





# Preface

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

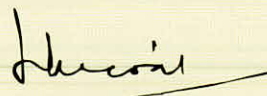
The Annual Accounts consists of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise gross expenditures against provisions approved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

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

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

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

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



**(J.R. Biswas)**

Place: Gangtok

Date: 03 December 2013

Sr. Deputy Accountant General (A&E)





# Our Vision, Mission and Core Values

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

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

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

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

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

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



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# Chapter - I

## OVERVIEW

### 1.1. Introduction

The Senior Deputy Accountant General (Accounts and Entitlements), Sikkim compiles the accounts of receipts and expenditure of the Government of Sikkim. This compilation is based on the initial accounts rendered by the Chief Pay and Accounts Offices, Public Works and Forest Divisions and Pay & Accounts Offices, Sikkim Legislative Assembly. Following such compilation, the Senior Deputy Accountant General (A&E) prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (Audit) Sikkim and certification by the Comptroller and Auditor General of India.

### 1.2. Structure of Accounts

#### 1.2.1. Government Accounts are kept in three parts:

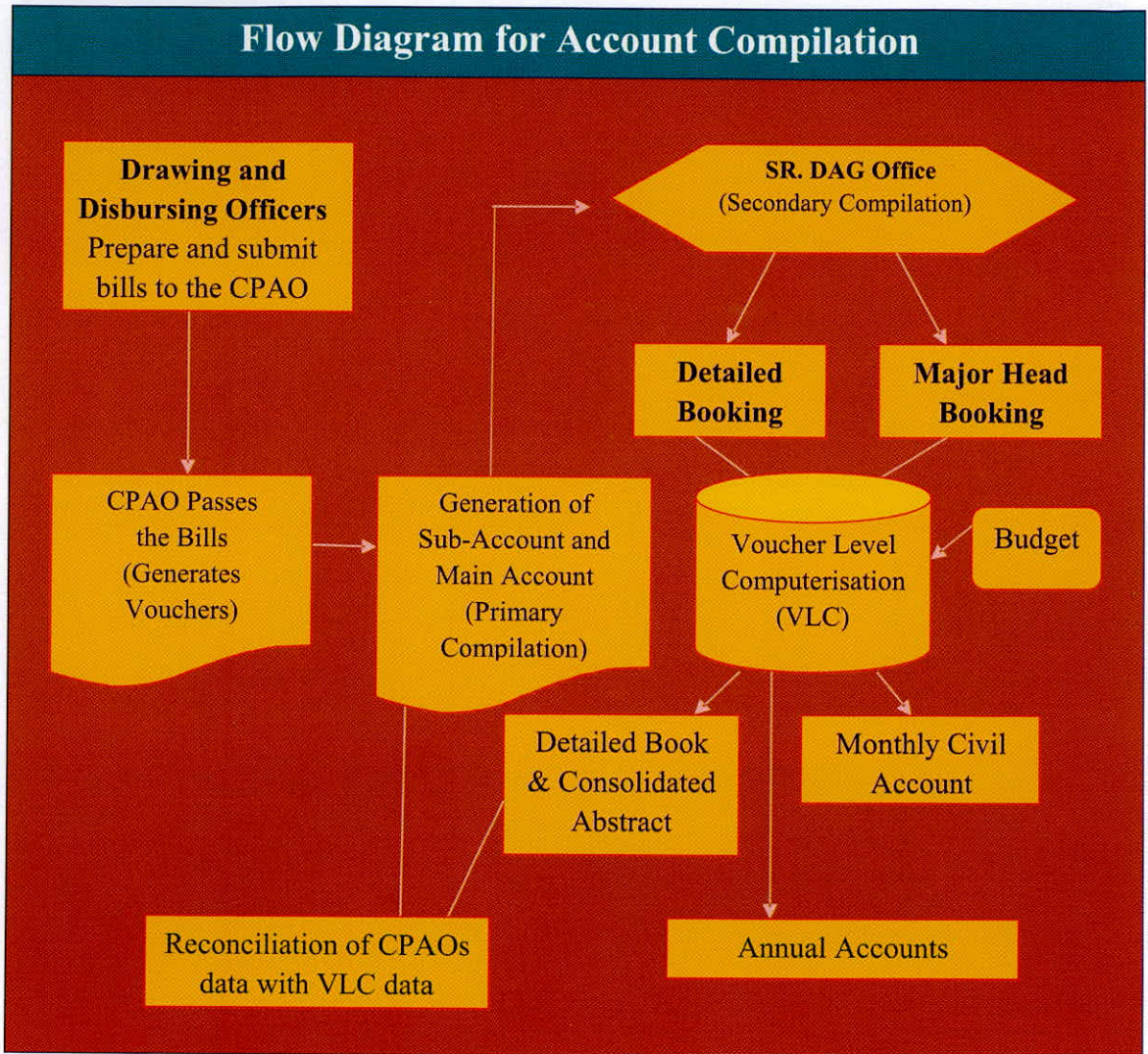
<b>Part 1 Consolidated fund</b>	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
<b>Part 2 Contingency fund</b>	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped either by transferring the debit during the same financial year or by a fresh debit to the Consolidated Fund in the next financial year.
<b>Part 3 Public Account</b>	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

Accounts at a Glance provide a Bird's Eye View of the finances of the Government with respect to several key fiscal indicators.



## 1.2.2. Compilation of Accounts

### Flow Diagram for Account Compilation



## 1.3. Finance Accounts and Appropriation Accounts

### 1.3.1. Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. From the last year, the Finance Accounts have been issued in two volumes, in a new format, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller General of India, summarized statements of overall receipts and disbursements and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarized statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and disbursements of the Government of Sikkim as depicted in the Finance Accounts 2012-13 are given below.

(₹ in Crore)

<b>Receipts</b> (Total: 3,859)	<b>Revenue</b> (Total: 3,793)	Tax Revenue	1,134
		Non-Tax Revenue	807
		Grants-in-Aid	1,852
	<b>Capital</b> (Total: 66)	Other Capital Receipts	...
		Recovery of Loans and Advances	1
Borrowings and other Liabilities		65	
<b>Disbursements</b> (Total: 3,859)	Revenue	3,012	
	Capital	842	
	Loans and Advances	5	

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



The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 426 crore (₹ 415 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume II of the Finance Accounts.

### **1.3.2. Appropriation Accounts**

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund 'voted' by the State Legislature. There are 2 charged Appropriations and 44 voted Grants.

The Appropriation Act, 2012-2013, had provided for gross expenditure of ₹ 5,360 crore and reduction of expenditure (recoveries) of ₹ 3 crore. Against this, the actual gross expenditure was ₹ 3,934 crore and reduction of expenditure of ₹ 3 crore, resulting in net savings of ₹ 1,426 crore (27 per cent). Reduction of expenditure, both revenue and capital, was far more than estimates, due to lapsing of unspent balance of deposits in March 2013, as detailed at para 1.6 of this publication. The expenditure includes ₹ 45 crore drawn on Abstract Contingent (AC) Bills, which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

## **1.4. Sources and Application of Funds**

### **1.4.1. Ways and Means Advances**

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

### **1.4.2. Fund flow statement**

The State had a Revenue Surplus of ₹ 781 crore and a Fiscal Deficit of ₹ 65 crore representing 8 per cent and 1 per cent of the Gross State Domestic Product (GSDP)<sup>1</sup>. The Fiscal Deficit constituted 8 per cent of total expenditure. This deficit was met from Public Debt (₹ 126 crore), decrease in Public Account (₹ 124 crore) and net opening and closing cash balance (₹ 63 crore). Around 37 per cent of the revenue receipts (₹ 3793 crore) of the State Government was spent on committed expenditure like salaries (₹ 971 crore), interest payments (₹ 211 crore) and pensions (₹ 225 crore).

<sup>1</sup> Except where indicated otherwise, GSDP figures used in this publication are adopted from the Department of Economics, Statistics, Monitoring & Evaluation, Government of Sikkim, Gangtok.



## Sources and Application of Funds

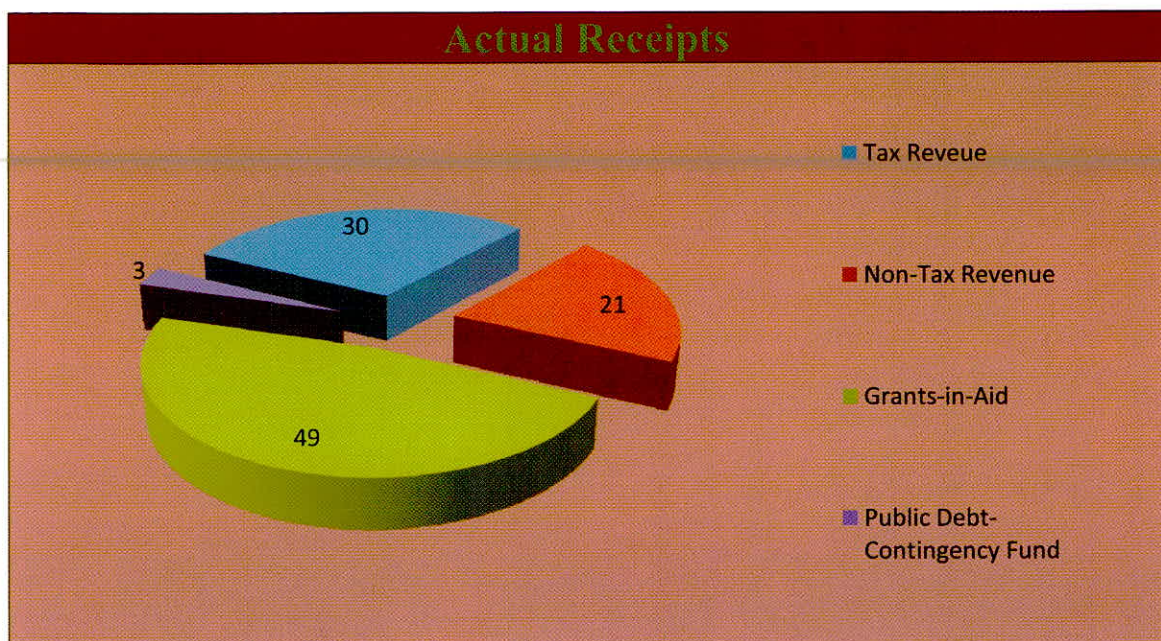
(₹ in crore)

<b>SOURCES</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
	Opening Cash Balance as on 1.4.2012	129
	Revenue Receipts	3,793
	Miscellaneous Capital Receipts	...
	Recovery of Loans & Advances	1
	Public Debt	197
	Small Savings Provident Funds & Others	220
	Reserves & Sinking Funds	194
	Deposits Received	93
	Civil Advances Repaid	...
	Suspense Account	4,204
	Remittances	1,240
	Contingency Fund	...
	<b>TOTAL</b>	<b>10,071</b>

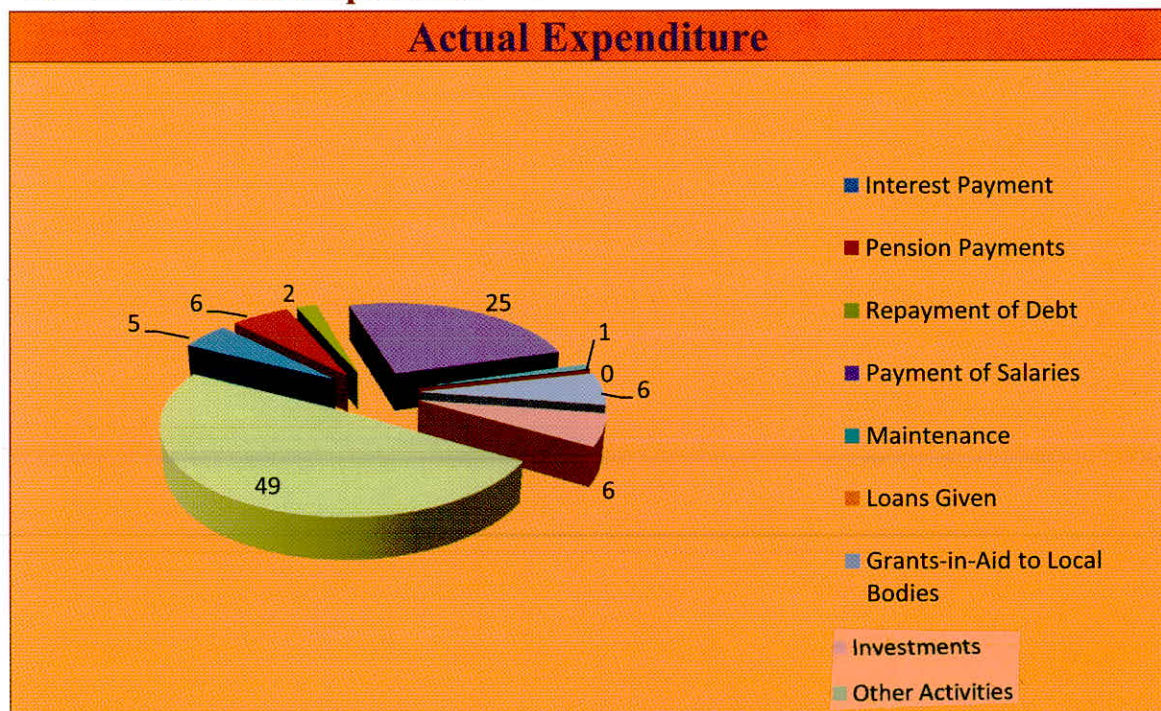
<b>APPLICATION</b>	Revenue Expenditure	3,012
	Capital Expenditure	842
	Loans Given	5
	Repayment of Public Debt	71
	Small Savings Provident Fund & Others	175
	Reserves & Sinking Funds	199
	Deposits Spent	54
	Civil Advances Given	...
	Suspense Account	4,348
	Remittances	1,300
	Closing Cash Balance as on 31.3.2013	65
	<b>TOTAL</b>	<b>10,071</b>



### 1.4.3. Where the Rupee came from



### 1.4.4. Where the Rupee went





## 1.5. Highlights of Accounts

Sl. No.	Head	B.E 2012-13	Actuals	Percentage of actual to B.E	Percentage of actual to GSDP(\$)
1.	Tax Revenue (@)	1076	1134	105	11
2.	Non-Tax Revenue	1026	807	79	8
3.	Grants-in-aid & Contributions	2691	1852	69	19
4.	Revenue Receipts (1+2+3)	4793	3793	79	38
5.	Recovery of Loans and Advances	1	1	100	...
6.	Other Receipts	...	...	...	...
7.	Borrowings & other Liabilities (A)	244	65	27	1
8.	Capital Receipts (5+6+7)	245	66	27	1
9.	Total Receipts (4+8)	5038	3859	77	39
10.	Non-Plan Expenditure (NPE) (11+13)	2528	2199	87	22
11.	NPE on Revenue Account	2528	2199	87	22
12.	NPE on Interest Payments out of 11	201	199	99	2
13.	NPE on Capital Account	...	...	...	...
14.	Plan Expenditure (PE) (15+16)	2510	1661	66	17
15.	PE on Revenue Account	1042	814	78	8
16.	PE on Capital Account	1468	847	58	9
17.	Total Expenditure (10+14)	5038	3859	77	39
18.	Revenue Expenditure (11+15)	3570	3012	84	30
19.	Capital Expenditure (13+16) (#)	1468	847	58	9
20.	Revenue Surplus (4-18)	1223	781	64	8
21.	Fiscal Deficit 17 - (4+5+6) = 7	244	65	27	1

(@) Includes State's share of Union Taxes of ₹ 698 crore.

(\$) GSDP figure of ₹ 9957 crore adopted from the Department of Economics, Statistics, Monitoring & Evaluation, Government of Sikkim, Gangtok.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 842 crore) and Loans and Advances disbursed (₹ 5 crore).



### 1.5.1. Receipts and Disbursements:-

The following table summarizes the Receipts & Disbursements Accounts for 2012-13:-

(₹ in crore)

Total Receipts		Total Disbursements	
3,859		3,859	
Revenue Receipts	3,793 ( 98.29)	Revenue Disbursements	3,012 (78.05)
Capital Receipts	66 (01.71)	Capital Disbursements	847 (21.95)

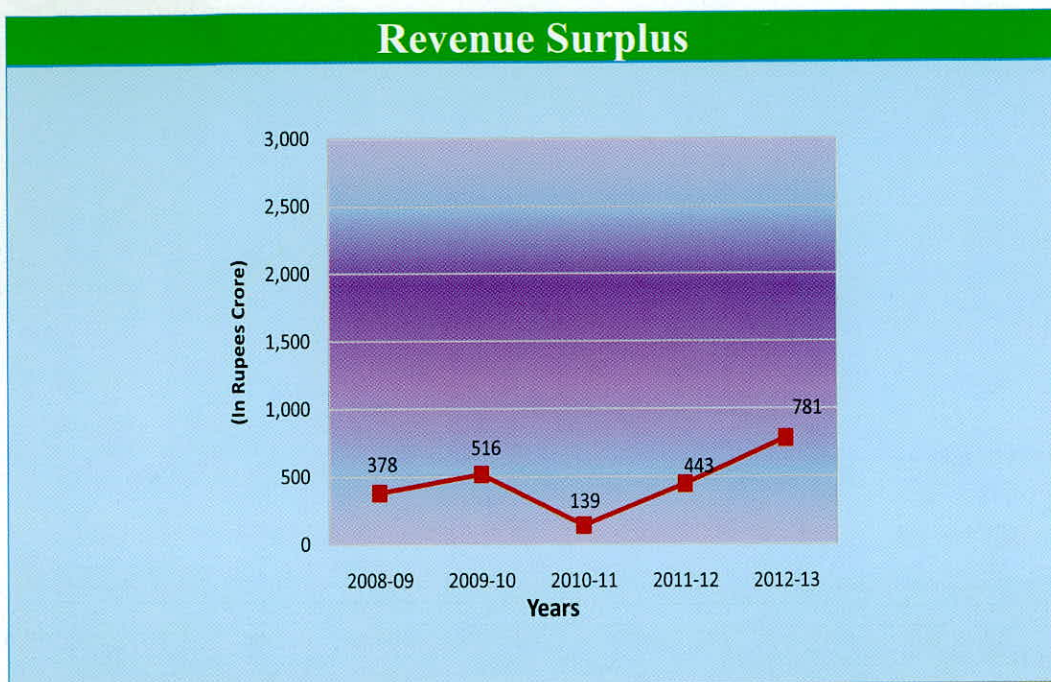
Figures in brackets indicate percentage.

### 1.6. What do the Deficits and Surpluses indicate?

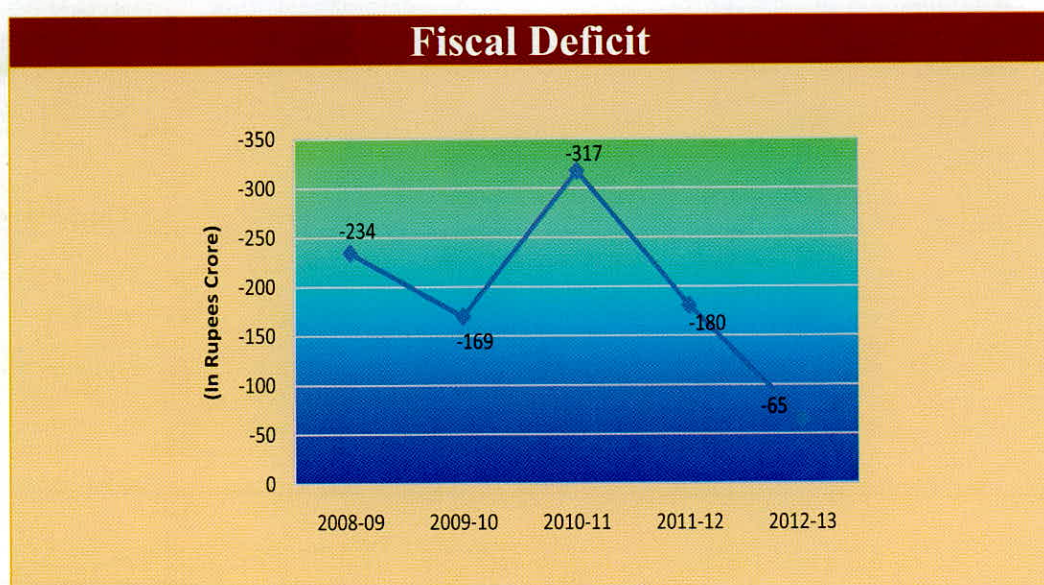
<b>Deficit</b>	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
<b>Revenue Deficit/Surplus</b>	Refers to the gap between Revenue Receipts and Revenue Expenditure.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

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The 13<sup>th</sup> Finance Commission has recommended that the States achieve revenue balance by 2011-12 and reduce Gross Fiscal Deficit to 0.65 per cent of GSDP by 2012-13.

### 1.6.1. Trend of Revenue Surplus



### 1.6.2. Trend of Fiscal Deficit





# Chapter - II

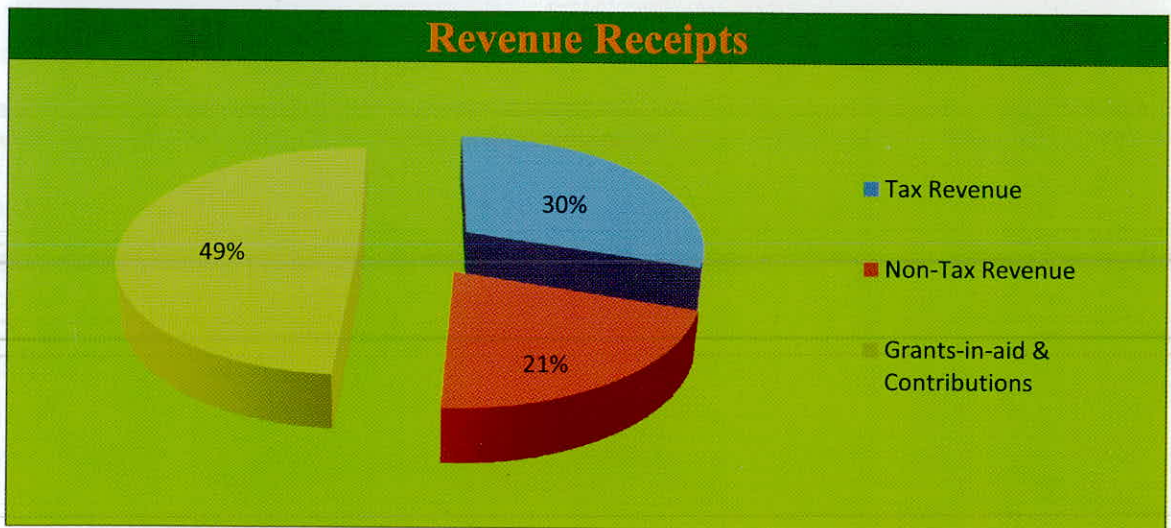
## RECEIPTS

### 2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2012-13 were ₹ 3,859 crore.

### 2.2. Revenue Receipts

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



## Revenue Receipt Components (2012-13)

(₹ in Crore)

<b>Components</b>	<b>Actuals</b>
<b>A. Tax Revenue</b>	<b>1,134</b>
Taxes on Income & Expenditure	408
Taxes on Property & Capital Transactions	11
Taxes on Commodities & Services	715
<b>B. Non-Tax Revenue</b>	<b>807</b>
Interest Receipts, Dividends and Profits	47
General Services	617
Social Services	8
Economic Services	135
<b>C. Grants-in-aid &amp; Contributions</b>	<b>1,852</b>
<b>Total – Revenue Receipts</b>	<b>3,793</b>



### 2.3. Trend of Receipts

(₹ in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Tax	563	598	804	906	1,134
Revenues	(17)	(10)	(11)	(11)	(11)
Non-Tax	1,205	1,356	1,138	1,045	807
Revenues	(37)	(22)	(16)	(12)	(8)
Grants-in-	903	1,300	1,105	1,722	1,852
Aid	(28)	(21)	(15)	(21)	(19)
Total	2,671	3,254	3,047	3,673	3,793
Revenue	(82)	(53)	(42)	(44)	(38)
Receipts					
GSDP	3,229	6,133	7,145*	8,400**	9,957*

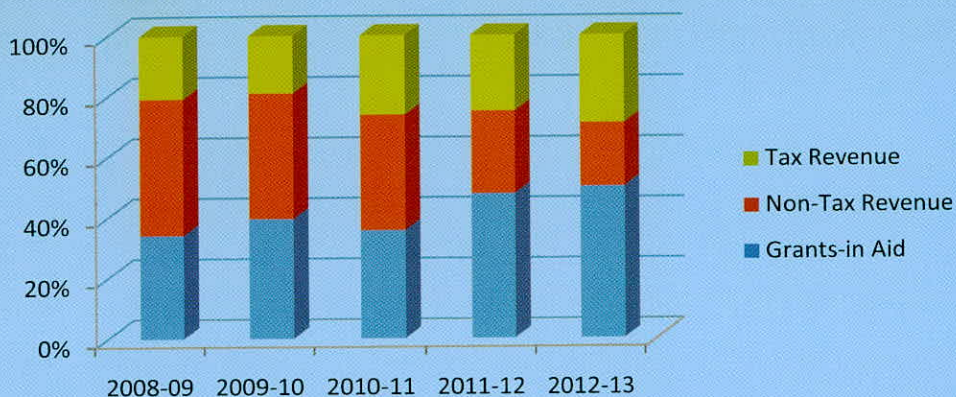
Note: Figures in parentheses represent percentage to GSDP

\* Provisional

\*\* Quick Estimates

Though the GSDP increased by 19 per cent between 2011-12 and 2012-13, growth in revenue collection was only 3 per cent. While tax revenue increased by 25 per cent, non-tax revenues declined by 23 per cent.

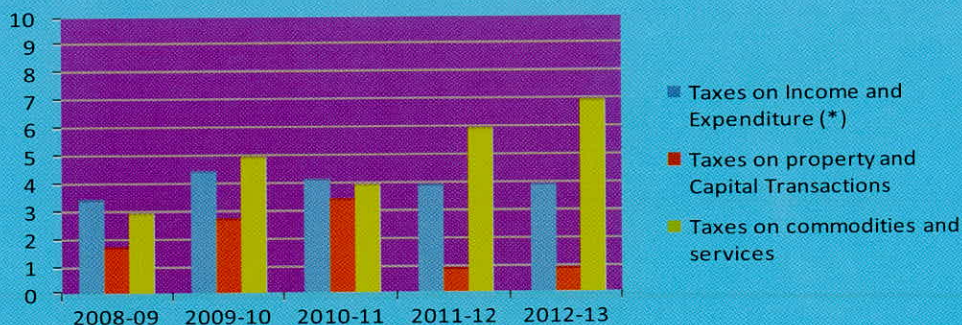
## Component under Revenue Receipts as proportion to GSDP



## Sector-wise Tax Revenue

	2008-09	2009-10	2010-11	2011-12	2012-13
Taxes on Income and Expenditure	210	243	319	368	408
Taxes on Property and Capital Transactions	6	8	13	14	11
Taxes on Commodities and Services	347	348	473	524	715
<b>Total Tax Revenues</b>	<b>563</b>	<b>599</b>	<b>805</b>	<b>906</b>	<b>1,134</b>

## Trend of Major Taxes in proportion to GSDP



(\* Primarily net proceeds of Central share to the State



## 2.4. Performance of State's own tax revenue collection

(₹ in Crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2008-09	563	364	199	6.16
2009-10	598	375	223	3.64
2010-11	804	525	280	3.92
2011-12	906	612	294	3.50
2012-13	1,134	698	436	4.38

## 2.5. Efficiency of Tax Collection

### A. Taxes on Property and Capital Transactions

(In ₹ Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	6	8	13	14	11
Expenditure on Collection	4	9	8	10	13
Efficiency of Tax Collection	67 per cent	(-) 13 per cent	61 per cent	71 per cent	(-)118 per cent

### B. Taxes on Commodities and Services

(In ₹ Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	347	348	473	524	715
Expenditure on Collection	19	21	24	31	44
Efficiency of Tax Collection	5 per cent	6 per cent	5 per cent	6 per cent	6 per cent

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



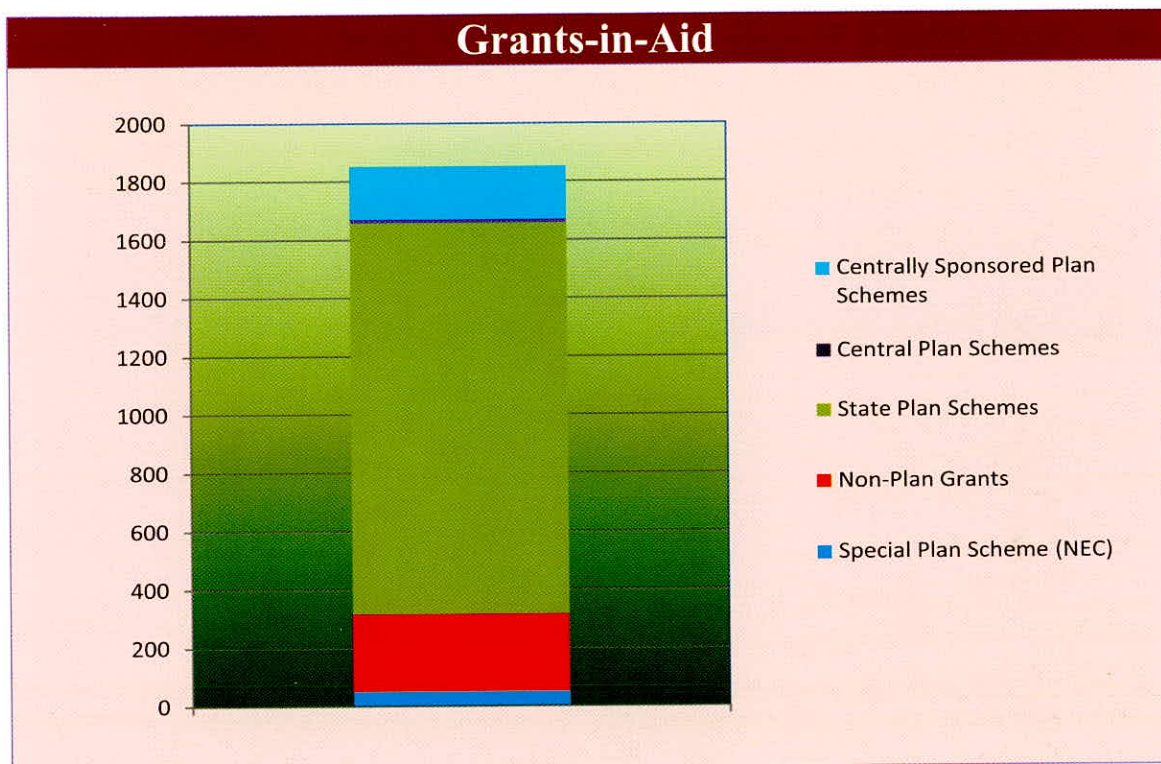
## 2.6. Trend in State's Share of Union Taxes over the past five years

(₹ in Crore)

Major Head description	2008-09	2009-10	2010-11	2011-12	2012-13
Corporation Tax	119	154	205	241	251
Taxes on Income other than Corporation Tax	75	86	109	122	150
Taxes on Wealth	...	...	...	1	...
Customs	70	53	92	106	116
Union Excise Duties	61	42	67	69	79
Service Tax	39	40	52	73	102
Other Taxes and Duties on Commodities and Services	...	...	...	...	...
State Share of Union Taxes	364	375	525	612	698
Total Tax Revenue	563	598	804	906	1,134
Percentage of Union Taxes to Total Tax Revenue	65	63	65	68	62

## 2.7. Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2012-13 under Grants-in-Aid were ₹ 1,852 crore as shown below:





## 2.8. Public Debt

### Trend of Public Debt over the past 5 years

(₹ in crore)

Description	2008-09	2009-10	2010-11	2011-12	2012-13
Internal Debt	277	324	44	42	133
Central Loans	(-) 16	(-) 19	(-) 22	(-) 3	(-) 8
Total Public Debt	261	305	22	39	125

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

# Chapter - III

## Expenditure

### 3.1. Introduction

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

<b>General Services</b>	Includes Justice, Police, Jail, PWD, Pension etc.
<b>Social Services</b>	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
<b>Economic Services</b>	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.



## 3.2. Revenue Expenditure

Revenue Expenditure of ₹ 3,012 crore for 2012-13 fell short of budget estimates by ₹ 558 crore due to less disbursement.

The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below:

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Budget					
Estimates(BE)	2,237	2,567	3,054	3,233	3,570
Actuals	2,294	2,738	2,908	3,230	3,012
Gap	57	171	146	3	558
Percentage of gap over BE	3	7	5	...	16

There was no compounding shortfall of revenue receipts against budget estimates.

### 3.2.1. Sectoral distribution of Revenue Expenditure (2012-13)

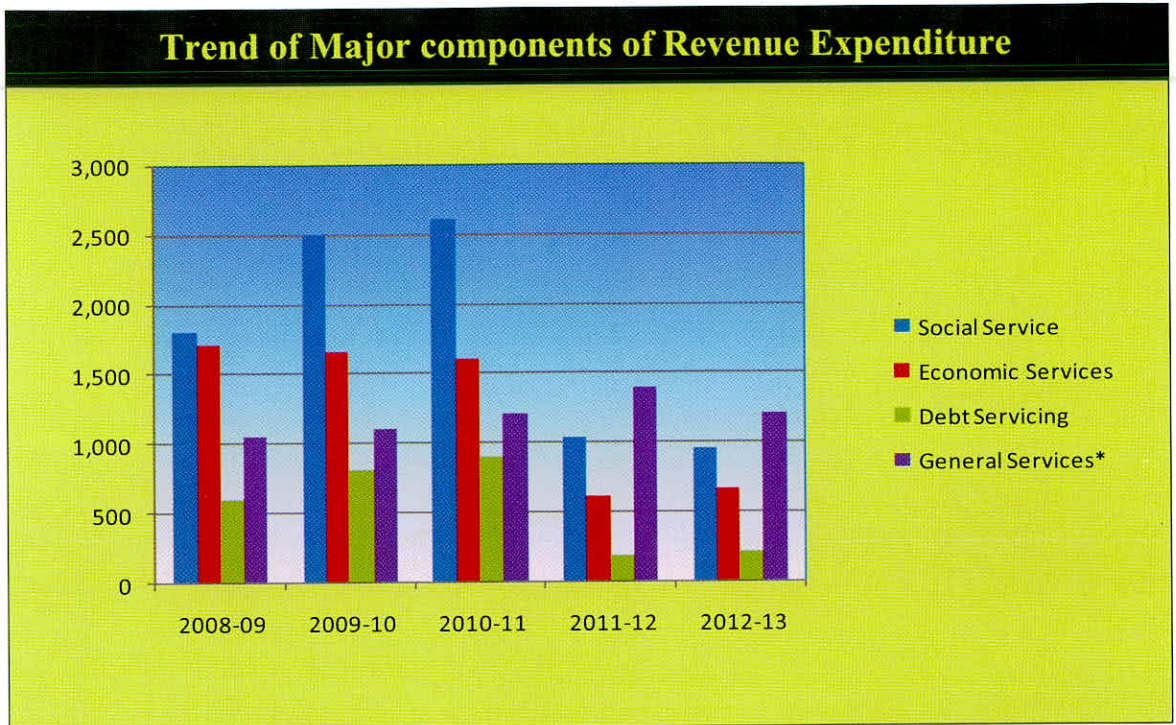
(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services		
(i) Collection of Taxes on Property and Capital transactions	13	...
(ii) Collection of Taxes on Commodities and Services	44	1
(iii) Other Fiscal Services	1	...
B. Organs of State	49	2
C. Interest Payments and Servicing of debt	211	7
D. Administrative Services	331	11
E. Pensions and Miscellaneous General Services	737	25
F. Social Services	947	31
G. Economic Services	656	22
H. Grants-in-Aid and Contribution	23	1
<b>Total Expenditure (Revenue Account)</b>	<b>3,012</b>	<b>100</b>



### 3.2.2. Major components of Revenue Expenditure (2008-2013)

(₹ in crore)



\* General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments) and includes MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions).

The expenditure on Economic Services (which includes important sectors like Rural Development, Agriculture and Irrigation) has gone down, as against a steady increase in other services.

### 3.3. Capital Expenditure

Capital disbursements for 2012-13 at 6 per cent of GSDP were less than Budget Estimates by ₹ 621 crore (less disbursement of ₹ 621 crore under Plan Expenditure).

#### 3.3.1. Sectoral distribution of Capital Expenditure

(₹ in crore)

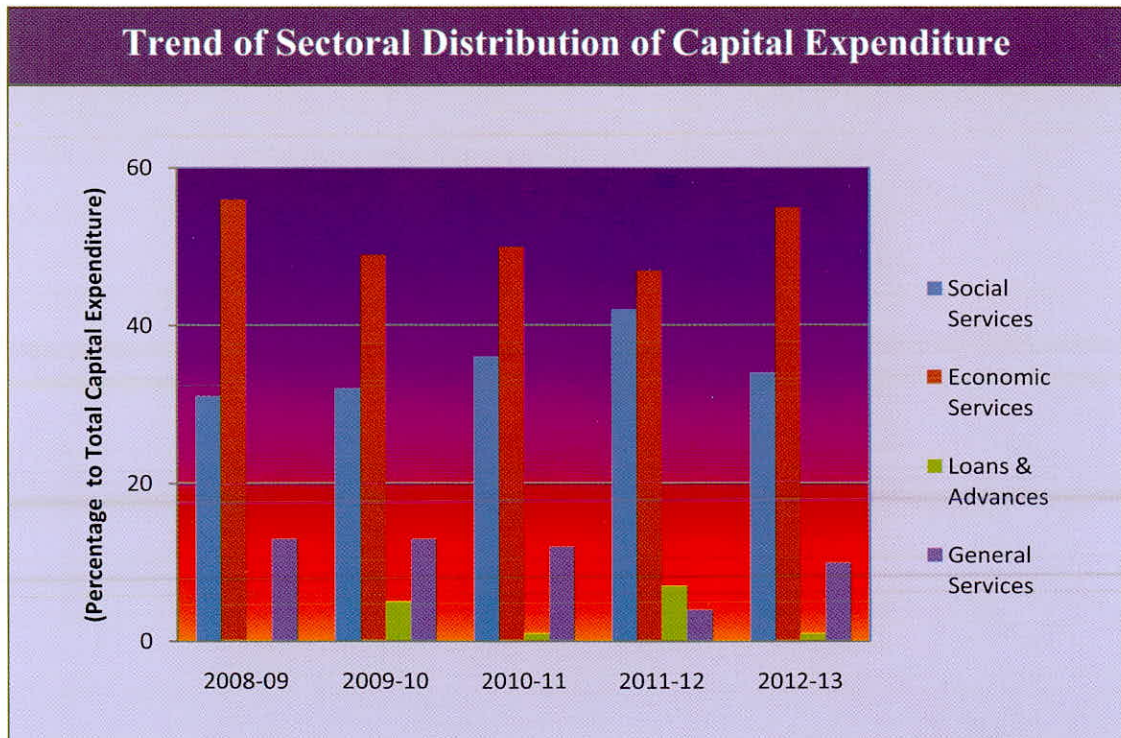
Sl. No.	Sector	Amount	Percentage
1.	General Services – Police, Land Revenue etc.	83	10
2.	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	291	34
3.	Economic Services – Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.	468	55
4.	Loans and Advances Disbursed	5	1
	<b>Total</b>	<b>847</b>	<b>100</b>



### 3.3.2. Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

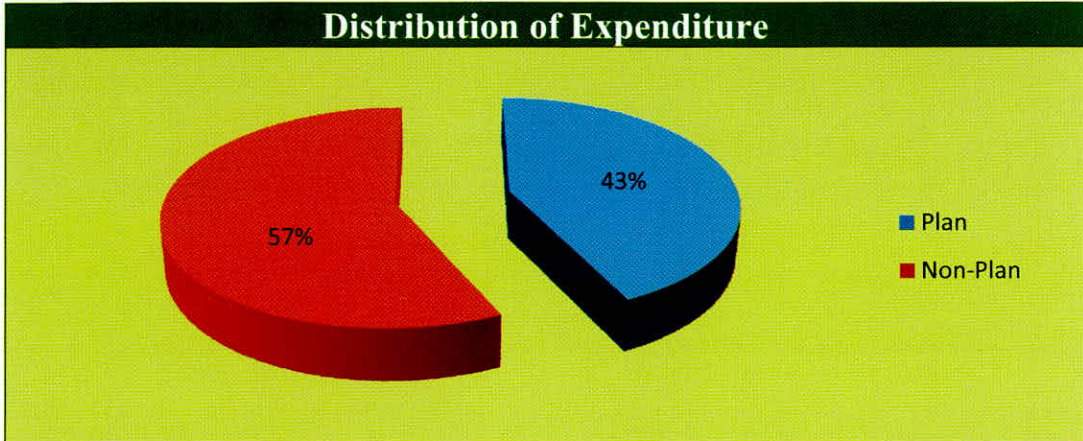
Sl. No.	Sector	2008-09	2009-10	2010-11	2011-12	2012-13
1.	General Services	77	89	57	25	83
2.	Social Services	191	221	166	277	291
3.	Economic Services	344	339	228	313	468
4.	Loans and Advances	...	37	6	49	5
	<b>Total</b>	<b>612</b>	<b>686</b>	<b>457</b>	<b>664</b>	<b>847</b>



# Chapter - IV

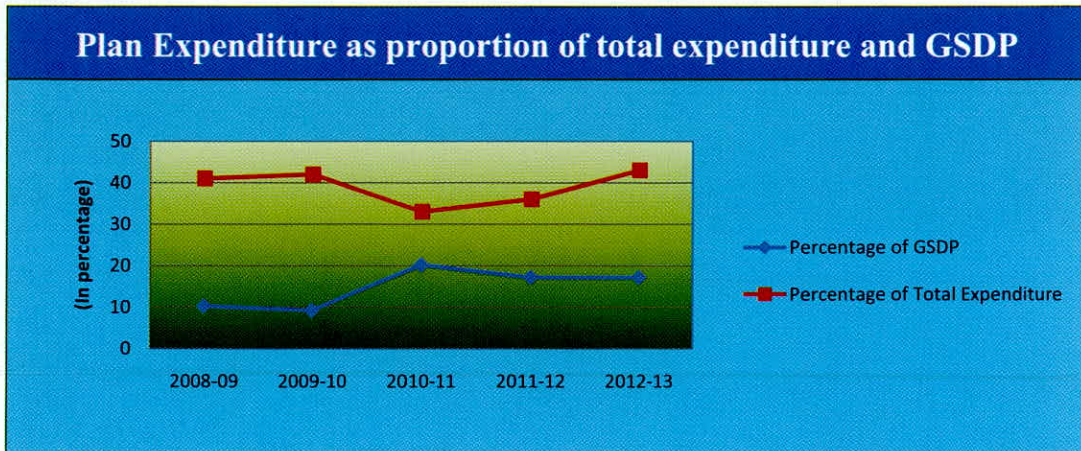
## PLAN & NON-PLAN EXPENDITURE

### 4.1. Distribution of expenditure (2012-13)



### 4.2. Plan Expenditure

During 2012-13, Plan Expenditure, representing 43 per cent of total disbursements, was ₹ 1,661 crore (₹ 1,495 crore under State Plan, ₹ 161 crore under Centrally Sponsored Plan Schemes and ₹ 5 crore under Loans and Advances).





### 4.2.1. Plan expenditure under Capital Account

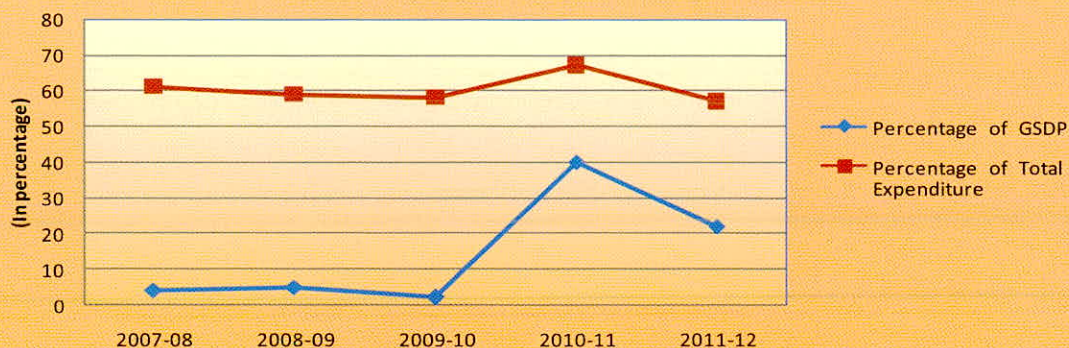
(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Total Capital Expenditure	612	686	457	664	847
Capital Expenditure (Plan)	612	649	451	615	842
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	100	95	99	93	99

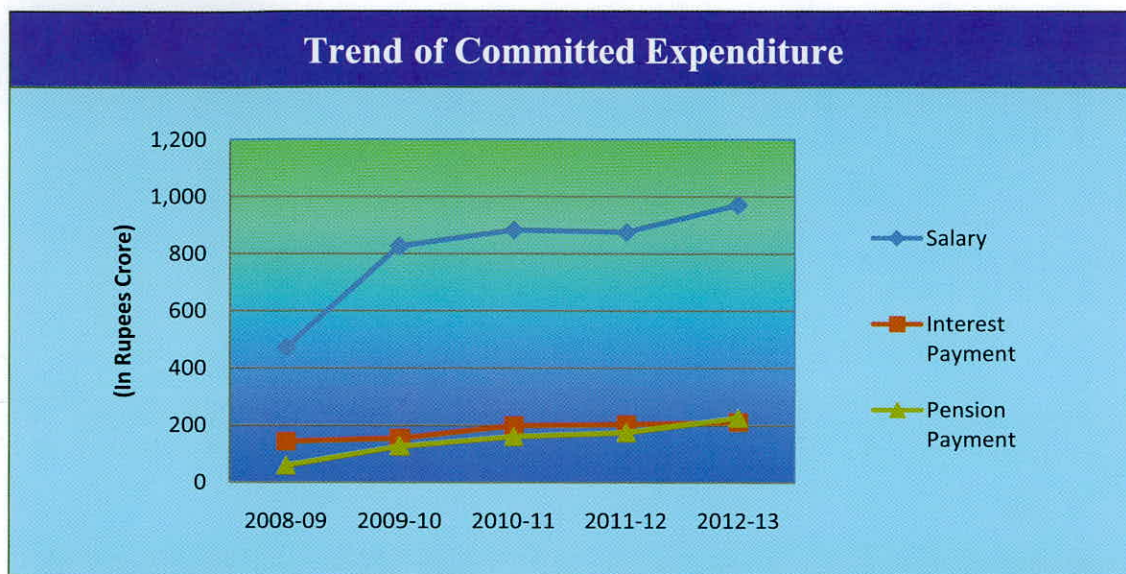
### 4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2012-13, representing 57 per cent of total disbursements, was ₹ 2,199 crore, (₹ 2,199 crore under Revenue and no expenditure under Capital).

#### Non-Plan Expenditure as proportion of total expenditure and GSDP



#### 4.4. Committed Expenditure



Component	2008-09	2009-10	2010-11	2011-12	2012-13
Committed Expenditure	672	1,106	1,241	1,239	1,407
Revenue Expenditure	2,294	2,738	2,908	3,230	3,012
Percentage of committed expenditure to Revenue Receipts	25	34	41	34	37
Percentage of committed expenditure to Revenue expenditure	29	40	43	38	47

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



# Chapter - V

## APPROPRIATION ACCOUNTS

### 5.1. Summary of Appropriation Accounts for 2012-13

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excesses (+)
1	Revenue Voted Charged	3,493	33	(-) 637	2889	2786	(-) 103
		233	...	(-) 11	222	229	(+) 7
2	Capital Voted Charged	1474	50	(-) 664	860	842	(-) 18
		...	...	...	...	...	...
3	Public Debt Charged	73	...	(-) 2	71	71	...
		...	...	...	...	...	...
4	Loans and Advances Voted	5	...	...	5	5	...
		...	...	...	...	...	...
	<b>Total</b>	<b>5278</b>	<b>83</b>	<b>(-) 1314</b>	<b>4047</b>	<b>3933</b>	<b>(-) 114</b>

## 5.2. Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2008-09	(-) 139.06	(-) 359.83	(-) 1.33	...	(-) 500.22
2009-10	(-) 154.59	(-) 344.49	...	...	(-) 499.08
2010-11	(-) 332.42	(-) 524.73	(-) 0.62	(-) 0.30	(-) 858.07
2011-12	(-) 703.98	(-) 705.46	(-) 21.16	(-) 0.23	(-) 1,430.83
2012-13	(-) 742.71	(-) 681.14	(-) 21.64	...	(-)1425.49

## 5.3. Significant Savings

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

Some grants with persistent and significant savings are given below:

(Savings in percentage)

Grant	Nomenclature	2008-09	2009-10	2010-11	2011-12	2012-13
01	Food Security and Agriculture Development	36	11	19	17	4
02	Animal Husbandry, Live Stock, Fisheries and Veterinary Services	21	6	13	8	8



Grant	Nomenclature	2008-09	2009-10	2010-11	2011-12	2012-13
07	Human Resources Development	2	4	2	4	9
12	Forest Environment & Wild Life Management	4	6	19	43	60
19	Irrigation & Flood Control	56	29	39	65	63
22	Land Revenue and Disaster Management	38	41	55	37	51
29	Development Planning, Economic Reforms & North Eastern Council Affairs	62	61	83	85	12
38	Social Justice, Empowerment & Welfare	5	21	52	47	34
39	Sports and Youth Affairs	45	18	27	7	72

During 2012-13, supplementary grants totaling ₹ 83 crore (2 per cent of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:



Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
01	Food Security and Agriculture Development	Revenue	63.75	3.10	64.22
2	Animal Husbandry, Livestock, Fisheries and Veterinary Services	Revenue	37.90	1.84	36.60
		Capital	14.33	0.30	2.86
03	Building and Housing	Capital	29.42	7.32	29.01
07	Human Resource Development	Revenue	321.34	7.63	300.42
12	Forest, Environment and Wild Life Management	Revenue	167.96	0.01	66.73
13	Health Care, Human Services and Family Welfare	Revenue	142.74	1.87	143.57
		Capital	112.90	0.13	101.38
19	Irrigation and Flood Control	Revenue	147.95	2.00	56.03
22	Land Revenue & Disaster Management	Revenue	338.53	0.01	166.51



(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
29	Development Planning, Economics Reforms and North Eastern Council Affairs	Revenue	17.90	1.55	17.06
		Capital	19.00	8.00	17.40
30	Police	Capital	10.65	2.60	6.87
33	Water Security and Public Health Engineering	Capital	114.20	8.10	41.00
34	Roads and Bridges	Capital	233.68	5.92	191.50
35	Rural Management and Development	Capital	98.20	7.36	70.62
38	Social Justice, Empowerment and Welfare	Revenue	99.26	4.11	68.56
		Capital			
39	Sports and Youth Affairs	Revenue	8.73	0.53	7.25
40	Tourism	Capital	151.89	4.75	48.50
41	Urban Development and Housing	Revenue	26.62	1.17	25.56
		Capital	218.02	2.74	49.41
43	Panchayati Raj Institutions	Revenue	334.81	1.60	314.73

# Chapter - VI

## ASSETS AND LIABILITIES

### 6.1. Assets

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

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 97 crore at the end of 2012-13. Dividend received during the year was ₹ 2 crore (i.e. 2.06 *per cent*) against the investment. There was no increase in the investment.

Cash Balance with State Bank of Sikkim and other banks stood at ₹ 129 crore on 31 March 2012 and decreased to ₹ 65 crore at the end of March 2013.

### 6.2. Debt and Liabilities

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



**Details of the Public Debt and total liabilities of the State Government are as under:**

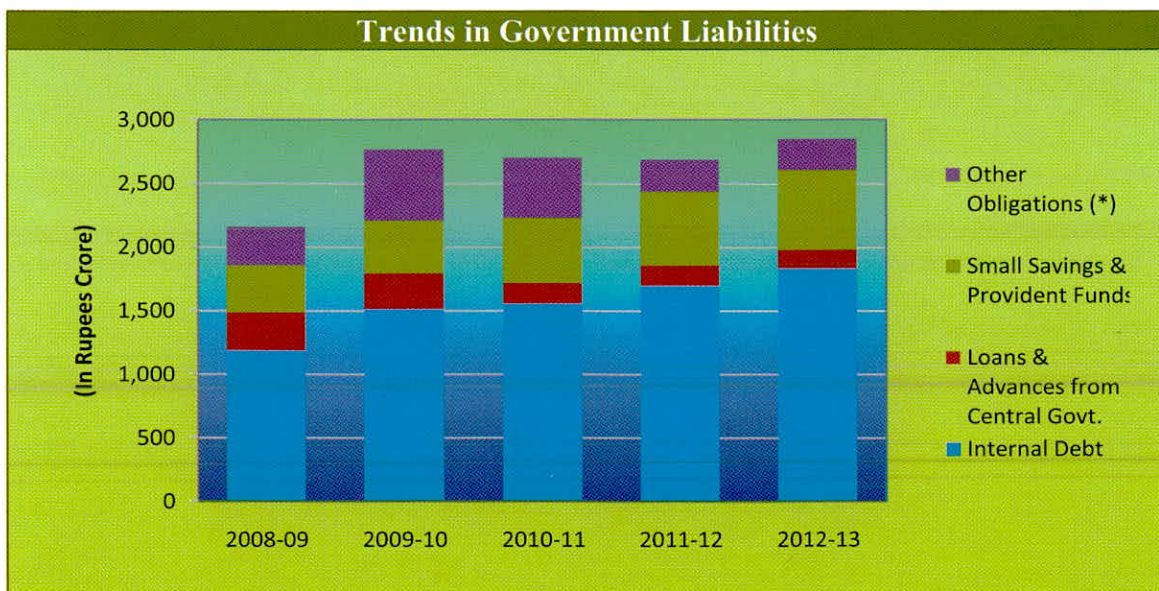
(₹ in crore)

Year	Public Debt	Percentage to GSDP	Public Account (*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2008-09	1,486	46	446	14	1,932	60
2009-10	1,792	29	500	08	2,292	37
2010-11	1,813	25	615	09	2,428	34
2011-12	1,852	22	701	08	2,553	30
2012-13	1,978	20	779	08	2,757	28

(\*) Excludes suspense and remittance balances.

Note: Figures are progressive balance to end of the year.

There is a net increase of ₹ 204 crore (7 per cent) in Public Debt and Other liabilities as compared to 2011-12.



(\*) Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

Government of India determines, from time to time, the limits up to which State Governments can borrow from the market. The Government of Sikkim has borrowed ₹ 94 crore under Market Loans during the year 2012-13. The closing balance of Market Loans as on 31 March 2013 was increased by ₹ 74 crore from ₹ 1,259 crore to ₹ 1,333 crore.

### 6.3. Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc. is given below:

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 March 2013	
		Principal	Interest
2008-09	75	75	...
2009-10	75	75	3
2010-11	360	247	30
2011-12	310	164	...
2012-13	310	186	1



# Chapter - VII

## OTHER ITEMS

### 7.1. Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2012-13 was ₹ 100 crore. Of this, Loans and Advances to Government Corporations/Companies, Non-Government Institutes and Local Bodies amounted to ₹ 5 crore. There was no recovery of Principal amount at the end of 31 March 2013.

### 7.2. Financial Assistance to Local Bodies and Others

During the last two years, Grants-in-Aid to local bodies etc. increased from ₹ 253 crore in 2011-12 to ₹ 300 crore in 2012-13. Grants to Zilla Parishads, Gram Panchayats and Municipalities (₹ 23 crore) represented 8 per cent of total grants given during the year.

**Detail of Grants-in-Aid for the past 2 years are as under:**

(₹ in crore)

Year	Zilla Parishads	Municipalities	Gram Panchayats	Others	Total
2011-12	9	2	218	24	253
2012-13	8	...	15	277	300

### 7.3. Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2012	As on 31 March 2013	Net increase (+) / decrease (-)
Cash Balances	129	65	(-) 64
Investments from cash balance (GOI Treasury Bills)	565	750	185
Investment from earmarked fund balances	236	233	(-) 3
(a) Sinking Fund	138	203	65
(b) Guarantee redemption Fund	14	16	2
(c) Other Funds	84	14	(-) 70

State Government had a positive closing cash balance at the end of 2012-13, despite utilizing its cash balances and earmarked fund balances towards investments.

### 7.4. Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Senior Deputy Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. In 2012-13, 100 per cent of the total expenditure of ₹ 3,855 crore of the State Government was reconciled. Similarly, 100 per cent of the total receipts of ₹ 3,793 crore was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO) of different departments is given below:

Particulars	Total No. of CCOs	Fully Reconciled	Partially Reconciled	Not reconciled
Expenditure	48	48	...	...
Receipts	32	32	...	...
Total	80	80	...	...



## **7.5. Submission of accounts by Treasuries**

The rendition of initial accounts by the Treasuries is satisfactory. However, in some cases, delay have been observed in submission of monthly accounts by the treasuries and other accounts rendering units owing to the ongoing computerization of Government transaction including accredited banks under SIFMS-Mission Mode project.

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

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 90 days, through submission of DC bills. To the end of 31 March 2013, total number of 4202 DC bills amounting to ₹ 141 crore were outstanding for submission of DC bills.

