year	6,335.06	7,400.67	9,058.84	10,862.94	12,696.89
Total Debt Receipts	2,007.04	2,294.67	2,765.71	2,814.83	3,119.24

Source: Finance Accounts of the State and GSDP by DESME/Economic Advisor.

* Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government.

[#] 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.

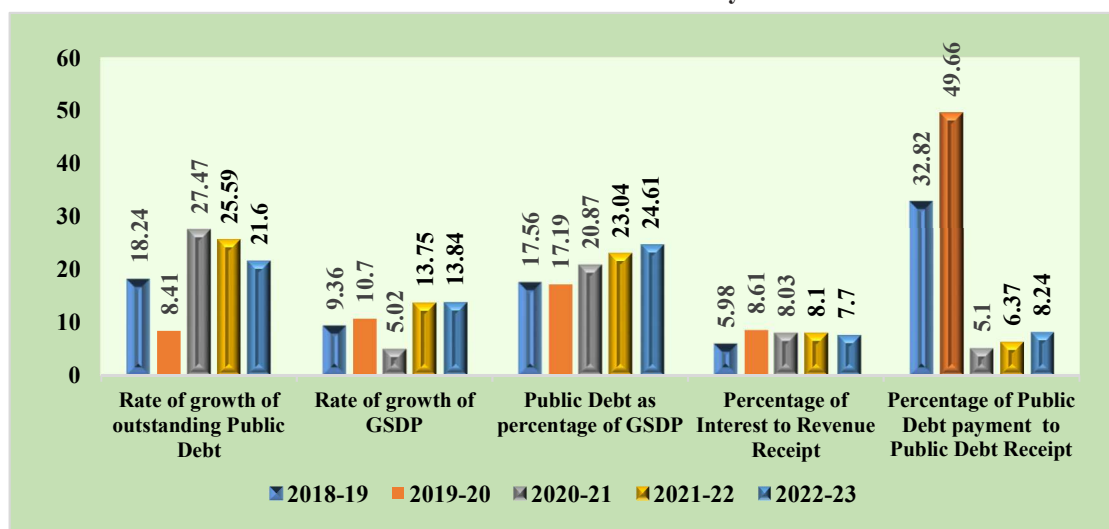
The growth rate of Revenue Receipts has been lower than the growth rate of debt during 2018-21 and 2022-23 but higher in 2021-22. The burden of interest payment ranged from 5.98 *per cent* to 8.61 *per cent* of the Revenue Receipts during 2018-23. Net Public Debt available to the State was positive during the five years. This was mainly due to decrease in Public Debt repayment by 80.72 *per cent* and increase in Public Debt receipts by 87.79 *per cent* during 2020-21 as compared to the previous year. Similarly, there was an increase in Public debt receipts and not much increase in public debt repayment in 2022-23 also. The Debt-repayment/ Debt receipts ratio sharply decreased to 5.10 *per*

⁹ Average Interest Rate = {Interest Payments on Public Debt/ [(Opening Balance of Public Debt + Closing Balance of Public Debt 2]}*100.

¹⁰ Quantum spread= Debt*(GSDP growth rate – interest rate)/100.

cent in 2020-21 from 49.66 per cent in 2019-20. However, it increased to 8.24 per cent in 2022-23 as compared to previous year.

Chart 2.23: Trends of Debt Sustainability indicators



- A falling debt-GSDP ratio can be considered as leading towards stability. Debt-GSDP ratio rose from 17.56 per cent in 2018-19 to 24.61 per cent in 2022-23 which cannot be considered as leading towards stability. Also, debt stabilisation condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would tend to be constant or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling. **Table 2.45** shows that this trend had been negative during 2022-23 which indicates that debt-GSDP ratio would eventually be rising.
- The ratio of interest payments to revenue receipts is also a good measure of debt sustainability. This ratio ranged between 5.98 per cent and 8.61 per cent during the period 2018-23, which was not much high.
- Higher the percentage of public debt repayments to public debt receipts' the greater the proportion of debt utilised for debt servicing rather than productively. Ratio of public debt repayments to public debt receipts ranged between 5.10 per cent and 49.66 per cent during the period 2018-23. During 2022-23 it was 8.74 per cent which means that most of the public borrowings were used productively.

(B) An analysis on debt sustainability was carried out based on a study by E.D Domar [Domar, 1944]. The Domar model states that the necessary premise for ensuring stability of public indebtedness is that the interest rates for government loans should not exceed the growth rate of GDP. The dynamics of public debt depending on the interest rate, growth rate of GSDP and the primary budget balance are as follows:

$g-r$ (g- real economic growth rate; r- real interest rate)	$s < 0$ (primary deficit)	$s > 0$ (primary surplus)
If $g-r > 0$ (strong economic growth)	Real economic growth exceeds real interest rate provided that the PD registered is stable and consistent with debt/GSDP then the debt is sustainable.	Real economic growth exceeds real interest rate and records PS then debt/GSDP ratio shall decrease and debt tends towards stable level therefore sustainable.

g-r (g- real economic growth rate; r- real interest rate)	s<0 (primary deficit)	s>0 (primary surplus)
If g-r<0 (slow economic growth)	Real economic growth is lower than real interest rate and records PD. Then debt tends to increase without limitations and becomes unsustainable.	Real economic growth is lower than real interest rate and records PS. Then debt is no longer sustainable provided that it is not decreased in the medium or long run.

g: Real Economic growth rate; *r* : Real Interest rate

The results of applying the above parameters in the case of Sikkim, are shown in **Table 2.48**.

Table 2.48: Debt sustainability analysis based on Domar Model

Year	Growth	Average	g-r	Primary Deficit(-)/ Surplus(+)(s)	Remarks
	Rate (g) of GSDP	Interest Rate (r)		(₹ in crore)	
2018-19	5.38	3.79	1.59	(-)209.27	As $g-r > 0$ and $s < 0$; Public debt as percentage of GSDP should converge to a stable level.
2019-20	4.66	4.83	(-)0.17	(-)1571.5	As $g-r < 0$ and $s < 0$; Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.
2020-21	0.33	0.22	0.11	(-)1,725.13	As $g-r > 0$ and $s < 0$; Public debt as percentage of GSDP should converge to a stable level.
2021-22	5.99	0.78	5.21	(-)269.26	
2022-23	6.83	(-) 0.27	7.10	(-)1185.14	

Source: Ministry of Statistics & Programme Implementation, GOI

Note: Average CPI Index for ten months has been taken due to unavailability of CPI data for the months of April and May 2020. The GSDP growth rate is based on nominal price (at current price).

The State had primary deficit, during the period 2018-19 to 2022-23. The Domar gap (gr) remained positive during the year 2018-19 and 2020-21 to 2022-23, however during the year 2019-20, it was negative, showing that the Public Debt as percentage of GSDP could increase indefinitely, without converging to a stable level. As per the Domar model analysis of Debt sustainability. it may be stated that the public debt would converge to a stable level.

Further, in the pre Covid period of 2018-19 and 2019-20, the real growth rate of GSDP was an average of 5.02 *per cent* while Domar gap deteriorated in 2019-20 due to falling GSDP growth rate and increasing interest rate. In the post Covid period, the Domar gap has remained positive during 2021-22 and 2022-23 indicating that real interest rates have remained below the GSDP growth rates. However, the sustainability of public debt depends on whether the state economy maintains the real growth rate in the long run.

(C) Details of the achievements *vis-a-vis* targets set in the Finance Commission Recommendation (FCR) are shown in **Table 2.49**.

Table 2.49: Details of the achievements *vis-a-vis* targets set in the FCR

Fiscal Parameters		Achievement <i>vis-a-vis</i> target in the FCR				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Deficit (-) / Surplus (+) (as per cent of GSDP)	T	Maintain Revenue Surplus				
	A	2.44	(-4.27)	(-2.30)	1.10	1.11 [#]
Fiscal Deficit (-) / Surplus (+) (as per cent of GSDP)	T	(-3)	(-3)	(-5)	(-4)	(-4)
	A	(-2.26)	(-6.62)	(-6.89)	(-2.41)	(-4.45 [#])
Ratio of total outstanding liability to GSDP (in per cent)	T	19.32	19.04	24.64	27.50	28.10
	A	22.30	23.54	27.44	28.92	29.70
Guarantees (not exceed thrice the State's Tax Receipts of the second preceding year)	T	1,957.68	2,064.99	2,678.76	2,911.23	2,900.10
	A	425.45	3,455.04	3,749.32	4,107.03	4,533.50

[#] Revenue Surplus and Fiscal Deficit was before adjustment of understated amount of ₹393.65 crore and ₹30.80 crore respectively as mentioned in para 1.5

Moreover, the ratios of revenue deficit-GSDP decreased from 2.44 to 1.11, fiscal deficit-GSDP from 2.26 to 4.45 and outstanding liability-GSDP increased from 22.30 to 29.70 from 2018-19 to 2022-23. Although the outstanding liability-GSDP ratio exceeds the targets during 2018-19 to 2022-23, the Government maintained the targets of RD-GSDP during 2018-19 to 2022-23 except 2019-20 and 2020-21. However, during 2018-19 to 2022-23 target for FD-GSDP were achieved only during 2018-19 and 2021- 22. The outstanding guarantees of ₹4,533.50 crore as on 1 April 2023, work out to 468.97 per cent of the State's Tax Receipts of the year 2020-21 (₹966.70 crore) and are significantly more than the limits prescribed.

Further, there has been increase in the committed expenditure as a percentage of the revenue receipts from 50.36 per cent in 2018-19 to 68.04 per cent in 2022-23. This shows decreasing of availability of revenue resources for other purposes including debt servicing.

Breaching the levels of the fiscal indicators continuously may lead to the risk of the fiscal situation becoming unmanageable especially when the State Government is yet to contribute to the mandatory reserve funds like Guarantee Redemption fund, etc.

Fiscal sustainability risk:

- i. As per various fiscal and debt parameters depicted in Table 2.37 above, debt stabilization trend is increasing.
- ii. As per the Domar model analysis, the growth of rate of interest is generally higher/lower than the rate of growth of the GSDP. This indicates that the GSDP rate and the interest rate would converge in the medium term/would not converge in the short to medium term.
- iii. As per the macro fiscal parameters, such as ceiling on public debt, revenue and fiscal deficit and ceiling on guarantees given by the State Government in a particular year and as on 31st March of that year, the government's fiscal sustainability is a concern as indicated by the rising ratios of revenue deficit-GSDP, fiscal deficit-GSDP, and outstanding liability-GSDP. The outstanding liability-GSDP ratio exceeds the targets during 2018-19 to 2022-23, the Government maintained the targets of RD-

GSDP during 2018-19 to 2022-23 except 2019-20 and 2020-21. However, during 2018-19 to 2022-23 target for FD-GSDP were achieved only during 2018-19 and 2021-22. However, the guarantees provided by the government were within prescribed limits. These trends highlight the need for the government to address fiscal imbalances and work towards sustainable financial management.

Based on the above, it is inferred that the State fiscal sustainability has risks in the short to medium term unless remedial measures are taken to rationalize expenditure, explore further sources, expand revenue base, and invest in revenue generating assets.

2.8.1 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 2.50** depicts the utilisation of borrowed funds during 2018-23.

Table 2.50: Utilisation of borrowed funds

		(₹ in crore)				
Sr. No.	Year	2018-19	2019-20	2020-21	2021-22	2022-23
1	Total borrowings	1,145.21	833.21	1,564.71	1,882.60	2,036.90
2	Repayment of earlier borrowings (Principal)(percentage)	375.88 (32.82)	413.78 (49.66)	79.95 (5.11)	119.90 (6.37)	167.75 (8.23)
3	Capital expenditure(percentage)	1,291.31 (112.76)	720.61 (86.49)	1,513.88 (96.75)	1,315.78 (69.89)	2,376.60 (116.67)
4	Net loans and advances (percentage)	(-)44.80 (-3.92)	(-)16.76 (-2.01)	1.17 (0.07)	(-)0.4 (-0.02)	0.06 (0.003)
5	Portion of Revenue expenditure met out of net available borrowings (percentage)(1-2-3-4)	(-)477.18 (-41.67)	(-)284.42 (-34.13)	(-)30.29 (-1.94)	447.32 (23.76)	(-)507.51 (-24.92)

Source: Finance accounts

*Total borrowing include internal Debt and Loans and advances.

Table 2.50 shows that during the period 2018-23, the State Government utilisation ranged between 49.66 per cent and 5.11 per cent of its current borrowings for repayment of earlier borrowings. Capital expenditure ranged between 116.67 and 69.89 per cent during the period 2018-23. Thus, the borrowed funds were being used mainly for meeting capital creation/development activities and repayment of earlier borrowings.

2.8.2 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund of the State in case of default by the borrower for whom the guarantees are extended. The 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. The details of outstanding guarantees given by the State Government including interest liability during the five-year period 2018-23 are shown in **Table 2.51**.

Table 2.51: Guarantees given by the State Government

	(₹ in crore)				
Guarantees	2018-19	2019-20	2020-21	2021-22	2022-23
Maximum amount Guaranteed	3,849.19	3,941.97	4,527.71	4,668.47	5,043.47
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	1,957.68	2,064.99	2,678.76	2,911.23	2,900.10 ¹¹
Outstanding amount of guarantees including interest at the beginning of the year	425.45	3,455.04	3,749.32	4,107.03	4,878.29

Source: Finance Accounts

The total guarantees (principal *plus* interest) outstanding as on 01 April 2022 was ₹4,878.29 crore, which exceeded the prescribed limit of thrice the total Tax Receipts (₹966.70 crore) of 2020-21.

During 2022-23, State Government has issued one fresh guarantee to SIDICO (Housing Sector) amounting to ₹121.34 crore. However, during this financial year, instead of commission charge of minimum of one *per cent* of the guaranteed amount (₹44.44 crore), the State Government received only ₹4.81 crore which constituted 3.96 *per cent* of the guaranteed amount during the year (₹121.34 crore).

Statement No. 9 of the Finance Accounts depicts ₹4,878.29 crore and ₹4,786.06 crore as loans guaranteed by the State Government including interest at the beginning and end of the year 2022-23 respectively. The outstanding guarantees for ₹4,786.06 crore as on 31 March 2023 was in respect of SPICL (₹2,913.15 crore); SIDICO (₹ 1,006.04 crore); Sikkim Urja Limited (₹375.00 crore); SHDB (₹ 282.77 crore); and Others (₹ 209.10 crore).

Further, as brought out in Paragraph 2.8.1 of State Finances Audit Report of Government of Sikkim for the year ended 31 March 2022 (Report No. 1 of 2023), the Finance Department could not provide complete details of all the loans guaranteed by the State Government. Audit tried to match this amount with the available records. It was observed that:

- a) The Teesta Stage III Project, which was implemented by Sikkim Urja Limited (SUL) (erstwhile Teesta Urja Limited) a State Public Sector Undertaking, was commissioned at a cost of ₹14,000 crore. The Project cost was financed in the ratio of 26 *per cent* Government of Sikkim equity, infused through Sikkim Power Investment Corporation Limited (SPICL) and 74 *per cent* debt. The debt portion was initially provided by a consortium of banks and was later taken over by Rural Electrification Corporation Limited (REC) and Power Finance Limited (PFC), both Public Sector Undertakings. Outstanding amount towards the loan stands at ₹ 7,897.73 crore as of March 2023.

Against the outstanding loan, Government of Sikkim had given a continuing guarantee of ₹ 375 crore till the expiry of the loan period. As per Section 129 of Indian Contract Act 1872, continuing guarantee is defined as a guarantee which extends to a series of transactions. Thus, State Government has stood guarantee

¹¹ Tax Receipts of 2020-21 ₹966.70X 3

for the entire outstanding loan amount and the repayment of the loan was being done out of the royalty received from the Project without depositing the royalty into the CFS.

However, the State Government did not depict this guarantee as a part of the information furnished for the purpose of Statement No. 9 of Finance Accounts 2022-23 despite the fact that the details of this guarantee was submitted to the State Legislature as part of a White Paper¹². This has resulted in the understatement of the maximum amount guaranteed by the State Government to the extent of ₹ 7,897.73 crore.

- b) The Sikkim Power Development Corporation (SPDC) was incorporated by the Government of Sikkim to harness small hydel projects in Sikkim. SPDC had availed loan from PFC & State Bank of Sikkim (SBS) in order to develop four Hydel projects¹³. As on March 2023, the outstanding balance of this loan is ₹ 40.40 crore (₹ 29.78 crore from PFC and ₹ 10.62 crore from SBS).

Against the loan availed from PFC, the Government of Sikkim had given a letter of comfort stating that in the event of default in payment of dues by SPDC, the State Government stands fully committed to repay the dues. Effectively, State Government has stood guarantee to the loan taken by SPDC. However, the same was not depicted in the Statement No. 9 of the Finance Account 2022-23, Statement of guarantees given by the Government. This resulted in understatement of maximum amount guaranteed by ₹ 40.40 crore.

The Audit has tried to collect the exact amount of guarantees given by the State Government. However, this was not available with the Finance Department.

On 04 October 2023, there was a Glacial Lake Outburst Flood (GLOF) in the Teesta basin (at North Sikkim, upstream of the Teesta III project) which had damaged the infrastructure (dam) of Sikkim Urja Limited and the revenue generated from this project will no longer be available for servicing the loan. Under the circumstances, GoS would have to meet its guarantee obligation through the budgetary support or explore other options to tide over the current situation.

In this regard, a letter was communicated to the Finance Department, GoS to furnish steps proposed to be taken if any.

PD in its reply (November 2023) stated that it had sought information from SPICL/SUL regarding servicing of loans and guarantee availed by SUL. The information in this regard is still awaited.

2.8.3 Management of Cash Balances

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

¹² Submitted in December 2019

¹³ ₹ 84.40 crore

Position of cash balances and investments of cash balances of the State Government at the end of 2021-22 and 2022-23 is shown in **Table 2.52**

Table 2.52: Cash Balances and their investments

(₹ in crore)

Particulars	Opening balance on 1 April 2022	Closing balance on 31 March 2023
A. General Cash Balance		
Cash in treasuries	--	--
Deposits with State Bank of Sikkim	43.45	38.24
Deposits with other Banks	52.03	38.01
Remittances in transit – Local	0.00	0.00
Total	95.48	76.25
Investments held in Cash Balance investment account	2,073.06	1,958.33
Total (A)	2,168.54	2,034.58
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	0.95	0.95
Permanent advances for contingent expenditure with department officers	0.48	0.48
Investment from earmarked funds	619.22	646.71
Total (B)	620.65	648.14
Total (A + B)	2,789.19	2682.73

Source: Finance Accounts

There was a decrease of ₹106.46 crore (3.82 per cent) in cash balance of Government as on 31 March 2023 as compared to the previous year's balance. Furthermore, interest realised during the year 2022-23 was ₹ 51.76 crore whereas interest realised during the previous year 2021-22 was ₹ 40.30 crore.

As per the Finance Accounts, Government's cash balance with banks was ₹ 76.25 crore as on 31 March 2023. Out of this, balance of ₹ 38.24 crore and ₹38.01 crore were with SBS and other banks respectively. However, as per the records of the SBS, the Cash Balance of the Government stood at ₹3.67 crore, leaving an un-reconciled balance of ₹34.57 crore.

The trend analysis of the cash balance investment of the State during 2018-23 revealed that investment was growing significantly till 2018-19, but during 2019-20, the cash balance investment dipped enormously by ₹1,506 crore (57 per cent) as compared to previous year. In 2020-21 and 2021-22, it again increased by ₹160 crore and ₹763 crore respectively as compared to 2019-20 but in 2022-23 it decreased by ₹106.46 crore as compared to previous year. The status of cash balance investment for period 2018-23 is shown in **Table 2.53**.

Table 2.53: Cash Balance Investment Account (Major Head-8673)

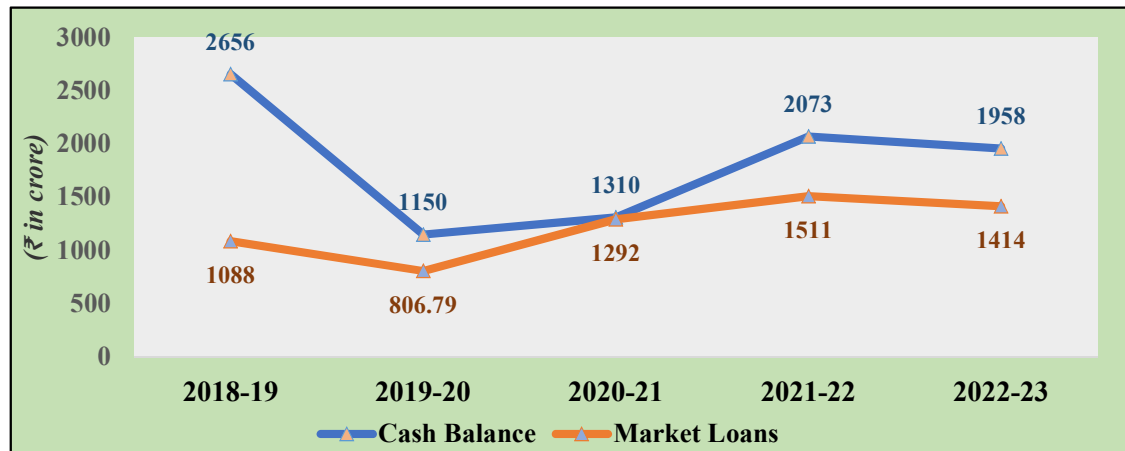
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2018-19	1,948	2,656	708	116.69
2019-20	2,656	1,150	-1,506	130.50
2020-21	1,150	1,310	160	117.46
2021-22	1,310	2,073	763	40.30
2022-23	2,073	1,958	-115	51.76

Source: St. 21 and St 14 of Finance Accounts.

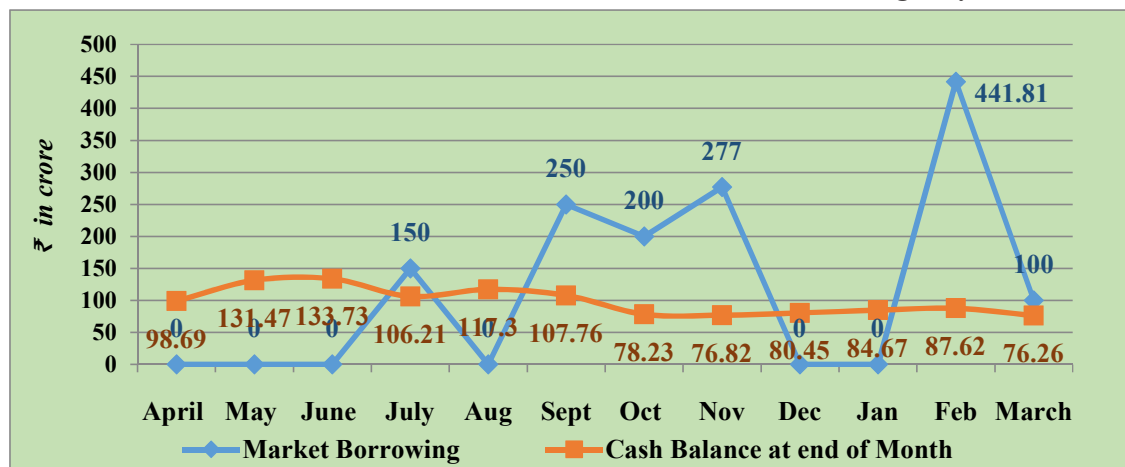
Chart 2.24 compares the Cash Balance and the Market Loans taken by the State during the period 2018-23. Market Loans were taken at higher interest rates whereas investment in Bank yielded interest at lower rates. No minimum cash limit had been prescribed by the Government.

Chart 2.24: Market loans vis-à-vis Cash Balance



Source: Finance Accounts

Chart 2.25: Month wise movement of Market Loan and Cash Balance during the year 2022-23



Source: VLC Data of 2022-23

Further, cash balance amounting to ₹62.89¹⁴ crore is lying in the bank accounts (State Bank of India and IDBI Bank) operated by the Power and Energy Department in respect of power trading and royalty received from IPPs as on 31 March 2023.

2.9 Conclusion

During the 2022-23, the state had a Revenue Surplus of ₹473.22 crore and a fiscal deficit of ₹ 1,903.32 Crores, which was 4.45 per cent of GSDP.

Revenue Receipts during the year 2022-23 increased (by ₹1,023.08 crore) from ₹ 7,080.72 crore in 2021-22 to ₹8,103.80 crore in 2022-23 (by 14.45 per cent). State's Own Revenue (₹2,473.37 crore) increased by ₹538.33 crore (27.82 per cent) compared to the previous year (₹1,935.04 crore). Grants-in-Aid from GoI decreased by ₹92.45 crore (4.98 per cent) however, the State Government's share in Union taxes and

¹⁴ SBI (FD)-₹ 52 crore; IDBI (FD)-₹8.10 crore; and IDBI (Balance)-₹1.08 crore.

duties increased by ₹ 577.20 crore (17.56 per cent) during 2022 -23 over the previous year.

About 30.52 per cent of the Revenue Receipts during 2022-23 came from the State's own resources, while Central Tax Transfers and Grants-in-aid together contributed 69.48 per cent. This is indicative of the fact that the State's fiscal position is largely dependent on Central Tax transfers and Grants-in-Aid from GoI.

During the period 2018-23, Total Expenditure of the State increased by 74.19 per cent (₹3,443.11crore) from ₹6,564.45 crore in 2018-19 to ₹10,007.56 crore in 2022-23. During the current year, it increased by 25.32 per cent over the previous year.

The ratio of Total Expenditure of the State to GSDP fluctuated between 21.26 per cent and 23.87 per cent during 2018-23. During 2022-23, it increased to 23.41 per cent from 21.26 per cent in previous year. This fluctuation was mainly on account of fluctuations in Capital Expenditure during the five-year period.

Revenue Expenditure during the year 2021-22 was ₹7,630.58 crore (76.25 per cent) against the Total Expenditure of ₹10,007.56 crore. Revenue Expenditure on an average constituted ranging between 76.25 per cent in 2022-23 and 89.34 per cent in 2019-20 of the Total Expenditure during the period 2018-23.

Committed Expenditure like salary & wages, pension, interest payments increased by ₹522.05 crore (10.57 per cent) from ₹4,940.65 crore during 2021-22 to ₹5,462.70 crore during 2022-23. Further, there has been an increase in the committed expenditure as a percentage of the revenue receipts from 59.23 per cent in 2018-19 to 67.40 per cent in 2022-23. This shows decreasing of availability of revenue resources for other purposes including debt servicing.

Capital Expenditure of the State had decreased from ₹1,291.31 crore during 2018-19 to ₹720.61 crore during 2019-20, but it increased to ₹1,513.88 crore during 2020-21 and again decreased to ₹1,315.88 crore during 2021-22 but increased to ₹2,376.60 crore during 2022-23, registering an increase of 80.62 per cent as compared to 2021-22.

Fiscal Liabilities of the State increased by 16.88 per cent from ₹10,862.94 crore in 2021-22 to ₹12,696.89 crore in 2022-23. During 2022-23, total Public Debt receipts was of ₹2,036.90 crore and the Government repaid ₹167.75 crore. There was an addition of ₹1,320 crore of Market Loans in 2022-23. The Public debt receipts of the State increased by ₹154.30 crore (8.20 per cent) over previous year.

Out of total outstanding Public Debt, 89.76 per cent (₹ 9,454.45 crore) of Public Debt is payable within the next seven years. Of the total outstanding Public Debt, Internal Debt consisting of market borrowings, loans from NABARD and Special Securities issued to NSSF constituted 88.93 per cent (₹ 9,358.87 crore).

The growth rate of Revenue Receipts has been lower than the growth rate of debt during 2018-21 and 2022-23 but higher in 2021-22. The burden of interest payment ranged from 5.98 per cent to 8.61 per cent of the Revenue Receipts during 2018-23. Though Net Public Debt available to the State was positive during the five years period ending 2022-23, there was a sharp increase in Net Debt available from ₹2.37 crore in 2019-20 to ₹1,188.82 crore and ₹1,244.96 crore in 2021-22 and 2022-23 respectively.

The Government had not transferred ₹52.97 crore under National Pension System to the NSDL as on 31 March 2023. Thus, current liability stood deferred to future year(s) and State had created an interest liability on un-transferred funds.

Out of 101 incomplete projects, 14 projects for which the State had spent ₹114.62 crore as of 31 March 2023, were pending for five years or more.

There was un-reconciled cash balance of ₹34.57 crore as per accounts of the Government and the records of State Bank of Sikkim.

2.10 Recommendations

- *Considering the increasing outstanding debt of the State, the Government may take appropriate steps to rationalise its committed revenue expenditure.*
- *To avoid liabilities under NPS, the Finance Department needs to transfer the outstanding funds already accumulated to NSDL, for management of the NPS. They may strictly monitor the allotment of Permanent Retirement Account Number to the employees.*
- *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 so as 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.*
- *Increasing trend of debt maturity profile vis-à-vis the level of borrowings needs to be reviewed so as 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.*
- *The Finance department should frame a policy on prudent cash balance management and ensure reconciliation with State Bank of Sikkim.*

**CHAPTER-III:
BUDGETARY MANAGMENT**

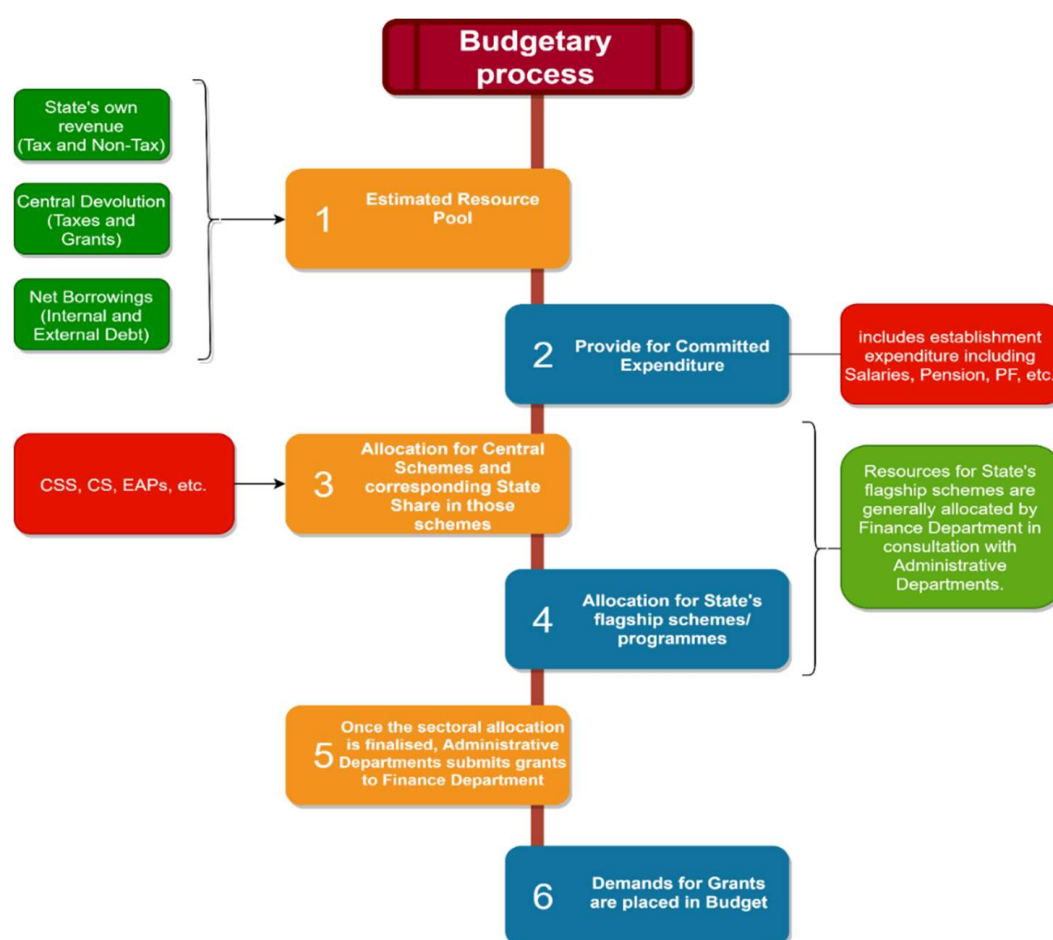
Chapter-III

Budgetary Management

3.1 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” items¹⁵ of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government. A typical budget preparation process in a State is given in Chart 3.1.

Chart 3.1 Budgetary process



CSS: Centrally Sponsored Schemes; CS: Central Schemes

The Finance Bill, Annual Financial Statement (Budget), and Demands for Grants are mandated by Article 199, 202 and 203 of the Constitution of India respectively.

¹⁵ **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 expenditures are voted by the Legislature.

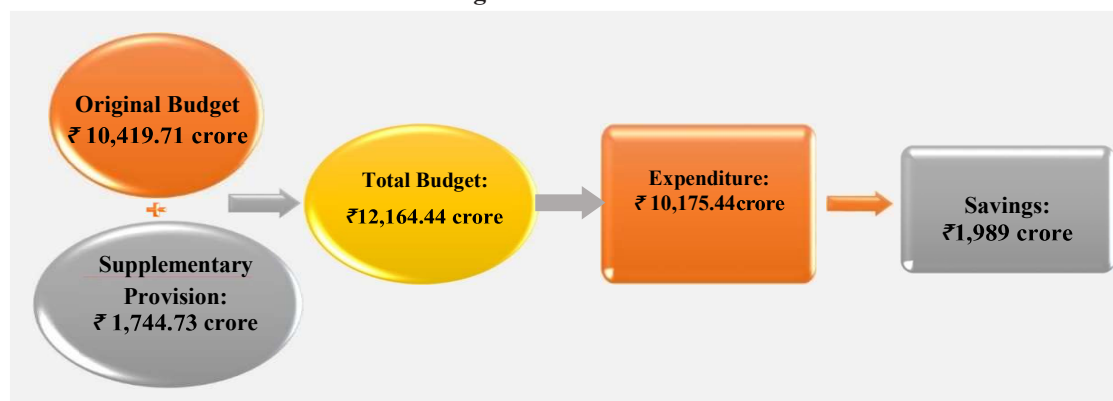
The Annual Financial Statement, also called general budget, is placed prior to the commencement of the financial year in the State Legislature, in accordance with Article 202 of the Constitution. The estimates of receipts and disbursements in the Annual Financial Statement and of expenditure in the Demand for Grants are shown according to the accounting classification under Article 150 of the Constitution.

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by a law passed in accordance with provisions of the Article 204 of the Constitution. Supplementary or Additional Grant or Appropriation is provided during the course of a financial year in accordance with the Article 205 of the Constitution. It is the provision for meeting expenditure in excess of the budgeted amount.

Legislative authorisation is the *sine qua non* for incurrence of all expenditure by the State Government. To guide individual Government Departments, the State Governments frame financial rules and provide for delegation of financial powers. These delegations establish limits for incurrence of expenditure and the levels authorised to sanction such expenditure together with restrictions on appropriation and re-appropriations.

Apart from supplementary grant, Re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The budget of Government of Sikkim for the year 2022-23 consisted of 47 Demand for Grants/ Appropriations. The various components of the budget are depicted in **Chart 3.2**.

Chart 3.2: Budget and its utilisation in 2022-23



Source: Appropriation Accounts-2022-23

Supplementary provisions in August 2022, September 2022 and March 2023

3.1.1 Summary of total provisions, actual disbursements and savings

A summarised position of the total budget provision, disbursement and savings/ excess with its further bifurcation into Voted/ Charged is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings during 2018-23

(₹ in crore)

Year	Total Budget provision			Disbursements			Gross Savings		
	Voted	Charged	Total	Voted	Charged	Total	Voted	Charged	Total (per cent)
2018-19	7,534.24	893.71	8,427.95	6,222.87	860.54	7,083.41	1,310.87	33.36	1,344.04 (15.95)
2019-20	8,554.34	1,008.46	9,562.80	6,359.04	977.99	7,337.03	2,195.30	30.47	2,225.77 (23.27)
2020-21	9,737.12	703.39	10,440.51	7,283.93	679.08	7,963.01	2,453.19	24.31	2,477.50 (23.73)
2021-22	9,530.56	868.82	10,399.38	7,294.67	810.84	8,105.51	2,235.90	57.97	2,293.87 (22.49)
2022-23	11,195.08	969.36	12,164.44	9,222.08	953.36	10,175.44	1,973.00	16.00	1,989.00 (16.35)

Source: Appropriation Accounts

Review of overall utilisation of budget provisions relating to the period 2018-23 showed that the Government had substantial savings ranging between 15.95 per cent and 23.73 per cent of the total budget allocation. The details are shown in **Appendix 3.1**. Large amount of savings in allocated funds indicated inaccurate assessment of Receipts.

3.1.2 Budget marksmanship

Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved.

Table 3.2: Aggregate Budget Outturn 2022-23

(₹ in crore)

Description	Original Approved Budget (BEs)	Actual Outturn	Difference between Actual and BEs*
Revenue	8,602.92	7,630.72	(-)972.20
Capital	1,816.79	2,544.72	(+)727.93
Total	10,419.71	10,175.44	(-)244.27

* Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure

In Revenue section, deviation in outturn compared with BE was (-) 14.19 per cent. This was due to deviation between 0 and ± 25 per cent in 38 grants, between ± 25 per cent to ± 50 per cent in six grants and between 50 per cent to ± 100 per cent in three grants.

In Capital section, deviation in outturn compared with BE was (+) 37.04 per cent. This was due to deviation between 0 and ± 25 per cent in nine grants, between ± 25 per cent to ± 50 per cent in seven grants, between 50 per cent to ± 100 per cent in six grants and equal to or more than 100 per cent in five grants. However, no provision was made in respect of 20 grants of the Capital section.

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.

Table 3.3: Expenditure Composition Outturn 2022-23

(₹ in crore)

Description	BEs	Revised Estimate (REs)	Actual Outturn	Difference between REs and BEs	Difference between Actual and RE*
Revenue	8,602.92	8,459.20	7,630.72	-143.72	(-)828.48
Capital	1,816.79	2,964.08	2,544.72	1,147.29	(-)419.36
Total	10,419.71	11,423.28	10,175.44	1,003.57	(-)1,247.84

* Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure

In Revenue section, deviation in outturn compared with RE was (-) 12.45 per cent. This was due to deviation between 0 and ± 25 per cent in 40 grants, between ± 25 per cent to ± 50 per cent in five grants and between 50 per cent to ± 100 per cent in two grants.

In Capital section, deviation in outturn compared with RE was (-) 16.00 per cent. This was due to deviation between 0 and - 25 per cent in 16 grants and one grant namely Culture which was + 4.80 per cent, between -25 per cent to -50 per cent in four grants, between 50 per cent to -100 per cent in five grants and equal to or more than 100 per cent in one grant. However, no provision was made in respect of 20 grants of the Capital section.

3.2 Appropriation Accounts

Appropriation Accounts provide details of expenditure of the Government for the financial year, compared with the amounts of the Voted Grants and Charged Appropriations for various purposes specified in the schedules appended to the Appropriation Act passed by the Legislature. These Accounts depict the original budget provision, supplementary grants, savings, surrenders and re-appropriations distinctly and indicate actual Capital and Revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act. Appropriation Accounts are therefore, complementary to the Finance Accounts. Details of the original and supplementary budget allocation, expenditure and savings as per the Appropriation Accounts of the State for the year 2022-23 are depicted in **Chart 3.2**.

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.

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Unnecessary or excessive supplementary grants

As per Rule 86 of Sikkim Financial Rule (SFR) 1979, as amended in 2013, Supplementary Grants are provided if the sanctioned budget for any service in a financial year is found to be insufficient in that year or when a need has arisen during that year for supplementary or additional expenditure not contemplated in the original budget for that year. The Head of Departments concerned shall arrange to obtain necessary supplementary grants or appropriations in accordance with the provisions of Article 205 (1) of the Constitution.

Supplementary provision aggregating ₹ 497.02 crore obtained during the year ending March 2023 (₹ 50.00 lakh or more in each case) pertaining to 22 cases (16 under Revenue Section and six under Capital Section) proved unnecessary as the total expenditure did not come up to the level of the original provisions. Details relating to the actual expenditure incurred against the original budget allocation and supplementary provision are given in *Appendix 3.2*.

3.3.2 Unnecessary or excessive or insufficient re-appropriations

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated to another unit where additional funds are needed. As per the Appropriation Accounts, re-appropriations under 52 Heads of Account proved either excessive or insufficient and resulted in savings/ excess of over ₹10.00 lakh in each case, as detailed in *Appendix 3.3*.

From *Appendix 3.3*, it can be seen that out of 52 cases, re-appropriations was unnecessary in 42 cases while in 10 cases, the re-appropriation proved to be excessive resulting in savings more than ₹ 10 lakh.

Substantial savings/ excesses in respect of Heads of Account where re-appropriation was resorted to, reflects poorly on planning and monitoring of budget allocation and its utilisation by the State Government¹⁶.

3.3.3 Unspent and surrendered appropriations and/ or large savings/ surrenders

Complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or slipshod estimating, it is not readily excusable. The golden rule for all Estimating Officers should be to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should, in checking the estimates, apply unrelentingly the proven and well-tried check of average of previous actuals with known or reasonably foreseeable facts which may modify that average. When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts that they can surrender. The aim should be to surrender as much as they can so as to keep the expenditure within the modified Grant.

Audit analysed the instances of savings of more than ₹ one crore and surrenders more than ₹ 50 lakh to assess utilisation of budget allocation, the quantum of savings, percentage of surrenders as compared to the total savings. The details are given in *Appendix 3.4*.

Out of the total gross savings of ₹ 1,989 crore (including excess of ₹ 9.41 crore), it was observed that under Voted section, there were substantial savings of ₹ 1,982.41 crore (excluding excess of ₹ 9.41 crore) crore which were above ₹ one crore for each grant.

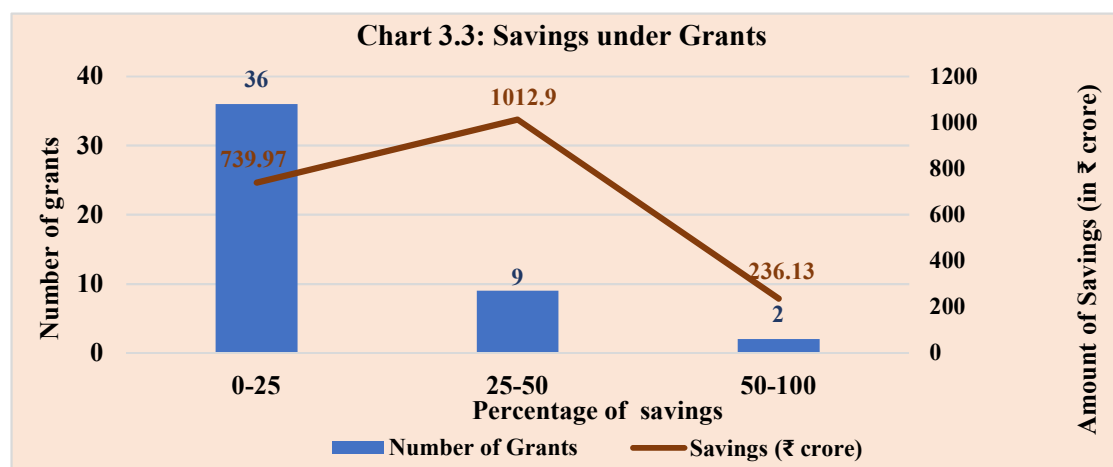
Audit observed that against total gross savings of ₹ 1,989.00 crore (including excess of ₹ 9.41 crore), an amount of ₹ 1,320.39 crore was surrendered, and ₹ 668.61 crore remained to be surrendered as on 31 March 2023. Further, in Grant No. 31 (Power)

¹⁶ Against 52 cases, it was noticed that savings of more than ₹10 lakh occurred in 45 cases and excess occurred in seven cases. Audit analysis revealed that against 45 cases of savings, 18 cases had savings of more than ₹ one crore and against seven cases of excess, two cases (Education and Tourism & Civil Aviation) have excess of more than ₹ one crore.

and Grant No. 39 (Sports and Youth Affairs), the surrender amount (₹ 3.38 crore and ₹ 2.58 crore respectively) was more than the savings of ₹ 3.18 crore and ₹ 2.31 crore respectively.

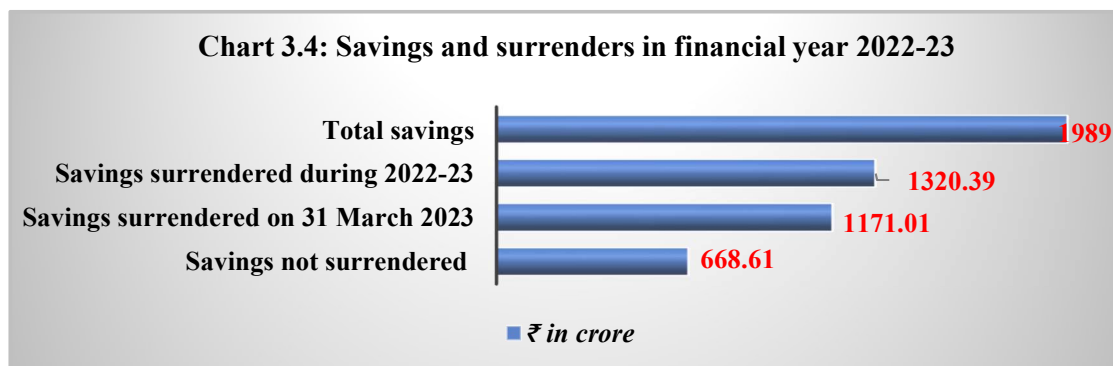
Thus, it is observed that the State's Budgetary allocations were based on unrealistic proposals as there is saving which indicated poor expenditure monitoring mechanism and weak scheme implementation capacities.

Furthermore, the distribution of number of Grants grouped by the percentage of savings along with total savings (Voted and Charged) during the year 2022-23 in each group is explained in **Chart 3.3:**



Source: VLC data and Appropriation Accounts

Details of savings and surrendered during 2022-23 and on 31 March 2023 are given in **Chart 3.4.**

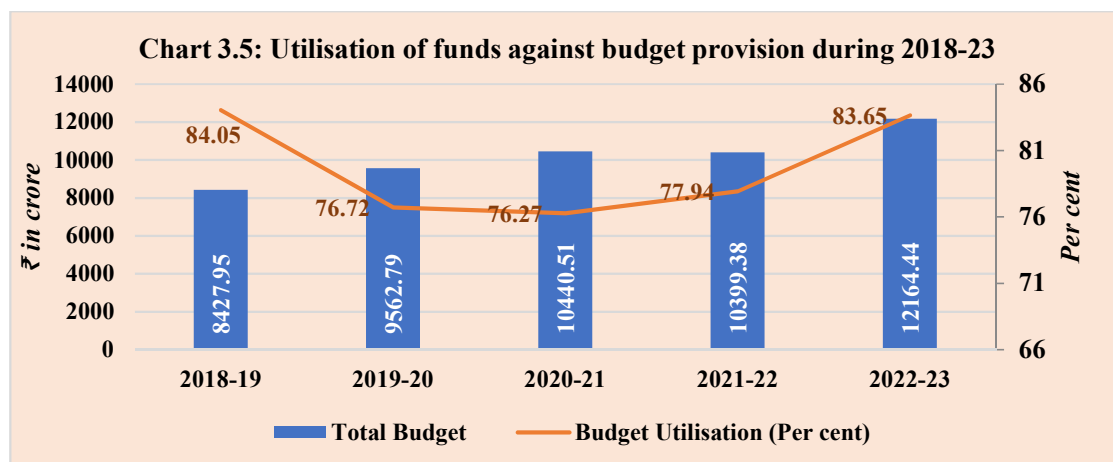


Source: VLC data and Appropriation Accounts

Thus, absence of proper planning and control over expenditure by the departments has resulted in surrender of ₹ 1,320.39 crore during the year 2022-23 out of which, 88.69 per cent was surrendered on 31 March 2023. The percentage of surrenders on 31 March to total surrenders has decreased from 95 per cent in 2021-22 to 88.69 per cent in 2022-23.

3.3.3.1 Budget utilisation

Chart 3.5 depicts the utilisation of funds against the total budget provision during 2018-23.



Source: Appropriation Accounts

The utilisation of budget improved during 2022-23 as the government was able to utilise 83.654 per cent of the total allocation made in the budget.

3.3.3.2 Surrenders of allocations up to 100 per cent

Substantial surrenders of budgetary allocations (cases where more than 50 per cent of total provision were surrendered) were made in respect of 55 sub-heads. Out of the total provisions of ₹ 804.57 crore in those 55 sub-heads, ₹ 663.31 crore constituting 82.44 per cent of total budget provision were surrendered, which included 15 sub-heads under which 100 per cent allocations (₹ 59.90) were surrendered. The details of such cases as well as reasons thereof are given in *Appendix 3.5*. The surrender of allocations has improved over the last year wherein cases in which more than 50 per cent of total provisions was surrendered in respect of 109 sub-heads amounting to ₹ 2,014.74 crore.

3.3.3.3 Anticipated savings not surrendered

As per Rule 84 of SFR, the departments of Government shall surrender to the Finance Department, before the close of the financial year, all the anticipated savings noticed in the Grants/ Appropriations controlled by them.

Against the overall savings of ₹ 1,989 crore, ₹ 1,320.14 crore (66.37 per cent) was surrendered during 2022-23, of which, ₹ 1,171.01 crore (83.45 per cent) was surrendered on the last day of the year *i.e.* 31 March 2023.

The total surrenders during 2022-23 (in excess of one crore or more), under Revenue Head was ₹ 687.29 crore whereas under Capital Head, it was ₹ 608.79 crore. The details are given in *Appendix 3.6*.

Non-surrender and surrender of savings on the last day of the financial year shows lax financial control by the concerned departments.

3.3.4 Excess expenditure and its regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article. Further, as per Article 205 of the Constitution of India. It is mandatory for a State Government to get excesses over grants/appropriations regularized by the State Legislature. Although no time limit for

regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

3.3.4.1 Excess expenditure

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose.

Table 3.4: Excess expenditure during 2022-23 requiring regularization

Grant No/ Appropriation	Grant No/Appropriation detailed	Amount of excess expenditure required to be regularized (₹ in crore)
10	Finance	9.41
Total		9.41

Source: Appropriation Accounts

Table 3.4 shows that there was an excess disbursement of ₹ 9.41 crore over the authorisation made by the State Legislature under one Grant during 2022-23.

Further, excess expenditure remaining unregularised for extended periods dilutes legislative control over expenditure. It was observed that excess expenditure of ₹ 12.82 crore pertaining to 11 grants and one appropriation for the years 2014-15 to 2019-20 were yet to be regularised by PAC. Details of excess expenditure over the budget provision pending regularisation are given in **Table 3.5**.

Table 3.5: Excess over provision requiring regularisation

(₹ in crore)				
Year	Number of Grants	Appropriations	Amount of excess over provision	Status of Regularisation
2014-15	05 Grants-Grant Nos 3, 8, 31, 33, 42	-	4.28	Under examination by PAC
2015-16	01 Grant – Grant No 36	-	0.05	
2017-18	01 Grant – Grant No 34	-	0.76	
2018-19	01 Grant – Grant No 39 01 Appropriation	Governor	0.32	
2019-20	03 Grants – Grant No 21,28,31	-	7.41	
2020-21		-	-	-
2021-22		-	-	-
Total			12.82	

Source: Appropriation Accounts

The Department assured that the excess expenditure against demands for grant would be regularised as per PAC recommendations.

3.4 Effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive other departments of the fund which they could have utilised.

The position of total budget allocation, utilisation of allocation and surrender under Revenue, Capital, Loans and Advances Sections of Voted and Charged expenditures in 2022-23 are shown in **Table 3.6**.

Table 3.6: Summarised position of Actual Expenditure vis-à-vis Budget (Original/ Supplementary) provisions during 2022-23

(₹ in crore)

Particulars	Grant/ Appropriation			Actual expenditure	Gross Saving (-) / Excess (+) Total	Amount surrendered		Percentage of savings surrendered (Col. 7/6)	
	Original	Supplementary	Total			On 31 March			
1	2	3	4	5	6	7	8	9	
Voted	I Revenue	7,802.36	192.43	7,994.79	6,845.11	(-) 1,149.68	699.90	547.71	60.88
	II Capital	1,647.28	1,551.65	3,198.93	2,376.60	(-) 822.33	609.45	603.64	74.02
	III Loans/ advances	1.35	0	1.35	0.37	(-)0.98	0.98	0.97	100
Total Voted	9,450.99	1,744.08	11,195.07	9,222.08	(-) 1,972.99	1,310.33	1,152.32	66.41	
Charged	I Revenue	800.56	0.64	801.20	785.62	(-)15.58	15.58	15.58	100
	II Capital	168.16	0	168.16	167.75	(-)0.41	0.41	0.41	100
	III Public Debt- Repayment	0	0	0	0	0	0	0	0
Total Charged	968.72	0.64	969.36	953.37	(-)15.99	15.99	15.99	100	
Grant Total	10,419.71	1,744.73	12,164.44	10,175.45	(-) 1,988.99	1,326.33	1171.01	66.68	

Source: Appropriation Accounts

During the year 2022-23, savings decreased to 16.35 per cent of total budget allocation as compared to 22.06 per cent during the previous year which in turn shows a better utilisation of the budget as compared to previous year.

The overall savings of ₹ 1,989 crore was net result of total savings of ₹ 1,165.27 crore in 45 Grants and two Appropriations under Revenue Section and ₹ 823.73 crore in 28 Grants under Capital Section.

The details of Original Budget, Revised Estimate and Actual Expenditure during 2018-23 are given in **Table 3.7**.

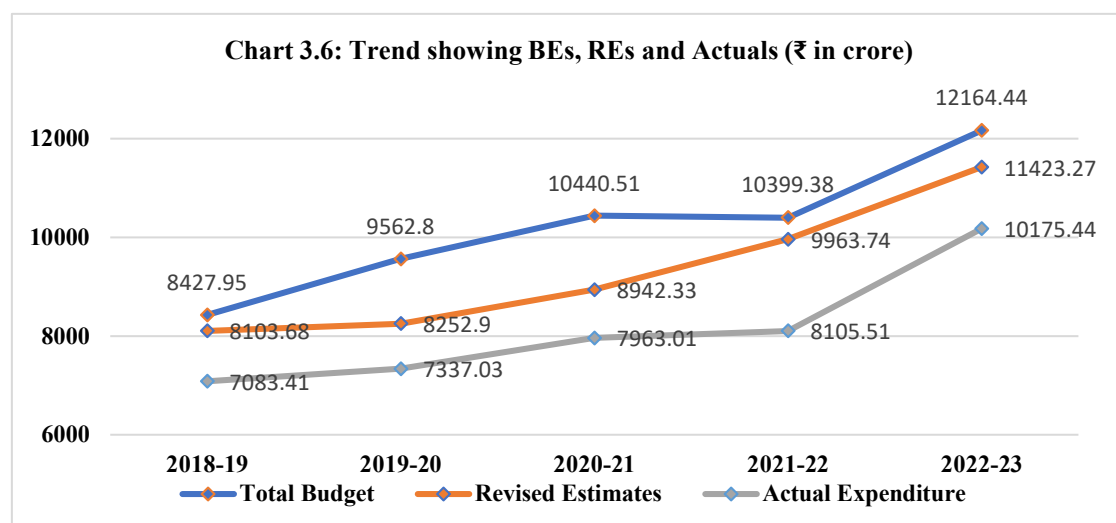
Table 3.7: Original Budget, Revised Estimate and Actual Expenditure during 2018-23

(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Original Budget	7,133.82	8,887.99	9,285.92	9,852.85	10,419.71
Supplementary Budget	1,294.13	674.79	1,154.59	546.53	1,744.73
Total Budget (TB)	8,427.95	9,562.80	10,440.51	10,399.38	12,164.44
Revised Estimate (RE)	8,103.68	8,252.90	8,942.33	9,963.74	11,423.27
Actual Expenditure (AE)	7,083.41	7,337.03	7,963.01	8,105.51	10,175.44
Gross Savings	1,344.85	2,233.17	2,477.50	2,293.87	1,989.00
Percentage of supplementary to original provision	18.14	7.59	12.43	5.55	16.74
Percentage of saving to the overall provision	15.96	23.35	23.73	22.06	16.35
TB-RE	324.27	1,309.90	1,498.18	435.64	741.17
RE-AE	1,020.27	915.87	979.32	1,858.23	1,247.83
(TB-RE) as percentage of TB	3.85	13.70	14.35	4.19	6.09
(RE-AE) as percentage of TB	12.11	9.58	9.38	17.87	10.26

Source: Annual Financial Statement and Appropriation Accounts

Table 3.7 shows that supplementary provision of ₹ 1,744.73 crore during 2022-23 constituted 16.74 per cent of the original provision as against 5.55 per cent in the previous year.



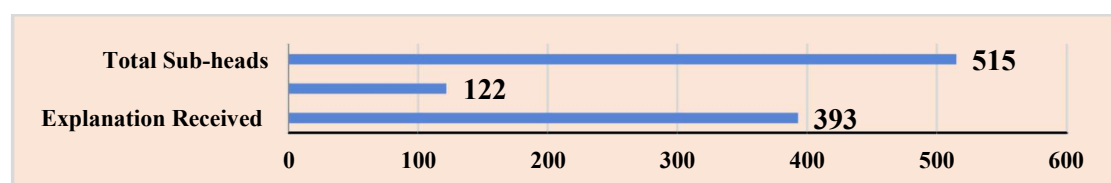
From the above Chart, it can be seen that over the years from 2018-19 to 2022-23, the Revised Estimate (REs) was always lower than the Total Budget (TB) of the State. The gap between the REs and the TB showed an increasing trend wherein during 2019-20 and 2020-21, the gap was more than 10 per cent indicating larger estimation error. However, the gap reduced during 2021-22 but slightly increased to 6.09 per cent in 2022-23.

In terms of percentage, the RE was 3.85 per cent lower than TB in 2018-19 which increased to 6.09 per cent in 2022-23. Further, the percentage of Actual Expenditure (AE) during the same period was also lower than the REs throughout and it ranged between 9.8 per cent and 17.87 per cent. As such, the supplementary provisions during the years 2018-19 to 2022-23 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 always inflated and the Actual Expenditure was less than the budgetary provisions.

The savings/excess were intimated to the Controlling Officers by the Office of Sr. DAG (A&E), Sikkim requesting them to explain the significant variations. Out of 515 sub-heads explanations for variations in respect of 393 sub-heads were received. Thus, explanations in respect of remaining 122 sub-heads (21.75 per cent) had not been received as depicted in Chart 3.7:

Chart 3.7: Summary of explanation for variation in Appropriation Accounts



Source: Departmental reply

3.4.2 Supplementary budget and opportunity cost

At times, while obtaining supplementary provision, the department's report to Legislature large additional requirements for different purposes under various schemes/ activities but fail to utilise the budget allocation.

The result of review of Grants and Appropriations under Capital Section with savings of more than ₹ 50 lakh and where supplementary allocations were sought is shown in **Table 3.8**.

Table 3.8: Grants and Appropriations under Capital Section with savings of more than ₹ 50 lakh
(₹ in crore)

Sl. No.	Grant No.	Name of Grant/ Appropriation	Original	Supplementary	Total	Actual Expenditure	Unutilised fund
CAPITAL (Voted)							
1	2	Animal Husbandry & VS	2.24	0.09	2.33	1.76	0.57
2	3	Buildings & Housing	76.46	211.58	288.05	259.05	29.00
3	5	Culture	25.57	12.30	37.87	34.66	3.21
4	7	Education	165.37	98.53	263.90	149.54	114.36
5	13	Health and Family Welfare	27.79	23.75	51.54	36.87	14.67
6	19	Water Resources	103.52	35.00	138.52	99.80	38.72
7	30	Police	3.92	1.05	4.97	2.23	2.74
8	31	Power	95.08	131.98	227.06	225.46	1.60
9	33	Public Health Engineering	105.13	20.67	125.80	89.87	35.94
10	34	Roads and Bridges	254.16	64.99	319.15	190.46	128.69
11	35	Rural Development	283.89	488.45	772.34	648.80	123.54
12	39	Sports and Youth Affairs	20.39	18.47	38.86	29.46	9.40
13	40	Tourism & Civil Aviation	237.52	189.00	426.52	210.91	215.61
14	41	Urban Development	127.95	165.58	293.53	238.43	55.10

Source: Appropriation Account

It is seen that there was substantial savings of more than ₹ 50 lakh in 14 cases under Capital Section. As can be seen from **Table 3.8**, seven departments were unable to spend the entire supplementary provision, as the expenditure was less than the original budget provision. At the same time, some of the schemes remained incomplete due to want of funds. Thus, the intended benefit of the unfinished schemes could not be extended to the public at large in such cases and might have led to escalation of the project cost.

There were 101 incomplete projects at the end of 2022-23 (Reference **Appendix 2.4A**). Out of these, there were 30 incomplete projects with project cost of ₹ 10 crore or more. The details of projects lying incomplete with estimated cost of ₹ 10 crore and above are given in **Appendix 3.7**.

Several schemes/programmes declared by the Government do not typically get operationalised and run beyond the target schedule dates due to lack of preparatory work and lack of adequate allocation of budget. Therefore, proper budget estimations would have helped finance department in reallocating the unused funds in areas where there was a requirement.

The Finance Department stated that (December 2023) in future more realistic estimation will be made.

3.4.3 Review of selected grants

A review of budgetary procedure and control over expenditure in respect of selected grant *i.e.*, 12 - Forest and Environment Department was conducted wherein magnitude of variations in original grants, supplementary demands and actual expenditure were analysed.

3.4.3.1 Grant No. 12 - Forest and Environment

(i) Introduction

Grant 12 - Forest and Environment Department includes Major Heads 2045 - Other Taxes and Duties on Commodities and Services, 2402-Soil & Water Conservation, 2406 - Forestry and Wildlife, 3435 - Ecology and Environment and 4406 - Capital Outlay on Forest & Wildlife.

(ii) Budget and Expenditure

The overall position of budget provisions, actual disbursement and savings under the grant for the last four years (2019-20 to 2022-23) is given below:

Table 3.9: Budget and Expenditure during the year 2019-20 to 2022-23

(₹ in crore)

Year	Section	Budget provision	Total	Expenditure	Unutilised provision (percentage)
2019-20	Revenue-Original (V)	262.00	268.85	154.11	(-)114.74(42.68)
	Supplementary	6.85			
	Capital-Original (V)	2.18	2.18	2.08	(-)0.10(4.59)
	Supplementary	0	0	0	0
2020-21	Revenue-Original (V)	226.82	239.26	160.39	(-)78.87(32.96)
	Supplementary	12.44			
	Capital-Original (V)	4.40	4.40	1.10	(-)3.30(75.00)
	Supplementary	0	0	0	0
2021-22	Revenue-Original (V)	269.43	269.43	156.18	(-)113.25(42.03)
	Supplementary	0			
	Capital-Original (V)	3.02	3.13	1.01	(-)2.12 (67.73)
	Supplementary	0.10			
2022-23	Revenue-Original (V)	291.70	293.50	152.68	(-)140.82 (47.98)
	Supplementary	1.80			
	Capital-Original (V)	2.15	2.15	0.53	(-)1.62(75.35)
	Supplementary	0	0	0	0

Source – Appropriation Accounts of respective years

The above table show that un-utilised budget provision under Capital (Voted) ranged between 4.59 per cent and 75.35 per cent, which reflected inadequacy in management of budget of the State Government.

While accepting the audit observation, the Forest and Environment Department stated (December 2023) the unutilised budget provision under Capital (Voted) is attributed to non-receipt of Central Share to the extent of tentative allocation and receipt of central fund at the last quarter of the financial year.

(iii) Non-surrender of savings

As per Sikkim Financial Rule 84 Surrender of savings - Departments of Government shall surrender to the Finance Department, before the close of the financial year, all the anticipated savings noticed in the grants or appropriations controlled by them.

The position of savings and surrenders under Grant-12-Forest and Environment Department during 2019-23 has been depicted in table below:

Table 3.10: Non-surrender of savings under Grant-12*(₹ in crore)*

Year	Total Provision		Savings		Amount surrendered (Percentage)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2019-20	268.84	2.18	114.74	0.11	64.87 (56.53)	0.11 (100)
2020-21	239.25	4.40	78.86	3.30	30.49 (38.66)	3.30 (100)
2021-22	269.43	3.12	113.25	2.12	44.02 (38.87)	2.11 (100)
2022-23	293.50	2.15	140.82	1.62	60.48 (42.95)	1.62 (100)

Source – Appropriation Accounts

From the above table, it can be seen that there has been persistent savings since 2019. Despite having persistent savings ranging from ₹ 78.86 crore to ₹ 140.82 crore, the fund allocation in the grant was not adjusted over the years. Further, out of the savings, the amount surrendered in revenue section was mostly less than 50 per cent which indicated improper budget management in the department, however, in case of capital section surrendered was 100 per cent of savings.

The Forest and Environment Department stated (December 2023) that huge saving in last four year was due to improper accounting procedure followed by the Office of the Deputy Accountant General (Accounts and Entitlement) in respect of expenditure incurred on the Head of Account: 2406-04-103-State Compensatory Afforestation (SCA).

The reply was not tenable as the source of figure is Appropriation Accounts of the state and the Department should have reconciled the figures before its finalization. Further, prior to finalisation of Appropriation Accounts, ample opportunities are given to the Department for rectifications, if any. Moreover, audit observed that there is a substantial savings even after considering Department's contention as detailed below:

Table 3.11: Substantial Savings during 2019-20 to 2022-23*(₹ in crore)*

Year	Total Provision	Savings as per Appropriation Account	Expenditure as per Department figures	Savings as per Department figures
	Revenue	Revenue	Revenue	Revenue
2019-20	268.84	114.74	44.95	30.21
2020-21	239.25	78.86	47.72	31.14
2021-22	269.43	113.25	70.00	56.75
2022-23	293.50	140.82	80.00	60.82

(iv) Persistent savings

It was observed during scrutiny of Budget Documents that persistent savings have occurred under the Revenue Section and Capital Section from 2020-21 to 2022-23 as given in **Table 3.12**.

Table 3.12: Budget and Expenditure during 2020-21 to 2022-23

Particulars	Year-wise Savings (-)/ Excess (+) with percentage		
	2020-21	2021-22	2022-23
Revenue	(-78.86 (32.96))	(-113.25 (42.03))	(-140.82 (47.98))
Capital	(-3.30 (75.02))	(-2.12 (67.69))	(-1.62 (75.24))

(₹ in crore)

Source: Appropriation Accounts of the respective year

v) Unnecessary supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for supplementary or additional grant or appropriation.

Audit analysis showed that supplementary provisions of ₹13.83 crore (Revenue-voted) proved unnecessary as the expenditure of ₹ 381.58 crore did not come up even to the level of original provision of ₹ 682.03 crore as shown in Table 3.13.

Table 3.13: Unnecessary supplementary grants under Grant No.12

Sl. No.	Head of accounts	Year	Original Budget	Supplementary	Actual expenditure	Savings out of Original Provision
1	2406- Forestry and Wildlife	2019-20	223.12	6.78	131.92	(-91.20)
2	3435- Ecology and Environment	2019-20	13.69	0.66	4.09	(-9.60)
3	2406- Forestry and Wildlife	2020-21	191.83	4.49	125.91	(-65.92)
4	4406 - Capital Outlay on Forestry and Wildlife	2021-22	3.02	0.10	1.01	(-2.01)
5	2406- Forestry and Wildlife	2022-23	250.37	1.80	118.65	(-131.72)
	Total		682.03	13.83	381.58	300.45

(₹ in crore)

Source – Appropriation Accounts

It was noticed that in the case of 2406-forestry and wildlife, budget estimation was not objective as despite significant amount of provision left unspent in the past five years, budget allocation has not seen significant changes. This indicated poor budget management within the department.

While accepting the audit observation, the Forest and Environment Department stated (December 2023) that supplementary grant was obtained in the budget heads of the State earmarked sector only where there was no surplus provision in the Sector to utilise the same by way of re-appropriation of fund. Reply of the Department is not tenable as the Department should have obtained the supplementary grant as per the actual requirement.

(vi) Unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

During 2019-20 and 2021-22, it was observed that reduction of provision (exceeding ₹ one crore in each case) by re-appropriation orders (Sl.No.1 and 2 of Table) proved injudicious as there was excess expenditure under these cases.

Table 3.14: Statement showing unnecessary re-appropriation of funds

(₹ in crore)

Year	Number and name of Grant/ Head of account	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Saving (-)/ Excess (+)
2019-20	2402-102-800-44	12.30	0	(-)4.11	8.19	8.92	(+)72.96
2021-22	2406-01-001	54.17	0	2.93	51.24	52.01	(+)77.42

Source: Appropriation Accounts

While accepting the fact, the Forest and Environment Department stated (December 2023) that expenditure of ₹ 72.96 lakh under the budget head: 2402-102-800.44.00.02-Wages during 2019-20 was due to inadvertent booking of expenditure.

3.5 Conclusion

Budgetary assumptions of the State Government were not very realistic during 2022-23 and budgetary estimates were off the mark to a considerable extent, and control over the execution and monitoring of budget was inadequate.

The budgetary system of the State Government was not up to the mark, as overall utilisation of budget was 83.65 per cent of total grants and appropriations during 2022-23.

Against the overall savings of ₹ 1,989 crore, ₹ 1,320.14 crore (66.37 per cent) was surrendered during 2022-23, of which, ₹ 1,101.71 crore (83.45 per cent) was surrendered on the last day of the year i.e. 31 March 2023.

Supplementary provision aggregating ₹ 497.02 crore obtained during the year ending March 2023 (₹ 50.00 lakh or more in each case) pertaining to 22 cases (16 under Revenue Section and six under Capital Section) proved unnecessary as the total expenditure did not come up to the level of the original provisions.

There was an excess disbursement of ₹ 9.41 crore over the authorisation made by the State Legislature under one Grants during 2022-23. Further, an excess expenditure of ₹ 12.82 crore in respect of previous years (from 2014-15 to 2019-20) 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 122 sub-heads (21.75 per cent) out of 515 sub-heads to the office of Sr. DAG (A&E).

3.6 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 Forest and Environment 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 Forest and Environment Department should design and implement an effective monitoring system to ensure timely utilisation of funds to avoid persistent savings.*

**CHAPTER-IV:
QUALITY OF ACCOUNTS
AND FINANCIAL
REPORTING PRACTICES**

Chapter-IV

Quality of Accounts and Financial Reporting Practices

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

Issues related to the completeness of accounts

4.1 Non-discharge of liability in respect of interest towards interest bearing deposits/Reserve Funds

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Deposits/Reserve Funds. Audit observed that ₹8.99 crore was required to be paid as interest on the balance of ₹368.66 crore lying under interest bearing deposits/Reserve Funds as on 1 April 2022 as shown in **Table 4.1**. Non-payment/short payment of the interest amounting to ₹8.99 crore has resulted in understatement of Revenue Expenditure and Fiscal Deficit by ₹8.99 crore.

Table 4.1: Non-payment/short payment of the interest amounting to ₹8.99 crore

Sr. No.	Name/Head of the interest bearing deposit	Opening Balance as on 1 April 2022	Basis for calculation of interest	Amount of Interest not provisioned
1	Reserve Fund bearing interest (State Disaster Response Fund)	1.09	Interest calculated as per the rate of interest @ 7.49 per annum.	0.08
2	Reserve Fund bearing interest (State Disaster Mitigation Fund)	22.82	Interest calculated as per the rate of interest @ 7.49 per annum.	1.71
3	Reserve Fund bearing interest (State Compensatory Afforestation Fund)	272.29	Interest is calculated at the rate of 3.35 per cent (As informed by GOI Ministry of Environment, Forest, and Climate Change)	2.12
4	Deposit bearing interest MH 8336-103 State Compensatory Afforestation Deposits	3.97	Interest calculated at the rate of 5.49 per cent (taking average Ways and Means interest rate as 5.49 per cent for the year 2022-23)	0.22
5	Deposit bearing interest MH 8342 - Defined Contribution Pension Scheme for Government Employees	68.49	Interest calculated as per the rate of interest 7.10 per cent notified by the Government/payable to General Provident Fund	4.86
	Total	368.66		8.99

Non discharge of such interest liabilities resulted in defeat of the purpose for which these funds were established.

The Land Revenue and Disaster Management Department stated (December 2023) that, with respect to SDRF and SD MF, no separate provision is required in the budget as the interest earned from deposit is directly credited to SDRF under M/H 8121-122-State Disaster and SD MF under M/H 8121-122-State Disaster Mitigation Fund.

However, the interest pointed out in the above table pertains to the amount not invested and retained by the Government.

4.2 Funds transferred directly to State Implementing Agencies

As per GoI decision (08 July 2015), all assistance to the Centrally Sponsored Schemes (CSS) and Additional Central Assistance (ACA) under the various schemes would be released directly to the State Government and not to the Implementing Agencies (IA) in the State and hence these funds would be routed through the State Budget from 2015-16 onwards. However, during 2022-23, the GoI transferred ₹ 342.39 crore directly to IAs in the State (Details in *Appendix 4.1*). The amount of such funds transferred by GoI to IAs during 2022-23, had increased as compared to the previous year's amount which stood at ₹ 326.22 crore.

Out of ₹ 342.39 crore, a major portion *i.e.* ₹ 188.92 crore (54.33 *per cent*) was transferred to Jal Jeevan Mission and ₹ 93.37 crore (26.85 *per cent*) was transferred to Mahatma Gandhi National Rural Employment Guarantee Programme. Another major scheme was Organic Value Chain Development for North East Region - ₹15.42 crore (4.43 *per cent*).

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

4.3 Funds outside Consolidated Fund or Public Account of the State

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 that 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, as the case may be. Further, Sikkim Financial Rules (SFR) stipulates that all monies received by or on behalf of the Government should be brought into the Government account without delay; and "the head of every department/ office shall be responsible to ensure that all revenue, receipts or other sums due to Government are regularly and promptly assessed, realised and credited to Government account under the relevant head of account".

It has been observed that funds meant to be credited to Consolidated Fund or Public Account are credited to bank accounts as detailed in the succeeding paragraphs.

4.3.1 Unaccounted Revenue and Expenditure transactions

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

However, Audit noticed that significant amount of money due to the state Consolidated Fund was kept outside of it by PDS and expenditure incurred from it. **Table 4.2** shows the details of irregularities with respect to accounting of receipts¹⁷ and expenditure during 2022-23.

Table 4.2: Irregularities with respect to accounting of receipts and expenditure by PDS

(₹ in crore)

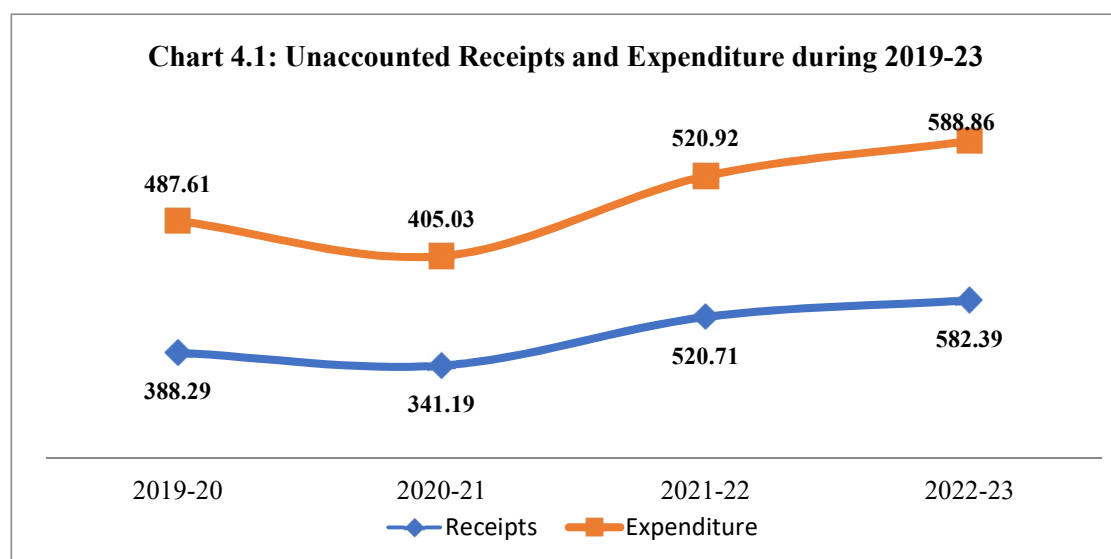
Particulars	Amount Involved	Audit Observations
Receipts		
1. Sale proceeds of electricity sold outside the State (Surplus Power)	137.64	The government sold the excess power outside of State.
2. Royalty receipts from the Hydro-electric Projects (HEPs) located in the State	444.75 ¹⁸	Royalty amounting to ₹ 444.75 crore from three HEPs had not been credited into Government Account and was transferred to the Bank Accounts maintained by the SPICL.
Total	582.39	
Expenditure		
3. Purchase of electricity	164.41	During the winter season, the State experienced shortage in electricity. PDS purchased electricity from the revenue earned by selling the surplus electricity and the expenditure was met out of the funds from the same bank account in which the receipts from the sale of electricity outside the State were credited (Sl. No. 1). As such, the expenditure were being incurred without approval of Legislature and were not reflected in Government Accounts.
4. Repayment of Loans	424.45 ¹⁹	The SPICL had borrowed funds from PFC on the guarantee of GoS. The servicing of the loans availed by the SPICL from PFC was done from the royalty money received from two HEPs (Sl. No. 2). Therefore, these expenses were also not included in Government Account.
Total	588.86	

¹⁷ The PDS has three main sources of revenue (i) sale proceeds of electricity sold to outside the State, (ii) Royalty receipts from the Hydro-electric Projects (HEPs) located in the State and (iii) sale proceeds of electricity within the State.

¹⁸ Sikkim Urja Ltd(SUL)-₹ 428.99 crore + Chuzachen-₹ 9.76 crore + Rongnichu-₹ 6 crore.

¹⁹ SUL-₹ 376.81 crore + Chuzachen-₹ 47.64 crore.

As can be seen from **Table 4.2**, Revenue Receipts of ₹ 582.39 crore earned from sale proceeds of electricity sold outside the State and royalty receipts from the HEPs located in the State, were not deposited in the Consolidated Fund of State by PDS. This led to an understatement of Government Revenue Receipts by ₹ 582.39 crore. Further, an expenditure of ₹ 588.86 crore had been incurred without routing it through Government Accounts resulting in understatement of Government expenditure by ₹ 588.86 crore. This led to an overall overstatement of Revenue surplus and understatement of Fiscal Deficit by ₹ 6.47 crore during 2022-23.



Source: Departmental figures

As can be seen from **Chart 4.1**, the State had managed to carry out transactions involving huge receipts and expenditure without accounting for them in the books of accounts. It is pertinent to mention here that despite the issue being pointed out in the previous State Finances Audit Report²⁰, no corrective measures to route the receipts and expenditures through Government Account were taken by the State Government.

4.3.2 Sikkim State Legal Services Authority- Non creation of State Legal Aid Fund

As per Section 16 of the Legal Services Authorities Act, 1987, the State Authority shall establish a fund to be called the “State Legal Aid Fund” in which all grants received from Central or State Government or any donation shall be credited.

However, the said Fund was neither notified nor created as on 31 March 2023 by the State Government. Thus, due to non- creation of the State Legal Aid Fund by the State Government, the grants and other receipts received from National Legal Services Authority was kept in a bank account and the expenditure incurred from State Government allocation were routed through the State treasury.

The Sikkim State Legal Services Authority stated (April 2022) that the matter has been taken up with the State Government (December 2022) for creation of Fund. However, no response has been received till date. Thus, due to non-creation of the Sikkim State

²⁰ Paragraph 4.4.1 of the State Finance Audit Reports for the year ending 31 March 2021 and 31 March 2022

Legal Services Authority Fund, the grants, fee and other receipts collected by the SLSA were being kept in a bank account. The SLSA Bank Accounts had a balance of ₹ 64.35 Lakh.

4.4 Off-Budget Borrowing

Off-budget borrowings or off-budget financing generally refer to use of those financial resources by the Government for meeting expenditure requirements in a particular year or years, which are not reflected in the budget for that year/ those years for seeking grant/ appropriation, hence remaining outside legislative control. They are financed through Government owned or controlled public sector enterprises or departmental commercial undertakings, which raise the resources through market borrowings on behalf of the Government. However, the Government must repay such debt and/ or service the same from its budget. Therefore, off-budget borrowings/ financing involves a) payment of interest on recurrent basis and b) repayment of the borrowings from budget as and when it is due.

During the year 2022-23, the State Government repaid ₹ 198.95 crore worth of loans availed by three financial institutions²¹ for implementation of various Government projects, and interest accrued thereupon. The borrowings by these Institutions had not formed part of the outstanding liabilities of the State Government during the respective years. Further, out of the total repayments made during the year, ₹ 113.08 crore was repayment of principal and ₹ 85.87 crore was interest payment.

It was noticed that the repayment of such debts (principal) was wrongly accounted as 'Revenue Expenditure' instead of 'Capital Expenditure' except for Power Department.

The details of loans availed by these Institutions, purpose of the loans and repayment made during the year are given in **Table 4.3**:

Table 4.3 Repayment of Off-Budget Borrowing through Budget during 2022-23 and outstanding as on 31 March 2023

(₹ in crore)

Name of the Institution	Heads of Account	Bank/ Financial Institution	Loan Borrowed	Date of Sanction of Loan	Purpose of Loan	Repayment during the year		Repayment by (Principal & Interest)	Outstanding as on 31 March 2023
						Principal	Interest		
SHDB	2216-03-800-35-00-82	HUDCO	361.00	27.03.2017	Chief Minister Rural Housing Scheme-3000 houses	24.07	27.09	Rural Development Department	282.72
STCS	2210-01-800-00-44-91	CBI	300.00	07.02.2018	Multi-speciality Hospital at Sochagang	43.00	17.09	Health and Family welfare Department	192.40
SIDICO	3054-80-001-35-44-50 Other Charges	HUDCO	198.04	December 2018	Strengthening and improvement of existing Highways in the State of Sikkim	11.65	14.59	Roads and Bridges Department	151.29
		NABARD	130.81	March 2018		13.08	9.10		85.03
		HUDCO	103.70	December 2021		6.10	4.95		58.90
		NABARD	83.50	August 2020		8.35	7.12		75.15
	2851-00-001-60-0-50	HUDCO	113.35	March 2013	Development of Pakyong Township	6.83	1.98	Commerce and Industry Department	13.66

²¹ Sikkim Housing Development Board (SHDB), State Trading Corporation of Sikkim (STCS) and Sikkim Industrial Development and Investment Corporation Limited (SIDICO).

Name of the Institution	Heads of Account	Bank/ Financial Institution	Loan Borrowed	Date of Sanction of Loan	Purpose of Loan	Repayment during the year		Repayment by (Principal & Interest)	Outstanding as on 31 March 2023
						Principal	Interest		
	2217-80-001-00-44-55	UBI	141.00	November 2021	Construction of 1000 houses for urban families in Sikkim	0.00	3.95	Urban Development Department	141.00
Total						113.08	85.87		1,000.15

Source: Departmental Information

As on March 2023, there was outstanding off budget borrowing of ₹ 1,000.15 crore which was not reflected in the outstanding liabilities of the State Government in its accounts (Finance Accounts) which resulted in understatement of liabilities of the State Government to that extent.

‘Off-budget borrowings’ is being raised by the Government of Sikkim from outside agencies without routing them through the Consolidated Fund of State (CFS) and the State Budget. Hence, the borrowings so availed by the State Government remained outside of Legislative approval.

Issues related to transparency

4.5 Utilisation Certificates

4.5.1 Delay in submission of Utilisation Certificates of Grants-in-Aid

Rule 115 of SFR states that in the case in which conditions are attached with the utilisation of a grant in the form of specification or particular objects or expenditure or the time within which the money must be spent, or otherwise, the sanctioning authority shall be primarily responsible for certifying to the Accountant General, where necessary, the fulfilment of conditions attached to grant, unless there is any special rule or order to the contrary. Further, Rule 116 (1) of the SFR stipulates that every grant made for a specific object is subject to implied conditions: (i) that the grant shall be spent upon the object within a reasonable time of one year from the date of issue of the letter sanctioning grant and (ii) that any portion of the amount which is not ultimately required for expenditure upon that object shall be duly surrendered to Government.

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

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

Department-wise status of outstanding UCs as per the records of the office of the Sr. DAG (A&E) Sikkim is given at **Appendix 4.2**.

Table 4.4: Age-wise arrears in submission of Utilisation Certificates

Year*	No. of UCs	Amount (₹ in crore)
Upto 2021-22	802	62.51
2022-23	145	33.69
Total	947	96.20

Source: Notes to Finance Accounts 2022-23

* The year mentioned above relates to "Due year" i.e., after one year of actual drawal.

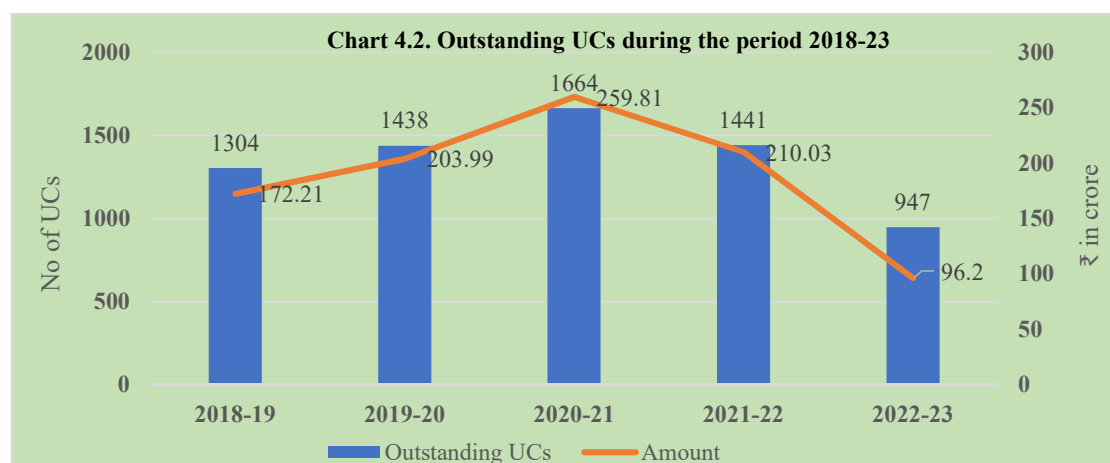
Year-wise break-up of outstanding UCs for the period 2002-23 is given in Table 4.5.

Table 4.5: Year wise break up of outstanding UCs

Year	Number of UCs	Amount (₹ in crore)
2002-03	53	1.02
2003-04	46	1.34
2004-05	55	0.92
2005-06	38	1.13
2006-07	21	0.80
2007-08	94	4.48
2008-09	107	6.09
2009-10	83	4.16
2010-11	29	0.47
2011-12	27	1.43
2012-13	16	1.31
2013-14	15	0.41
2014-15	12	0.28
2015-16	10	0.57
2016-17	32	0.60
2017-18	54	16.85
2018-19	64	16.85
2019-20	20	0.92
2020-21	26	2.89
2021-22	145	33.69
Total UCs due for submission on or before 31.3.2023	947	96.20

Source: VLC data

As can be seen from Table 4.5, out of 947 outstanding UCs involving ₹ 96.20 crore, 154 outstanding UCs amounting to ₹ 3.28 crore which were due for submission in 2005-06, were still awaited as on 31 March 2023.



Source: VLC Data and previous years SFAR

As can be seen from **Chart 4.2**, the outstanding UC has decreased from 1,441 in 2021-22 to 947 in 2022-23.

The major defaulting departments are as listed in **Table 4.6**.

Table 4.6: Major defaulting departments who had not submitted UCs

Major Defaulting Department	Number	Amount (₹ in crore)	Percentage of outstanding UCs
Ecclesiastical	127	52.77	54.85
Social Justice and welfare	413	16.67	17.33
Rural Development	58	7.11	7.39
Tourism and Civil Aviation	22	6.83	7.10
Culture	82	2.32	2.41
Sports and Youth Affairs	117	2.27	2.36
Science and Technology	11	1.74	1.81
Power	8	1.60	1.66
Horticulture	2	1.00	1.04
Home	2	0.97	1.01

Source: VLC data

The major defaulting department which failed to submit utilisation certificates with five per cent or more of the total outstanding UCs were Ecclesiastical with ₹ 52.77 crore (54.85 per cent), Social Justice and welfare ₹ 16.67 crore (17.33 per cent), Rural Development ₹ 7.11 crore (7.39 per cent), Tourism and Civil Aviation ₹ 6.83 crore (7.10 per cent).

High pendency of UCs was fraught with the risk of misappropriation; thus, it is imperative that the State Government should monitor this aspect closely and hold the concerned persons accountable for submission of UCs in a timely manner.

4.6 Review on pending UCs in Ecclesiastical Department

Audit reviewed the Ecclesiastical Department which had the highest number of outstanding UCs. An in-depth analysis of Grants disbursed by Ecclesiastical Department, its utilisation and pendency in submission of UCs are detailed in the subsequent paragraphs.

4.6.1 Pendency of Utilisation Certificates

Year-wise status of outstanding UCs as per the records of the office of the Sr. DAG (A&E) Sikkim is given at Table 4.7:

Table 4.7: Age-wise break up of pending UCs

Year	No. of Grants-in-aid for which UCs not received	Amount of Grant (₹ in crore)
2017-18	25	16.47
2018-19	47	15.55
2019-20	3	0.29
2020-21	12	2.10
2021-22	40	18.36
Total	127	52.77

Source: VLC data

According to the reply furnished by the Department to the Finance Department (September 2023), Government of Sikkim the lack of district offices as well as shortage of officers within the Department have proven to be the main stumbling block in the

effective monitoring of works which are spread across all six districts, which has led to the high number of outstanding UCs.

However, despite drawing attention of the State Government to this issue year after year in the Audit Reports of the CAG, there has been no improvement in this regard.

4.7 Pendency in submission of Detailed Countersigned Contingent (DC) Bills against Abstract Contingent (AC) Bills

The drawal of contingent charges on items of expenditure by a State Government, for which final classification and supporting vouchers is not available at the time of drawal are made on 'Abstract Contingent' (AC) Bills. Initially made as advance, its subsequent adjustments are ensured through submission of DC bills within a stipulated period of drawal of AC bill. DC bill consists of abstract of expenditure along with sub-vouchers for amount drawn through AC bill. Drawing and Disbursing Officers (DDOs) are required to present DC bills duly countersigned by the Controlling Officer in all these cases within the period prescribed in the State Treasury Rules.

Circular No. 168/Fin (Accts) dated 27 December 1983 issued by the Finance Department, states that DDOs are required to present DC Bills containing vouchers in support of final expenditure within three months of the withdrawal of AC Bills. Besides, the DDOs should not make payments through AC Bills unless DC Bills for previous month have been submitted to the Controlling Officers. Non-submission of DC Bills renders the expenditure under AC Bills opaque. Details of AC Bills outstanding as on 31 March 2023 are given below.

Table 4.8: Details of AC Bills

Year	No. of unadjusted AC Bills	Amount (₹ in crore)
Upto 2021-22	1,987	34.98
2022-23	299	17.44
Total	2286	52.42

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

It was seen that during 2022-23, ₹5.95 crore (13.60 per cent) was drawn through 72 AC Bills in March 2023. Expenditure against AC Bills at the end of the year indicates poor public expenditure management and may point to drawal being done primarily to exhaust the budget provision.

Year-wise trend of unadjusted AC bills for the period 2001-2022 is given in Table 4.9.

Table 4.9: Year-wise break-up of unadjusted AC bills

Year	No. of Bills	Amount (₹ in crore)
2001-2002	54	0.18
2002-2003	128	1.27
2003-2004	188	1.27
2004-2005	119	1.31
2005-2006	88	1.01
2006-2007	99	2.36
2007-2008	97	0.74
2008-2009	89	0.87
2009-2010	94	1.99
2010-2011	56	0.35

Year	No. of Bills	Amount (₹ in crore)
2011-2012	66	0.75
2012-2013	92	2.20
2013-2014	72	0.70
2014-2015	46	3.48
2015-2016	52	1.63
2016-2017	94	1.93
2017-2018	89	2.58
2018-2019	128	2.47
2019-2020	134	1.92
2020-2021	98	4.08
2021-2022	104	1.89
2022-2023	299	17.44
Total	2286	52.42

Source: VLC Data

Out of 2,286 unadjusted AC bills involving ₹52.42 crore, 54 oldest outstanding AC Bills amounting to ₹0.18 crore pertains to the year 2001-02, Department-wise details are given in **Appendix 4.3**.

Major defaulting departments with high outstanding AC Bills as on 31 March 2023 are given in **Chart 4.3**.

Chart-4.3: Departments with high outstanding AC Bills as on 31 March 2023



As can be seen from **Chart 4.3**, Social Justice and Welfare Department was at the top with ₹ 5.38 crore (10.26 per cent of total outstanding AC bills) worth of outstanding AC bills. In terms of number of outstanding AC bills, Home Department with 289 numbers and Police Department with 218 numbers of outstanding AC bills were the top defaulters.

The office of Sr. DAG (A&E) has been highlighting the status of outstanding DC bills to the Finance Department on monthly basis, despite this the outstanding balances persisted. Department-wise pending DC bills for the years up to 2022-23 are detailed in **Appendix 4.4**.

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.

4.8 Indiscriminate use of Minor Head 800

Minor Head 800- Other Expenditure/ Other Receipts is intended to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of Minor Head-800 is to be discouraged, since it renders the accounts opaque.

During the year 2022-23, the State Government booked ₹ 1,260.22 crore (12.59 per cent of the Revenue and Capital expenditure) under 800-Other Expenditure under 31 Expenditure Heads and ₹ 689.37 crore (8.51 per cent of Revenue Receipts) under 800-Other Receipts under 32 Revenue Receipt Heads.

Instances where a substantial proportion (50 per cent or more) of the expenditure within a given Major Head were classified under the Minor Head 800- ‘Other Expenditure’ during 2022-23 are given in **Table 4.10**.

Table 4.10: Significant expenditure booked under Minor Head 800–Other Expenditure during 2022-23

(₹ in crore)

SI. No.	Major Head	Major Schemes under Minor Head 800	Expenditure under Minor Head 800	Total Expenditure	Per cent
1.	4216-Capital Outlay on Housing	Chief Minister Rural Housing Mission Phase I & II and Stalled House (REDRH/CMRHM) etc.	451.00	451.00	100
2.	2852-Industries	Implementation of e-Vidhan, State Data Centre (SDC) etc.	14.77	14.77	100
3.	2810-Non-Conventional Sources of Energy	Grants-in-Aid to SREDA	2.40	2.40	100
4.	2435-Other Agricultural Programmes	National Food Security Mission (NFSM) and Rastriya Krishi Vikash Yojana	6.31	6.31	100
5.	2407-Plantations	Management and Management Charges	8.01	8.01	100
6.	4801-Capital Outlay on Power Projects	Survey design supply erection Testing and commissioning Nayabazar and Gyalshing town, Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas etc.	197.90	225.46	88
7.	2216-Housing	Repayment/interest payment of loan from HUDCO, House Upgradation etc.	98.56	105.37	94
8.	4225-Capital outlay on Welfare of SC/ ST/OBC	Construction of Lepcha Primitive Tribal Girls’ Hostel Lingdong Near Mangan, North Sikkim, State Share for all Construction Works etc.	7.35	8.35	88
9.	2075-Miscellaneous General Services	Other Charges (includes commission to bank)	17.70	33.75	52
10.	2245-Relief on Account of Natural Calamities	Food, Cyclones, etc.,	80.45	109.83	73
11.	2506-Land Reforms	Purchase of Land	0.96	0.96	100
	Total		882.96	963.76	92

Source: Finance Accounts, 2022-23

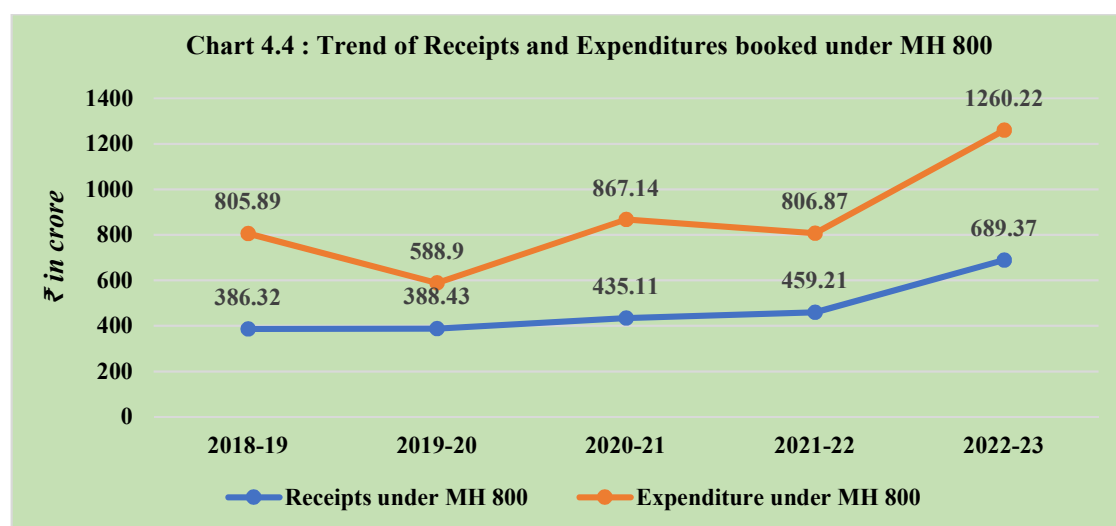
Similarly, Instances where a substantial proportion (50 per cent or more) of the receipts within a given Major Head were classified under the Minor Head 800- ‘Other Receipts’ during 2022-23 are given in **Table 4.11**.

Table 4.11: Significant receipts booked under Minor Head 800 – Other Receipts during 2022-23
(₹ in crore)

Sl. No	Major Head	Receipt under Minor Head 800	Total Receipts	Per cent
1.	0801-Power	402.72	402.72	100
2.	0217-Urban Development	4.42	4.42	100
3.	0515-Other Rural Development Programmes	2.98	2.98	100
4.	0407-Plantations	2.00	2.00	100
5.	0702-Minor Irrigation	1.04	1.04	100
6.	0235-Social Security and Welfare	0.51	0.51	100
7.	0853-Non-ferrous Mining and Metallurgical Industries	0.30	0.30	100
8.	0250-Other Social Services	0.05	0.05	100
9.	0029-Land Revenue	8.61	8.79	98
10.	0220- Information and Publicity	0.16	0.17	94
11.	0059-Public Works	12.80	13.98	92
12.	0070-Other Administrative Services	13.49	15.02	90
13.	0406-Forestry and Wild Life	157.09	180.26	87
14.	0401-Crop Husbandry	2.03	2.54	80
15.	0852-Industries	3.48	5.17	67
16.	1452-Tourism	5.76	9.87	58
17.	0071-Contribution and Recoveries towards Pension and other Retirement Benefit	12.99	24.30	53
	Total	630.43	674.12	94

Source: Finance Accounts, 2022-23

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. The trending of Receipts and Expenditure booked under Minor Head 800 is shown in **Chart 4.4**.



As can be seen in **Chart 4.4**, the Receipts booked under Minor Head 800 has seen a steady increase during the period 2018-2022. The Receipts booking under MH 800 increased by ₹ 303.05 crore from the year 2018-19 to 2022-23. On the other hand, there

was fluctuation in Expenditure booked under MH 800 with substantial decline being noticed during 2019-20 and 2021-22.

- Details of Major Heads where the expenditure was more than ₹50.00 crore and more than 50 per cent of expenditure was classified under Minor Head 800-Other Expenditure are shown in **Table 4.12**. This was due to non-availability of dedicated minor heads.

Table 4.12: Major Heads where the expenditure was more than ₹50.00 crore classified under Minor Head 800-Other Expenditure

(₹ in crore)

Major Head	Details of Major Head	TE	Booked Under MH-800	Percentage
2216	Housing	105.37	98.56	94
2245	Relief on Account of Natural Calamities	109.83	80.45	73
4216	Capital Outlay on Housing	451.00	451.00	100
4801	Capital Outlay on Power Projects	225.46	197.90	88

Source: Finance Account, 2022-23

- In respect of Nine Major head amounting to ₹414.02 crore, the entire provision was classified under Minor Head 800-Other Receipt during 2022-23 as shown in **Table 4.13**. The Power Sector alone classified ₹402.72 crore under Minor Head 800.

Table 4.13: The entire provision was classified under Minor Head 800-Other Receipt

(₹ in crore)

Major Head	Description	Total Receipts under the Major Head	800-Other Receipt	Percentage to Total Receipt under the Major Head
56	Jails	0.01	0.01	100
217	Urban Development	4.42	4.42	100
235	Social Security and Welfare	0.51	0.51	100
250	Other Social Services	0.05	0.05	100
407	Plantations	2.00	2.00	100
515	Other Rural Development Programmes	2.98	2.98	100
702	Minor Irrigation	1.04	1.04	100
801	Power	402.72	402.72	100
853	Non-ferrous Mining and Metallurgical industries	0.30	0.30	100
Total		414.03	414.02	100

Source: Finance Account, 2022-23

It can be seen from the above table that the Power Sector alone classified ₹402.72 crore (97.27 per cent) under Minor Head 800.

Classification of amounts under 800-Other receipts/ expenditure discourage the transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure and receipts. Users are not able to see and understand the nature of such transactions booked under Minor Head 800.

Thus, it is imperative that the State Government reviews all classifications of schemes being made under 800-Other Expenditure in the light of their depiction in the LMMH and after consultation with the Accountant General (A&E), classify them appropriately

as per existing LMMH, or seek addition of new Minor Head, to bring transparency in Accounts.

The Finance department stated (December 2023) that respective heads have been created from the financial year 2023-24 and some heads will be created from new financial year 2024-25.

Issues related to measurement

4.9 Suspense and Remittances

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. The position of gross figures under major suspense heads for the last three years is given in **Table 4.14**.

Table 4.14: Outstanding Balances under Suspense and Remittance Heads

(₹ in crore)

Particulars	2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
(I) Major Head (MH) 8658- Suspense						
Minor Head	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101-PAO - Suspense	8.35	5.43	0.50	-	1.71	-
Net	Dr.2.92		Dr.0.50		Dr.1.71	
102-Suspense Account (Civil)	14.46	13.83	-0.71	-0.67	0.09	0.12
Net	Dr 0.63		Dr 0.04		Cr. 0.03	
112 – Tax Deducted at Source	11.31	20.40	5.16	11.24	-	11.39
Net	Cr 9.09		Cr 6.08		Cr. 11.39	
123-AIS Suspense	0.01	0.34	(-)0.02	0.00	-	0.02
Net	Cr 0.33		Cr 0.02		Cr. 0.02	
135-Cash Settlement between Sikkim and other States	0.86	0.19	0.87	0.78	0.35	-
Net	Dr 0.67		Dr 0.09		Dr 0.35	
(II) MH 8782- Cash Remittance and adjustment between officers rendering accounts to same Accounts Officers						
102-Public Works Remittances	1768.08	2282.71	1915.88	2289.62	2731.98	3199.32
Net	Cr 514.63		Cr 373.74		Cr 467.34	
103-Forest Remittances	47.47	48.80	70.13	70.31	53.67	48.25
Net	Cr 1.33		Cr 0.18		Dr 5.42	
108-Other Remittances	82.29	79.99	81.15	77.21	87.62	77.32
Net	Dr 2.30		Dr 3.94		Dr 10.30	

Source: Finance Accounts

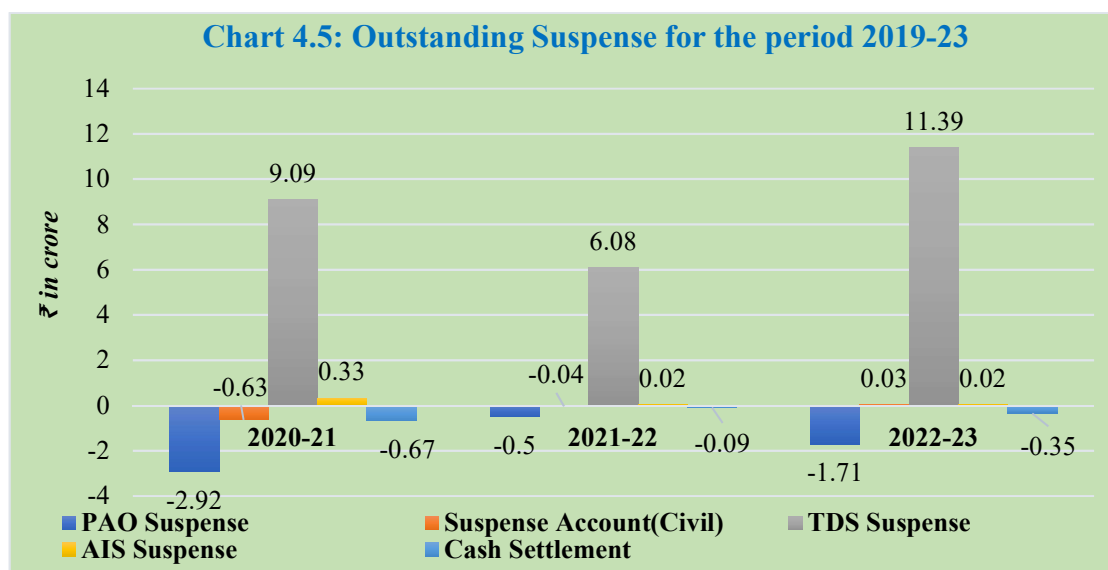
Outstanding debit balance under 101-PAO Suspense head would mean that payments have been made by the State on behalf of PAOs of Central Government, which were yet to be recovered. Outstanding credit balance would mean that payments have been received by the State on behalf of a PAO, which were yet to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

The variation in net balance of the components under Suspense is given below:

- The net debit balance under the PAO suspense head decreased from ₹ 2.92 crore in 2020-21 to ₹ 1.71 crore in 2022-23. On clearance/ settlement of this, the cash balance of the State Government will increase.
- Receipts on account of TDS are credited to TDS suspense and the balances under this suspense head are to be cleared when the receipts of TDS are transferred to the

Income Tax Department. There was outstanding credit balance of ₹ 11.39 crore under this head as on 31 March 2023.

- The net AIS suspense balance during 2020-2021 was ₹ 0.33 crore, however it decreased to ₹ 0.02 crore during 2021-22 and remained same as on 31 March 2023.
- The Cash Settlement balance between Sikkim and other states increased to ₹0.35 crore in 2022-23 as against previous year's balance of ₹ 0.09 crore. On clearance of this, the cash balance of the State Government will increase.



Source: Finance Accounts

4.10 Reconciliation of Receipts and Expenditure between CCOs and Sr. Deputy Accountant General (A&E)

In order to exercise effective control of expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, all Chief Controlling Officers (CCOs) are required to reconcile the Receipts and Expenditure recorded in their books every month during the financial year with the figures accounted for in the Office of the Sr. DAG (A&E).

As per the records of Office of Sr. DAG (A&E), 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).

4.11 Reconciliation of Cash Balances

Under a resolution passed in the year 1968-69, 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. As per records of Sr. DAG (A&E), the cash balance of Government with State Bank of Sikkim as on 31 March 2023 was ₹ 38.24 crore. But as per the record of State Bank of Sikkim, the cash balance stood at ₹ 3.67 crore leaving behind an unreconciled balance of ₹ 34.57 crore.

The difference in cash balance between the figures of Sr. DAG (A&E) and SBS for the last five years is shown below:

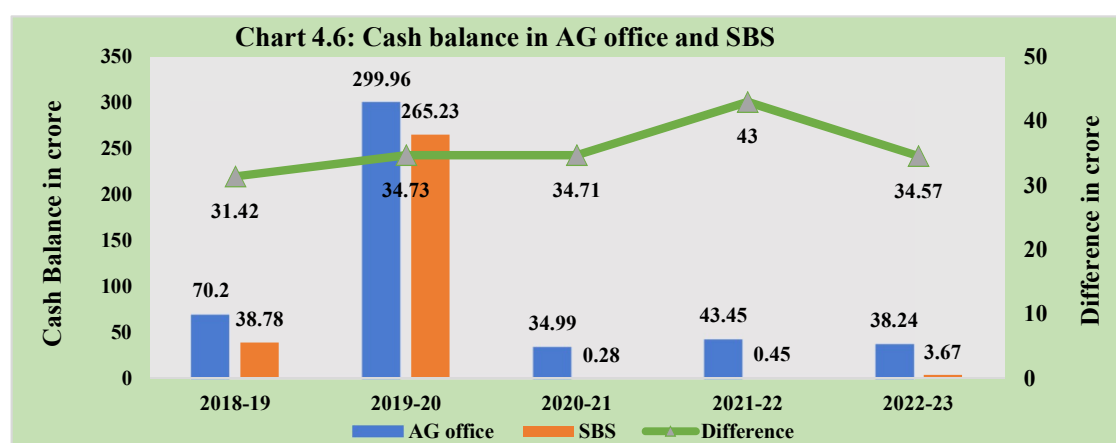
Table 4.15: Differences in cash balances

Financial Year	As per records of office of Sr. DAG (A&E)	As per records of State Bank of Sikkim (SBS)	Difference
2018-19	70.20	38.78	31.42
2019-20	299.96	265.23	34.73
2020-21	34.99	0.28	34.71
2021-22	43.45	0.45	43.00
2022-23	38.24	3.67	34.57

(₹ in crore)

Source: Finance Accounts

The difference was mainly due to non-reconciliation of figures by the State Treasuries with SBS.



Issues related to disclosure

4.12 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 three Indian Government Accounting Standards (IGAS) viz., IGAS 1- Guarantees given by the Government, IGAS 2- Accounting and classification of Grants-in-Aid and IGAS 3- Loans and Advances made by Government. Details of compliance to these Accounting Standards by the Government of Sikkim during 2022-23 is given below.

Table 4.16: 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)	-

Source: Finance Accounts

4.13 Arrears in Accounts submission by Autonomous Bodies

The audit of accounts of 16 Autonomous Bodies (ABs) of State Government has been entrusted to the CAG under Section 20(1) of the C&AG (DPC) Act, 1971 in the State.

86 accounts of the above ABs were pending for submission to Audit with pendency ranging between one and 16 years details of which are given in *Appendix 4.5*.

4.14 Non-submission of information on financial assistance given to Autonomous Bodies/ Authorities

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

Further, the substantially funded Autonomous Bodies/ Authorities are required to submit their annual accounts for audit by the CAG under the provision *ibid*. A total of 22 annual accounts of 10 Autonomous Bodies/ Authorities out of 23 Autonomous Bodies/ Authorities for the period from 2020-21 to 2022-23 had not been received in the office of Accountant General till October 2023 as detailed in *Appendix 4.6*. The age-wise delay in submission of accounts is detailed in the table below.

Table 4.17: Statement Showing Age-wise Non-furnishing of Accounts

Sl. No.	Range of delays in number of years	Total number of accounts
1	3 years	2
2	2 years and below	20
Total		22

Source: Annual Accounts

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

Besides, delay in finalisation of accounts carries the risk of financial irregularities remaining undetected apart from violation of the provision of the respective legislations under which these bodies were constituted.

Other Issues

4.15 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.

Scrutiny of details received from the Departments showed that there were eight cases of misappropriation involving Government money amounting to ₹ 288.01 lakh {RDD (₹ 117.25 lakh), Transport Department (₹ 8.78 lakh), Building & Housing (₹ 157.56 lakh), Finance Department (₹ 0.26 lakh), Food and Supplies (₹2.24 lakh),

Cooperation (₹1.92 lakh)} out of which an amount of ₹ 1.78 lakh was recovered from the SNT driver in February 2020. The unrecovered amount of ₹286.23 lakh is lying pending at the end of 2022-23 for want of final action. The department-wise break-up of pending cases and age-wise analysis of misappropriation cases are given in **Table 4.18**.

Table 4.18: Profile of pending cases of misappropriation, loss, defalcation, etc.

Age-profile of the pending cases				Nature of the cases	Action taken by the Department	Amount Received
Range in years	Number of cases	Name of the Department	Amount involved (₹ in lakh)			
0-5	02	RDD	7.99	Cash transaction was not recorded in the cash book	Action yet to be taken by the Department	Latest status of recovery not furnished.
			89.41	Short supply of stock materials by Block Office to the Beneficiaries	Enquiry conducted by the O/o the ADC (Dev), Rabongla, South Sikkim	Latest status of recovery not furnished.
	01	BHD	157.56	Misappropriation	Inquiry officer submitted final report on 22.02.2022. Department forwarded the case to the Government for further action	Nil
	01	Food & Supplies	2.24	Misappropriation	Case has been registered by the Vigilance Department and is under investigation	Latest status of recovery not furnished.
	01	Cooperation	1.92	Fraudulent withdrawal of money from Bank	The Department did not take any step to recover the lost amount from the fraudulent person through concerned bank. Further the Department did not inform the Finance Department and AG office.	Latest status of recovery not furnished.
5-10	01	RDD	19.85	Drawing of salary for 6 years even after superannuation by the Government Employee.	The department has stopped the pay and allowance. But, yet to recover the salary paid to retired staff.	Latest status of recovery not furnished.
15-20	01	Finance	0.26	Cash embezzlement by staff	Person involved in the case of theft is still untraceable. The proposal to write off Government money involved is under process for approval of the Government.	Nil

Age-profile of the pending cases				Nature of the cases	Action taken by the Department	Amount Received
Range in years	Number of cases	Name of the Department	Amount involved (₹ in lakh)			
	01	Transport	07.00	Shortage of POL during transportation in SNT tanker	Case referred to Vigilance Department for investigation	Latest status of recovery not furnished.
Total	08		286.23			1.78

Source: Departmental figures

4.16 Follow up action on State Finances Audit Report

The preparation of Report on State Finances started in 2008-09 and the Reports for the years 2009-10 to 2012-13 had been discussed by the Public Accounts Committee (PAC). PAC recommended compliance with the recommendations as contained in the Report of the Comptroller and Auditor General of India on State Finances. Reports on State Finances up to 2012-13 have been discussed in the PAC and 2013-14 to 2020-21 have not been discussed by the PAC and Report of 2021-22 is yet to be placed in the Legislative Assembly.

4.17 Constitution of State Finance Commission and recommendation thereof

Constitution of State Finance Commission every five years is mandated in Article 243I (1) and 243Y of 73rd and 74th Constitutional Amendment ACT (CAA) of India, 1993. The State Finance Commissions are assigned the task of reviewing the financial position of local bodies and making recommendations on the sharing and assignment of various taxes, duties, tolls, fees, etc. and grants-in-Aid to be given to the local bodies from Consolidated Fund of the State.

The Fifth State Finance Commission (FSFC) was constituted by the Governor of Sikkim on 17th August 2016 to review the financial position of the Panchayat & Municipalities; to give recommendation to improve the financial position of the Panchayats as well as the Municipalities; to examine the resources of the local bodies; maintenance and upkeep of the Capital assets created by local bodies or transferred by the Government to the local bodies; to work out a factor for determination of devolution of taxes; duties; grants-in-Aid; to indicate the basis and to make available the estimates and expenditure of each tier of local bodies during the period 2020-2025. The Commission submitted (August 2017) its Report to the Government on covering all aspects of its mandate.

The position of recommendation *vis-à-vis* acceptance and status of short/excess release relating to Local Bodies by 5th SFC is given in **Table 4.19**.

Table 4.19: Statement showing SFC recommendation, accepted by Government and its status of implementation

Sl. No	Item of Recommendation	Accepted by Government	Status of implementation
1	4.50 % of net proceeds of State's Tax Revenue should be devolved to PRIs and ULBs.	The Government accepted the recommendation of the FSFC for devolving 4.50% of the net proceeds of the State's taxes, fees and levies to the PRIs and ULBs for the period 2020-25 subject to the actual collection.	Fund was released by the State Government as per recommendation: PRI- ₹ 33.96 crore ULB-₹ 12.18 crore

Sl. No	Item of Recommendation	Accepted by Government	Status of implementation
2	0.50 % of net proceeds of State's Tax Revenue should be allocated for Capacity building of PRIs and ULBs.	The Government accepted the recommendation.	Fund was released by the State Government only for PRI amounting to ₹3.31 crore, however, no fund was released for ULB.
3	0.5 % of the net proceeds of the State's Tax Revenue should be allocated for Special Support to most backward PRIs and ULBs.	The Government accepted the recommendation.	The fund was yet to be released.

4.18 Conclusion

During the year 2022-23, all the Controlling Officers reconciled the Government receipts and expenditure with the figures in the books of the Sr. DAG (A&E).

Audit observed that ₹8.99 crore was required to be paid as interest on the balance of ₹368.66 crore lying under interest bearing deposits/Reserve Funds as on 1 April 2022. Non-payment/short payment of the interest amounting to ₹8.99 crore has resulted in understatement of Revenue Expenditure and Fiscal Deficit by ₹8.99 crore.

Revenue Receipts of ₹ 582.39 crore earned from sale proceeds of electricity sold outside the State and royalty receipts from the HEPs located in the State, were not deposited in the Consolidated Fund of State by PDS. This led to understatement of Revenue Receipts by ₹ 582.39 crore. Further, an expenditure of ₹ 588.86 crore had been incurred without routing it through Government Accounts resulting in understatement of Government expenditure by ₹ 588.86 crore. This led to an overall overstatement of Revenue surplus and understatement Fiscal Deficit by ₹6.47 crore during 2022-23.

During the year 2022-23, the State Government repaid ₹ 198.95 crore worth of loans availed by three financial institutions²² for implementation of various Government projects, and interest accrued thereupon. The borrowings by these Institutions had not formed part of the outstanding liabilities of the State Government during the respective years.

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.

It has been found that 947 UCs amounting to ₹96.20 crore was due for submission on or before 31st March 2023.

It was seen that during 2022-23, ₹5.95 crore (13.60 *per cent*) was drawn through 72 AC Bills in March 2023.

Non-furnishing of detailed information about financial assistance given to various institutions and non-submission of accounts by 16 Autonomous Bodies/ Authorities as per timelines led to non-compliance with Financial Rules. There were also delays in placement of SARs to Legislature.

²² Sikkim Housing Development Board (SHDB), State Trading Corporation of Sikkim (STCS) and Sikkim Industrial Development and Investment Corporation Limited (SIDICO)

There were cases of misappropriation involving Government money in respect of seven Departments with the money value of ₹ 2.86 crore at the end of 2022-23 where final action was pending.

4.19 Recommendations

- *Departments should adhere to the Government Accounting Rules and all the financial transactions should be routed through Government Accounts to reflect actual financial position of the State.*
- *Finance Department may draw up action plan for monitoring and ensuring submission of all pending UCs especially keeping in view that UCs from 2002-03 onwards are still due for submission. Release of subsequent grants should be linked with submission of outstanding UCs.*
- *Finance Department may make special efforts to settle old outstanding AC bills specially keeping in view that submission of DC bills from 2001-02 onwards are still pending for submission. At the same time, the DDOs should be asked to ensure that the DC bills are submitted within prescribed time, in order to avoid accumulation of unadjusted AC bills. Advances should be monitored closely for effective control and old outstanding AC bills should be adjusted by making special efforts in a time bound manner.*
- *Timely reconciliation may be done with figures of the PAO and office of the Sr. DAG (A&E) to avoid discrepancies in Accounts. Special efforts need to be taken for reconciliation of balances in State Bank of Sikkim and PAO figures.*
- *To make accounts transparent, the Government should operate appropriate Minor Heads instead of booking under Minor Head 800.*
- *Finance Department should consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies for reporting of their financial position.*
- *The Government should prepare a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc., and for strengthening the internal control system in Departments to prevent recurrence of such cases.*

**CHAPTER-V:
STATE PUBLIC SECTOR
ENTERPRISES**

Chapter-V

State Public Sector Enterprises

This chapter discusses the financial performance of State Public Sector Enterprises (SPSEs), which included *Government Companies*, *Statutory Corporations* and *Government Controlled Other Companies* (GCOCs). Impact of significant comments issued as a result of supplementary audit of the Financial Statements of these SPSEs conducted by the Comptroller and Auditor General of India (CAG) for the year 2022-23 (or of earlier years which were finalized during the current year) has also been discussed.

5.1 Definition of Government Companies

A Government company is defined in section 2(45) of the companies Act, 2013 as a company in which not less than 51 *per cent* of the paid up share capital is held by Central Government, or by any State Government or Governments or partly by Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

Besides, any other company²³ owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as *Government Controlled Other Companies*.

5.2 Mandate of Audit

Audit of *Government Companies* and *Government Controlled Other Companies* is conducted by the CAG of India under the provisions of section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and conditions of Service) Act, 1971 and the Regulations made there under. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit of the company's financial statements. The statutes governing some Statutory Corporations require that their accounts to be audited only by CAG.

In Sikkim, there are four Government Companies which are incorporated under the Companies Act, 2013 and are audited under the provisions of the Companies Act, 2013. Besides, there are nine Companies which are incorporated under the Sikkim Registration of Companies Act, 1961. Further, there are four Statutory Corporations which were incorporated under the *Proclamation of the erstwhile Chogyal (King) of Sikkim* and registered under the *Sikkim Registration of Companies Act, 1961*. The companies incorporated under the Sikkim Registration of Companies Act, 1961 and the Statutory Corporations are audited on 'entrustment basis' under Section 19 (3) or 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (CAG's DPC Act).

²³ *Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs vide Gazette Notification dated 4 September 2014*

5.3 SPSEs and their contribution to the GSDP of the State

SPSEs consist of State Government Companies and Statutory Corporations. SPSEs are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the State economy. As on 31 March 2023, there were 17 SPSEs (13 Government Companies and 4 Statutory Corporations) in Sikkim (all working) under the audit purview of the Comptroller and Auditor General of India (C&AG) as listed under **Appendix 5.1**. None of the SPSE was listed on the Stock exchange.

A ratio of turnover of the SPSEs to the Gross State Domestic Product (GSDP) shows the extent of activities of the SPSEs in the State economy. The details of turnover of working SPSEs are given in **Appendix 5.2**. Turnover of working SPSEs and GSDP for a Period of three years ending 31 March 2023 are given in **Table 5.1**

Table 5.1: Details of turnover of SPSEs vis-à-vis GSDP of Sikkim

<i>(₹ in crore)</i>			
Particulars	2020-21	2021-22	2022-23
Turnover			
Power Sector SPSEs	2,390.28	3,072.12	3,579.41
Agriculture and Allied sector SPSEs	12.50	12.50	12.50
Other SPSEs	356.07	329.26	462.91
Total	2,758.85	3,413.88	4,054.82
GSDP of Sikkim	33,017.83	37,557.40*	42,756.17**
Percentage of Turnover to GSDP of Sikkim			
Power Sector SPSEs	7.24	8.18	8.37
Agriculture and Allied sector SPSEs	0.04	0.03	0.03
Other SPSEs	1.08	0.88	1.08
Total	8.36	9.09	9.48

* Provisional estimates; **Quick Estimates

(Source: Compilation based on Turnover figures as per latest finalised accounts of SPSEs and GSDP figures as per Economic and Statistical Organisation, Government of Sikkim)

The contribution of SPSEs to the GSDP of Sikkim showed an increasing trend and it increased from 8.36 per cent (2020-21) to 9.48 per cent (2022-23) in last three years. During 2022-23, the contribution of power sector SPSEs to the GSDP was 8.37 per cent while Agriculture and allied sector SPSEs contributed 0.03 per cent. Other sector SPSEs contributed 1.08 per cent towards GSDP during the year 2022-23.

As on 31 March 2023, State Government had invested ₹ 82.65 crore (Equity: ₹ 55.63 crore²⁴ and long-term loans ₹ 27.02 crore) in these SPSEs. Besides, the companies/corporations borrowed funds from financial institutions for its own purposes and on behalf of the Government. The loan outstanding of the companies/corporations amounts to ₹ 13,196.41 crore as of March 2023. In addition to it, ₹ 66.35 crore of Grants was provided to five²⁵ SPSEs by GoS during the year 2022-23.

²⁴ Including the investment of ₹ 12.50 crore in the preference share capital of Sikkim Power Development Corporation Limited.

²⁵ Gangtok Smart City Development Limited (₹ 45.00 crore), Namchi Smart City Limited (₹ 11.85 crore), Temi Tea (₹ 8.00 crore), Schedule Caste, Schedule Tribe and Other Backward Classes Development Corporation Limited (₹ 1.00 crore) and Sikkim Industrial Development and Investment Corporation Limited (₹ 0.50 crore)

5.4 Investment in SPSEs and budgetary support

5.4.1 Equity holding and Loans in SPSEs

The sector wise Total Equity, Equity contribution by State Government and Long-Term Loans including the loans given by State Government in 17 working SPSEs as on 31 March 2023 is given below in **Table 5.2**

Table-5.2: Sector-wise investment in SPSEs

Particulars	Investment ²⁶ (₹ in crore)					Sector-wise investment to Total investment (per cent)
	Total Equity	State Government Equity	Total Long Term Loans	State Government Loans	Total Equity and Long Term Loans	
Power Sector SPSEs	3,673.69	22.86	11,712.68	24.99	15,386.37	90.93
Agriculture and Allied Sector SPSEs	1.13	0.35	Nil	nil	1.13	0.01
Other Sector SPSEs	50.22	32.42	1,483.73	2.03	1,533.95	9.06
Total	3,725.04	55.63	13,196.41	27.02	16,921.45	100.00

Source: Information provided by the SPSEs

The thrust of SPSEs investment was mainly on power sector SPSEs which had received as much as 90.93 per cent (₹ 15,386.37 crore) of total investment of ₹ 16,921.45 crore as on 31 March 2023. The State Government's share was 0.49 per cent (₹ 82.65 crore) of total investment of ₹ 16,921.45 crore.

During the year 2022-23, six SPSEs had incurred losses (₹ 212.45 crore) as per their latest finalised accounts. As on 31 March 2023, the State Government had invested ₹ 35.15 crore (Equity: ₹ 10.16 crore; Loans: ₹ 24.99 crore) in three²⁷ out of six loss making SPSEs. Besides, the investment of others (other than the State Government) in four²⁸ out of these six loss making SPSEs stood at ₹ 3,266.47 crore (Equity: ₹ 11.19 crore; Loans: ₹ 3,255.28 crore) as on 31 March 2023.

5.4.2 Reconciliation with Finance Accounts of the State

The figures in respect of equity and long-term loans extended by the State Government as per records furnished by SPSEs should agree with the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the SPSEs concerned and the Finance Department are required to carry out reconciliation of differences in figures. The position in this regard as on 31 March 2023 is summarised in **Table 5.3**.

Table 5.3: Equity and loans outstanding as per the State Finance Accounts vis-à-vis records of SPSEs
(₹ in crore)

Particulars	Amount as per the State Finance Accounts	Amount as per records of SPSEs	Difference
Equity	56.58	55.63	0.95
Long-term loans	37.11	27.02	10.09

Source: State Finance Accounts, 2022-23 and information furnished by the SPSEs

²⁶ Investment figures (Equity and Long Term Loans) are provisional and as provided by the respective SPSEs except in the case of three SPSEs (serial no. A1, A2 and A11 of Appendix 5.2), which have finalised their accounts for 2022-23.

²⁷ SPSEs at sl no A3, B7 and C10 of Appendix 5.2.

²⁸ SPSEs at serial no. A3, B6, B7 and C10 of Appendix 5.2

From **Table 5.3**, it can be noticed that there were unreconciled differences in the figures of equity (₹ 0.95 crore) and long-term loans (₹ 10.09 crore) as per the two sets of records. The difference in equity figures occurred in respect of eight SPSEs²⁹. Analysis of reasons for difference in loan figures was, however, not possible as the Finance Accounts did not provide the SPSE-wise details of the loans provided by the State Government. Though the process of reconciliation of these differences had been initiated (September 2018) by the office of the Sr. Deputy Accountant General (A&E), Sikkim in consultation with the Finance Department, Government of Sikkim and PSEs concerned, no significant progress had been achieved in this regard.

The concerned departments of the State Government and the SPSEs should take concrete steps to reconcile the differences in the investment figures (equity and long-term loans) of the State Government as appearing in the State Finance Accounts vis-à-vis SPSE records in a time-bound manner.

5.4.3 Market capitalization of equity investment in SPSEs

There are no SPSEs in Sikkim which are listed on the share market in India.

5.4.4 Disinvestment, Restructuring and Privatisation

During the year 2022-23 there was no case of disinvestment, restructuring and privatization of SPSEs (working or inactive) in Sikkim.

5.5 Returns from SPSEs

5.5.1 Profit earned by SPSEs

Total 11 SPSEs (out of 17 SPSEs) had earned profit during the current (2022-23) as well as previous year (2021-22). However, the profit earned increased to ₹ 1,384.13 crore in 2022-23 as against the profit of ₹ 283.58 crore earned during 2021-22. The details of the major contributors to SPSE-profits during the year 2022-23 have been summarised in **Table 5.4**.

Table 5.4: SPSEs which contributed maximum profit during 2022-23

Name of SPSE	Year of Accounts	Net profit (₹ in crore)	Percentage to total profits of SPSEs
Sikkim Urja Limited	2022-23	1,270.19	91.77
Sikkim Power Transmission Limited	2022-23	63.28	4.57
State Bank of Sikkim	2021-22	37.04	2.68
Total		1,370.51	99.02

Source: Latest Financial Statements of SPSEs

As could be noticed from **Table 5.4** above, three SPSEs had contributed as much as 99.02 per cent of the total SPSE-profits (₹ 1,384.13 crore) earned by 11 SPSEs during 2022-23.

Net Profit Ratio³⁰ assesses a company's ability to earn profits from its sales (turnover). A higher net profit ratio indicates that a company is more efficient at converting sales into actual profit. As a thumb rule, Net Profit Ratio of 5 per cent is considered to be a low margin, 10 per cent a healthy margin, while 20 per cent or more is a high margin.

²⁹ SPSEs at serial no. A3, A4, C10, C11, C13, C14, C15 and C17 of Appendix 5.2.

³⁰ $(\text{Net Profit} \div \text{Turnover}) \times 100$

Net profit ratio of working SPSEs during the year 2022-23 is depicted in **Table 5.5**

Table 5.5: Net Profit Ratio of SPSEs

Sector	Net Profit	Turnover	Net profit Ratio (in per cent)
Power Sector SPSEs	1,126.54	3,579.41	31.47
Agriculture and Allied sector SPSEs	7.42	12.50	59.36
Other SPSEs	37.72	462.91	8.15
Total	1,171.68	4,054.82	28.90

It could be noticed from **Table 5.5**, the Agriculture & Allied sector SPSEs had been the high margin entities earning a margin of 59.36 *per cent* during the year 2022-23 while the Power sector SPSEs were at second position with a profit margin of 31.47 *per cent*. However, all the SPSEs in all three sectors had positive Net Profit Ratio during 2022-23.

5.5.2 Dividend paid by SPSEs

The Thirteenth Finance Commission had recommended (December 2009) that a minimum dividend of five *per cent* on government equity should be paid by all profit making enterprises. However, the State Government had not adopted the above recommendations. The details of the dividend paid by profit earning SPSEs during last three years from 2020-21 to 2022-23 have been shown in **Table 5.6**.

Table 5.6: Dividend Payout by SPSEs

(₹ in crore)

Year	Particulars	No. of SPSEs which earned profit	Paid Up Capital	Net Profit	No. of SPSEs which declared dividend	Dividend Declared
1	2	3	4	5	6	7
2020-21	Power Sector SPSEs	02	463.29	49.76	-	-
	Agriculture and Allied sector SPSEs	02	Negligible	7.73	-	-
	Other SPSEs	05	26.66	24.51	01	1.33
	Total	09	489.95	82.00	01	1.33
2021-22	Power Sector SPSEs	03	3,668.68	251.93	-	-
	Agriculture and Allied sector SPSEs	02	Negligible	7.73	-	-
	Other SPSEs	06	28.71	23.92	01	1.33
	Total	11	3,697.39	283.58	01	1.33
2022-23	Power Sector SPSEs	03	3,668.68	1,337.23	-	-
	Agriculture and Allied sector SPSEs	02	Negligible	7.73	-	-
	Other SPSEs	06	28.71	39.17	01	1.33
	Total	11	3,697.39	1,384.13	01	1.33

Source: Latest Financial Statement of SPSEs.

During 2022-23, out of 11 SPSEs which earned profits as per their latest finalized accounts, only one SPSE (State Bank of Sikkim³¹) declared dividend of ₹ 1.33 crore. Remaining 10 SPSEs, which earned aggregate profits of ₹ 1,347.09 crore did not declare any dividend.

³¹ During 2022-23, State Bank of Sikkim earned a profit of ₹ 37.04 crore as per its latest finalised accounts (2021-22).

5.6 Debt Servicing

5.6.1 Interest Coverage Ratio

‘Interest coverage ratio’ is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company’s earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser the ability of the company to pay interest on debt.

An interest coverage ratio below one indicates that the company is not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in SPSEs which had interest burden are given below in **Table 5.7**.

Table 5.7: Interest coverage ratio of SPSEs

Year	Particulars	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	Number of SPSEs having liability of loans from Government, and other financial institutions	Number of companies having interest coverage ratio ‘more than one’	Number of companies having interest coverage ratio ‘less than one’
2020-21	Power Sector SPSEs	1,642.25	1,216.58	4	2	2
	Other SPSEs	2.10	33.24	4	3	1
	Total	1,644.35	1,249.82	8	5	3
2021-22	Power Sector SPSEs	1,618.64	1,918.07	4	3	1
	Other SPSEs	1.97	32.04	4	3	1
	Total	1,620.61	1,950.11	8	6	2
2022-23	Power Sector SPSEs	1,303.51	2,351.03	4	3	1 ³²
	Other SPSEs	6.61	52.54	4	3	1 ³³
	Total	1,310.12	2,403.57	8	6	2

Source: Latest Financial Statement of SPSEs

Audit observed that during the last two years (2021-22 and 2022-23), out of total eight SPSEs which had the liability of loans, two SPSEs (one each in Power and Other Sectors) had Interest Coverage Ratio of ‘less than one’, which indicated that these SPSEs were not generating sufficient revenues to meet their expenses on interest. During the said two years, all the remaining six SPSEs had the Interest Coverage Ratio of ‘more than one’ and hence, these SPSEs were comfortable in servicing their debt.

5.7 Financial Performance of SPSEs

5.7.1 Return on Capital Employed

Return on Capital Employed (RoCE) is a ratio that measures a company’s profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a company’s earnings before interest and taxes (EBIT) by the capital employed³⁴. The details of RoCE during the period from 2020-21 to 2022-23 are given below in **Table 5.8**.

³² Sikkim Power Investment Corporation Limited (Interest: ₹ 364.34 crore; EBIT: ₹ 153.65 crore).

³³ Schedule Caste, Schedule Tribe and Other Backward Classes Development Corporation Limited (Interest: ₹ 0.73 crore; EBIT: ₹ 0.49 crore)

³⁴ Capital Employed = Paid up Share capital + Free Reserves and surplus + Long Term loans-Accumulated losses –Deferred Revenue Expenditure

Table-5.8: Return on Capital Employed

Year	aParticulars	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (in per cent)
2020-21	Power Sector SPSEs	1,216.58	15,152.53	8.02
	Agriculture and Allied sector SPSEs	7.42	(-)3.51	Not workable
	Other SPSEs	33.24	674.89	4.93
	Total	1,257.24	15,823.91	7.95
2021-22	Power Sector SPSEs	1,918.07	14,621.20	13.12
	Agriculture and Allied sector SPSEs	7.42	(-)3.51	Not workable
	Others SPSEs	32.04	986.97	3.25
	Total	1,957.53	15,604.66	12.54
2022-23	Power Sector SPSEs	2,351.03	14,165.10	16.60
	Agriculture and Allied sector SPSEs	7.42	(-)3.51	Not workable
	Others SPSEs	52.54	1,469.02	3.58
	Total	2,410.99	15,630.61	15.42

Source: Latest Financial Statement of working SPSEs

As can be observed from **Table 5.8**, the overall RoCE of SPSEs was positive during all the three years from 2020-21 to 2022-23. Further, the RoCE in respect of Power Sector has shown an improving trend from 8.02 *per cent* (2020-21) to 16.60 *per cent* (2022-23) while in the case of Other Sector SPSEs, the RoCE reduced from 4.93 *per cent* (2020-21) to 3.58 *per cent* (2022-23). The RoCE in respect of Agriculture & Allied Sector SPSEs was not workable during any of the last three years (2020-21 to 2022-23) due to complete erosion of the capital employed.

5.7.2 Return on Equity by SPSEs

*Return on Equity*³⁵ (RoE) is a measure of financial performance to assess how effectively a company's assets are being used to create profit. RoE is calculated by dividing the Net Income (i.e., Net Profit after taxes) by the Shareholders' Fund. It is expressed as a percentage and can be calculated for any company if net income and Shareholders' Fund are both positive numbers.

Shareholders' Fund (Equity) is calculated by *adding* Paid up Capital and Free Reserves/ Accumulated Profits *minus* Accumulated Losses and Deferred Revenue Expenditure and reveals how much would be left for a company's shareholders if all assets were sold and all debts repaid. A positive Shareholders' Fund reveals that the company has enough assets to cover its Liabilities while negative Shareholders' Fund means inadequacy of Assets to repay the Liabilities/debts.

During the year 2022-23, two³⁶ out of eleven profit earning SPSEs had negative Shareholders' Fund (Net Worth). The ROE of remaining nine profit earning SPSEs stood at 35.95 *per cent* in 2022-23. The net overall RoE in respect of all the 17 SPSEs in Sikkim (all working) including six loss making SPSEs was 45.54 *per cent* in 2022-23.

³⁵ *Return on Equity* = (Net Profit after Tax ÷ Shareholder's Fund) X 100 where Shareholder's Fund/ Equity represents Paid up Capital plus Free Reserves and Surplus minus Accumulated Losses and Deferred Revenue Expenditure.

³⁶ SPSEs at Serial no. A4 (Sikkim Power Development Corporation Limited) and B9 (Temi Tea) of Appendix 5.2.

The details of Shareholders' Fund and RoE relating to the SPSEs in Sikkim (all working) during last three years (2020-21 to 2022-23) have been summarised in **Table 5.9**.

Table-5.9: Return on Equity relating to SPSEs

Year	Particulars	Net Income (₹ in crore)	Shareholders' Fund (₹ in crore)	ROE (Percentage)
2020-21	Power Sector SPSEs	(-)373.22	916.13	-40.74
	Agriculture and Allied sector SPSEs	7.42	-3.51	Not workable
	Others SPSEs	23.12	52.53	44.01
	Total	-342.86	965.15	-35.51
2021-22	Power Sector SPSEs	41.24	1,163.73	3.54
	Agriculture and Allied sector SPSEs	7.42	-3.51	Not workable
	Others SPSEs	22.47	58.38	38.49
	Total	71.13	1,218.60	5.84
2022-23	Power Sector SPSEs	1,126.54	2,483.58	45.36
	Agriculture and Allied sector SPSEs	7.42	-3.51	Not workable
	Others SPSEs	37.72	92.81	40.64
	Total	1,171.68	2,572.88	45.54

Source: As per latest finalised accounts of SPSEs

As can be observed from **Table 5.9**, the ROE of SPSEs has shown an improving trend during last three years. The ROE, which was negative at (-) 35.51 *per cent* during 2020-21, had turned positive at 45.54 *per cent* during 2022-23. The turnaround in ROE of SPSEs was mainly attributable to significant increase in the 'Net Income' of Power Sector SPSEs from (-) ₹ 373.22 crore (2020-21) to ₹ 1,126.54 crore (2022-23).

5.7.3 Rate of Return on the basis of present Value of Investment

The Rate of Real Return (RoRR) measures the profitability and efficiency with which equity and similar capital bearing no interest earning have been employed, after adjusting them for the time value. To determine the RoRR on investment, the investment of the State Government in SPSEs in the form of equity, interest-free loans and grants/subsidies provided by the State Government for operational and management expenses less disinvestments (if any) has been considered and indexed to their Present Value (PV) and summated. The RoRR is then calculated by dividing the 'Profit After Tax' (PAT) by the sum of the PV of the State Government investment.

The State Government infused funds in the form of equity, loans (interest free) and grants in 15 SPSEs³⁷ (out of 17 SPSEs) since inception of these SPSEs. During 2022-23, the said 15 SPSEs (all working) incurred an overall loss of ₹ 161.79 crore comprising profit of ₹ 50.66 crore (9 SPSEs) and loss of ₹ 212.45 crore (6 SPSEs) as per their latest finalised accounts (**Appendix 5.2**).

On the basis of return on historical value, the State Government investment eroded by 200.27 *per cent* during 2022-23. On the other hand, the Rate of Real Return where the present value of investment is considered, the State Government investment eroded by 40.86 *per cent* as shown in **Appendix 5.3**. This difference in the percentage of investment

³⁷ Excluding two SPSEs (serial no. A1 and A2 of **Appendix 5.2**), in which State Government had no direct investment in the form of equity, loans or grants, etc.

erosion was on account of adjustments made in the investment amount for the time value of money.

5.8 SPSEs incurring losses

5.8.1 Losses incurred

Out of total 17 SPSEs (all working) in the State, six SPSEs³⁸ had incurred losses as per their latest finalised accounts. The losses incurred by these SPSEs decreased to ₹ 212.45 crore during 2022-23 as per their latest finalized accounts from ₹ 424.68 crore incurred by 8 SPSEs during 2020-21 mainly due to turnaround of one Power Sector SPSEs (Sikkim Urja Limited), which earned profit (₹ 1,270.19 crore) during 2022-23 as compared to loss (₹ 212.29 crore) incurred during 2020-21 as per its latest finalised accounts. The summarised details of losses incurred by SPSEs in three sectors (Power, Agriculture & Allied and Others) during the last three years have been given below in **Table 5.10**.

Table-5.10³⁹: Sector-wise details SPSEs that incurred losses during 2020-21 to 2022-23

(₹ in crore)

Year	Particulars	No of lossmaking SPSEs	Net loss for the year	Accumulated loss	Net Worth ⁴⁰
2020-21	Power Sector SPSEs	2	(-)422.98	(-)2,709.24	496.16
	Agriculture and Allied SPSEs	3	(-) 0.31	(-) 5.47	-4.32
	Other SPSEs	3	(-) 1.39	(-) 16.75	3.56
	Total	8	(-) 424.68	(-) 2,731.46	495.40
2021-22	Power Sector SPSEs	1	(-)210.69	(-) 1,210.98	(-) 1,210.97
	Agriculture and Allied SPSEs	3	(-) 0.31	(-) 5.47	-4.32
	Other SPSEs	2	(-) 1.45	(-) 17.63	0.68
	Total	6	(-) 212.45	(-) 1,234.08	(-) 1,214.61
2022-23	Power Sector SPSEs	1 ⁴¹	(-)210.69	(-) 1,210.98	(-) 1,210.97
	Agriculture and Allied SPSEs	3 ⁴²	(-) 0.31	(-) 5.47	-4.32
	Other SPSEs	2 ⁴³	(-) 1.45	(-) 17.63	0.68
	Total	6	(-) 212.45	(-) 1,234.08	(-) 1,214.61

Source: As per latest finalised accounts of SPSEs

Major contributor to the SPSE-losses (₹ 212.45 crore) incurred during 2022-23 was one Power Sector SPSEs (Sikkim power Investment Corporation Limited), which incurred net loss of ₹ 210.69 crore (99.17 per cent) as per its latest finalised accounts as on 30 September 2023.

³⁸ SPSEs at serial no. A3, B5, B6, B7, C10 and C12 of **Appendix 5.2**.

³⁹ Figures for 2021-22 and 2022-23 are identical as none of the six loss incurring SPSEs had finalised their Accounts during 2022-23 (viz. October 2023 to 30 September 2023).

⁴⁰ **Net worth** means the sum of the 'paid-up share capital' and 'free reserves and surplus' less 'accumulated loss' and 'deferred revenue expenditure'. 'Free reserves' mean all reserves created out of profits but do not include reserves created out of revaluation of assets and write back of depreciation provision.

⁴¹ SPSE at serial no A3 of **Appendix 5.2**

⁴² SPSEs at serial no B5, B6 and B7 of **Appendix 5.2**

⁴³ SPSEs at serial no C10 and C12 of **Appendix 5.2**

Analysis further revealed that during 2022-23, the losses of one SPSE (Sikkim Power Investment Corporation Limited), were attributable to low revenue generation, which was insufficient to meet its high borrowing cost. Another loss making SPSE (Gangtok Smart City Development Limited) did not have its own revenue and was completely dependent on the Government Grants for implementing the smart city project. Further, the losses of one SPSE (Schedule Caste, Schedule Tribe and Other Backward Classes Development Corporation Limited) were attributable to low revenue generation from its financing activities as well as high employee costs.

The remaining three SPSEs⁴⁴ had either 'nil' or 'negligible' revenue from their core activities along with high administrative/employee cost leading to negative operational results during 2022-23.

The Government needs to relook on the viability of these three SPSEs as the scale of operations of these units were very minimal and their sustainability in the long run would be largely depending on the funding from the Government.

5.8.2 Erosion of Capital in SPSEs

As on 31 March 2023, out of total 17 SPSEs in the State, 9 SPSEs had accumulated losses amounting to ₹ 1,343.71 crore. Of these, six SPSEs incurred losses aggregating to ₹ 212.45 crore as per their latest finalised accounts as of 30 September 2023.

The Net Worth of six⁴⁵ out of these nine SPSEs was 'negative' as the 'Shareholders' Fund/Equity' (₹ 76.00 crore) of these SPSEs had been completely eroded by their 'Accumulated Losses' (₹ 1,326.32 crore). The Net Worth of these six SPSEs was (-) ₹ 1,250.32 crore as against Equity investment of ₹ 76.00 crore as on 31 March 2023. Out of six SPSEs whose Net Worth (Capital) had been eroded, one SPSE had earned aggregate profit of ₹ 3.76 crore during 2022-23. Out of the said six SPSEs, which had negative Net Worth, one SPSE had outstanding Government loans of ₹ 24.99 crore as on 31 March 2023 as detailed in **Table 5.11**.

⁴⁴ Serial no. B5, B6 and B7 of **Appendix 5.2**.

⁴⁵ The liabilities/establishment expenditure of these six SPSEs were funded mainly through Government Grants (SPSEs at serial no. 3, 4 and 6 of **Table 5.11**), borrowings (SPSE at serial no. 1 of **Table 5.11**) and retained earnings/reduction in working capital (SPSEs at serial no. 2 and 5 of **Table 5.11**).

Table 5.11: Details of SPSEs whose net worth has been eroded as per their latest finalized accounts
(₹ in crore)

Sl. No.	Name of SPSE	Latest year of Account	Total Paid up capital	Net profit (+)/ (-) After Interest and Tax	Accumulated losses	Net worth	Total Income	Total Expenditure	State Government investment as on 31 March 2023	
									Equity	Loans
1	Sikkim Power Investment Corporation Limited	2020-21	0.01	(-)210.69	(-)1,210.98	(-) 1,210.97	205.43	416.12	0.01	24.99 ⁴⁶
2	Sikkim Power Development Corporation Limited	2020-21	74.84	3.76	(-)107.64	(-)32.80	16.38	12.62	22.85	Nil
3	Sikkim Poultry Development Corporation Limited	2017-18	Nil	(-)0.15	(-)1.72	(-)1.72	0.00	0.15	Nil	Nil
4	Sikkim Hatcheries Limited	2017-18	0.46	(-)0.14	(-)2.71	(-)2.25	0.06	0.20	Nil	Nil
5	Sikkim Livestock Processing and Development Corporation Limited	2013-14	0.69	(-)0.02	(-)1.04	(-)0.35	0.07	0.09	0.35	Nil
6	Gangtok Smart City Limited	2021-22	Negligible	(-)1.21	(-)2.23	(-)2.23	42.92	44.13	Negligible ⁴⁷	0
Grand Total			76.00	(-)208.45	(-)1,326.32	(-)1,250.32	264.86	473.31	23.21	24.99

It was seen that the net worth of six SPSEs⁴⁸ mentioned above continued to be negative for periods ranging between five and seven years. The gradual increase in the losses of above SPSEs over the years is a drain on the State's economy and resources.

Accumulation of losses of above SPSEs had eroded public wealth, which is a cause of concern and the State Government needs to review the working of these SPSEs to either improve their profitability or close their operations.

5.9 Audit of State Public Sector Enterprises

CAG appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their accounts be audited by the CAG and a report be submitted to the Legislature.

⁴⁶ As per the provisional Financial Statements of the SPSE for the year 2022-23.

⁴⁷ Rupees seventy only.

⁴⁸ Serial no. 2 and 5 (7 years), serial no. 1 and 4 (6 years) and serial no. 3 and 6 (5 years)

5.10 Appointment of Statutory Auditors of State Public Sector Enterprises by CAG

Section 139 (5) of the Companies Act, 2013 provides that the Statutory Auditors in case of a *Government Company* or *Government Controlled Other Company* are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

5.11 Submission of accounts by State Public Sector Enterprises

5.11.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting⁴⁹ (AGM). As soon as may be after such preparation, the Annual Report must be laid before the Legislature, together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary Legislative control over the utilization of public funds invested in the Companies from the Consolidated Fund of State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration. Section 129(7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provision of Section 129 of the Companies Act, 2013.

The annual accounts of various SPSEs were pending as on 30 September 2023, as detailed in the following paragraph.

5.11.2 Timelines in preparation of accounts by Government companies

As of 31 March 2023, there were 13 Government companies⁵⁰ under the purview of CAG's audit. Of these, the accounts for the year 2022-23 were due from all 13 Government companies. However, only three companies submitted their accounts for the year 2022-23 for audit by CAG. As on 30 September, total 47 Accounts of 10 Government companies were in arrears, as detailed in **Appendix 5.4** for various reasons. Details of arrears in submission of accounts of Government companies are given in **Table 5.12**.

⁴⁹ *In case of the first AGM, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case within a period of six months, from the date of closing of the financial year i.e., 30 September.*

⁵⁰ *Excluding four Statutory Corporations discussed in paragraph 5.11.3*

Table-5.12: Details of arrears in submission of accounts

Particulars	Number of Companies	Number of Accounts
Total number of Companies under the purview of CAG's audit as on 31.03.2023	13	--
Less: New Companies from which accounts for 2022-23 were not due	0	0
Number of companies from which accounts for 2022-23 were due	13	13
Number of companies which presented the accounts for the year 2022-23 for CAG's audit by 30 September 2023	03	03
Number of accounts in arrears	10	47
Break-up of Arrears	(i) Under Liquidation	0
	(ii) Defunct	0
	(iii) Others	10
Age-wise analysis of arrears against 'Others' category	One year (2022-23)	01
	Two years (2021-22 and 2022-23)	03
	Three years and more	06

Source: Complied on the basis of annual accounts received in the office of Accountant General (Audit), Sikkim

5.11.3 Timelines in preparation of accounts by Statutory Corporations

Audit of four⁵¹ Statutory Corporations is conducted by the CAG, who is a supplementary auditor. None of the Statutory Corporations had submitted the Accounts for the year 2022-23 for audit before 30 September 2023. As on September 2023, total 11 Accounts of four Statutory Corporations were pending.

5.12 CAG's oversight – Audit of accounts and supplementary audit

5.12.1 Financial reporting framework

Companies are required to prepare the Financial Statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards renamed as National Financial Reporting Authority⁵². The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such Corporations.

5.12.2 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of public sector enterprises with the overall objective that the statutory auditors discharges the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

⁵¹ Serial no. B8, B9, C16 and C17 of Appendix 5.2

⁵² Effective from 01 October 2018.

- Issue directions to the statutory auditors under section 143 (5) of the Companies Act, 2013; and
- Supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

5.12.3 Supplementary Audit of accounts of Government Companies

The primary responsibility for preparation of Financial Statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the Financial Statements under Section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India and directions given by the CAG. The Statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observation, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the AGM.

5.13 Results of CAG's oversight role

5.13.1 Audit of accounts of SPSEs

Eight Financial Statements for the current (2022-23) and previous years were received from five⁵³ SPSEs from 01 October 2022 to 30 September 2023. All the eight Financial Statements of five SPSEs were reviewed in audit by the CAG. The results of the review are detailed below:

5.13.2 Amendment of Financial Statements

During 2022-23, there is no case of SPSEs amending their Financial Statements before laying the same in the Annual General Meeting (AGM) of the SPSE concerned.

5.13.3 Revision of Auditors Report

During 2022-23, there was no case of revision of Statutory Auditors' Report as a result of supplementary audit of the Financial Statements conducted by the CAG.

5.14 Conclusion

As on 31 March 2023, there were total 17 SPSEs (including four Statutory Corporations) in the State of Sikkim. Out of 17 SPSEs, there were no inactive (non-working) SPSEs. SPSEs did not adhere to the prescribed timeline regarding submission of their Financial Statements except for three SPSEs (Sikkim Urja Limited, Sikkim Power Transmission Limited and Sikkim Industrial Development and Investment Corporation Limited). There were total 58 Accounts of 14 SPSEs in arrears as on 30 September 2023, which

⁵³ SPSEs at serial no. A1, A2, C11, C16 and C17 of Appendix 5.


included 47 Accounts of 10 Government companies and 11 Accounts of 4 Statutory Corporations.

Out of the total profit of ₹ 1,384.13 crore earned by 11 SPSEs, 99.02 per cent was contributed by three SPSEs. Further, out of total loss of ₹ 212.45 crore incurred by six SPSEs, loss of ₹ 210.69 crore (99.17 per cent) was incurred by one SPSEs (Sikkim Power Investment Corporation Limited). Out of 11 SPSEs which earned profits as per the latest finalized accounts, only one SPSE (State Bank of Sikkim) declared dividend. Remaining 10 SPSEs, which earned aggregate profits of ₹ 1,347.09 crore did not declare any dividend.

5.15 Recommendations


- State Government may impress upon the Managements of SPSEs to ensure timely submission of their Financial Statements. As many as 58 accounts of 14 SPSEs were in arrears. In the absence of finalised accounts, Government investment in such SPSEs remain outside the oversight of the State Legislature.
- State Government may analyze the reason of losses in those SPSEs whose net worth has been eroded and initiate steps to make their operations efficient and profitable.

Gangtok
The 03 June 2024


(NARMADHA R.)
Accountant General (Audit), Sikkim

Countersigned

New Delhi
The 12 June 2024


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1
Part A: State Profile
(Reference: Paragraph 1.1, 1.3)

General Data			
Sl. No.	Particulars	Sikkim	All India
1	Area in sq. Km	7,096	31,87,240
2	Population in lakh (As per 2011 Census)	6.11	12,108.55
3	Density of Population (2011 Census) (persons per sq.km)	97	422.26
4	Population below poverty line ((MoSPI data)	8.19	21.92
5	Literacy rate (percentage) (2011 Census)	81.40	73
6	Infant Mortality Rate (per 1,000 live births) (SRS Bulletin Oct. 2021)	5	28
7	Human Development Index (All India) (UNDP Report Human Development Report 2020)		
	a. 2020		0.642
	b. 2021		0.633
8	Gross State Domestic Product (GSDP) 2021-22 at current prices As per Ministry of Statistics and Programme Implementation, GOI (₹ in crore)	42,756	2,72,40,712
9	Per capita GDP 2022-23 (in ₹)	6,23,268	1,96,983
10	Decadal Population Growth (2013-23) in percentage	10.42	11.68

Financial Data comparison of Sikkim with the other states of North Eastern Region
(₹ in crore)

Sl. No.	Particulars	Assam	Nagaland	Meghalaya	Arunachal Pradesh	Manipur	Mizoram	Tripura	Sikkim
a.	Revenue Expenditure	101814.65	13410.36	14863.77	17,417.67	13804.08	10092.16	17,738.71	7630.58
b.	Capital Expenditure	16337.55	2704.57	2776.80	8110.73	3454.31	1321.86	2134.62	2376.60
c.	Loans & Advances	339.84	0.35	34.52	3.37	7.58	0.00	109.65	0.38
d.	Expenditure on Education (Revenue)	19047.10	2015.98	2709.83	2558.03	1969.82	1662.50	2283.74	1314.81
	Expenditure on Education (Capital)	399.96	208.08	173.48	285.80	35.28	24.56	72.65	214.67
e.	Expenditure on Health (Revenue)	6303.87	791.62	1454.52	1,480.63	1105.86	600.36	1,051.29	592.00
	Expenditure on Health (Capital)	571.99	438.22	32.17	97.46	194.91	133.88	79.00	36.87
f.	Salary and Wages	31841.13	6144.24	3944.10	6,790.12	5212.37	3517.44	5,766.87	3267.65
g.	Pension	16406.63	2818.74	1672.50	1664.98	2737.44	1833.86	2,678.06	1150.25
h.	GSDP at current rates	493167	39201	42697	39,671	37043	26714	72636	42756
i.	Capital expenditure ratio with GSDP	3.31	6.90	6.50	20.44	9.33	4.95	2.79	5.56
j.	Revenue Expenditure ratio with GSDP	20.65	34.21	34.81	43.91	37.27	37.78	24.42	17.85

Appendix 1.1

Part B: Layout of Finance Accounts

(Reference: Paragraph 1.3)

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

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

Appendix 1.1

Part C: Structure of Government Accounts

(Reference: Paragraph 1.3)

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

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

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

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

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

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

Terms	Basis of Calculation
Buoyancy Ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.7 implies that revenue receipts tend to increase by 0.7 percentage points, if the GSDP increases by one <i>per cent</i> .
Core Public and Merit Goods	<p>Core public goods are those which all citizens enjoy in common in the sense that each individual's consumption of such goods lead to no subtractions from any other individual's consumption of that goods, e.g. enforcement of law and order, security and protection of our rights; pollution free air, other environmental good, road infrastructure <i>etc</i>. Merit goods are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation, <i>etc</i>.</p> <p>“The analysis of expenditure data is disaggregated into developmental and non-developmental expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the social and economic services constitute developmental expenditure, while expenditure on general services is treated as non-developmental expenditure</p>
Debt Sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt- GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
Non-debt Receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Net Availability of Borrowed Funds	Defined as the ratio of the debt redemption (principal+ interest payments) to total debt receipts indicates the extent to which the debt receipts are used in debt redemption and gives the net availability of borrowed funds.

Appendix 1.2
Time Series Data on the State Government Finances
(Reference: Paragraph 1.3)

(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Part A. Receipts					
1. Revenue Receipts	5,920.36	4,841.27	5,607.82	7,080.72	8,103.80
	(99.97)	(99.99)	(99.98)	(99.99)	(99.99)
(i) Own Tax Revenue	892.92	970.41	966.70	1,254.41	1,497.26
Taxes on Sales, Trade, etc.	188.20	197.63	195.25	227.18	248.77
	(21.08)	(20.37)	(19.73)	(18.11)	(16.62)
State Goods & Service Tax (SGST)	405.72	454.89	463.04	655.55	804.23
	(45.44)	(46.88)	(46.80)	(52.26)	(53.71)
State Excise	183.09	207.15	210.27	249.20	298.46
	(20.50)	(21.35)	21.25)	(19.87)	(19.93)
Taxes on Vehicles	33.11	41.08	28.96	39.09	49.69
	(3.71)	(4.23)	(2.93)	(3.11)	(3.32)
Stamps and Registration fees	14.95	13.30	13.13	23.35	26.52
	(1.67)	(1.37)	(1.33)	(1.86)	(1.77)
Land Revenue	9.09	4.40	13.33	9.53	8.79
	(1.02)	(0.45)	(1.35)	(0.76)	(0.59)
Other Taxes on Income and Expenditure	15.63	-	-	-	-
	(1.75)	-	-	-	-
Other Taxes	43.13	51.96	42.72	50.51	60.80
	(4.83)	(5.35)	(4.32)	(4.03)	(4.06)
(ii) Non Tax Revenue	657.78	693.40	662.29	680.63	976.11
	(11.11)	(14.32)	(11.81)	(9.61)	(12.05)
(iii) State's share of Union taxes and duties	2,794.67	2,295.56	2,302.27	3,287.55	3,864.75
	(47.20)	(47.42)	(41.05)	(46.43)	(47.69)
(iv) Grants in aid from Government of India	1,574.99	881.90	1,676.56	1,858.13	1,765.68
	(26.60)	(18.22)	(29.48)	(26.24)	(21.79)
2. Miscellaneous Capital Receipts		-	-	-	-
3. Recoveries of Loans and Advances	1.77	0.30	1.17	0.45	0.44
	(0.03)	(0.01)	(0.02)	(0.01)	(0.01)
4. Total Revenue and Non debt Capital Receipts (1+2+3)	5,922.13	4,841.57	5,608.99	7,081.17	8,104.24
	(83.80)	(85.32)	(78.19)	(79.00)	(79.91)
5. Public Debt Receipts	1,145.21	833.21	1,564.71	1,882.60	2,036.90
	(16.20)	(14.68)	(21.81)	(21.00)	(20.09)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,140.09	819.36	1,361.87	1,579.00	1,483.87
	(99.55)	(98.34)	(87.04)	(83.87)	(72.85)
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	5.12	13.85	202.84	303.60	553.03
	(0.45)	(1.66)	(12.96)	(19.23)	(27.15)
6. Total Receipts in the Consolidated Fund (4+5)	7,067.34	5,674.78	7,173.70	8,963.77	10,141.14
	(46.84)	(38.70)	(43.59)	(49.52)	(47.04)
7. Contingency Fund Receipts	--	--	--	--	--
8. Public Account Receipts (Gross)	8,022.31	8,987.23	9,282.40	9,135.46	11,407.16
	(53.16)	(61.30)	(56.41)	(50.47)	(52.91)
8A. Public Account Receipts(Net) (8-19)	183.66	465.77	696.25	(-) 61.45	(-) 72.30
9. Total Receipts of the State (6+7+8)	15,089.70	14,662.01	16,456.10	18,099.23	21,557.30
9A. Total Receipts of the State (net) (6+7+8A)	7,251.00	6,140.55	7,869.95	8,902.32	10,077.84
Part B. Expenditure/ Disbursement					
10. Revenue Expenditure	5,226.57	6,185.08	6,368.65	6,668.84	7,630.58
	(79.62)	(89.34)	(80.79)	(83.52)	(76.25)

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(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
General Services (including interest payments)	1,960.24 (37.51)	2,419.77 (39.12)	2,416.08 (37.94)	2,558.27 (38.36)	2,983.32 (39.10)
Social Services	2,071.77 (39.64)	2,253.69 (36.44)	2,430.85 (38.17)	2,470.81 (37.05)	2,813.51 (36.87)
Economic Services	1,128.16 (21.59)	1,427.76 (23.08)	1,428.40 (22.43)	1,530.26 (22.95)	1,735.05 (22.74)
Grants-in-aid and contributions	66.40 (1.27)	83.86 (1.36)	93.32 (1.47)	109.50 (1.64)	98.70 (1.29)
11. Capital Expenditure	1,291.31 (19.67)	720.61 (10.41)	1,513.88 (19.21)	1,315.78 (16.48)	2,376.60 (23.75)
General Services	72.71 (5.63)	128.85 (17.88)	93.22 (6.16)	229.25 (17.42)	272.79 (11.48)
Social Services	363.45 (28.15)	265.76 (36.88)	506.14 (33.43)	385.02 (29.26)	1,058.07 (44.52)
Economic Services	855.15 (66.22)	326.00 (45.24)	914.52 (60.41)	701.51 (53.32)	1,045.74 (44.00)
12. Disbursement of Loans and Advances	46.57 (0.71)	17.06 (0.25)	- -	0.85 (0.01)	0.38 (0.01)
13. Total (10+11+12)	6,564.45 (94.58)	6,922.75 (94.36)	7,882.53 (99.00)	7,985.47 (98.53)	10,007.56 (98.35)
14. Repayments of Public Debt	375.88 (5.42)	413.78 (5.64)	79.75 (1.00)	119.90 (1.48)	167.75 (1.65)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	365.44 (97.22)	403.13 (97.43)	68.77 (86.23)	108.70 (90.66)	156.31 (93.18)
Net Transactions under Ways and Means Advances and Overdraft					
Loans and Advances from Government of India	10.44 (2.78)	10.65 (2.57)	10.98 (13.77)	11.20 (9.34)	11.43 (6.82)
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Gross Expenditure on Lotteries	-	-	-	-	-
17. Total disbursement out of Consolidated Fund (13+14+15 +16)	6,940.33 (46.96)	7,336.53 (46.26)	7,962.28 (48.12)	8,105.37 (46.85)	10,175.31 (46.99)
18. Contingency Fund disbursements	-	-	-	-	-
19. Public Account disbursements	7,838.63 (53.04)	8,521.46 (53.74)	8,586.15 (51.88)	9,196.91 (53.16)	11,479.46 (53.01)
20. Total disbursement by the State (17+18+19)	14,779.00	15,857.99	16,548.43	17,302.28	21,654.77
Part C: Deficits					
21. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	693.79	-1,343.81	-760.83	411.88	473.22 [#]
22. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	-642.32	-2,081.18	-2,273.54	- 904.30	-1,903.32 [#]
23. Primary Deficit (-)/ Primary Surplus (+) (22-24)	-209.27	-1,571.50	-1,725.13	- 269.26	-1,185.14
Part D: Other data					
24. Interest Payments (included in revenue expenditure)	433.05	509.68	548.41	635.04	718.18
25. Financial Assistance to Local Bodies etc.	411.39	252.97	110.81	148.19	168.72
26. Ways and Means Advances/Overdraft availed (days)	-	-	-	-	-
27. Interest on Ways and Means Advances/Overdraft	-	-	-	-	-
28 Gross State Domestic Product (GSDP)	28,402	31,441	33,018	37,557	42,756
29. Outstanding Fiscal Liabilities (yearend)	6,335.06	7,400.66	9,058.83	10,862.94	12,696.89
30. Outstanding Guarantees (beginning of year) (including interest)	425.45	3,455.04	3,749.32	4,107.03	4878.29

(*₹ in crore*)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
31. Maximum amount Guaranteed (yearend)	3,849.19	3,941.97	4,527.47	4,668.47	5043.47
32. Number of Incomplete Projects	201	233	171	312	101
33. Capital blocked in Incomplete Projects	666.41	644.37	396.16	690.13	822.42
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Revenue Receipts/GSDP	0.21	0.15	0.17	0.19	0.19
Own Tax Revenue/GSDP	0.03	0.03	0.03	0.03	0.04
Own Non-Tax Revenue/GSDP	0.02	0.02	0.02	0.02	0.02
State's share in Central taxes and Duties/ GSDP	0.10	0.07	0.07	0.09	0.09
II Expenditure Management					
Total Expenditure/GSDP	0.23	0.22	0.24	0.21	0.23
Total Expenditure/Revenue Receipts	1.11	1.43	1.41	1.14	1.25
Revenue Expenditure/Total Expenditure	0.80	0.89	0.81	0.82	0.75
Expenditure on Social Services/Total Expenditure	0.37	0.36	0.37	0.35	0.23
Expenditure on Economic Services/Total Expenditure	0.30	0.25	0.30	0.28	0.19
Capital Expenditure/Total Expenditure	0.20	0.10	0.19	0.16	0.23
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.19	0.09	0.18	0.13	0.21
III Management of Fiscal Imbalances (in <i>per cent</i>)					
Revenue deficit (surplus)/GSDP	2.44	-4.27	-2.30	1.10	1.11
Fiscal deficit/GSDP	-2.26	-6.62	-6.89	- 2.41	-4.45
Primary Deficit (surplus) /GSDP	-0.74	-5.00	-5.22	-0.72	-2.77
Revenue Deficit(surplus) /Fiscal Deficit	-0.11	0.65	0.33	-0.45	-0.25
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.22	0.24	0.27	0.29	0.3
Fiscal Liabilities/RR	1.07	1.53	1.62	1.53	1.57
V Other Fiscal Health Indicators					
Return on Investment(<i>₹ in crore</i>)	4.38	3.06	2.78	1.45	4.12
Balance from Current Revenue (<i>₹ in crore</i>)	--	--	--	--	--
Assets/Fiscal Liabilities	2.53	2.10	1.87	1.76	1.68

Revenue Surplus and Fiscal Deficit was before adjustment of understated amount of ₹393.65 crore and ₹30.80 crore respectively as mentioned in para 1.5

Source: Finance Accounts of respective years

Appendix – 2.1A
Abstract of Receipts & Disbursement
(Reference: Paragraph 2.2)

Receipts			Disbursements			
2021-22		2022-23	2021-22		2022-23	
Section A: Revenue						
7,080.72	I-Revenue Receipts		8,103.80	6,668.84	I-Revenue Expenditure	7,630.58
1,254.41	Tax revenue	1,497.26		2,558.27	General Services	2,983.31
680.63	Non-tax revenue	976.11		2,470.81	Social Services	2,813.51
3,287.55	State's share of Union Taxes	3,864.75		1284.69	Education, Sports, Art and Culture.	1,374.48
1,858.13	Grants-in-aid	1,765.68		559.61	Health and Family Welfare	592.00
0	Non-Plan Grants	0		233.07	Water Supply, Sanitation, Housing and Urban Development	212.73
0	Grants for State Plan Schemes	0		14.05	Information and Broadcasting	19.18
(-0.14)	Grants for Centrally Sponsored Plan Schemes	0		113.35	Welfare of Scheduled Caste, Scheduled tribes and Other Backward Classes	233.82
	Grants for Special Plan Schemes			11.80	Labour and Labour Welfare	14.54
749.07	Grants for Centrally Sponsored Schemes	1,118.22		212.35	Social Welfare and Nutrition	325.77
787.48	Grants from Finance Commission	532.90		41.89	Others	40.99
321.72	Other Grants	114.56		1,530.26	Economic Services	1,735.06
				493.72	Agriculture and Allied Activities	559.20
				231.48	Rural Development	223.30
				0.73	Special Areas Programmes	2.21
				53.34	Irrigation and Flood Control	37.62
				286.89	Energy	404.49
				59.45	Industry and Minerals	74.91
				322.24	Transport	347.05
				21.82	Science Technology and Environment	12.06
				60.59	General Economic Services	74.22
				109.50	Grants in Aid and Contribution	98.70
411.88	II-Revenue deficit carried over to Section- B				II-Revenue surplus carried over to Section-B	473.22#
7,080.72			8,103.80	7,080.72		8,103.80

Receipts				Disbursements			
2021-22		2022-23		2021-22		2022-23	
Section-B-CAPITAL & PUBLIC ACCOUNT							
1,992.24	III-Opening Cash balance including Permanent Advances and Cash Balance Investment		2,789.19	1,315.78	III-Capital Outlay		2,376.60
0	IV-Miscellaneous Capital receipts			229.25	General services	272.79	
				385.02	Social Services	1,058.07	
				156.76	Education, Sports, Art and Culture	214.67	
				40.75	Health and Family Welfare	36.87	
				165.59	Water Supply, Sanitation, Housing and Urban Development	794.84	
				0	Information & Broadcasting	0	
				9.35	Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	8.34	
				12.57	Social Welfare	3.35	
				0	Others	0	
				701.51	Economic Services	1,045.74	
				7.82	Agriculture and Allied Activities	7.89	
				5.33	Rural Development	33.93	
				43.54	Special Areas Programmes	64.42	
				27.77	Irrigation and Flood Control	99.80	
				102.64	Energy	225.46	
				0	Industry and Minerals	69.49	
				343.01	Transport	333.78	
				0	Science and Environment	0	
				171.4	General Economic Services	210.97	
0.45	V-Recoveries of Loans and Advances		0.44	0.85	IV- Loans and Advances Disbursements		0.38
	VI-Revenue Surplus brought down		473.22 [#]	411.88	V-Revenue deficit brought down		
1,882.60	VII-Public Debt Receipts		2,036.90	119.90	VI-Repayment of Public Debt		167.75
0	External debt				External debt		
1,579.00	Internal Debt other than Ways and Means Advances and Overdraft	1,483.87		108.70	Internal Debt other than Ways and Means Advances and Overdraft	156.31	
0	Net transaction under Ways and Means Advances including Overdraft	0		0	Net transaction under Ways and Means Advances including Overdraft	0	

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Receipts				Disbursements			
2021-22		2022-23		2021-22		2022-23	
303.60	Loans and Advances from Central Government	553.03		11.20	Repayment of Loans and Advances to Central Government	11.43	
0	VIII-Amount transferred to Contingency Fund			0	VII-Expenditure from Contingency Fund		0
9,135.46	IX-Public Account Receipts		11,407.16	9,196.91	VIII-Public Account Disbursements		11,479.46
446.41	Small Savings and Provident fund	461.21		348.39	Small Savings and Provident Funds	424.17	
131.66	Reserve Funds	188.85		177.76	Reserve Funds	219.73	
6,294.05	Suspense and Miscellaneous	7,434.34		6,278.38	Suspense and Miscellaneous	7,580.58	
1,921.18	Remittance	2,950.98		2,064.86	Remittances	2,869.34	
342.16	Deposits and Advances	371.78		327.52	Deposits and Advances	385.64	
				2,789.19	IX- Cash balance at the end		2,682.73
				0	Cash in Treasuries and Local Remittances	0	
				95.48	Deposits with Reserve Bank/other Bank	76.25	
				1.43	Departmental Cash Balance including permanent Advances	1.43	
				2,692.28	Cash Balance Investment and Investment from Earmarked Funds.	2,605.04	
13,422.63	Total		16,706.92	13,422.63	Total		16,706.92

#Revenue Surplus was before adjustment of understated amount of ₹393.65 crore as mentioned in para 1.5

Appendix 2.1B
Summarised Financial Position of Government of Sikkim as on 31 March 2023
(Reference: Paragraph 2.2)

(*₹ in crore*)

As on 31.03.2022	Liabilities		As on 31.03.2023
8,068.39	Internal Debt		9,395.94
7,658.00	Market Loans bearing Interest	8,978.00	0
0	Market Loans not bearing Interest	0	0
43.22	Loans from Life Insurance Corporation of India	34.31	0
367.17	Loans from other Institutions	383.63	0
0	Overdrafts from Reserve Bank of India	0	0
584.99	Loans and Advances from Central Government		1,127.34
0.05	Non-Plan Loans	0	0
582.2	Loans for State Plan Schemes	582.2	0
0.44	Loans for Centrally Sponsored Plan Schemes	0.34	0
0.58	Other Loans	0.58	0
1.72	Centrally Sponsored Scheme	2.45	0
1	Contingency Fund		1
1,416.31	Small Savings, Provident Funds, etc.		1,453.36
376.98	Deposits		363.13
1034.72	Reserve Funds		1,012.84
369.98	Suspense and Miscellaneous Balances		213.11
359.35	Remittance Balances		451.61
6449.80	Surplus on Government Accounts Last year balance		6,860.91*
411.88	Add Revenue Surplus		473.22
19,073.40	Total		21,352.46
	Assets		
16,029.88	Gross Capital Outlay on Fixed Assets		18,406.47
107.58	Investments in shares of Companies, Corporations, etc.	11.08	
15,922.30	Other Capital Outlay	18,395.39	
253.3	Loans and Advances -		253.23
1.03	Advances		1.03
2,789.19	Cash		2,691.73
95.48	Deposits with other Bank	95.48	
0	Cash in Treasuries and Local Remittances	0	
0	Deposits with Reserve Bank	0	
0.95	Departmental Cash Balance	0.95	
0.48	Permanent Advances	0.48	
2073.06	Cash Balance Investments	2073.06	
619.22	Earmarked funds Investment	619.22	
19,073.40	Total		21,352.46

* Adjusted as per Finance accounts figure (St.- 1)

Appendix – 2.2
Tax and Non-Tax Revenue Collected during 2018-2023
(Reference: Paragraph 2.3.2 and 2.3.2.1)

Sl. No.	Head of Revenue		2018-19		2019-20		2020-21		2021-22		2022-23		Percentage of increase (+) or decrease (-) in 2022-23 over 2021-22	
			BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals
Tax Revenue														
1	Sales Tax/Value Added Tax	154	188.2	200	197.6	220.00	195.25	220.00	227.18	233.00	248.77	5.91	9.50	
2	Sikkim Goods & Services Tax	363.65	405.72	660	454.9	650.00	463.04	579.00	655.55	686.82	804.23	18.62	22.68	
3	Taxes on Income and Expenditure other than Corporation Tax	10	15.63	15	15.17	15.00	14.29	15.00	15.40	16.00	16.72	6.67	8.51	
4	State Excise	158.54	183.09	237	207.2	248.13	210.27	275.00	249.20	297.00	298.46	8.00	19.77	
5	Stamps and Registration Fees	13.34	14.95	16.14	13.3	16.44	13.13	11.78	23.35	14.33	26.52	21.65	13.58	
6	Taxes on Vehicles	31.05	33.11	49.16	41.08	39.16	28.96	43.50	39.09	46.00	49.69	5.75	27.12	
7	Other Taxes and Duties on Comm and Services	32.63	43.13	44.32	36.79	44.57	28.43	42.60	35.11	34.67	44.08	-18.62	25.55	
8	Land Revenue	7.1	9.09	8.6	4.4	8.60	13.33	8.60	9.53	8.60	8.79	0.00	-7.76	
	Total	770.31	892.92	1230	970.4	1241.90	966.70	1195.48	1254.41	1336.42	1497.26			
Non-tax Revenue														
1	Power	190.1	269.44	320.1	256.4	372.38	346.05	380.00	306.77	394.44	402.72	3.80	31.28	
2	Interest Receipts	50.41	125.33	96.99	143.8	52.88	126.95	77.51	49.92	58.30	66.13	-24.78	32.47	
3	Police	57.11	46.64	88.12	86.77	78.71	26.17	70.01	112.38	70.00	125.55	899.86	11.72	
4	Road Transport	59	53.96	65	57.1	62.00	47.87	65.00	61.78	84.88	68.34	30.58	10.62	
5	Forestry and Wild Life	13.5	17.53	18.5	15.78	18.70	14.88	19.00	24.31	23.19	180.26	22.05	641.51	
6	Other Administrative Services	7.79	5.04	23.23	12.65	21.84	12.00	21.68	19.45	9.29	15.02	-57.15	-22.78	
7	Public Works	4.59	28.01	21.75	23.13	15.38	14.24	31.94	14.84	36.00	13.97	12.71	-5.86	
8	Plantations	7	2.41	2.5	2	2.50	0	3.00	1.35	3.00	2.00	0.00	48.15	
9	Water Supply and Sanitation	10	4.23	8	4.92	5.61	5.52	5.85	5.15	6.40	6.31	9.40	22.52	

Sl. No.	Head of Revenue	2018-19		2019-20		2020-21		2021-22		2022-23		Percentage of increase (+) or decrease (-) in 2022-23 over 2021-22	
		BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals	BEs	Actuals
10	Tourism	4.64	6.16	10	11.67	8.50	3.44	4.00	4.12	4.40	9.87	10.00	139.56
11	Medical and Public Health	2.5	2.37	5.75	2.48	6.04	2.83	6.98	4.49	7.08	3.43	1.43	-23.61
12	Other Rural Development Programmes	1.5	0.98	1.65	0.31	1.73	1.09	1.80	1.85	1.83	2.98	1.67	61.08
13	Stationery and Printing	1.95	1.52	3.1	2.6	3.52	2.78	3.52	1.97	3.52	3.87	0.00	96.45
14	Crop Husbandry	0.63	0.37	0.69	0.68	0.73	0.48	0.73	0.43	0.75	2.54	2.74	490.70
15	Education, Sports, Art and Culture	1.17	2.32	1.32	3.55	1.61	14.29	1.42	10.59	12.64	9.51	790.14	-10.20
16	State Lotteries	Gross											
		Net	55	-10	40	40.1	31.96	22.37	55.18	6.48	30.42	10.60	-44.87	63.58
17	Others		15.03	33.65	29.47	55.34	21.33	27.60	54.75	243.95	63.61	783.88	16.18
		Total	481.92	657.78	734.6	693.4	710.66	662.29	775.22	680.63	990.09	976.11	27.72	43.41
Grand Total		1,252.23	1,550.7	1,965	1,664	1,952.56	1,628.99	1,970.70	1,935.04	2,326.51	2,473.37	18.06	27.82

Appendix 2.3
Statement showing Investment at the end of 2022-23
(Reference: Paragraph 2.4.2.2)

(₹ in lakh)

Sl. No.	Name of the Companies/Corporations	Amount
Statutory Corporations		
1	State Bank of Sikkim	53.38
2	Sikkim Mining Corporation	611.50
3	State Trading Corporation of Sikkim	148.88
Companies		
4	Sikkim Time Corporation	1371.54
5	Sikkim Industrial Development and Investment Corporation	1582.50
6	Sikkim Livestock Development Corporation	22.00
7	Sikkim Livestock Development and Processing Corporation	35.00
8	Sikkim Tourism Development Corporation	704.87
9	Sikkim Power Development Corporation	2,286.16
10	Sikkim SC/ST/OBC Finance Development Corporation	495.59
11	Sikkim Jewels Ltd.	1154.03
12	Sikkim Distilleries Ltd.	243.34
13	Star Cinema	1.75
14	Denzong Cinema	1.75
15	Sikkim Flour Mills Limited	265.09
16	Cold Storage	27.90
17	Indian Telephone Industries	25.94
18	Ginger Processing Plant	1.00
19	Investment in B.O.G. Ltd.	14.03
20	Chanmari Workshop and Automobiles Ltd.	30.00
21	M/S Sikkim Precision Industries Ltd	430.00
22	Sikkim Himalayan Orchid Ltd.	16.00
23	Sikkim Flora Ltd.	15.00
24	Sikkim Handloom & Handicrafts	102.40
25	Joint Ventures	42.92
26	Wood Working Centre, Singtam	1.02
27	Food Security & Agri. Dev. Department and Indian Farmers Fertiliser Co-operative Ltd. IFFCO	12.25
28	Sikkim SC/ST/OBC Development Corporation (SABCCO)	249.00
Bank and Co-operative Societies		
29	State Bank of India	0.26
30	Sikkim Marketing Federation (SIMFED)	93.83
31	Sikkim Consumer's Co-operative Society	5.00
32	Multipurpose Co-operative Society	60.00
33	Denzong Agricultural cooperative society ltd(DACS)	50.00
34	Nayuma Women's cooperative society Ltd	15.00
35	Investment in Sikkim State Co-operative Bank (SISCO)	935.60
36	Sikkim Dairy Co-operative Society (Sikkim Milk Union)	2.00
37	Sang Martam Tea growers C S Ltd	1.00
Total		11,107.53

Source Finance Account statement 19

Appendix 2.4 A
Statement Showing Details of Year-Wise Incomplete Works as on 31 March 2023

(Reference: Paragraph 2.4.2.2 & 3.4.2)

Sl. No.	Department	Name of the project/works	Estimated cost of work	Year of Sanction	Year of Commencement	Target of Completion	Physical progress of the work as on 31 st March 2022 (in %)	Progressive expenditure at the end of year 2021-22
Prior to 2013-14								
1	Buildings and Housing	Construction Of Security Boundary fencing at Raj Bhawan	750.61	11.28.2011	2012	2013	65%	391.38
2	Urban Development	Improvement & Modification of Inner Roads at Gangtok	4,334.44	2010-11	...	...	90%	3,783.78
3	Urban Development	Upgradation of Meli Bazar, South Sikkim	3,637.00	2010-11	...	...	80%	3,270.27
		Total	8,722.05					7,445.43
2013-14								
1	Animal Husbandry & Veterinary Services	Reconstruction of BOP Piggery Farm at Chungthang in North Sikkim damaged during the earthquake of 18 September 2011	188.10	08.01.2014	17.02.2014		90%	72.97
2	Public Health Engineering	Construction of W/S/S at Makha bazar.	491.52	23.12.2011	2012	2014	90%	463.50
		Total	679.62					536.47
2014-15								
		-	-	-	-	-	-	-
2015-16								
1	Buildings and Housing Department	Construction Of Speaker's bungalow at Gangtok	841.18	09.15.2014	2014	2016	55%	521.41
		Total	841.18					521.41
2016-17								
1	Buildings and Housing	Construction of Composite Check Post at Reshi	586.68	03.02.2015	2011	2017	75%	355.99
		Total	586.68					355.99

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Sl. No.	Department	Name of the project/works	Estimated cost of work	Year of Sanction	Year of Commencement	Target of Completion	Physical progress of the work as on 31 st March 2022 (in %)	Progressive expenditure at the end of year 2021-22
2017-18								
1	Buildings and Housing	Construction Of Folk History Centre at Assam Lingzey, Gacharan (Phase-I)	11,000.00	27.02.2018	2017	2018	15%	1,399.64
2	Buildings and Housing	Construction Of Sub - Divisional Magistrate Complex at Dentam, West Sikkim	547.08	13.02.2017	2017	2018	79%	422.90
3	Buildings and Housing	Construction Of Sub-Divisional Magistrate Complex at Jorethang, South Sikkim	540.11	08.10.2017	2017	2018	60%	379.41
4	Buildings and Housing	Construction Of Sub-Divisional Magistrate Complex at Rangpo, East Sikkim	540.11	30.11.2017	2017	2018	30%	52.11
5	Buildings and Housing	Construction Of Sub-Divisional Magistrate Complex at Yangyang South Sikkim	587.18	30.11.2017	2017	2018	25%	194.82
6	Buildings and Housing	Extension of Ashirvad Bhawan in the Raj Bhawan Complex	111.60	13.09.2017	2018	...	0%	86.45
7	Tourism & Civil Aviation	Construction of 14 numbers of two roomed Homestay under 16 Lingtam-Phadamchen GPU in East Sikkim	115.27	20.12.2012	29.07.2013	2018	95%	69.16
		Total	13441.35					2604.49
2018-19								
1	Buildings and Housing	Construction Of SDOs Office at Pakyong	516.61	10.9.2014	2014	2019	90%	415.79
2	Buildings and Housing	Construction of Shakti Sithal at Mungrang (Allocation transferred from Culture Department w.e.f 22-23)	1,923.57	24.08.2018	...	...	10%	638.47
3	Tourism & Civil Aviation	Construction of Helipad at Temi	143.17	27.02.2018	27.02.2018	2019	5%	12.68
4	Urban Development	Construction of Drainage System & Upgradation of road @ Mazigoan, Jorethang	128.39	2018	02.06.2018	10.05.2018	87%	80.99
		Total	2711.74					1147.93

Sl. No.	Department	Name of the project/works	Estimated cost of work	Year of Sanction	Year of Commencement	Target of Completion	Physical progress of the work as on 31 st March 2022 (in %)	Progressive expenditure at the end of year 2021-22
2019-20								
1	Buildings and Housing	Construction of Ethnic Cultural Centre, Buriakhop, West Sikkim (Phase-I)	10,000.00	03.06.2017	2017	2020	12%	1,199.98
2	Buildings and Housing	Construction of Stairway to Heaven (Allocation transferred from Culture Department w.e.f 2021-22)	2202.92	18.07.2018	2018	2020	30%	1224.53
3	Buildings and Housing	Construction of Schedule Cast Bhawan at Development Area, Gangtok (Allocation transferred from Social Justice w.e.f 2020-21)	1,021.70	10.03.2017	2017	2020	60%	671.48
4	Director General Of Police	Construction of Fire Station at Soreng	524.50	21.02.2018	29.03.2018	28.03.20	85%	365.44
5	Tourism & Civil Aviation	Construction of pilgrimage centre with 54 feet high statue of Nishani Kali Devi at Bundang Gadi, Central Pendang ,East Sikkim	6383	06.05.2020	27.11.2018	2020	15%	1,210.88
6	Tourism & Civil Aviation	Construction of 14 huts and kitchen at yangyang cultural centre Upper Rangrang, South Sikkim	680.27	28.01.2018	26.09.2018	2020	20%	100.04
7	Tourism & Civil Aviation	Development of support facility for Sky walk at Bhaleydungga	32,665.00	03.03.2014	04.03.2014	2020	68%	22,183.00
8	Tourism & Civil Aviation	Construction of Asta Chirinjivya Pilgrimage Tourist Centre at Nagi, Namthang	8,340.82	31.01.2018	22.02.2018	2020	38%	1,239.38
9	Urban Development	Basic Infrastructure Development Beautification & Construction of Public Toilet @ Sombaria	395.90	2017	01.06.2017	30.03.2020	62%	378.47
10	Urban Development	Construction of Namchi Garden Centre	464.24	2017	10.04.2017	30.03.2020	36%	58.03
11	Urban Development	Beautification and Upgradation of Yangyang Bazar	269.04	2017	19.02.2018	18.02.2020	70%	136.69
12	Urban Development	Construction of Multipurpose Hall at Hee Bazar	90.75	2018	07.01.2019	16.01.2020	35%	41.68

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Sl. No.	Department	Name of the project/works	Estimated cost of work	Year of Sanction	Year of Commencement	Target of Completion	Physical progress of the work as on 31 st March 2022 (in %)	Progressive expenditure at the end of year 2021-22
13	Urban Development	Construction of Exit Road from Car Plaza to NH 510 to Ravangla	136.36	2018	25.01.2018	24.07.2019	95%	64.73
14	Urban Development	Construction of Parking Haat Shed at Uttarey	342.12	2017	15.12.2017	14.06.2019	93%	179.93
15	Urban Development	Infrastructure development of Dentam Bazar	378.74	2018	20.01.2018	19.01.2020	82%	213.19
16	Urban Development	Infrastructure development and beautification of Tashiding Bazar	199.35	2018	23.02.2018	22.10.2019	50%	55.89
17	Urban Development	Construction of Marketing Centre, washroom and caretakers quarter at marketing centre at Mangshila	125.00	2018	12.04.2018	13.04.2019	50%	62.93
18	Urban Development	Development of Chungthang Bazar as River side City	100.00	2018	25.01.2018	29.03.2020	88%	59.91
19	Urban Development	Construction of Organic Vegetable Market at Rangrang	150.00	2018	25.01.2018	28.03.2020	95%	34.94
		Total	64,469.71					29,481.12
2020-21								
1	Food & Civil Supplies	Construction of Food Go-down at Talkharka in East Sikkim	150.00	21.11.2017	2018	30.09.2020	98%	72.66
2	Buildings and Housing	(i) Construction Of Gyan Mandir State Library Gangtok (Phase-I)	19,996.00	25.01.2017	2017	2021	44%	8,307.79
3	Buildings and Housing	Construction of Co-operative Building at Nandugoan South Sikkim	511.62	06.04.2020	2020-21	...	60%	299.96
4	Buildings and Housing	Construction of Phuntsok Choeling Gumpa, Sirbadam, West Sikkim	693.70	03.03.2021	2020-21	...	14%	100.00
5	Buildings and Housing	Construction of Urgen Theme Wasaling Gurung Monastery at Ningreymang, (Namthang-Ratepani) South Sikkim	193.21	02.09.2020	2020-21	...	27%	50.00
6	Buildings and Housing	Construction of Nima Choeling Gumpa near BDO Turning, Namthang South Sikkim	67.05	13.12.2020	2020-21	2021	80%	30.00
7	Director General Of Police	Construction of 2nd & 3rd IRBn HQ at Mangley	1,523.00	04.03.2014	04.03.2014	31.03.2021	96%	1,434.95

Sl. No.	Department	Name of the project/works	Estimated cost of work	Year of Sanction	Year of Commencement	Target of Completion	Physical progress of the work as on 31 st March 2022 (in %)	Progressive expenditure at the end of year 2021-22
8	Urban Development	Beautification and Upgradation of Soreng Bazar	89.46	2017	26.02.2018	30.07.2020	90%	145.64
9	Urban Development	Beautification and Upgradation of Chakung Bazar	336.37	2017	26.02.2018	30.07.2020	38%	
10	Urban Development	Construction of Parking lot @ Namthang	441.98	2018	15.03.2019	16.09.2020	95%	399.53
11	Urban Development	Infrastructure Development and Beautification of Majitar Bazar	398.57	2018	29.09.2018	26.09.2020	65%	198.49
12	Urban Development	Upgradation of Rorathang Bazar (2nd Phase)	239.17	2018	12.01.2019	11.01.2021	80%	62.90
13	Urban Development	Construction of Kisan Bazar at Gangtok	2,096.00	2011-12	21.10.2011	30.0.2021	94%	1,651.48
14	Sports and Youth Affairs	Construction of Tarundeep Archery Academy at Kitchudumra South Sikkim	3,040.06	30.12.2020	2020	...	...	91.20
15	Sports and Youth Affairs	Construction of public play ground at Tokal Bermoik	35.00	30.12.2020	2021	...	85%	19.19
		Total	29,811.19					12,863.79
2021-22								
1	Food & Civil Supplies	Construction of Food Go-down at Tokol Bermoik in South Sikkim	210.00	18.02.2019	2020	2022	98%	204.5
2	Buildings and Housing	(ii) Extra Depth & Extra Height of Pile (Gyan Mandir Project)	1,333.71	07.03.2022	2022	...	...	1,308.22
3	Buildings and Housing	Underground Parking Space at Namchi (State Share) NESIDS = 1477.00 lakh and *State = 4052.79 lakh . Total amount = 5529.79 lakh. *(Tender premium + Revised cost of NESIDS work)	5,529.79	19.01.2017	2019	2022	20%	8,011.00
4	Buildings and Housing	Construction of Church at Simkharka, Temi-Namphing, South Sikkim	107.29	24.03.2022	2020-21	2022	15%	10.00
5	Buildings and Housing	Construction of Thasya at KarthokGumpa at Pakyong in East Sikkim	170.00	30.03.2022	2021-22	2022	50%	80.00
6	Tourism & Civil Aviation	Development of Mangarjung at Mangsari in West Sikkim	1,435.69	19.11.2020	19.11.2020	2022	45%	841.30

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Sl. No.	Department	Name of the project/works	Estimated cost of work	Year of Sanction	Year of Commencement	Target of Completion	Physical progress of the work as on 31 st March 2022 (in %)	Progressive expenditure at the end of year 2021-22
7	Tourism & Civil Aviation	Construction of Monastery at Mangerdzong Mangshari in West Sikkim	65.68	02.12.2021	02.12.2020	2022	20%	0.00
8	Tourism & Civil Aviation	Construction of Eco Friendly walkway Gazebo at Gardhaney Vir, External water supply for Development of Mangerdzong and construction of Eco friendly walkways from Mangshari in rainfalls at Mangerjung Mangshari in West Sikkim	132.19	02.12.2020	02.12.2020	2022	40%	30.16
9	Urban Development	Construction of road from Jorethang SSS to Ugen Choling Gumpa	644.21	2017	09.04.2018	08.04.2021	25%	175.59
10	Public Health Engineering	Construction of pumping station & rising mains i/c distribution line for new housing Majhigoan, goskhan area, Mandi bazar backside & goli ground area at Rangpo East Sikkim	168.85	31.03.2021	2021	2022	92%	154.36
11	Public Health Engineering	Augmentation of water supply system for IBM area Rangpo, East Sikkim	115.53	29.08.2021	2021	2022	77%	98.32
12	Public Health Engineering	Augmentation of Mazitar water supply system for Rangpo Mazitar area Rangpo	113.32	28.09.2021	2021	2022	72%	84.91
13	Public Health Engineering	Augmentation of feeder mains from Selep WTP to Gurudwara& Metro tank i/c new zonal tank & distribution to ICAR 5th Mile & LumseyGangtok Sikkim	924.58	23.06.2018	2018	2022	82%	680.00
14	Sports and Youth Affairs	Upgradation of Kyongsa playground upto international standard with track and field.	2,798.00	03.04.2018	2018	01.03.2022	95%	2,077.09
15	Sports and Youth Affairs	Construction of playground at Rimburbung SS in West Sikkim	72.00	05.04.2021	2021	04.03.2022	95%	63.75
16	Sports and Youth Affairs	Construction of Public ground at Mamlay Kamrang	36.00	02.12.2021	2021	...	80%	9.74
		Total	13856.84					13828.94

Sl. No.	Department	Name of the project/works	Estimated cost of work	Year of Sanction	Year of Commencement	Target of Completion	Physical progress of the work as on 31 st March 2022 (in %)	Progressive expenditure at the end of year 2021-22
2022-23								
1	Food & Civil Supplies	Construction of Food Godown at 13th Mile J.N Road in East Sikkim	175.00	21.11.2017	2018	2023	87%	177.00
2	Food & Civil Supplies	Construction of Food Godown at Temi in South Sikkim	187.00	18.02.2019	2020	2023	45%	76.09
3	Food & Civil Supplies	Construction of Food Godown at Namthang in South Sikkim	194.00	18.02.2019	2020	2023	85%	155.98
4	Food & Civil Supplies	Construction of Food Godown at Kongri Naku in West Sikkim	206.00	18.02.2019	2020	2023	94%	160.42
5	Food & Civil Supplies	Construction of Food Godown at Kaluk in West Sikkim	238.00	18.02.2019	2020	2023	75%	134.71
6	Food & Civil Supplies	Construction of Food Godown at Soreng in West Sikkim	232.00	18.02.2019	2020	2023	57%	78.27
7	Food & Civil Supplies	Construction of Food Godown at Hee-Gaon in West Sikkim	190.00	18.02.2019	2020	2023	45%	84.34
8	Food & Civil Supplies	Construction of Food Godown at Darap in West Sikkim	206.00	18.02.2019	2020	2023	99%	181.92
9	Animal Husbandry & Veterinary Services	Construction of Veterinary Hospital cum living Quarters under AH&VS Department at Pakyong in East Sikkim	182.53	12-07-1905	2020	2023	20%	23.35
10	Animal Husbandry & Veterinary Services	Construction of Veterinary Dispensary at Upper Rimbik, Geyzing District	50.00	14-07-1905	2022	2023	90%	24.42
11	Animal Husbandry & Veterinary Services	Construction of Veterinary Dispensary at Nesa-Arithang, Geyzing District	30.16	14-07-1905	2022	2023	80%	21.64
12	Animal Husbandry & Veterinary Services	Construction of Veterinary Dispensary at Lingchom, Geyzing District	31.81	14-07-1905	2022	2023	80%	21.64
13	Tourism & Civil Aviation	Construction of Heritage centre at Central Pendem	157.44	28.11.2022	02.01.2023	2023	30%	30.00

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Sl. No.	Department	Name of the project/works	Estimated cost of work	Year of Sanction	Year of Commencement	Target of Completion	Physical progress of the work as on 31 st March 2022 (in %)	Progressive expenditure at the end of year 2021-22
14	Tourism & Civil Aviation	Development of tourist Leisure Land at Sector-17 and Festival Ground at Temi in South Sikkim	1,153.48	15.11.2021	20.11.2021	2023	50%	385.00
15	Tourism & Civil Aviation	Construction of Four patron saints of Sikkim (three lamas and one chogyal) at Yuksom	3,762.75	28.03.2021	22.03.2021	2023	51%	1,850.41
16	Tourism & Civil Aviation	Completion of Existing Ugen Lhendup Che Monastery at Singling in West Sikkim	567.00	03.07.2022	07.04.2022	2023	80%	199.45
17	Tourism & Civil Aviation	Development of Fambong heritage park at Sang	6,999.48	24.03.2023	01.02.2023	...	30%	700.00
18	Tourism & Civil Aviation	Development of tourist infrastructure for kailash mansarovar yatra in Sikkim(State Share)	4,430.17	29.06.2019	30.06.2022	...	80%	107.00
19	Urban Development	Construction of Super Market at Rhenock Bazar	772.47	2020	25.02.2021	25.02.2023	35%	244.81
20	Public Health Engineering	Pollution Abatement scheme of River Ranichu (through rorochu) for zone III Gangtok, under NRCP	9,466.00	19.07.2018	2019	2023	90%	6,856.81
21	Public Health Engineering	Augmentation/upgradation of water supply system to Pani house area and Deorali Gangtok	160.00	31.03.2021	2022	2023	80%	81.00
22	Public Health Engineering	Augmentation/upgradation of water supply system to Lower Tadong including construction of RCC reservoir tank near ITBP camp, metro point Tadong	204.22	31.03.2021	2022	2023	80%	100.00
23	Public Health Engineering	Construction of RCC reservoir tank at pani House near Shiv Mandir, Gangtok	53.27	07.10.2021	2022	2023	60%	23.27
24	Public Health Engineering	Approach road to Rateychu water source via Akashvani Gangtok	231.76	07.10.2021	2021	2023	65%	99.62
25	Public Health Engineering	Construction of damaged retaining wall 9th mile Rateychu	60.49	03.08.2023	2022	2023	50%	20.00

Sl. No.	Department	Name of the project/works	Estimated cost of work	Year of Sanction	Year of Commencement	Target of Completion	Physical progress of the work as on 31 st March 2022 (in %)	Progressive expenditure at the end of year 2021-22
26	Public Health Engineering	Construction of distribution network for Lall Bazaar Singtam (N/E Circle)	51.47	03.08.2024	2022	2023	75%	15.00
27	Sports and Youth Affairs	Upgradation of football stadium with other allied facilities at Mangan North Sikkim Phase II	940.00	06.08.2019	2019	31.12.2022	75%	408.68
28	Sports and Youth Affairs	Construction of Archery and Boxing Arena and Up-Gradation of existing Sports infrastructure at Resethang Khelgaon East Sikkim	907.64	10.02.2021	2021	26.01.2023	70%	741.69
29	Sports and Youth Affairs	Acquisition of land for construction of playground at Mangsari in Soreng District	28.37	...	2023	...	...	18.00
30	Sports and Youth Affairs	Construction of pavillion and Ground Development works at Reshi Sec.School West Sikkim	60.42	19.09.2021	2021	18.07.2022	70%	35.47
31	Buildings and Housing	Construction of Pema Choeling Gumpa, Salghari, South Sikkim	266.57	27.08.020	2020-21	2023	29%	74.97
32	Buildings and Housing	Construction of Pema Wazerling Gumpa at Kateng, South Sikkim	360.53	25.03.2021	2020-21	2023	42%	224.83
33	Buildings and Housing	Construction of Norbu Choeling Gumpa, Nagi under Namthang-Ratepani Constituency (File No.06/GOS/B&H)	198.70	28.03.2022	2021-22	2023	56%	100.56
		Total	32754.73					13456.35
		Grand Total	1,67,875.10					82,241.88

Appendix 2.4B
Statement Showing Department-Wise Incomplete Works as on 31st March 2023

(Reference: Paragraph 2.4.2.2)

(₹ in lakh)

Sl. No.	Name of the project/works	Estimated cost of work	Date of Sanction	Year of Commencement	Target of Completion	Physical progress of the work at end of year 2022-23 (in per cent)	Progressive expenditure at the end of year 2022-23
	Food & Civil Supplies Department						
1	Construction of Food Godown at Talkharka in East Sikkim	150.00	21.11.2017	2018	30.09.2020	98%	72.66
2	Construction of Food Godown at 13th Mile J.N Road in East Sikkim	175.00	21.11.2017	2018	2023	87%	177.00
3	Construction of Food Godown at Temi in South Sikkim	187.00	18.02.2019	2020	2023	45%	76.09
4	Construction of Food Godown at Namthang in South Sikkim	194.00	18.02.2019	2020	2023	85%	155.98
5	Construction of Food Godown at Tokol Bermiok in South Sikkim	210.00	18.02.2019	2020	2022	98%	204.5
6	Construction of Food Godown at KongriNaku in West Sikkim	206.00	18.02.2019	2020	2023	94%	160.42
7	Construction of Food Godown at Kaluk in West Sikkim	238.00	18.02.2019	2020	2023	75%	134.71
8	Construction of Food Godown at Soreng in West Sikkim	232.00	18.02.2019	2020	2023	57%	78.27
9	Construction of Food Godown at Hee-Gaon in West Sikkim	190.00	18.02.2019	2020	2023	45%	84.34
10	Construction of Food Godown at Darap in West Sikkim	206.00	18.02.2019	2020	2023	99%	181.92
	Total	1,988.00					1325.89
	Department of Animal Husbandry & Veterinary Services.						
1	Reconstruction of BOP Piggery Farm at Chungthang in North Sikkim damaged during the earthquake of 18th September 09/2011	188.1	08.01.2014	17.02.2014		90%	72.97
2	Construction of Veterinary Hospital cum living Quarters under AH&VS Department at Pakyong in East Sikkim	182.53	12-07-1905	2020	2023	20%	23.35

Sl. No.	Name of the project/works	Estimated cost of work	Date of Sanction	Year of Commencement	Target of Completion	Physical progress of the work at end of year 2022-23 (in per cent)	Progressive expenditure at the end of year 2022-23
3	Construction of Veterinary Dispensary at Upper Rimbik, Geyzing District	50.00	14-07-1905	2022	2023	90%	24.42
4	Construction of Veterinary Dispensary at Nesa-Arithang, Geyzing District	30.16	14-07-1905	2022	2023	80%	21.64
5	Construction of Veterinary Dispensary at Lingchom, Geyzing District	31.81	14-07-1905	2022	2023	80%	21.64
	Total	482.60	...	...	...	...	164.02
	Buildings and Housing Department						
1	Construction Of SDOs Office at Pakyong	516.61	10.9.2014	2014	2019	90%	415.79
2	Construction Of Security Boundary fencing at Raj Bhawan	750.61	11.28.2011	2012	2013	65%	391.38
3	Construction Of Speaker's bungalow at Gangtok	841.18	09.15.2014	2014	2016	55%	521.41
4	Construction of Composite Check Post at Reshi	586.68	03.02.2015	2011	2017	75%	355.99
5	Construction of Ethnic Cultural Centre, Buriakhop, West Sikkim (Phase-I)	10,000.00	03.06.2017	2017	2020	12%	1,199.98
6	(i) Construction Of Gyan Mandir State Library Gangtok (Phase-I)	19,996.00	25.01.2017	2017	2021	44%	8,307.79
7	(ii) Extra Depth & Extra Height of Pile (Gyan Mandir Project)	1,333.71	07.03.2022	2022	...	...	1,308.22
8	Construction Of Folk History Centre at Assam Lingzey, Gacharan (Phase-I)	11,000.00	27.02.2018	2017	2018	15%	1,399.64
9	Construction Of Sub - Divisional Magistrate Complex at Dentam, West Sikkim	547.08	13.02.2017	2017	2018	79%	422.90
10	Construction Of Sub-Divisional Magistrate Complex at Jorethang, South Sikkim	540.11	08.10.2017	2017	2018	60%	379.41
11	Construction Of Sub-Divisional Magistrate Complex at Rangpo, East Sikkim	540.11	30.11.2017	2017	2018	30%	52.11

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Sl. No.	Name of the project/works	Estimated cost of work	Date of Sanction	Year of Commencement	Target of Completion	Physical progress of the work at end of year 2022-23 (in per cent)	Progressive expenditure at the end of year 2022-23
12	Construction Of Sub-Divisional Magistrate Complex at Yangyang South Sikkim	587.18	30.11.2017	2017	2018	25%	194.82
13	Extension of Ashirvad Bhawan in the Raj Bhawan Complex	111.60	13.09.2017	2018	...	0%	86.45
14	Underground Parking Space at Namchi (State Share) NESIDS = 1477.00 lakh and *State = 4052.79 lakh . Total amount = 5529.79 lakh. *(Tender premium + Revised cost of NESIDS work)	5,529.79	19.01.2017	2019	2022	20%	8,011.00
15	Construction of Co-operative Building at Nanduguan South Sikkim	511.62	06.04.2020	2020-21	...	60%	299.96
16	Construction of Phuntsok Choeling Gumpa, Sirbadam, West Sikkim	693.70	03.03.2021	2020-21	...	14%	100.00
17	Construction of Church at Simkharka, Temi-Namphing, South Sikkim	107.29	24.03.2022	2020-21	2022	15%	10.00
18	Construction of Urgen Theme Wasaling Gurung Monastery at Ningreyrang, (Namthang-Ratepani) South Sikkim	193.21	02.09.2020	2020-21	...	27%	50.00
19	Construction of Nima Choeling Gumpa near BDO Turning, Namthang South Sikkim	67.05	13.12.2020	2020-21	2021	80%	30.00
20	Construction of Pema Choeling Gumpa, Salghari, South Sikkim	266.57	27.08.020	2020-21	2023	29%	74.97
21	Construction of Pema Wazerling Gumpa at Kateng, South Sikkim	360.53	25.03.2021	2020-21	2023	42%	224.83
22	Construction of Stairway to Heaven (Allocation transferred from Culture Department w.e.f 2021-22)	2,202.92	18.07.2018	2018	2020	30%	1,224.53
23	Construction of Schedule Cast Bhawan at Development Area, Gangtok (Allocation transferred from Social Justice w.e.f 2020-21)	1,021.70	10.03.2017	2017	2020	60%	671.48
24	Construction of Norbu Choeling Gumpa, Nagi under Namthang-Ratepani Constituency (File No.06/GOS/B&H)	198.70	28.03.2022	2021-22	2023	56%	100.56

Sl. No.	Name of the project/works	Estimated cost of work	Date of Sanction	Year of Commencement	Target of Completion	Physical progress of the work at end of year 2022-23 (in per cent)	Progressive expenditure at the end of year 2022-23
25	Construction of Thasya at Karthok Gumpa at Pakyong in East Sikkim	170.00	30.03.2022	2021-22	2022	50%	80.00
26	Construction of Shakti Sithal at Mungrang (Allocation transferred from Culture Department w.e.f 22-23)	1,923.57	24.08.2018	...	...	10%	638.47
	Total	60,597.52	...	...	...	...	26,551.69
	Director General Of Police						
1	Construction of Fire Station at Soreng	524.50	21.02.2018	29.03.2018	28.03.20	85%	365.44
2	Construction of 2nd & 3rd IRBn HQ at Mangley	1,523.00	04.03.2014	04.03.2014	31.03.2021	96%	1,434.95
	Total	2,047.50	...	...	...	...	1,800.39
	Tourism & Civil Aviation						
1	Construction of pilgrimage centre with 54 feet high statue of Nishani Kali Devi at Bundang Gadi, Central Pendem ,East Sikkim	6,383	06.05.2020	27.11.2018	2020	15%	1,210.88
2	Construction of 14 huts and kitchen at yangyang cultural centre Upper Rangrang, South Sikkim	680.27	28.01.2018	26.09.2018	2020	20%	100.04
3	Development of support facility for Sky walk at Bhaleydungga	32,665.00	03.03.2014	04.03.2014	2020	68%	22,183.00
4	Construction of 14 nos of two roomed Homestay under 16 Lingtam-Phadamchen GPU in East Sikkim	115.27	20.12.2012	29.07.2013	2018	95%	69.16
5	Construction of Heritage centre at Central Pendem	157.44	28.11.2022	02.01.2023	2023	30%	30.00
6	Construction of Helipad at Temi	143.17	27.02.2018	27.02.2018	2019	5%	12.68
7	Construction of Asta Chirinjivjy Pilgrimage Tourist Centre at Nagi, Namthang	8,340.82	31.01.2018	22.02.2018	2020	38%	1,239.38
8	Development of tourist Leisure Land at Sector-17 and Festival Ground at Temi in South Sikkim	1,153.48	15.11.2021	20.11.2021	2023	50%	385.00
9	Construction of Four patron saints of Sikkim (three lamas and one chogyal) at Yuksom	3,762.75	28.03.2021	22.03.2021	2023	51%	1,850.41

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Sl. No.	Name of the project/works	Estimated cost of work	Date of Sanction	Year of Commencement	Target of Completion	Physical progress of the work at end of year 2022-23 (in per cent)	Progressive expenditure at the end of year 2022-23
10	Completion of Existing Ugen Lhendup Che Monastery at Singling in West Sikkim	567.00	03.07.2022	07.04.2022	2023	80%	199.45
11	Development of Mangajung at Mangsari in West Sikkim	1,435.69	19.11.2020	19.11.2020	2022	45%	841.30
12	Construction of Monastery at Mangerdzong Mangshari in West Sikkim	65.68	02.12.2021	02.12.2020	2022	20%	0.00
13	Construction of Eco Friendly walkway Gazebo at GardhaneyVir, External water supply for Development of Mangerdzong and construction of Eco friendly walkways from Mangshari in rainfalls at Mangerjung Mangshari in West Sikkim	132.19	02.12.2020	02.12.2020	2022	40%	30.16
14	Development of Fambong heritage park at Sang	6,999.48	24.03.2023	01.02.2023	...	30%	700.00
15	Development of tourist infrastructure for kailash mansarovar yatra in Sikkim(State Share)	4,430.17	29.06.2019	30.06.2022	...	80%	107.00
	Total	67,031.41	...	...	...	...	28,958.46
Urban Development							
1	Basic Infrastructure Development Beautification & Construction of Public Toilet @ Sombaria	395.90	2017	01.06.2017	30.03.2020	62%	378.47
2	Construction of Namchi Garden Centre	464.24	2017	10.04.2017	30.03.2020	36%	58.03
3	Beautification and Upgradation of Yangyang Bazar	269.04	2017	19.02.2018	18.02.2020	70%	136.69
4	Beautification and Upgradation of Soreng Bazar	89.46	2017	26.02.2018	30.07.2020	90%	145.64
5	Beautification and Upgradation of Chakung Bazar	336.37				38%	
6	Construction of road from Jorethang SSS to Ugen Choling Gumpa	644.21	2017	09.04.2018	08.04.2021	25%	175.59
7	Construction of Multipurpose Hall at Hee Bazar	90.75	2018	07.01.2019	16.01.2020	35%	41.68
8	Construction of Super Market at Rhenock Bazar	772.47	2020	25.02.2021	25.02.2023	35%	244.81
9	Construction of Parking lot @ Namthang	441.98	2018	15.03.2019	16.09.2020	95%	399.53

Sl. No.	Name of the project/works	Estimated cost of work	Date of Sanction	Year of Commencement	Target of Completion	Physical progress of the work at end of year 2022-23 (in per cent)	Progressive expenditure at the end of year 2022-23
10	Infrastructure Development and Beautification of Majitar Bazar	398.57	2018	29.09.2018	26.09.2020	65%	198.49
11	Construction of Drainage System & Upgradation of road @ Mazigoan, Jorethang	128.39	2018	02.06.2018	10.05.2018	87%	80.99
12	Construction of Exit Road from Car Plaza to NH 510 to Ravangla	136.36	2018	25.01.2018	24.07.2019	95%	64.73
13	Construction of Parking Haat Shed at Uttarey	342.12	2017	15.12.2017	14.06.2019	93%	179.93
14	Infrastructure development of Dentam Bazar	378.74	2018	20.01.2018	19.01.2020	82%	213.19
15	Infrastructure development and beautification of Tashinding Bazar	199.35	2018	23.02.2018	22.10.2019	50%	55.89
16	Construction of Marketing Centre, washroom and caretakers quarter at marketing center at Mangshila	125.00	2018	12.04.2018	13.04.2019	50%	62.93
17	Development of Chungthang Bazar as River side City	100.00	2018	25.01.2018	29.03.2020	88%	59.91
18	Construction of Organic Vegetable Market at Rangrang	150.00	2018	25.01.2018	28.03.2020	95%	34.94
19	Upgradation of Rorathang Bazar (2nd Phase)	239.17	2018	12.01.2019	11.01.2021	80%	62.90
20	Construction of Kisan Bazar at Gangtok	2,096.00	2011-12	21.10.2011	30.0.2021	94%	1,651.48
21	Improvement & Modification of Inner Roads at Gangtok	4,334.44	2010-11	...	...	90%	3,783.78
22	Upgradation of Meli Bazar, South Sikkim	3,637.00	2010-11	...	...	80%	3,270.27
	Total	15,769.56	...	...	...	...	11,299.87
Public Health Engineering							
1	Pollution Abatement scheme of River Ranichu (through rorochu) for zone III Gangtok, under NRCP	9,466.00	19.07.2018	2019	2023	90%	6,856.81
2	Construction of pumping station & rising mains i/c distribution line for new housing Majhigoan, goskhan area, Mandi bazar backside & goli ground area at Rangpo East Sikkim	168.85	31.03.2021	2021	2022	92%	154.36

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Sl. No.	Name of the project/works	Estimated cost of work	Date of Sanction	Year of Commencement	Target of Completion	Physical progress of the work at end of year 2022-23 (in per cent)	Progressive expenditure at the end of year 2022-23
3	Augmentation/upgradation of water supply system to Pani house area and Deorali Gangtok	160.00	31.03.2021	2022	2023	80%	81.00
4	Augmentation/upgradation of water supply system to Lower Tadong including construction of RCC reservoir tank near ITBP camp, metro point Tadong	204.22	31.03.2021	2022	2023	80%	100.00
5	Augmentation of water supply system for IBM area Rangpo, East Sikkim	115.53	29.08.2021	2021	2022	77%	98.32
6	Augmentation of Mazitar water supply system for Rangpo Mazitar area Rangpo	113.32	28.09.2021	2021	2022	72%	84.91
7	Construction of RCC reservoir tank at pani House near Shiv Mandir, Gangtok	53.27	07.10.2021	2022	2023	60%	23.27
8	Approach road to Rateychu water source via Akashvani Gangtok	231.76	07.10.2021	2021	2023	65%	99.62
9	Construction of damaged retaining wall 9th mile Rateychu	60.49	03.08.2023	2022	2023	50%	20.00
10	Construction of distribution network for Lall Baazar Singtam (N/E Circle)	51.47	03.08.2024	2022	2023	75%	15.00
11	Augmentation of feeder mains from Selep WTP to Gurudwara& Metro tank i/c new zonal tank & distribution to ICAR 5th Mile & LumseyGangtok Sikkim	924.58	23.06.2018	2018	2022	82%	680.00
12	Construction of W/S/S at Makha bazar.	491.52	23.12.2011	2012	2014	90%	463.50
	Total	12,041.01	...	...	...	...	8,676.79
Sports and Youth Affairs							
1	Upgradation of Kyongsa playground up to international standard with track and field.	2,798.00	03.04.2018	2018	01.03.2022	95%	2,077.09
2	Upgradation of football stadium with other allied facilities at Mangan North Sikkim Phase II	940.00	06.08.2019	2019	31.12.2022	75%	408.68

Sl. No.	Name of the project/works	Estimated cost of work	Date of Sanction	Year of Commencement	Target of Completion	Physical progress of the work at end of year 2022-23 (in per cent)	Progressive expenditure at the end of year 2022-23
3	Construction of Archery and Boxing Arena and Up-Gradation of existing Sports infrastructure at Resethang Khelegaon East Sikkim	907.64	10.02.2021	2021	26.01.2023	70%	741.69
4	Construction of Tarundeep Archery Academy at Kitchudumra South Sikkim	3,040.06	30.12.2020	2020	...	...	91.20
5	Acquisition of land for construction of playground at Mangsari in Soreng District	28.37	...	2023	...	...	18.00
6	Construction of pavilion and Ground Development works at ReshiSec.School West Sikkim	60.42	19.09.2021	2021	18.07.2022	70%	35.47
7	Construction of playground at Rimburbung SS in West Sikkim	72.00	05.04.2021	2021	04.03.2022	95%	63.75
8	Construction of Public ground at Mamlay Kamrang	36.00	02.12.2021	2021	...	80%	9.74
9	Construction of public playground at Tokal Bermoik	35.00	30.12.2020	2021	...	85%	19.19
	Total	7,917.49	...	...	...	...	3,464.81
	Grand Total	167875.09	...	...	...	...	82241.92

Notes:

Information from Department of Agriculture Department, Roads & Bridges Department, Power Department, Education Department, Rural Development Department and Health and Family Welfare Department of the Government of Sikkim are awaited (July 2023).

Appendix 3.1
Summarised Position of Expenditure and Savings for the Period 2018-19 to 2022-23
(Reference: Paragraph 3.1.1)

(₹ in crore)

	Nature of Expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
2018-19						
Voted	<i>I Revenue</i>	4,911.60	763.32	5,674.92	4829.64	(-) 845.28
	<i>II Capital</i>	1,329.08	529.19	1,858.27	1,392.68	(-)465.59
	<i>III Loans and advances</i>	0.55	0	0.55	0.55	0.00
	Total Voted	6,241.23	1,292.51	7,533.74	6,222.87	(-) 1,310.87
Charged	<i>IV Revenue</i>	517.27	0.55	517.82	484.66	(-)33.16
	<i>V Capital</i>	375.32	0.57	375.89	375.88	(-)0.01
	<i>VI Public Debt-</i>	0 0	0 0	0	0	0.00
	Total charged	892.59	1.12	893.71	860.54	(-) 33.17
	Grand Total	7,133.82	1,293.63	8,427.45	7,083.41	- 1,344.04
	Percentage of savings as compared to total allocation					15.95 %
2019-20						
Voted	<i>I Revenue</i>	6,727.36	179.09	6,906.46	5,621.37	(-) 1,285.09
	<i>II Capital</i>	1,150.82	495.71	1,646.53	736.95	(-) 909.58
	<i>III Loans and advances</i>	1.35	0	1.35	0.72	(-) 0.63
	Total Voted	7,879.53	674.81	8,554.34	6,359.04	(-) 2,195.30
Charged	<i>IV Revenue</i>	594.36	0	594.36	564.21	(-) 30.15
	<i>V Capital</i>	414.1	0	414.10	413.78	(-) 0.32
	<i>VI Public Debt-</i>	0 0	0	0	0	0
	Total charged	1,008.46	0	1,008.46	977.99	(-) 30.47
	Grand Total	8,887.99	674.81	9,562.80	7,337.03	(-) 2,225.77
	Percentage of savings as compared to total allocation					23.26%
2020-21						
	Nature of Expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
Voted	<i>I Revenue</i>	6,851.83	451.94	7,303.77	5,770.05	(-)1,533.72
	<i>II Capital</i>	1,729.35	702.65	2,432.00	1,513.88	(-)918.12
	<i>III Loans and advances</i>	1.35	0	1.35	0	(-)1.35
	Total Voted	8,582.53	1154.59	9,737.12	7,283.93	(-)2,453.19
Charged	<i>IV Revenue</i>	622.69	0	622.69	599.33	(-)23.36
	<i>V Capital</i>	80.70	0	80.70	79.75	(-)0.95
	<i>VI Public Debt-</i>	0	0	0	0	
	Total charged	703.39	0	703.39	679.08	(-)24.30
	Grand Total	9,285.92	1,154.59	10,440.51	7,963.01	(-)2,477.50
	Percentage of savings as compared to total allocation					23.73%

2021-22						
	<i>Nature of Expenditure</i>	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
Voted	<i>I Revenue</i>	6,842.98	122.79	6,965.77	5,978.03	(-)987.74
	<i>II Capital</i>	2,140.10	423.34	2,563.44	1,315.79	(-)1,247.66
	<i>III Loans and advances</i>	1.35	0	1.35	0.85	(-)0.50
Total Voted		8,984.43	546.13	9,530.56	7,294.67	(-)2,235.9
Charged	<i>IV Revenue</i>	747.54	0.4	747.94	690.94	(-)56.99
	<i>V Capital</i>	120.88	0	120.88	119.90	(-)0.98
	<i>VI Public Debt-</i>	0	0	0	0	0
	Total charged	868.42	0.4	868.82	810.84	(-)57.97
	Grand Total	9,852.85	546.53	10,399.38	8,105.51	(-)2,293.87
	Percentage of savings as compared to total allocation					22.06%
2022-23						
	<i>Nature of Expenditure</i>	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
Voted	<i>I Revenue</i>	7,802.36	192.43	7,944.79	6,845.11	(-)1,149.68
	<i>II Capital</i>	1,647.28	1,551.65	3,198.93	2,376.60	(-)822.33
	<i>III Loans and advances</i>	1.35	0	1.35	0.37	(-)0.98
Total Voted		9,450.99	1,744.08	11,195.07	9,222.08	(-)1,972.99
Charged	<i>IV Revenue</i>	800.56	0.64	801.20	785.62	(-)15.58
	<i>V Capital</i>	168.16	0	168.16	167.75	(-)0.41
	<i>VI Public Debt-</i>	0	0	0	0	0
	Total charged	968.72	0.64	969.36	953.37	(-)15.99
	Grand Total	10,419.71	1,744.73	12,164.44	10,175.45	(-)1,988.98
	Percentage of savings as compared to total allocation					16.35%

Appendix – 3.2
Statement Showing Cases where Supplementary Provisions Proved
Unnecessary (₹50 lakh or more in each case)

(Reference: Paragraph 3.3.1)

(₹ in lakh)

Sl. No.	Grant No.	Name of Grant/ Appropriation	Original	Supplementary	Actual Expenditure	Savings (-) out of original provision
A – REVENUE (VOTED)						
1	1	Agriculture	21,611.33	244.16	16,679.44	4,931.89
2	2	Animal Husbandry and Veterinary Services	12,181.70	481.83	9,068.80	3,112.9
3	4	Cooperation	2,172.53	81.55	2,057.91	114.62
4	7	Education	1,37,347.96	3,750.11	1,31,849.10	5,498.86
5	12	Forestry and Environment	29,169.80	180.16	15,267.83	13,901.97
6	22	Land Revenue & Disaster Management	37,472.39	83.49	17,134.48	20,337.91
7	24	Legislature	2,705.89	87.57	2,702.14	3.75
8	29	Planning and Development	2,204.26	81.23	2,099.63	104.63
9	30	Police	56,985.05	296.08	54,720.78	2,264.27
10	33	Public Health Engineering	5,062.10	54.33	4,911.18	150.92
11	34	Roads and Bridges	26,884.14	500.00	24,360.05	2,524.09
12	35	Rural Development	36,168.79	1,174.35	29,840.98	6,327.81
13	36	Science and Technology	862.26	126.70	827.07	35.19
14	38	Social Justice and Welfare	69,617.12	623.39	44,516.73	25,100.39
15	40	Tourism & Civil Aviation	5,498.42	925.13	4,817.30	681.12
16	41	Urban Development	9,203.32	88.25	4,925.06	4,278.26
Total – REVENUE			4,55,147.06	8,778.33	3,65,778.48	89,368.58
B- CAPITAL (VOTED)						
17	7	Education	16,537.39	9,853.00	14,954.50	1,582.89
18	19	Water Resources	10,351.80	3,500.00	9,980.29	371.51
19	30	Police	392.00	105.00	222.99	169.01
20	33	Public Health Engineering	10,513.32	2,067.00	8,986.54	1,526.78
21	34	Roads and Bridges	25,415.76	6,499.00	19,046.02	6,369.74
22	40	Tourism and Civil Aviation	23,751.55	18,900.00	21,090.87	2,660.68
Total CAPITAL			86,961.82	40,924.00	74,281.21	12,680.61
GRAND TOTAL			5,42,108.90	49,702.33	4,40,059.69	1,02,049.19

Appendix 3.3
Statement showing excessive/ unnecessary/insufficient Re-appropriation (savings/excess of over ₹ 10 lakh) of funds
(Reference: Paragraph 3.3.2)

Sl. No.	Number and name of Grant	Head of Account	Provisions				Actual Expd	Excess (+) Saving (-)	Percentage of saving/excess with reference to Actual allotment
			Original	Supplementary	Re-appropriation	Total			
1	2-Animal Husbandry	2403-102-09	271.8	0.01	(-154.49)	117.32	95.85	(-21.47)	(-18.30)
2	3-Building and Housing	4059-60-051-03	6,156.39	20,900	0.01	27,056.38	24,403.03	(-2,653.35)	(-9.81)
3	5-Culture	4202-04-800-60	2,557.03	1,230	(-306.83)	3,480.2	3,465.64	(-14.56)	(-0.42)
4	7- Education	2202-01-101-63	4,1284.7	1,828.31	(-3,103.11)	40,009.9	39,921.93	(-87.97)	(-0.22)
5	7- Education	2202-02-104-64	5,9695.5	1,268.63	(-3,061.06)	57,903.07	58,183.96	280.89	0.49
6	7- Education	2202-03-103-29	1,010	0	(-210.01)	799.99	0	(-799.99)	(-100)
7	7- Education	2202-03-103-74	238.95	14.46	(-23.00)	230.41	250.77	20.36	8.84
8	7- Education	2202-04-200-29	45.00	56.00	(-45.00)	56.00	43.40	(-12.60)	22.50
9	7- Education	2202-80-001-60	5,744.53	237.61	-53.61	5,928.53	5,886.93	(-41.60)	0.70
10	7- Education	2202-01-800-28	1,010.44	0	200	1,210.44	1,200.01	(-10.43)	(-0.86)
11	7- Education	2202-01-001-58	4,696.75	39.67	51.23	4,787.65	4,773.78	(-13.87)	(-0.29)
12	7- Education	4202-01-203-70	4,243.74	9,604	(-74.46)	13,773.28	9,771.95	(-4,001.33)	(-29.05)
13	12-Forest and Environment	2406-01-001	6,194.52	100	(-358.06)	5,936.46	5,911.41	(-25.05)	(-0.42)
14	13-Health and Family Welfare	2210-01-110-62	12,608.18	126	(-444.43)	12,289.75	12,259.25	(-30.5)	(-0.25)
15	13-Health and Family Welfare	2210-01-800	7,981.66	1,055	172.7	9,209.36	9,112.36	(-97)	(-1.05)
16	13-Health and Family Welfare	4210-04-112-17	376	0	(-80.2)	295.8	260.76	(-35.04)	(-11.85)
17	13-Health and Family Welfare	4210-04-107-17	100	355	355	810	455	(-355)	(-43.83)
18	14-Home	2013-101-61	219.28	0	(-32.82)	186.46	170.57	(-15.89)	(-8.52)
19	14-Home	2013-104	50	50	0	100	89.47	(-10.53)	(-10.53)
20	14-Home	2056-001-63	395.55	0	(-5.31)	390.24	320.91	(-69.33)	(-17.77)
21	16-Commerce and Industries	2851-001-60	1,437.68	29.75	11.81	1,479.24	1,460.29	(-18.95)	(-1.28)
22	17-Information and Public Relation	2220-60-101	265.74	0	48.22	313.96	253.94	(-60.02)	(-19.12)
23	26-Motor Vehicles	2052-090-27	668.35	0	(-34.36)	633.99	608.61	(-25.38)	(-4.00)
24	28-Department of Personnel	2052-090-46	142.72	44.42	11	198.14	187.54	(-10.6)	(-5.35)
25	30-Police	2055-003-109	14,456.26	118.89	(-181.41)	14,393.74	14,371.02	(-22.72)	(-0.16)

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Sl. No.	Number and name of Grant	Head of Account	Provisions				Actual Expd	Excess (+) Saving (-)	Percentage of saving/excess with reference to Actual allotment
			Original	Supplementary	Re-appropriation	Total			
26	30-Police	2055-003-115-19	465.11	0.81	-56.91	409.01	256.22	(-152.79)	(-37.36)
27	31-Power	2801-80-001-50	633.94	0	128.93	762.87	789.31	26.44	3.47
28	33-Public Health Engineering	4215-01-101-74	2,900	336	(-1,852)	1,384	1,091.48	(-292.52)	(-21.14)
29	33-Public Health Engineering	4215-02-106-62	3,792.94	1,731	275.12	5,799.06	5,299.06	(-500)	(-8.62)
30	34-Roads and Bridges	5054-04-337-60	19,057.61	6,499	(-4,278.37)	21,278.24	19,274.17	(-2,004.07)	(-9.42)
31	35-Rural Development	2505-01-702-37	2,354.92	1,164.26	(-17.29)	3,501.89	1,839.76	(-1,662.13)	(-47.46)
32	35-Rural Development	3054-80-799-36	50	0	(-5.4)	44.6	(-85.24)	(-129.84)	(-291.12)
33	38-Social Justice and Welfare	2225-02-001-60	474.09	0	(-48.63)	425.46	405.93	(-19.53)	(-4.59)
34	38-Social Justice and Welfare	2235-02-102-52	3,702.67	0.88	(-218.88)	3,484.67	3,410.87	(-73.8)	(-2.12)
35	38-Social Justice and Welfare	2235-02-103-53	3,457.83	288.24	(-233.13)	3,512.94	3,223.74	(-289.2)	(-8.23)
36	38-Social Justice and Welfare	2225-02-796-71	1,531.9	0	62	1,593.9	1,548.5	(-45.4)	(-2.85)
37	38-Social Justice and Welfare	2235-02-001-39	1,314.21	5.5	(-16.31)	1,303.4	1,322.37	18.97	1.46
38	38-Social Justice and Welfare	2235-03-101-60	6,240.58	0	163.54	6,404.12	6,385.94	(-18.18)	(-0.28)
39	38-Social Justice and Welfare	4225-01-800-60	481	0	(-173.95)	307.05	130.25	(-176.8)	(-57.58)
40	38-Social Justice and Welfare	4225-02-800-60	317.77	0	(-62.6)	255.17	88.82	(-166.35)	(-65.19)
41	38-Social Justice and Welfare	4235-02-101-39	628.8	0	(-18.2)	610.6	610.6	(-281.82)	(-46.15)
42	39-Sports and Youth Affairs	2204-001-60	2,120.82	120.53	(-178.44)	2,062.91	2,062.91	27.91	1.35
43	39-Sports and Youth Affairs	2204-104-68	0	50	(-17.13)	32.87	32.87	17.13	52.11
44	40-Tourism and Civil Aviation	5452-01-101-60	20,714	16,700	(-18,695.4)	18,718.62	18,718.62	(-181.93)	-0.97
45	40-Tourism and Civil Aviation	5452-01-101-62	2,643	2,200	(-2,578.01)	2,264.99	2,264.99	179.37	7.92
46	41-Urban Development	2217-05-800-61	410.74	20.06	(-20.16)	410.64	410.64	(-20.19)	(-4.92)

Source: Appropriation Accounts

*Sl.no. 32 is Suspense Accounts

Appendix – 3.4
Statement Showing list of grants having large savings (savings above ₹1 crore or more in each case) (Reference: Paragraph 3.3.3)
(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	% of Utilisation	Savings out of Total provision	Surrendered	Surrender as % of saving	Saving excluding surrender
A – REVENUE (VOTED)											
1	1	Agriculture Development	216.11	2.44	218.55	166.79	76.32	51.76	51.71	99.91	0.05
2	2	Animal Husbandry and Veterinary Services	121.82	4.82	126.64	90.69	71.61	35.95	35.70	99.31	0.25
3	3	Buildings & Housing	42.28	0.14	42.42	40.44	95.32	1.98	1.97	99.55	0.01
4	4	Co-operation	21.73	0.82	22.54	20.58	91.30	1.96	1.95	99.53	0.01
5	6	Ecclesiastical	37.03	8.40	45.43	40.27	88.65	5.15	5.15	99.95	0.00
6	7	Education	1,373.48	37.50	1,410.98	1,318.49	93.45	92.49	85.67	92.63	6.82
7	11	Food and Civil supplies	34.98	10.30	45.28	42.57	94.01	2.71	2.66	98.06	0.05
8	12	Forestry and Environment	291.70	1.80	293.50	152.68	52.02	140.82	60.48	42.95	80.34
9	13	Health and Family Welfare	606.36	27.30	633.66	594.33	93.79	39.33	17.13	43.56	22.20
10	14	Home	83.84	17.55	101.39	98.10	96.75	3.29	2.22	67.46	1.07
11	15	Horticulture	128.35	0.00	128.35	86.81	67.64	41.54	41.52	99.96	0.02
12	16	Commerce and Industries	63.81	6.69	70.50	63.33	89.83	7.17	6.62	92.42	0.54
13	18	Information Technology	15.77	0.11	15.88	12.32	77.56	3.56	3.57	100.15	-0.01
14	19	Water Resources	33.66	6.46	40.12	37.61	93.75	2.51	2.49	99.44	0.01
15	20	Judiciary	40.41	0.04	40.44	36.86	91.14	3.59	3.55	98.96	0.04
16	22	Land Revenue & Disaster Management	374.72	0.83	375.56	171.34	45.62	204.21	73.67	36.08	130.54
17	26	Motor Vehicles	19.43	0.20	19.63	18.50	94.26	1.13	0.85	75.56	0.28
18	27	Parliamentary Affairs	12.36	0.00	12.36	10.47	84.64	1.90	1.90	99.98	0.00
19	28	Department of Personnel	46.68	0.45	47.14	26.15	55.48	20.99	20.80	99.08	0.19
20	29	Planning and Development	22.04	0.81	22.85	21.00	91.87	1.86	1.85	99.70	0.01
21	30	Police	569.85	2.96	572.81	547.21	95.53	25.60	23.46	91.62	2.14
22	31	Power	398.54	9.79	408.33	405.15	99.22	3.18	3.38	106.19	-0.20
23	33	Public Health Engineering	50.62	0.54	51.16	49.11	95.99	2.05	2.02	98.66	0.03
24	34	Roads and Bridges	268.84	5.00	273.84	243.60	88.96	30.24	30.22	99.93	0.02
25	35	Rural Development	361.69	11.74	373.43	298.41	79.91	75.02	57.05	76.05	17.97
26	36	Science and Technology	8.62	1.27	9.89	8.27	83.63%	1.62	0.42	25.78%	1.20
27	37	Transport Department	78.83	0.00	78.83	74.36	94.34	4.46	3.05	68.38	1.41
28	38	Social Justice and Welfare	696.17	6.23	702.41	445.17	63.38	257.24	58.13	22.60	199.11
29	39	Sports and Youth Affairs	24.69	2.41	27.09	24.78	91.47	2.31	2.58	111.69	-0.27
30	40	Tourism & Civil Aviation	54.98	9.25	64.24	48.17	74.99	16.06	16.05	99.95	0.01

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Sl. No.	Grant No.	Name of Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	% of Utilisation	Savings out of Total provision	Surrendered	Surrender as % of saving	Saving excluding surrender
31	41	Urban Development	92.03	0.88	92.92	49.25	53.01	43.67	43.44	99.49	0.22
32	43	Panchayat Raj Institutions	155.65	4.89	160.54	158.69	98.85	1.85	1.85	99.92	0.00
33	46	Municipal Affairs	31.67	0.00	31.67	23.47	74.10	8.20	8.20	100.00	0.00
34	47	Skill Development	31.26	0.00	31.26	14.04	44.91	17.22	17.20	99.91	0.02
Total – REVENUE			6410.01	181.64	6591.65	5439.02	82.51	1152.63	688.56	59.74	464.07
B- CAPITAL (VOTED)											
34	3	Buildings & Housing	76.46	211.58	288.05	259.05	89.93	29.00	2.95	10.17	26.05
35	5	Culture	25.57	12.30	37.87	34.66	91.51	3.21	3.07	95.47	0.15
36	6	Education	165.37	98.53	263.90	149.55	56.67	114.36	74.34	65.01	40.01
36	8	Food and Civil supplies	5.45	0.00	5.45	2.13	38.96	3.33	3.33	100.00	0.00
37	9	Forestry and Environment	2.15	0.00	2.15	0.53	24.76	1.62	1.62	99.99	0.00
38	10	Health and Family Welfare	27.79	23.75	51.54	36.87	71.54	14.67	9.90	67.52	4.76
39	11	Home	11.17	0.00	11.17	8.30	74.24	2.88	2.88	99.96	0.00
40	14	Water Resources	103.52	35.00	138.52	99.80	72.05	38.72	38.71	99.99	0.01
41	18	Power	95.08	131.98	227.06	225.46	99.29	1.60	1.58	98.58	0.02
42	20	Public Health Engineering	105.13	20.67	125.80	89.87	71.43	35.94	28.01	77.95	7.93
43	21	Roads and Bridges	254.16	64.99	319.15	190.46	59.68	128.69	75.46	58.64	53.23
44	22	Rural Development	283.89	488.45	772.33	648.80	84.00	123.54	123.54	100.00	0.00
45	24	Social Justice and Welfare	29.30	0.00	29.30	12.69	43.32	16.60	7.03	42.32	9.58
46	26	Tourism & Civil Aviation	237.52	189.00	426.52	210.91	49.45	215.61	215.58	99.99	0.03
47	27	Urban Development	127.95	165.58	293.53	238.42	81.23	55.10	6.10	11.07	49.00
48	28	Skill Development	15.69	0.00	15.69	1.00	6.34	14.70	14.70	100.00	0.00
Total CAPITAL			1,566.21	1,441.83	3,008.04	2,208.48	73.42	799.56	608.79	76.14	190.77
Grand Total			7,976.22	1,623.47	9,599.69	7,647.50	79.66	1,952.19	1,297.35	66.46	654.84

Appendix 3.5
Statement Showing Results of Review of Substantial Surrenders (50 per cent or more of Total Provision) made during the year

(Reference: Paragraph 3.3.3.2)

(₹ in lakh)

Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of Surrender
			(Head of Account)			
1	1	Agriculture Department	National Food Security Mission 2435-60-800-01	860	622.96	72.44
<i>The provision of ₹ 622.96 lakh was surrendered due to non release of fund from Government of India.</i>						
2	1	Agriculture Department	Agriculture Department 2435-60-800-02	2080	1685.55	81.04
<i>The provision of ₹ 1685.55 lakh was surrendered due to non release of fund from Government of India.</i>						
3	2	Animal Husbandry and Veterinary Services	National Livestock Management Programme 2403-106-08	6.5	6.5	100
<i>The provision of ₹ 6.50 lakh was surrendered due to provision was kept in anticipation of central receipt.</i>						
4	2	Animal Husbandry and Veterinary Services	Scheme Funded by Power Developers 4405-101-72	30	26.98	89.93
<i>The provision of ₹ 26.98 lakh was surrendered due to non-completion of work and non-receipt of complete bill as anticipated.</i>						
5	3	Building and Housing	Building and Housing Department 2059-80-799-03	50	49.67	96
<i>The provision of ₹ 49.67 lakh was surrendered due to non-procurement of stock materials due to technical issue of GST.</i>						
6	3	Building and Housing	Development of Infrastructure Facilities for Judiciary including Gram Nyayalayas 4059-01-051-31	413.8	295	71.3
<i>The provision of ₹ 295 lakh was surrendered due to non-receipt of fund from Government of India, Ministry of Law & Justice and surrender of token provision.</i>						
7	4	Co-operation	Expenditure on Conduct of Audit 2425-101-61	15	15	100
<i>The provision of ₹ 15 lakh was surrendered due to cancelled training programmed.</i>						
8	7	Education	National Education Mission 2202-04-200-29	45	45	100
<i>Augmentation of provision by ₹ 56.00 lakh in September 2022 was required for the implementation of Central Scheme. The provision of ₹ 45 lakh was surrendered due non- receipt of fund from Government of India.</i>						
9	7	Education	National Education Mission 4202-01-203-29	4040	3980.71	98.53
<i>Surrender of ₹ 3955.71 lakh was due to non-receipt of fund from Government of India.</i>						
10	7	Education	National Education Mission 4202-02-103-29	847.5	782.65	92.35
<i>The provision of ₹ 782.65 lakh was surrendered in March 2023 due to non-receipt of fund from Government of India.</i>						

Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of Surrender
11	8	Election	Photo Identity Cards	91.8	54.53	59.4
			2015-108-63			
<i>The provision of ₹ 54.53 lakh was surrendered due to non-submission of voter card printing bills.</i>						
12	10	Finance	Cost of Stamps	16.5	11.98	54.45
			2030-01-101			
			2030-02-101			
<i>The provision was surrendered under two sub-head was due to no claim of commission.</i>						
13	10	Finance	House Building Advances to A.I.S. Officers	125	87.5	70
			7610-201-61			
<i>The provision was surrendered during the year as only few All India Services Officer has claim for House Building Advance loan than anticipated.</i>						
14	10	Finance	Motor Conveyance to State Government Employees	10	10	100
			7610-202-62			
<i>The provision was surrendered as no claim has been received from the All India Services Officers.</i>						
15	11	Food and Civil Supplies	Establishment	21.44	12.68	59.14
			3475-106-60			
<i>The provision was surrendered was due to newly appointed Inspector who are paid consolidated salary till February 2023 and conformation of regularization is under progress.</i>						
16	11	Food and Civil Supplies	National Food Security Mission	425.48	218.51	51.36
			4408-01-101-01			
<i>Surrender of ₹ 218.51 lakh was due to non-receipt of anticipated bill.</i>						
17	11	Food and Civil Supplies	National Food Security Mission	120	114.42	100
			5475-102-01			
<i>The provision of ₹ 114.42 lakh was reduced through surrender for construction of working standard Laboratory and Tank Lorry Calibration station.</i>						
18	12	Forest & Environment	Forest Protection Scheme	4026.21	3123.77	77.59
			2406-01-101-66			
<i>The provision of ₹ 3,123.77 lakh was surrendered due to state share transferred to project based on actual receipt and restriction of expenditure within actual receipt of fund.</i>						
19	12	Forest & Environment	National Livestock Management Programme	438.18	438.18	100
			2406-01-105-08			
<i>The provision was surrendered due to non-receipt of bills and non-receipt of fund from Government of India.</i>						
20	12	Forest & Environment	Integrated Development of Wild Life Habits	837	661.5	79.03
			2406-02-110-13			
<i>The provision of ₹661.5 was surrendered due to restriction of expenditure within actual receipt of fund.</i>						
21	12	Forest & Environment	National Afforestation Programme (National Mission for Green India)	215	161.76	75.24
			4406-01-101-11			
<i>The provision of ₹ 161.76 lakh was surrendered due to proportionate state share transferred to Single Nodal Agency based on actual receipt.</i>						

Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of Surrender
22	13	Health and Family Welfare	Bio Medical Waste Management and HFNO 4210-01-110-61	523.33	523.33	100
<i>The entire provision was surrendered due to non-receipt of fund from Government of India.</i>						
23	13	Health and Family Welfare	National Health Mission including NRHC 4210-04-101-15	500	355	71
<i>The provision of ₹ 355 lakh was surrendered due to non-receipt of fund from Government of India.</i>						
24	13	Health and Family Welfare	PM-Ayushman Bharat Healthcare Infrastructure Mission 4210-04-200-18	144	110.67	76.85
<i>The provision of ₹ 110.67 lakh was surrendered due to non-receipt of fund from Government of India.</i>						
25	15	Horticulture	National Horticulture Mission 2401-119-02	5866.5	3816.07	65.05
<i>The provision of ₹ 3816.07 lakh was surrendered due to last minute submission of bills by Advisor and Chairman and less release of fund from Government of India.</i>						
26	16	Commerce and Industries	Setting up of Heritage/handicraft museum at Namchi, South Sikkim (NEC) 2851-003-63	88.68	88.68	100
<i>The entire provision was surrendered due to fund received in the previous financial year.</i>						
27	19	Water Resources	Original Works 2702-01-103-60	239.77	239.77	100
<i>Surrendered due to non-receipt of equivalent central share of fund from the Ministry.</i>						
28	19	Water Resources	Pradhan Mantri Krishi Sinchayi Yojana-Har Khet ko Pani 4702-101-62	5301.8	3863.65	72.87
<i>Surrendered of ₹ 3863.65 lakh was due to non-receipt of central share of funds.</i>						
29	22	Land Revenue & Disaster Management	Repairs and restoration of damaged water supply, drainage and sewerage works 2245-02-109	250	250	100
<i>Surrendered due to non-completion of projects and non-receipts of bills</i>						
30	22	Land Revenue & Disaster Management	Disaster Mitigation 2245-08-101	3420	2352	68.77
<i>Surrendered due to non-submission of bills.</i>						
31	22	Land Revenue & Disaster Management	Transfer to State Disaster Mitigation Fund 2245-08-797-60	1180	1060	89.83
<i>The provision of ₹ 1060 lakh was surrendered due to cut imposed by Government of India.</i>						
32	29	Planning and Development	Support for Statistical Strengthening (CSS) 3454-02-201-47	95.6	55.66	58.22
<i>Surrender of ₹ 55.66 lakh was due to non-receipt of fund from Government of India.</i>						
33	33	Public Health Engineering	Water Supply Scheme for South District 4215-01-101-72	1311.45	898.01	68.47

Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of Surrender
<i>Surrendered due to minor differences in estimate and actuals after closure of works and change in funding procedure to las via Central Nodal Agency instead of State Treasury.</i>						
34	33	Public Health Engineering	Water Supply Scheme for West District 4215-01-101-74	2900	1852	63.86
<i>The provision of ₹ 1,852.00 lakh was surrendered due to receipt of 100 percent central share by 2021-22 and change in funding procedure to las via Central Nodal Agency instead of State Treasury.</i>						
35	34	Roads and Bridges	Roads and Bridges Department 2059-60-799-35	100	91.02	91.02
<i>The provision of ₹ 91.02 lakh was surrendered due to non-receipt of bills.</i>						
36	34	Roads and Bridges	Transfer to Reserve Fund/ Deposit Accounts 3054-04-797	3000	1722	58.22
<i>Surrender of provision of ₹ 1,722.00 lakh was due to non-receipt of anticipated funds from Government of India.</i>						
37	34	Roads and Bridges	Construction of Bridges in East Sikkim 5054-04-101-71	581.25	581.25	100
			Construction of Bridges in North Sikkim 5054-04-101-72	2612.4	2612.4	100
<i>Withdrawal of provision by ₹ 3193.65 lakh under the above mentioned two sub head through surrender was due to revised procedure for flow of funds under Central Share Scheme through Central Nodal Agency, the mode of payment has been changed from Treasury to Public Financial management.</i>						
38	35	Rural Development	Swacch Bharat Mission (Gramin) SBM 2215-02-105-81	2345	1705.76	72.74
<i>Surrender of provision of ₹ 17,05.76 lakh in March 2023 due to transfer of employees, austerity measures and non receipt of bills.</i>						
39	35	Rural Development	National Rural Drinking Water Programme (NRDWP) 4215-01-102-40	200	100	50
<i>The provision of ₹ 100 lakh was surrendered due to non-receipt of fund from Government of India.</i>						
40	38	Social Justice and Welfare	Scheme for Development of Scheduled Caste 2225-01-277-42	206.6	179.3	72.74
<i>The provision of ₹ 179.30 lakh was surrendered due to non release of fund.</i>						
41	38	Social Justice and Welfare	National Action Plan for Senior Citizen 2235-02-104-68	131	115.07	87.84
<i>The provision of ₹ 115.07 lakh was surrendered due to non-release of fund.</i>						
42	38	Social Justice and Welfare	Special Nutrition Programmes 2236-02-101	1342.23	1190.18	88.67
<i>The provision of ₹ 1190.18 lakh was surrendered due to non-release of fund.</i>						
43	38	Social Justice and Welfare	Schemes for Development of OBC and De-notified Tribes (DNT) and Semi nomadic tribes 4225-03-800-43	519.76	370.43	71.27
<i>Reduction of provision by ₹ 370.43 lakh through surrender in March 2023 was due to Fund not received.</i>						

Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of Surrender
44	40	Tourism and Civil Aviation	Tourism Development Activities 3452-01-104-63	320	226.97	72.74
<i>The provision of ₹ 226.97 lakh was surrendered due to meet up the expenditure incurred for foundation stone laying ceremony for the Sikkim Su-swasta Bhawan at Khargar Navi Mumbai and less claim of bill by Adventure Cell.</i>						
45	40	Tourism and Civil Aviation	Soreng District 5452-01-101-50	250.95	250.95	100
<i>Entire provision of ₹ 250.95 lakh was surrendered as fund received outside Government Account and Project Completed.</i>						
46	40	Tourism and Civil Aviation	Development Projects 5452-01-101-60	20714	18695.38	88.67
<i>The provision of ₹ 18,695.38 lakh was surrendered due to project has been renamed as Fambong Lho Heritage Park. Hence, the provision under the old head of account is proposed to be surrendered and re-appropriated to the new head of account depicting charged nomenclature and fund received outside Government Account.</i>						
47	40	Social Justice and Welfare	Tourist Destination Projects 5452-01-101-62	2643	2578.01	97.54
<i>The provision by ₹ 2,578.01 lakh was surrendered due to project has been renamed as Fambong Lho Heritage Park. Hence, the provision under the old head of account is proposed to be surrendered and re-appropriated to the new head of account depicting charged nomenclature and fund received outside Government Account.</i>						
48	41	Urban Development	Swacch Bharat Mission 2217-05-800-81	826	766	92.74
		Urban Development	Scheme under Ministry of Urban Development and HUPA 2217-05-800-82	2945	2904.64	98.63
<i>The provision of ₹ 3,670.64 lakh was surrendered in March 2023 due to non- receipts of fund from Government of India.</i>						
49	41	Urban Development	National Urban Livelihood Mission 3475-108-20	197.91	165	83.37
<i>The provision by ₹ 165 lakh was surrendered due to non- receipts of fund from Government of India.</i>						
50	41	Urban Development	Construction Parking Place at Namthang 4217-03-051-82	494.9	494.9	100
			Projects/Schemes for the benefit of N.E. Region and Sikkim (Central Share) 4217-03-051-83	121	51.4	42.48
<i>The provision of ₹ 546.30 lakh was surrendered due to sum allocated in zero balance subsidiary account through CAN and non-submission of bills.</i>						
51	46	Municipal Affairs	State Level Capacity Building fund recommended under 5th State Finance Commission 3604-200-89	220.43	220.43	100
<i>The provision by ₹ 220.43 lakh was surrendered due to non- submission of bills.</i>						
52	47	Skill Development	Department of Personnel, AR and Training 2070-003-29	2030.28	1675.88	82.54

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Sl. No.	Grant No.	Name of Grant	Name of the scheme	Original Provision	Amount of Surrender	% of Surrender
<i>The provision by ₹ 1,675.88 lakh in March 2023 was surrendered due to cut imposed by the Government of India.</i>						
53	47	Skill Development	Construction of 3 Hostels and 3 boundary walls	222.07	208.14	93.73
			4059-01-051-66			
<i>The provision by ₹ 208.14 lakh in March 2023 was surrendered due to non receipt of fund from Government of India.</i>						
54	47	Skill Development	Upgradation of Government ITI, Namchi into Model ITI	49.5	49.5	100
			4059-01-051-67			
<i>The entire provision by ₹ 49.5 lakh in March 2023 was surrendered due to cut imposed by the Government of India.</i>						
55	47	Skill Development	Construction of ITI at Chambung West Sikkim	623.81	620.23	99.42
			4059-01-051-70			
55	47	Skill Development	Construction of ITI at Aritar, East Sikkim	583.33	575.37	98.63
			4059-01-051-72			
<i>The provision of ₹ 1,195.60 lakh of above mentioned two sub-heads in March 2023, was surrendered due to non-receipt of fund from Government of India.</i>						
Total				80457.43	66330.97	

Appendix 3.6
Details of surrender of funds in excess of ₹ one crore at the end of March 2023
(Reference: Paragraph 3.3.3.3)

Sl. No.	Grant No.	Name of Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	% of Utilisation	Savings out of Total provision	Surrendered	Surrender as % of saving	Saving excluding surrender
A – REVENUE (VOTED)											
1	1	Agriculture Development	216.11	2.44	218.55	166.79	76.32	51.76	51.71	99.91	0.05
2	2	Animal Husbandry and Veterinary Services	121.82	4.82	126.64	90.69	71.61	35.95	35.70	99.31	0.25
3	3	Buildings & Housing	42.28	0.14	42.42	40.44	95.32	1.98	1.97	99.55	0.01
4	4	Co-operation	21.73	0.82	22.54	20.58	91.30	1.96	1.95	99.53	0.01
5	6	Ecclesiastical	37.03	8.40	45.43	40.27	88.65	5.15	5.15	99.95	0.00
6	7	Education	1373.48	37.50	1410.98	1318.49	93.45	92.49	85.67	92.63	6.82
7	11	Food and Civil supplies	34.98	10.30	45.28	42.57	94.01	2.71	2.66	98.06	0.05
8	12	Forestry and Environment	291.70	1.80	293.50	152.68	52.02	140.82	60.48	42.95	80.34
9	13	Health and Family Welfare	606.36	27.30	633.66	594.33	93.79	39.33	17.13	43.56	22.20
10	14	Home	83.84	17.55	101.39	98.10	96.75	3.29	2.22	67.46	1.07
11	15	Horticulture	128.35	0.00	128.35	86.81	67.64	41.54	41.52	99.96	0.02
12	16	Commerce and Industries	63.81	6.69	70.50	63.33	89.83	7.17	6.62	92.42	0.54
13	18	Information Technology	15.77	0.11	15.88	12.32	77.56	3.56	3.57	100.15	-0.01
14	19	Water Resources	33.66	6.46	40.12	37.61	93.75	2.51	2.49	99.44	0.01
15	20	Judiciary	40.41	0.04	40.44	36.86	91.14	3.59	3.55	98.96	0.04
16	22	Land Revenue & Disaster Management	374.72	0.83	375.56	171.34	45.62	204.21	73.67	36.08	130.54
17	27	Parliamentary Affairs	12.36	0.00	12.36	10.47	84.64	1.90	1.90	99.98	0.00
18	28	Department of Personnel	46.68	0.45	47.14	26.15	55.48	20.99	20.80	99.08	0.19
19	29	Planning and Development	22.04	0.81	22.85	21.00	91.87	1.86	1.85	99.70	0.01
20	30	Police	569.85	2.96	572.81	547.21	95.53	25.60	23.46	91.62	2.14
21	31	Power	398.54	9.79	408.33	405.15	99.22	3.18	3.38	106.19	-0.20
22	33	Public Health Engineering	50.62	0.54	51.16	49.11	95.99	2.05	2.02	98.66	0.03
23	34	Roads and Bridges	268.84	5.00	273.84	243.60	88.96	30.24	30.22	99.93	0.02
24	35	Rural Development	361.69	11.74	373.43	298.41	79.91	75.02	57.05	76.05	17.97
25	37	Transport Department	78.83	0.00	78.83	74.36	94.34	4.46	3.05	68.38	1.41

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Sl. No.	Grant No.	Name of Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	% of Utilisation	Savings out of Total provision	Surrendered	Surrender as % of saving	Saving excluding surrender
26	38	Social Justice and Welfare	696.17	6.23	702.41	445.17	63.38	257.24	58.13	22.60	199.11
27	39	Sports and Youth Affairs	24.69	2.41	27.09	24.78	91.47	2.31	2.58	111.69	-0.27
28	40	Tourism & Civil Aviation	54.98	9.25	64.24	48.17	74.99	16.06	16.05	99.95	0.01
29	41	Urban Development	92.03	0.88	92.92	49.25	53.01	43.67	43.44	99.49	0.22
30	43	Panchayat Raj Institutions	155.65	4.89	160.54	158.69	98.85	1.85	1.85	99.92	0.00
31	46	Municipal Affairs	31.67	0.00	31.67	23.47	74.10	8.20	8.20	100.00	0.00
32	47	Skill Development	31.26	0.00	31.26	14.04	44.91	17.22	17.20	99.91	0.02
Total – REVENUE			6,381.96	180.17	6,562.13	5,412.24	82.47	1,149.89	687.29	59.77	462.60
B- CAPITAL (VOTED)											
34	3	Buildings & Housing	76.46	211.58	288.05	259.05	89.93	29.00	2.95	10.17	26.05
35	5	Culture	25.57	12.30	37.87	34.66	91.51	3.21	3.07	95.47	0.15
36	6	Education	165.37	98.53	263.90	149.55	56.67	114.36	74.34	65.01	40.01
36	8	Food and Civil supplies	5.45	0.00	5.45	2.13	38.96	3.33	3.33	100.00	0.00
37	9	Forestry and Environment	2.15	0.00	2.15	0.53	24.76	1.62	1.62	99.99	0.00
38	10	Health and Family Welfare	27.79	23.75	51.54	36.87	71.54	14.67	9.90	67.52	4.76
39	11	Home	11.17	0.00	11.17	8.30	74.24	2.88	2.88	99.96	0.00
40	14	Water Resources	103.52	35.00	138.52	99.80	72.05	38.72	38.71	99.99	0.01
41	18	Power	95.08	131.98	227.06	225.46	99.29	1.60	1.58	98.58	0.02
42	20	Public Health Engineering	105.13	20.67	125.80	89.87	71.43	35.94	28.01	77.95	7.93
43	21	Roads and Bridges	254.16	64.99	319.15	190.46	59.68	128.69	75.46	58.64	53.23
44	22	Rural Development	283.89	488.45	772.33	648.80	84.00	123.54	123.54	100.00	0.00
45	24	Social Justice and Welfare	29.30	0.00	29.30	12.69	43.32	16.60	7.03	42.32	9.58
46	26	Tourism & Civil Aviation	237.52	189.00	426.52	210.91	49.45	215.61	215.58	99.99	0.03
47	27	Urban Development	127.95	165.58	293.53	238.42	81.23	55.10	6.10	11.07	49.00
48	28	Skill Development	15.69	0.00	15.69	1.00	6.34	14.70	14.70	100.00	0.00
Total - CAPITAL			1,566.21	1,441.83	3,008.04	2,208.48	73.42	799.56	608.79	76.14	190.77
GRAND TOTAL			7948.17	1622.00	9570.17	7620.73	79.63	1949.44	1296.08	66.48	653.37

Appendix - 3.7
Statement showing details of incomplete projects more than ten crores
(Reference: Paragraph 3.4.2)

(₹ in crore)

Sl. No.	Name of the project/ works(having estimated cost of ₹ 10 crore or more)	Target of Completion	Estimated cost of work	Progressive expenditure at the end of year 2022-23	Pending payments	Physical progress as on 31 March 2023 (in per cent)
A	Building and Housing					
1	Construction of Ethnic Cultural Centre, Buriakhop, West Sikkim (Phase-I)	2020	100.00	12.00	88.00	12
2	(i) Construction Of Gyan Mandir State Library Gangtok (Phase-I)	2021	199.96	83.08	116.88	44
3	(ii) Extra Depth & Extra Height of Pile (Gyan Mandir Project)	-	13.33	13.08	0.25	-
4	Construction Of Folk History Centre at Assam Lingzey, Gacharan (Phase-I)	2018	110.00	14.00	96.00	15
5	Underground Parking Space at Namchi (State Share) NESIDS = 1477.00 lakh and *State = 4052.79 lakh . Total amount = 5529.79 lakh. *(Tender premium + Revised cost of NESIDS work)	2022	55.30	80.11	-24.81	20
6	Construction of Yatri Newas at Krishna Pranami Mangaldham, Namphing, South Sikkim	2024	10.65	3.00	7.65	25
7	Conceptualising, Drawing, Design of 300 Bedded District Hospital at Namchi	2024	561.26	150.91	410.35	18
8	Construction of Nepali Sanskriti Bhawan at Jorethang South Sikkim	2024	27.36	5.75	21.61	7
9	Construction of Multi purpose Community Centre at Soreng	2024	16.54	3.74	12.81	13
10	Construction of Shakti Sithal at Mungrang (Allocation transferred from Culture Department w.e.f 22-23)	-	19.24	6.38	12.85	10
11	Construction of Mini Secretariat at LumseyGangtok	2026	295.00	25.00	270.00	-
12	Construction of District Administrative Centre at Pakyong	2026	134.29	10.00	124.29	-
13	Construction of District Administrative Centre at Soreng	2026	125.00	10.81	114.19	-
B	Tourism & Civil Aviation					
1	Construction of pilgrimage centre with 54 feet high statue of Nishani Kali Devi at Bundang Gadi, Central Pendam, East Sikkim	2020	63.83	12.1088	51.7212	15
2	Development of support facility for Sky walk at Bhaleydung	2020	326.65	221.83	104.82	68

Sl. No.	Name of the project/works(having estimated cost of ₹ 10 crore or more)	Target of Completion	Estimated cost of work	Progressive expenditure at the end of year 2022-23	Pending payments	Physical progress as on 31 March 2023 (in per cent)
3	Construction of Asta Chirinjivy Pilgrimage Tourist Centre at Nagi, Namthang	2020	83.4082	12.3938	71.0144	38
4	Construction of herbal medical and spiritual healing tourist complex at Nandugaon in South Sikkim	2024	51.432	16.7	34.732	45
5	Construction and beautification of Rolu Mandir in South Sikkim	2025	50.4965	1.3	49.1965	15
6	Design, supply, erection, implement, Testing and commission of	2024	146.07	87.2244	58.8456	60
7	Construction of Eco tourism pilgrimage (brindabhan dham) at dadhok in West Sikkim (Phase-1)	2024	243.63	114.995	128.635	55
8	Construction of Four patron saints of Sikkim (three lamas and one chogyal) at Yuksom	2023	37.6275	1850.41	19.1234	51
9	Development of Regional Kirat Rai linguistic and cultural research centre, Kirat Rai Mangkhim, Kirat Rai Manokamna at ParenGaon in Soreng District	2025	2263.00	300.00	1963.00	15
10	Development of Fambong heritage park at Sang	-	22.63	3	19.63	30
11	Development of tourist infrastructure for kailash mansarovar yatra in Sikkim(State Share)	-	69.9948	7	62.9948	80
C	Public Health Engineering					
1	Pollution Abatement scheme of River Ranichu (through rorochu) for zone III Gangtok, under NRCP	2023	94.66	68.57	26.09	90
2	Up-gradation & Rehabilitation of sewer network in zone I Gangtok for pollution abatement of river Rani Chu	2024	104.45	36.35	68.10	40
3	Pollution Abatement of River Teesta at Mangan Town Sikkim under NRCP	2025	91.94	6.75	85.19	5
4	Pollution Abatement of River Teesta at Chungthang Town Sikkim under NRCP	2024	31.09	0.75	30.34	2
5	Pollution Abatement of River Teesta at Rangit at Geyzing Town Sikkim under NRCP	2024	88.80	3.95	84.85	5
6	Augmentation of Gyalsing water supply scheme in West Sikkim	2025	60.05	20.58	39.47	51
	TOTAL		3255.01	2866.76	2220.16	

Appendix 4.1

Statement showing funds transferred directly to implementing agencies in the State under the Schemes/Programmes outside the State Budget during 2022-23

(Reference: Paragraph 4.2)

₹ in crore)

Centrally Sponsored Scheme		
Government of India Scheme	Implementing Agency	Amount
Sambal (One Stop Centre Mahila Police Volunteer Women Helpline)	OSC South Sikkim	0.16
Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	SWSM Sikkim, Gangtok	188.92
Mission Vatsalya (Child Protection Services and Child Welfare Services)	State Child Protection Society	10.47
Incentivisation of Panchayat	Lungchokkamarey GPU	0.08
	LumGorSangtok GPU	0.05
	BarfokLingdong GPU	0.10
	LingchomTikjya GPU	0.08
	Simiklingzey GPU	0.05
	West District Zilla Panchayat	0.50
Rastriya Gokul Mission	Sikkim Livestock's Development Board	5.74
National Action Plan for Drug Demand Reduction	Sajeevani Rehab Society	0.19
Organic Value Chain Development for North East Region	Sikkim Organic Mission	15.42
National Programme for Dairy Development	North District Milk Producers Co-operative Union Ltd. Mangan, North Sikkim	0.06
	Sikkim Cooperative Milk Producers Union Ltd.	4.77
DBT Scheme of Government of India under Centrally Sponsored Scheme		
Mahatma Gandhi National Rural Guarantee Program	State Rural Employment Guarantee Agency	93.37
	Total	319.96
Central Sector Scheme		
Government of India Scheme	Implementing Agency	Amount
Aid to Voluntary Organisations Working for the Welfare of Scheduled Tribes	Muyal Liang Trust (MLT)	0.21
	Human Development Foundation of Sikkim, GRBA Road Chongey Tar, Gangtok, East Sikkim (HUMANSIKKIM)	0.26
Kala Sanskriti Vikas Yojana	Himalayan Heritage Research and Development Society	0.02
	Sikkim Mahila Kalyan Sangh	0.03
National AIDS and STD Control Programme	Sikkim State AIDS Control Society	9.21
National Service Scheme	Sikkim State NSS Cell	0.76
Khelo India	Khelo India SYDB Sports and Youth Affairs	8.46
Designing Innovative Solutions for Holistic Access to Justice in India	Sikkim State Commission for Women	0.10
Livestock Health and Disease Control	Sikkim Livestock's Development Board	0.13
Land Records Modernization Programme	Sikkim Geo-Tech Society	0.45
Management Support to Rural Development Programs and Strengthening of District Planning Process	State Institute of Rural Development, Sikkim	1.38
Schemes for differently Abled Persons	Unique Disability Identity	0.06
Blood Transfusion Services	Sikkim State AIDS Control Society	0.40
Supporting Community Radio Movement in India	Arithang Neel Gagan development Society	0.07
National Digital Health Mission	State Health Society Sikkim	0.19
Capacity Development CSO and NSSO	Director of Economics and Statistics, M & E, Sikkim	0.70
Total		22.43
	Grant Total	342.39

Appendix 4.2
Statement Showing Department-wise Outstanding Utilisation Certificates
up to 31 March 2023

(Reference: Paragraph 4.5.1)

Department	Year of Grant	No.	Amount in ₹
Agriculture	2002-2003	1	10,000
	2007-2008	3	2,57,000
Animal Husbandry and Veterinary Services	2008-2009	17	3,64,000
	2009-2010	5	2,18,000
	2018-2019	1	12,00,000
Co-operation	2014-2015	1	20,000
Culture	2015-2016	7	3,50,000
	2016-2017	32	59,75,000
	2017-2018	26	7,20,000
	2018-2019	5	20,30,000
	2019-2020	7	30,57,000
	2020-2021	3	9,99,000
	2021-2022	1	1,00,00,000
Ecclesiastical	2017-2018	25	16,47,63,951
	2018-2019	47	15,54,54,500
	2019-2020	3	28,73,500
	2020-2021	12	2,10,55,000
	2021-2022	40	18,35,62,000
Education	2004-2005	5	54,228
	2014-2015	2	5,50,000
Forest and Environment	2007-2008	2	8,50,000
	2008-2009	2	70,000
	2009-2010	1	25,000
Health and Family Welfare	2017-2018	2	12,00,000
	2018-2019	3	17,00,000
	2019-2020	1	20,00,000
	2020-2021	1	1,00,000
	2021-2022	5	39,96,000
Home	2018-2019	1	15,00,000
	2021-2022	1	81,89,250
Horticulture	2021-2022	2	1,00,00,000
Commerce and Industries	2002-2003	1	3,00,000
	2007-2008	2	22,69,555
	2008-2009	1	23,76,221
	2009-2010	6	21,25,000
Information and Public Relation	2002-2003	4	2,50,000
Information Technology	2007-2008	1	1,08,750
Labour	2007-2008	1	94,230
	2008-2009	3	2,33,685
	2009-2010	5	1,16,000
Motor Vehicles	2018-2019	4	3,27,300
	2019-2020	3	9,97,791
	2020-2021	7	13,82,080
	2021-2022	6	8,59,834
Power	2008-2009	8	1,60,00,000

Department	Year of Grant	No.	Amount in ₹
Rural Development	2004-2005	3	40,00,000
	2005-2006	4	60,00,000
	2006-2007	4	60,00,000
	2007-2008	16	1,67,60,000
	2008-2009	16	2,22,15,000
	2009-2010	15	1,61,70,600
Science and Technology	2002-2003	4	65,00,000
	2003-2004	3	70,00,000
	2008-2009	1	19,45,000
	2010-2011	1	1,71,590
	2011-2012	1	15,00,000
	2021-2022	1	2,50,000
Social Justice and Welfare	2004-2005	40	46,84,110
	2005-2006	27	37,99,835
	2006-2007	15	15,45,307
	2007-2008	69	2,44,91,792
	2008-2009	54	1,57,79,130
	2009-2010	41	2,15,76,223
	2010-2011	20	35,73,985
	2011-2012	25	1,04,06,849
	2012-2013	16	1,31,03,637
	2013-2014	15	40,57,430
	2014-2015	9	22,44,859
	2015-2016	2	20,31,703
	2017-2018	1	18,00,000
	2018-2019	1	50,00,000
	2020-2021	1	41,00,000
2021-2022	77	4,85,18,922	
Sports and Youth Affairs	2002-2003	39	22,03,809
	2003-2004	32	56,60,438
	2004-2005	7	5,00,000
	2005-2006	7	14,74,952
	2006-2007	2	4,50,000
	2008-2009	5	18,90,000
	2009-2010	10	13,81,000
	2011-2012	1	24,00,000
	2018-2019	2	12,50,000
	2019-2020	6	2,65,000
	2020-2021	2	12,42,200
	2021-2022	4	39,37,000
Tourism and Civil Aviation	2002-2003	4	9,04,000
	2003-2004	11	7,57,425
	2021-2022	7	6,66,00,000
Urban Development	2021-2022	1	10,00,000
Panchayat Raj Institutions	2010-2011	8	10,00,000
	2015-2016	1	33,00,000
Total		947	96,20,25,671

Appendix 4.3
Statement Showing Oldest Unadjusted AC bills for the Years upto 2022-23

(Reference: Paragraph 4.7)

Sl. No.	Name of the Department	Year Involved	Nos of Unadjusted AC Bills	Amount in ₹
1	Culture	2001-2002	1	1,7,0000
2	Finance	2001-2002	2	29,172
3	Health and Family Welfare	2001-2002	1	11,395
4	Home	2001-2002	5	4,27,053
5	Horticulture	2001-2002	18	5,56,748
6	Commerce and Industries	2001-2002	1	7,000
7	Information and Public Relation	2001-2002	1	8,018
8	Labour	2001-2002	6	77,313
10	Planning and Development	2001-2002	3	93,017
11	Police	2001-2002	1	2,021
12	Roads & Bridges	2001-2002	2	11,460
13	Science and Technology	2001-2002	2	30,663
14	Sports and Youth Affairs	2001-2002	8	2,50,327
15	Tourism and Civil Aviation	2001-2002	2	95,540
16	Public Service Commission	2001-2002	1	10,260
Total			54	17,79,987

Appendix 4.4
Statement Showing Department-wise Pendency of AC bills for the Years up to
2022-23

(Reference: Paragraph 4.7)

Department	Year	No.	Amount in ₹
Agriculture	2008-2009	1	4,78,000
	2010-2011	2	7,14,398
	2014-2015	1	6,455
	2016-2017	2	20,16,000
	2017-2018	5	83,550
	2018-2019	3	2,48,390
	2019-2020	8	54,82,194
	2020-2021	3	55,14,631
	2022-2023	6	4,29,833
Animal Husbandry and Veterinary Services	2004-2005	1	34,316
	2007-2008	1	3,00,000
	2012-2013	1	30,00,000
	2017-2018	1	3,40,920
	2019-2020	1	8,678
	2021-2022	5	97,052
	2022-2023	11	53,60,957
Buildings and Housing	2006-2007	1	9,241
	2007-2008	1	16,250
	2009-2010	1	6,000
	2011-2012	3	40,421
	2012-2013	3	42,714
	2013-2014	1	23,044
	2015-2016	1	7,391
	2016-2017	3	74,611
	2017-2018	1	21,049
	2018-2019	2	39,964
	2019-2020	2	31,488
	2022-2023	8	2,21,850
	Co-operation	2014-2015	1	4,682
2017-2018		2	9,09,400
2020-2021		1	5,97,300
2022-2023		2	52,934
Culture	2001-2002	1	1,70,000
	2016-2017	1	9,00,000
	2017-2018	3	45,196
	2019-2020	3	1,16,840
	2021-2022	1	38,232
	2022-2023	2	6,50,000
Ecclesiastical	2018-2019	1	2,301
	2019-2020	2	2,30,000
	2022-2023	3	95,176
Education	2003-2004	1	15,674
	2005-2006	1	13,272
	2010-2011	2	73,860
	2011-2012	3	3,02,604
	2012-2013	4	61,644
	2013-2014	2	13,658
	2014-2015	3	1,64,665

Department	Year	No.	Amount in ₹
Education	2016-2017	2	35,361
	2017-2018	2	14,239
	2018-2019	1	6,32,425
	2019-2020	1	22,349
	2020-2021	5	4,90,940
	2021-2022	2	36,45,080
	2022-2023	5	2,65,96,620
Election	2013-2014	1	60,000
	2015-2016	1	8,15,000
	2016-2017	4	14,48,000
	2017-2018	2	5,46,475
	2018-2019	8	29,79,893
	2019-2020	3	4,52,192
	2020-2021	1	7,163
	2021-2022	2	5,27,500
	2022-2023	1	1,29,705
Excise	2021-2022	1	39,000
	2022-2023	7	4,13,843
Finance	2001-2002	2	29,172
	2002-2003	7	1,57,713
	2003-2004	8	1,93,143
	2004-2005	8	3,07,184
	2005-2006	2	28,422
	2006-2007	2	22,110
	2007-2008	7	72,697
	2008-2009	7	4,06,095
	2009-2010	2	35,000
	2010-2011	2	56,000
	2011-2012	4	28,000
	2013-2014	1	10,000
	2015-2016	2	58,042
	2016-2017	3	72,825
	2017-2018	9	3,38,368
	2018-2019	5	1,86,375
	2019-2020	3	1,06,715
	2020-2021	4	96,143
	2021-2022	1	16,536
	2022-2023	12	90,74,766
Food and Civil Supplies	2017-2018	1	12,87,380
	2021-2022	6	87,669
	2022-2023	7	1,68,483
Forest and Environment	2014-2015	1	7,802
	2015-2016	1	14,582
	2016-2017	1	8,655
	2017-2018	3	19,680
	2018-2019	3	1,70,256
	2019-2020	2	29,231
	2020-2021	3	51,693
2022-2023	6	2,73,953	

Department	Year	No.	Amount in ₹
Health and Family Welfare	2001-2002	1	11,395
	2002-2003	1	59,272
	2004-2005	9	90,717
	2005-2006	1	17,668
	2007-2008	2	1,35,800
	2010-2011	7	3,32,825
	2011-2012	2	36,512
	2012-2013	30	6,05,847
	2013-2014	16	6,07,021
	2014-2015	2	1,32,294
	2015-2016	5	6,80,000
	2016-2017	2	8,76,000
	2017-2018	1	1,10,06,750
	2018-2019	8	67,52,640
	2019-2020	1	6,09,000
	2020-2021	2	2,96,400
	2021-2022	1	4,01,602
	2022-2023	4	10,50,000
Home	2001-2002	5	4,27,053
	2002-2003	13	2,27,859
	2003-2004	24	6,01,264
	2004-2005	24	86,14,268
	2005-2006	21	7,60,244
	2006-2007	44	36,92,232
	2007-2008	38	29,64,021
	2008-2009	23	46,18,845
	2009-2010	24	4,48,734
	2010-2011	5	2,09,272
	2011-2012	16	5,46,374
	2012-2013	4	2,33,652
	2013-2014	9	7,24,391
	2014-2015	2	73,760
	2015-2016	6	12,89,479
	2016-2017	2	37,673
	2017-2018	8	24,48,577
	2018-2019	3	1,70,600
	2019-2020	4	72,503
	2020-2021	3	1,62,599
2021-2022	4	1,81,268	
2022-2023	7	8,30,583	
Horticulture	2001-2002	18	5,56,748
	2002-2003	45	99,26,827
	2003-2004	45	67,22,030
	2014-2015	1	3,21,21,000
	2017-2018	2	38,298
	2018-2019	5	92,887
	2019-2020	6	1,49,995
	2021-2022	1	23,850
	2022-2023	2	1,33,751

Department	Year	No.	Amount in ₹
Commerce and Industries	2001-2002	1	7,000
	2003-2004	2	49,449
	2011-2012	1	5,300
Information and Public Relation	2001-2002	1	8,018
	2002-2003	2	28,700
	2003-2004	6	12,38,702
	2005-2006	1	13,650
	2018-2019	2	21,200
	2019-2020	2	27,136
	2020-2021	2	80,13,568
	2021-2022	3	2,14,909
	2022-2023	10	80,12,390
	Information Technology	2002-2003	1	7,445
2004-2005		3	20,707
2006-2007		3	45,907
2007-2008		1	16,250
2008-2009		1	21,240
2009-2010		2	7,93,463
2011-2012		2	29,266
2012-2013		2	11,17,081
2013-2014		3	5,00,384
2019-2020		2	1,30,158
2020-2021		1	12,22,197
2021-2022		1	16,536
Water Resources		2007-2008	1	13,542
	2013-2014	1	17,882
	2015-2016	1	13,000
	2016-2017	1	2,370
	2017-2018	1	39,000
	2018-2019	1	14,581
	2019-2020	1	9,700
	2020-2021	1	17,930
	2021-2022	1	19,447
	2022-2023	2	27,730
Judiciary	2004-2005	2	36,145
	2005-2006	3	74,715
	2006-2007	8	5,77,177
	2007-2008	2	69,219
	2008-2009	6	5,45,495
	2009-2010	2	28,948
	2010-2011	4	59,861
	2011-2012	1	11,861
	2012-2013	2	24,773
	2013-2014	5	89,325
	2014-2015	1	26,900
	2016-2017	4	7,11,495
	2019-2020	3	2,88,540
	2020-2021	1	17,460
	2021-2022	4	2,29,305
2022-2023	10	5,38,495	

Department	Year	No.	Amount in ₹
Labour	2001-2002	6	77,313
	2002-2003	11	9,03,709
	2003-2004	10	1,37,333
	2009-2010	2	93,387
	2010-2011	1	12,000
	2011-2012	3	70,686
	2013-2014	3	39,500
	2015-2016	1	13,298
	2019-2020	1	10,783
	2020-2021	1	57,682
Land Revenue and Disaster Management	2002-2003	1	54,669
	2013-2014	3	45,664
	2014-2015	4	93,730
	2015-2016	4	57,825
	2016-2017	8	1,15,395
	2017-2018	5	1,27,006
	2018-2019	13	2,20,824
	2019-2020	14	2,21,478
	2020-2021	12	2,51,433
	2021-2022	8	1,27,233
2022-2023	21	5,08,144	
Law	2004-2005	1	8,061
	2005-2006	1	5,000
	2009-2010	1	9,870
	2010-2011	1	5,000
	2014-2015	2	70,503
	2022-2023	2	1,20,000
Legislature	2022-2023	4	1,40,41,634
Mines and Geology	2022-2023	2	4,25,062
Motor Vehicles	2017-2018	1	10,155
	2018-2019	1	10,188
	2019-2020	4	4,29,660
	2020-2021	3	7,81,904
	2021-2022	2	35,587
	2022-2023	4	84,393
Parliamentary Affairs	2004-2005	1	13,942
	2005-2006	1	9,450
	2006-2007	1	1,845
	2007-2008	1	13,875
	2010-2011	1	14,720
	2012-2013	1	14,826
	2014-2015	1	59,163
	2017-2018	1	9,012
	2018-2019	2	22,116
	2022-2023	1	50,000
Department of Personnel	2004-2005	9	1,20,481
	2005-2006	9	3,50,866
	2006-2007	9	1,65,65,573
	2007-2008	6	11,26,602
	2008-2009	3	34,000
	2009-2010	12	59,14,007

Department	Year	No.	Amount in ₹
Department of Personnel	2010-2011	2	36,942
	2011-2012	3	34,451
	2012-2013	5	3,44,561
	2013-2014	2	30,76,707
	2015-2016	1	10,000
	2016-2017	1	15,000
Planning and Development	2001-2002	3	93,017
	2002-2003	5	1,39,764
	2003-2004	6	2,38,181
	2004-2005	7	1,58,453
	2005-2006	7	34,13,075
	2006-2007	7	14,72,810
	2007-2008	4	4,79,123
	2008-2009	4	61,240
	2009-2010	7	32,67,212
	2010-2011	4	6,51,828
	2011-2012	2	11,7542
	2012-2013	2	5,08,400
	2013-2014	3	13,568
	2014-2015	5	13,200
	2015-2016	5	1,26,63,130
	2016-2017	1	5,000
	2017-2018	3	20,850
	2018-2019	2	73,630
	2019-2020	1	18,467
	2020-2021	1	26,317
	2021-2022	4	1,45,631
	2022-2023	6	2,92,675
Police	2001-2002	1	2,021
	2002-2003	2	45,146
	2003-2004	9	10,03,749
	2004-2005	1	0
	2008-2009	2	61,487
	2009-2010	4	48,494
	2010-2011	5	20,771
	2011-2012	4	49,037
	2012-2013	11	4,21,765
	2013-2014	3	9,395
	2014-2015	3	95,196
	2015-2016	8	2,07,359
	2016-2017	15	3,13,918
	2017-2018	9	83,157
	2018-2019	20	2,89,729
	2019-2020	24	4,82,797
	2020-2021	13	2,52,405
	2021-2022	21	3,53,669
	2022-2023	57	4,09,73,113
	Power	2016-2017	2	4,86,125
2018-2019		1	6,00,000
2021-2022		1	3,76,700
2022-2023		3	8,59,250

Department	Year	No.	Amount in ₹
Printing and Stationary	2019-2020	1	3,979
	2021-2022	2	8,739
	2022-2023	1	15,800
Public Health Engineering	2004-2005	14	13,97,325
	2005-2006	2	25,448
	2006-2007	5	61,678
	2007-2008	2	27,084
	2008-2009	4	2,41,341
	2009-2010	3	36,067
	2013-2014	2	30,550
	2015-2016	1	16,748
	2016-2017	9	1,52,136
	2017-2018	8	1,67,398
	2018-2019	5	1,34,814
	2019-2020	2	51,968
	2020-2021	2	42,368
	2022-2023	3	2,50,000
	Roads & Bridges	2001-2002	2	11,460
2002-2003		6	3,63,180
2003-2004		7	6,27,549
2005-2006		2	15,378
2006-2007		1	7,700
2007-2008		2	24,590
2008-2009		2	22,173
2009-2010		1	10,500
2010-2011		1	12,352
2012-2013		2	33,597
2021-2022		2	9,16,686
2022-2023		5	1,89,131
Rural Development		2002-2003	1	10,145
	2003-2004	3	25,287
	2005-2006	4	48,215
	2006-2007	2	18,867
	2007-2008	19	4,77,898
	2008-2009	13	1,61,223
	2009-2010	11	1,46,764
	2010-2011	7	1,19,788
	2011-2012	6	1,14,353
	2012-2013	7	1,53,940
	2013-2014	7	1,23,923
	2014-2015	4	68,259
	2015-2016	3	74,220
	2016-2017	10	2,14,210
	2017-2018	9	1,06,579
	2018-2019	12	2,15,596
	2019-2020	4	62,903
	2020-2021	5	1,04,671
	2021-2022	8	1,39,293
2022-2023	32	15,82,721	

Department	Year	No.	Amount in ₹
Science and Technology	2001-2002	2	30,663
	2002-2003	9	3,70,351
	2003-2004	16	1,66,456
	2004-2005	4	47,032
	2005-2006	2	89,500
	2006-2007	1	22,000
	2021-2022	2	36,586
	2022-2023	5	1,16,394
Transport	2002-2003	2	2,560
	2003-2004	1	2,628
Social Justice and Welfare	2004-2005	18	12,39,770
	2005-2006	11	5,43,063
	2006-2007	6	95,646
	2007-2008	5	2,53,701
	2008-2009	14	16,97,408
	2009-2010	12	75,54,726
	2010-2011	3	47,728
	2011-2012	10	2,01,878
	2012-2013	6	63,172
	2013-2014	7	15,61,963
	2014-2015	12	17,23,988
	2015-2016	8	2,47,718
	2016-2017	9	66,14,949
	2017-2018	7	74,35,074
	2018-2019	17	1,00,04,997
	2019-2020	8	9,52,698
	2020-2021	12	39,19,194
	2021-2022	10	94,19,957
	2022-2023	7	2,56,164
	Sports and Youth Affairs	2001-2002	8	2,50,327
2002-2003		19	3,33,365
2003-2004		41	14,92,858
2004-2005		1	1,97,500
2005-2006		2	18,530
2006-2007		1	1,24,562
2008-2009		4	32,864
2009-2010		3	1,29,124
2010-2011		2	3,23,115
2011-2012		4	54,30,329
2012-2013		1	1,40,314
2014-2015		1	1,00,000
2016-2017		3	48,77,635
2017-2018		3	6,54,125
2018-2019		6	14,75,075
2019-2020		4	47,16,461
2020-2021		1	51,93,205
2021-2022		1	22,892
2022-2023		4	52,49,240

Department	Year	No.	Amount in ₹
Tourism and Civil Aviation	2001-2002	2	95,540
	2003-2004	4	1,37,176
	2004-2005	11	7,60,958
	2005-2006	17	46,79,910
	2006-2007	5	8,07,402
	2007-2008	4	13,98,363
	2008-2009	4	2,93,995
	2009-2010	7	13,62,675
	2010-2011	5	7,82,205
	2011-2012	2	5,05,848
	2012-2013	5	1,51,25,756
	2018-2019	3	2,01,488
	2019-2020	6	97,287
	2020-2021	3	50,496
2021-2022	5	97,511	
2022-2023	9	1,56,13,560	
Urban Development	2002-2003	1	12,500
	2003-2004	2	21,915
	2004-2005	4	49,440
	2005-2006	1	9,241
	2006-2007	3	97,549
	2008-2009	1	12,180
	2010-2011	2	47,584
	2012-2013	4	66,583
	2013-2014	3	62,625
	2014-2015	2	22,314
	2015-2016	1	98,014
	2020-2021	1	14,175
	2022-2023	1	13,728
Vigilance	2016-2017	1	3,800
	2020-2021	1	7,87,066
Panchayat Raj Institutions	2012-2013	2	32,500
	2015-2016	3	48,338
	2016-2017	7	90,324
	2017-2018	2	49,091
	2018-2019	1	16,748
	2019-2020	9	3,53,286
	2020-2021	2	40,872
	2021-2022	2	27,942
2022-2023	7	3,06,36,982	
Governor	2018-2019	1	50,000
Public Service Commission	2001-2002	1	10,260
	2002-2003	2	35,372
	2003-2004	3	17,506
	2004-2005	1	7,088
	2007-2008	1	10,000
	2016-2017	2	1,84,724
	2018-2019	2	49,852
	2019-2020	12	40,55,263
	2020-2021	8	32,58,900
	2021-2022	3	16,97,930
	2022-2023	14	86,96,372
Skill Development	2016-2017	1	17,448
	2020-2021	6	95,07,354
	2022-2023	6	3,84,188
Total		2,286	52,42,21,189

Appendix 4.5
Arrears of accounts of bodies or authorities
(Reference: Paragraph 4.13)

SI No	Name of SAB	Accounts pending since	No of accounts pending upto financial year 2022-23
1	SISCO Bank	2021-22 to 2022-23	2
2	SIMFED	2015-16 to 2022-23	8
3	Sikkim Milk Union	2022-23	1
4	Denzong Agricultural Co-operative Society	2013-14 to 2022-23	10
5	Nayuma Women Co-operative Society	2013-14 to 2022-23	10
6	Sikkim Building & Other Construction Workers Welfare Board	2017-18 to 2022-23	6
7	State Legal Services Authority	2020-21 to 2022-23	3
8	Sikkim State Electricity Regulatory Commission	2021-22 to 2022-23	2
9	Sikkim Backward Commission	2018-19 to 2022-23	5
10	Sikkim Women Commission	2021-22 to 2022-23	2
11	Sikkim Biodiversity Board	2021-22 to 2022-23	2
12	State Commission for Protection of Child Rights	2021-22	1
13	CAMPA	2014-15 to 2022-23	9
14	Sikkim Human Right Commission	2018-19 to 2022-23	5
15	Sikkim Khadi and Village Industries Board	2007-08 to 2022-23	16
16	Sikkim Housing Development Board	2019-20 to 2022-23	4
		Total	86

Appendix 4.6

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

(Reference: Paragraph 4.14)

Sl. No	Name of the Body/Authorities	Section under which audited	Year for which accounts are pending	Number of accounts pending
1	Sikkim Organic Mission	14	2021-22 & 2022-23	2
2	Sikkim State Organic Certification Agency	14	2021-22 & 2022-23	2
3	Mission Organic Value Chain Development for NE Region	14	2021-22 & 2022-23	2
4	Sikkim Livestock Development Board	14	-	0
5	Namgyal Institute of Tibetology	14	-	0
6	State Pollution Control Board	14	2020-21 to 2022-23	3
7	State Medicinal Plant Board	14	-	0
8	National Health Mission	14	2021-22 & 2022-23	2
9	National AIDS Control Society	14	-	0
10	Sikkim Illness Assistance Fund Association	14	-	0
11	Rajya Sainik Board	14	-	0
12	Small Farmers' Agri Business Consortium	14	2020-21 to 2022-23	3
13	Employees State Insurance Corporation	14	2021-22 & 2022-23	2
14	Sikkim Renewal Energy Development Agency	14	-	0
15	Sikkim Institute of Rural Development	14	-	0
16	Sikkim Rural Development Agency	14	2021-22 & 2022-23	2
17	State Council of Science and Technology	14	-	0
18	Institute of Hotel Management	14	-	0
19	Indian Himalayan Centre for Adventure and Eco-tourism	14	-	0
20	Sikkim Urban Development Agency	14	-	0
21	State Institute of Capacity Building	14	2021-22 & 2022-23	2
22	Sikkim Rural Livelihood Mission	14	2021-22 & 2022-23	2
23	Japan International Cooperation Agency	14	-	0
	Total			22

Appendix-5.1
List of State Public Sector Enterprises
(Referred to in paragraph 5.3)

Sl. No.	State Public Sector Enterprises	Remarks
Power Sector SPSEs		
1.	Sikkim Power Investment Corporation Limited	Working
2.	Sikkim Power Development Corporation	Working
3.	Sikkim Urja Limited <i>(previously known as 'Teesta Urja Limited)</i>	Working
4.	Sikkim Power Transmission Limited <i>(previously known as 'Teesta valley Power Transmission Limited)</i>	Working
Agriculture and Allied SPSEs		
5.	Sikkim Hatcheries Limited	Working
6.	Sikkim Poultry Development Corporation	Working
7.	Sikkim Livestock Processing and Development Corporation	Working
8.	Government Fruit Preservation Factory	Working
9.	Temi Tea	Working
Other Sector		
10.	Sikkim Industrial Development and Investment Corporation	Working
11.	SC, ST & OBC Development Corporation	Working
12.	State Bank of Sikkim	Working
13.	State Trading Corporation of Sikkim	Working
14.	Sikkim Tourism Development Corporation	Working
15.	Sikkim Handloom and Handicraft Development Corporation	Working
16.	Namchi Smart City Limited	Working
17.	Gangtok Smart City Development Limited	Working

Appendix-5.2
Summarised financial position and working results of State Public Sector Enterprises (Government Companies and Statutory Corporations) as per their latest finalised accounts as on 30 September 2023

(Referred to in paragraph 5.3 and 5.7.3)

Sl No	Name of SPSE	Period of accounts	Paid up capital	Loan outstanding at the end of the year	Net profit/ loss before interest and taxes	Net profit (+)/ loss (-)	Turnover	Net worth	Capital Employed	Accumulated Profit (+)/ loss (-)	Return on Capital Employed (per cent)	Interest	Tax
Power Sector SPSEs													
A													
1	Sikkim Urja Limited	2022-23	3205.39	7725.27	2040.83	1270.19	3108.53	3207.60	10932.87	2.21	18.67	872.50	-101.86
2	Sikkim Power Transmission Limited	2022-23	388.45	684.56	149.37	63.28	251.21	519.75	1204.31	131.30	12.40	63.25	22.84
3	Sikkim Power Investment Corporation Limited	2020-21	0.01	3229.13	153.65	-210.69	204.60	-1210.97	2018.16	-1210.98	7.61	364.34	0
4	Sikkim Power Development Corporation Limited	2020-21	74.84	42.56	7.18	3.76	15.07	-32.80	9.76	-107.64	73.57	3.42	0
	Total A		3668.69	11681.52	2351.03	1126.54	3579.41	2483.58	14165.10	-1185.11	16.60	1303.51	-79.02
B Agriculture and Allied SPSEs													
5	Sikkim Poultry Development Corporation Limited	2017-18	0.00	0.00	-0.15	-0.15	0.00	-1.72	1.72	-1.72	Not workable	0	0
6	Sikkim Hatcheries Limited	2017-18	0.46	0.00	-0.14	-0.14	0.06	-2.25	-2.25	-2.71	Not workable	0	0
7	Sikkim Livestock Processing and Development Corporation	2013-14	0.69	0	-0.02	-0.02	0.06	-0.35	-0.35	-1.04	Not workable	0	0
8	Government fruit Preservation factory	2018-19	0.00	0.00	0.62	0.62	5.19	0.81	0.81	0.81	76.54	0	0

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SI No	Name of SPSE	Period of accounts	Paid up capital	Loan outstanding at the end of the year	Net profit/ loss before interest and taxes	Net profit (+)/ loss (-)	Turnover	Net worth	Capital Employed	Accumulated Profit (+)/ loss (-)	Return on Capital Employed (per cent)	Interest	Tax
9	Temi Tea	2017-18	0.00	0.00	7.11	7.11 ¹	7.19	Nil	Nil	Nil	Not workable	0	0
	Total B		1.15	0.00	7.42	7.42	12.50	-3.51	-3.51	-4.66	Not workable	0	0
C	Other SPSEs												
10	Schedule Caste, Schedule Tribe and Other Backward Classes Development Corporation Limited	2015-16	18.31	20.10	0.49	-0.24	1.87	2.91	23.01	-15.40	2.13	0.73	0
11	Sikkim Industrial Development and Investment Corporation Limited	2022-23	17.14	1062.64	0.58	0.41	4.82	43.97	1106.61	24.25	0.05	0	0.17
12	Gangtok Smart City Development Limited	2021-22	0.00	0.00	-1.21	-1.21	0.00	-2.23	-2.23	-2.23	Not workable	0	0
13	Namchi Smart City Limited	2020-21	2.05	0.00	0.04	0.04	0.00	1.76	1.76	-0.29	2.27	0	0
14	Sikkim Tourism Corporation	2016-17	6.46	0.00	0.08	0.06	2.53	4.77	4.77	-1.69	1.68	0	0.02
15	Sikkim Handloom and Handicraft Development Corporation Limited	2014-15	0.92	0	0.29	0.29	1.33	1.01	1.01	0.09	28.71	0	0

¹ After taking into account the Government Grants of ₹ 10.94 crore received from the State Government (₹ 9.79 crore) and Government of India (₹ 1.14 crore).

SI No	Name of SPSE	Period of accounts	Paid up capital	Loan outstanding at the end of the year	Net profit/ loss before interest and taxes	Net profit (+)/ loss (-)	Turnover	Net worth	Capital Employed	Accumulated Profit (+)/ loss (-)	Return on Capital Employed (per cent)	Interest	Tax
16	State Bank of Sikkim	2021-22	0.53	45.65	50.42	37.04	227.03	27.54	73.19	27.01	68.89	5.86	7.52
17	State Trading Corporation of Sikkim	2021-22	1.61	247.82	1.85	1.33	225.33	13.08	260.90	8.94	0.71	0.02	0.50
	Total C		47.02	1376.21	52.54	37.72	462.91	92.81	1469.02	40.68	3.58	6.61	8.21
	Grand Total (A+B+C)		3716.86	13057.73	2410.99	1171.68	4054.82	2572.88²	15630.61	-1149.09	15.42	1310.12	-70.81

NB:

- Earnings before Interest and Tax (EBIT)** has been derived by adding back the Interest and Tax Expenses to the 'Net Profit/Loss for the year' as reported in the Profit and Loss Account.
- Net worth** means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits but do not include reserves created out of revaluation of assets and write back of depreciation provision.
- Capital Employed** represents Shareholders' Fund *plus* Long Term Borrowings where, Shareholders Fund represents 'Paid up Share Capital *plus* Free Reserves and Surplus *minus* Accumulated Loss *minus* Deferred Revenue Expenditure.
- Return on Capital Employed** has been depicted the EBIT as a percentage of the Capital Employed.
- The **paid up capital** of SPSEs at serial no. C12 was negligible (₹ 70.00 only) while in case of other three SPSEs (serial no. B5, B8 and B9), there was no paid up equity capital. Hence, the paid up capital in respect of said four SPSEs has been taken as 'zero'.

² Net Worth after taking into account the Free Reserves of ₹ 5.11 crore in respect of Sikkim Industrial Development and Investment Corporation Limited (₹ 2.58 crore) and State Trading Corporation of Sikkim (₹ 2.53 crore).

Appendix 5.3
Statement showing Rate of Real Return on Government Investment
(Referred to in paragraph 5.7.3)

Financial year	PV of cumulative Government investment at the beginning of the year	Funds infused by the Government during the year in the form of			Interest free Loan	Total	Total investment at the end of the year	Average rate of interest on Government borrowings (in per cent)	PV of cumulative Government investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total Earnings (Profit after tax) for the year
		Equity (less disinvestment)	Revenue Grants / Subsidy	Equity							
a	b	c	d	e	f = c + d + e	g = b + f	h	i = g*(1+h/100)	j = g*h/100	k	
Prior to 2002	-	17.29	0	2.03	19.32	19.32	4.04	20.1	0.78	-	
2002-03	20.10	3.85	0	0	3.85	23.95	11.47	26.70	2.75	-3.26	
2003-04	26.70	5.84	0	0	5.84	32.54	10.33	35.90	3.36	-22.49	
2004-05	35.90	1.17	0	0	1.17	37.07	9.78	40.69	3.63	-3.05	
2005-06	40.69	4.82	0	0	4.82	45.51	9.45	49.81	4.30	-3.05	
2006-07	49.81	0.30	0	0	0.3	50.11	9.25	54.75	4.64	-4.05	
2007-08	54.75	0.00	0	0	0	54.75	8.92	59.63	4.88	-3.41	
2008-09	59.63	3.05	1.21	0	4.26	63.89	8.6	69.39	5.49	-2.69	
2009-10	69.39	2.10	2.25	0	4.35	73.74	8.28	79.84	6.11	-2.17	
2010-11	79.84	0.96	1.79	0	2.75	82.59	7.92	89.14	6.54	-11.59	
2011-12	89.14	0.00	0	0	0	89.14	7.74	96.03	6.90	-7.03	
2012-13	96.03	0.00	0	0	0	96.03	7.4	103.14	7.11	-15	
2013-14	103.14	0.00	0.18	0	0.18	103.32	7.74	111.32	8.00	-17.1	
2014-15	111.32	0.00	0.16	0	0.16	111.48	7.95	120.34	8.86	-27.76	
2015-16	120.34	0.00	0.18	0	0.18	120.52	8.1	130.28	9.76	-80.12	
2016-17	130.28	0.00	0.11	0	0.11	130.39	8.22	141.11	10.72	-335.17	
2017-18	141.11	0.00	11.6	0	11.6	152.71	8.22	165.26	12.55	-319.01	
2018-19	165.26	6.03	10.79	0	16.82	182.08	7.35	195.46	13.38	-254.35	
2019-20	197.15	2.50	6.5	0	9	206.15	7.42	221.45	15.30	-184.69	
2020-21	223.05	0.92	8	0	8.92	231.97	6.66	247.42	15.45	-176.38	
2021-22	250.46	0.50	8.5	0	9	259.46	6.38	276.01	16.55	-177.03	
2022-23	279.83	6.30	66.35	24.99	97.64	377.47	6.1	400.50	23.03	-161.79	
Total	1393.44	55.63	117.62	27.02	200.27	200.27					

Year	Investment by the State Government as per total of the column H above			Return on State Government investment on the basis of historical value			Present value of State Government investment at the end of 2022-23			Real return on State Government investment considering the present value of investments		
	A	B	C	D	E	F	G	H	I	J	K	L
2022-23	-161.79	200.27	-80.79	395.93								-40.86

Appendix-5.4
Information regarding accounts in arrear of State Public Sector Enterprises
(Referred to in paragraph 5.11.2)

Sr. No.	Name of the SPSE	Year for which Accounts are in arrear	No. of accounts in arrear	Status of the SPSE
	Government companies			
1	Sikkim Power Investment Corporation Limited	2022-23	1	Working
2	Sikkim Power Development Corporation Limited	2021-22 & 2022-23	2	Working
3	Sikkim Hatcheries Limited	2018-19 to 2022-23	5	Working
4	Sikkim Poultry Development Corporation Limited	2018-19 to 2022-23	5	Working
5	Sikkim Livestock Processing and Development Corporation Limited	2014-15 to 2022-23	9	Working
6	SC, ST & OBC Development Corporation Limited	2016-17 to 2022-23	7	Working
7	Sikkim Tourism Development Corporation Limited	2017-18 to 2022-23	6	Working
8	Sikkim Handloom and Handicraft Development Corporation Limited	2015-16 to 2022-23	8	Working
9	Namchi Smart City Limited	2021-22 & 2022-23	2	Working
10	Gangtok Smart City Development Limited	2022-23	1	Working
	Total		47	
	Statutory Corporations			
11	Government Fruit Preservation Factory	2019-20 to 2022-23	4	Working
12	Tem Tea	2017-18 to 2022-23	5	Working
13	State Bank of Sikkim	2022-23	1	Working
14	State Trading Corporation of Sikkim	2022-23	1	Working
	Total		11	

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