



GOVERNMENT OF SIKKIM
FINANCE REVENUE & EXPENDITURE DEPARTMENT
GANGTOK

No. 1(2) 89-90/Bud/Fin/20

Dated: 21/07/2016

BUDGET CIRCULAR

Since the Annual Budget of the State Government for the financial year **2017-18** has to be presented for passing in the Legislative Assembly by **March 2017**, the process for formulation of Budget Estimates for **2017 -18** has to be completed well before February 2017. The Heads of the Departments are, therefore, requested to take immediate steps for formulation of Budget for 2017-18 strictly adhering to the timeline and the guidelines as given below:

CONSOLIDATED ESTIMATE OF REVENUE RECEIPTS (FORM – I)

The estimates may be arrived based on **trend Growth rate** and also on the policy decisions and other relevant orders. It must include total arrears and outstanding dues to be recovered during the year under report. The additional yield anticipated from revisions of rates etc. may be projected in Form-I as Additional Resource Mobilization. In case any shortfall is anticipated in the revenue realization in the revised estimate of 2016-17, appropriate explanation may be recorded (e.g. post-budget decision of the Government, deficiencies in the tax collection machinery) and the measures taken thereof by the Department. During the previous financial year, some Departments have not realized revenue to the extent estimated by them. **These Departments have to furnish detailed explanations for shortfalls and propose measures to bridge the shortfall of the previous years so as to neutralize the deficit in the budget estimates of the current year. The Departments must take appropriate steps to increase their revenue commensurate to the increase in expenditure.**

CONSOLIDATED ESTIMATE OF EXPENDITURE (FORM-II)

The consolidated estimates of expenditure under “Salaries” may be framed for **Non-Plan and Plan separately** duly certified by Heads of Departments. While calculating Salaries, pay in the pay band as on 1.4.2017 and **Dearness Allowance @ 137%** should be taken. In addition, 15% of total of Column 11 of Appendix –I may be added to the gross amount to cover expenses on account of Medical expenses, Leave encashment etc. In case of Departments like Human Resource Development, Police, Health and Rural Management and Development, Nominal Rolls may be segregated District wise, Sub-division wise, Institution wise, etc. **No provision should be proposed**

for posts lying vacant for more than one year. Provision for vacant posts should be made with circumspection so as to avoid savings due to non filling up of the posts.

The expenditure on encashment of unutilized leave at the credit of government employees at the time of retirement/death/termination is classified under the Head “2071-Pension and other Retirement Benefits 01-Civil 115-Leave Encasement Benefits” under demand No. 10 and operated by the Pension Section of the Finance Revenue & Expenditure Department. All Departments must submit a separate detailed estimate of funds required on this account in **Appendix II** and submit the **same to the Director, GPF/Pension, who will compile these and submit a consolidated statement.** The Works Departments and the Departments operating Stock Suspense/Civil Deposits and other transactions under Public Accounts should furnish in **APPENDIX- V** a separate statement of the estimated receipt and expenditure under the relevant Major Head showing, i) Opening Balance ii) the transaction during the year, iii) closing balance, to enable the Finance, Revenue & Expenditure Department to project the figures.

Non-Plan revenue expenditures other than Salaries and wages may be kept at the current year’s level duly excluding ONE TIME PROVISIONS made in the current year. However, additional requirement may be specifically indicated in the remarks column duly enclosing relevant supporting documents.

Some of the Departments may find it necessary to operate new heads of accounts in the Demands for Grants. Proposals for creation of new Heads may be submitted in time as this requires approval of the Accountant General, Sikkim. The following statements should invariably accompany the Budget proposals: -

- | | | |
|----------------|---|---|
| Form – I | - | Consolidated Estimate of Revenue Receipts |
| Form – II | - | Consolidated Estimate of Expenditure (Non–Plan) |
| Appendix – I | - | Nominal Roll of regular employees only |
| Appendix – II | - | Estimate of Leave Encashment (This Form to be submitted to the Office of Principal Director, Pension) |
| Appendix – III | - | Details of Muster Roll employees only |
| Appendix –IV | - | Nominal Roll of employees other than regular Employees. |
| Appendix – V | - | Stock Suspense/Civil Deposits and Other Transactions Under Public Accounts |

The Budget forecast MUST be presented in the formats prescribed in duplicate (two copies) and in BOOK form in the standard A4 size paper as per above guidelines latest by

22nd August 2016 along with a soft copy in MS Excel format through the concerned Heads of the Departments. The soft copy of all the statements can also be sent by e-mail to budgetfred@gmail.com. **The Budget forecast which are not prepared in the standard A4 size paper as instructed shall not be entertained.**

The schedule of discussions shall be notified in due course. Departments are requested to issue similar guidelines to the Autonomous Bodies/Organizations/Offices under their administrative control to submit the proposals through them and the same to be included in their budget proposals.

The Budget Circular along with the forms can be downloaded from the State Government website <http://www.sikkimfred.gov.in>

-/sd
(S. D. Pradhan)
Principal Director (Budget)

Copy to :

1. All the Secretaries/ Heads of Departments.
2. The Registrar General, High Court of Sikkim, Gangtok.
3. The Member Secretary, State Legal Service Authority.
4. The Secretary, Public Service Commission.
5. The Pr. Director, Internal Audit.
6. The District & Session Judges East/ North & south/ West
7. The Director, Treasury, Pay & Accounts Office, Gangtok.
8. The Director (Accounts), Finance Rev. & Expenditure Deptt.
9. The District Collectors, East/ West/ North & South.
10. All Drawing & Disbursing Officers.