



GOVERNMENT OF SIKKIM

ACCOUNTS AT A GLANCE 2011-2012

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



Sikkim Legislative Assembly

Preface

The Annual Accounts of the State Government are prepared and examined under the directions of 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.

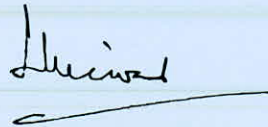
Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise gross expenditures against provisions approved by the State Legislature and offer explanations for variations between the actual expenditure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

Sr. Deputy Accountant General (A&E)

Place: Gangtok
Date: 6th March 2013

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

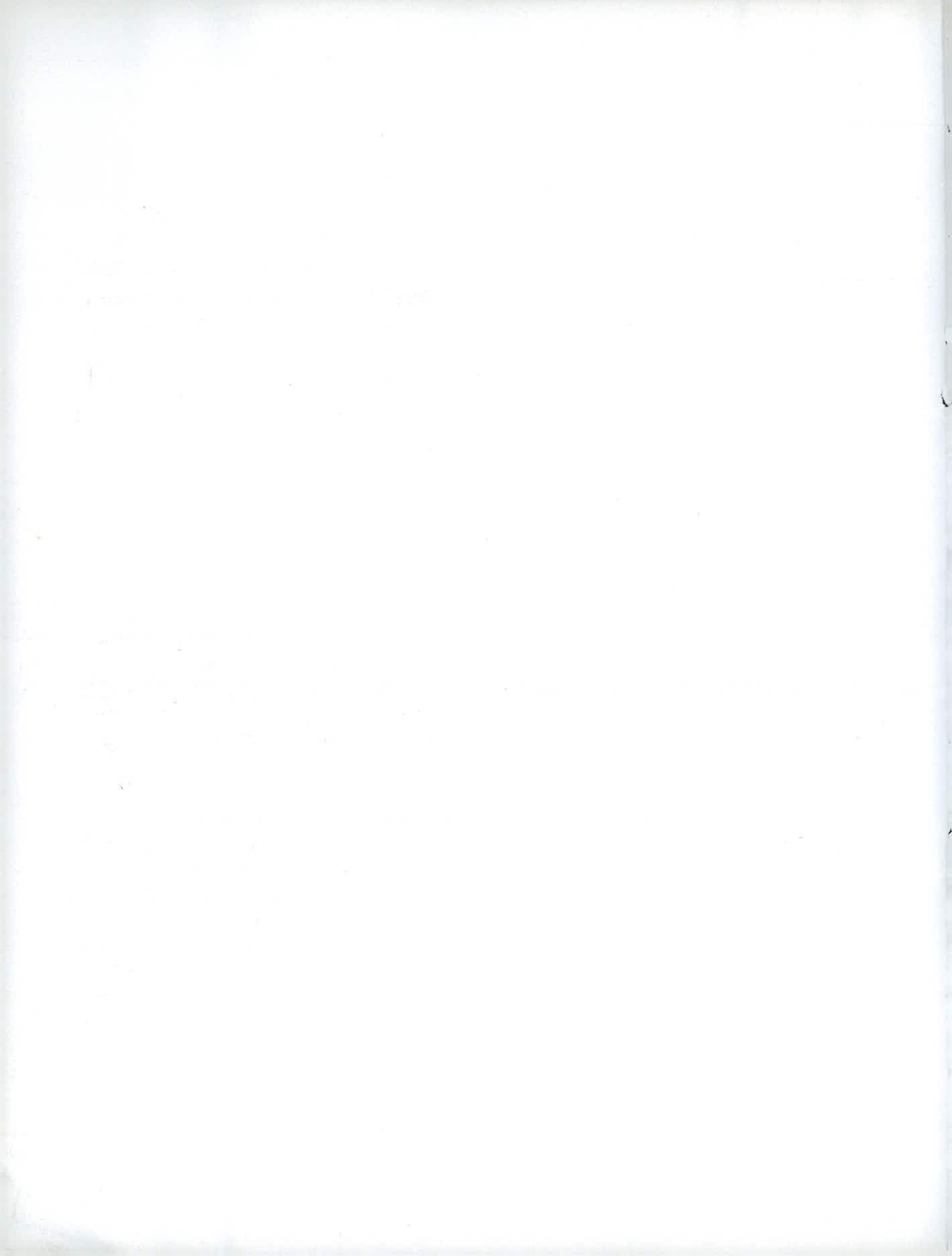
Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders – the Legislature, the Executive and the Public – that public funds are being used efficiently and for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

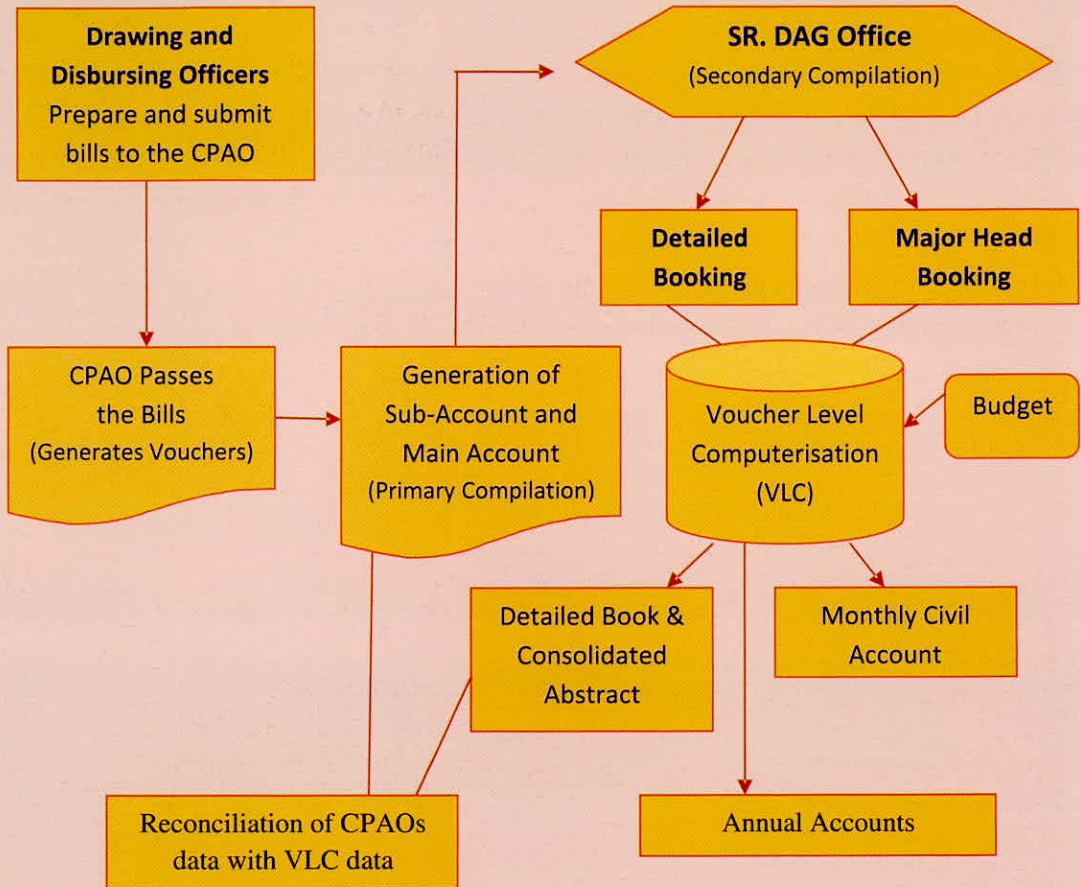
1.2.1. GOVERNMENT ACCOUNTS ARE KEPT IN THREE PARTS:

Part 1 Consolidated fund	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part 2 Contingency fund	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.
Part 3 Public Account	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are 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 and Auditor 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 2011-12 are given below.

(₹ in crore)

Receipts (Total: 3,895)	Revenue (Total: 3,673)	Tax Revenue	906
		Non-Tax Revenue	1,045
		Grants-in-Aid	1,722
	Capital (Total: 222)	Other Capital Receipts	42
		Recovery of Loans and Advances	-
		Borrowings and other Liabilities	180
Disbursements (Total: 3,895)	Revenue	3,230	
	Capital	616	
	Loans and Advances	49	

* 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 ₹ 415 crore (₹ 332 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, 2011-2012, had provided for gross expenditure of ₹ 5,376 crore and reduction of expenditure (recoveries) of ₹ 2 crore. Against this, the actual gross expenditure was ₹ 3,946 crore and reduction of expenditure of ₹ 2 crore, resulting in net savings of ₹ 1,430 crore (27 %). Reduction of expenditure, both revenue and capital, was far more than estimates, due to lapsing of unspent balance of deposits in March 2012, as detailed at para 1.6 of this publication. The expenditure includes ₹ 40 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 ₹ 443 crore and a Fiscal Deficit of ₹ 180 crore representing 5 % and 2 % of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 5 % of total expenditure. This deficit was met from Public Debt (₹ 39 crore), increase in Public Account (₹ 115 crore) and net opening and closing cash balance (₹ 26 crore). Around 34 % of the revenue receipts (₹ 3,673 crore) of the State Government was spent on committed expenditure like salaries (₹ 875 crore), interest payments (₹ 191 crore) and pensions (₹ 174 crore).

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

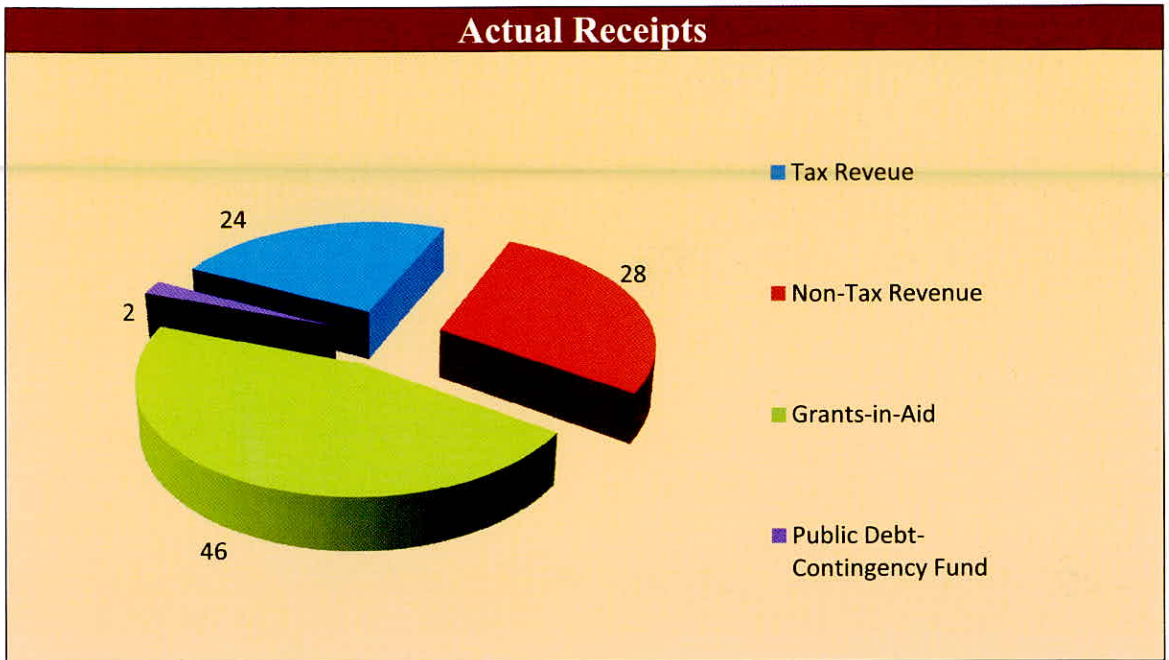
Sources and Application of Funds

(₹ in crore)

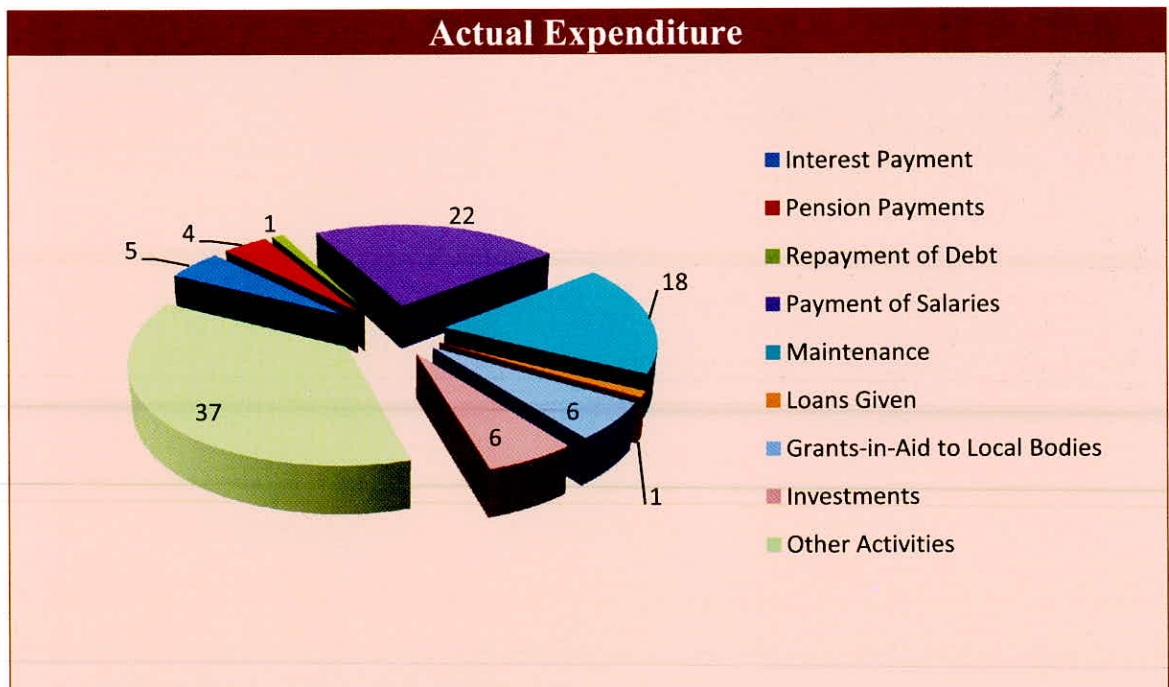
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2011	155
	Revenue Receipts	3,673
	Miscellaneous Capital Receipts	42
	Recovery of Loans & Advances	-
	Public Debt	87
	Small Savings Provident Funds & Others	195
	Reserves & Sinking Funds	355
	Deposits Received	56
	Civil Advances Repaid	-
	Suspense Account	3,535
	Remittances	1,032
	Contingency Fund	-
	TOTAL	9,130

APPLICATION	Revenue Expenditure	3,230
	Capital Expenditure	616
	Loans Given	49
	Repayment of Public Debt	49
	Small Savings Provident Fund & Others	127
	Reserves & Sinking Funds	357
	Deposits Spent	38
	Civil Advances Given	-
	Suspense Account	3,621
	Remittances	914
	Closing Cash Balance as on 31.3.2012	129
	TOTAL	9,130

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 2011-12	Actuals	Percentage of actual to B.E	Percentage of actual to GSDP(\$)
1.	Tax Revenue (@)	900	906	101	11
2.	Non-Tax Revenue	1281	1045	82	12
3.	Grants-in-aid & Contributions	2005	1722	86	21
4.	Revenue Receipts (1+2+3)	4186	3673	88	44
5.	Recovery of Loans and Advances	1	-	-	-
6.	Other Receipts	-	42	-	1
7.	Borrowings & Other Liabilities (A)	147	180	122	2
8.	Capital Receipts (5+6+7)	148	222	150	3
9.	Total Receipts (4+8)	4334	3895	90	46
10.	Non-Plan Expenditure (NPE) (11+13)	2394	2482	104	30
11.	NPE on Revenue Account	2394	2482	104	30
12.	NPE on Interest Payments out of 11	192	191	99	2
13.	NPE on Capital Account	-	-	-	-
14.	Plan Expenditure (PE) (15+16)	1940	1413	73	17
15.	PE on Revenue Account	839	748	89	9
16.	PE on Capital Account	1101	665	60	8
17.	Total Expenditure (10+14)	4334	3895	90	46
18.	Revenue Expenditure (11+15)	3233	3230	100	38
19.	Capital Expenditure (13+16) (#)	1101	665	60	8
20.	Revenue Surplus (4-18)	953	443	46	5
21.	Fiscal Deficit 17 - (4+5+6) = 7	147	180	122	2

(@) Includes State's share of Union Taxes of ₹ 612 crore.

(\$) GSDP figure of ₹ 8,399 crore adopted from the Department of Economics, Statistics, Monitoring & Evaluation, Government of Sikkim, Gangtok.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 616 crore) and Loans and Advances disbursed (₹ 49 crore).

1.5.1. Receipts and Disbursements:-

The following table summarizes the Receipts & Disbursements Accounts for 2011-12:-

(₹ in crore)

Total Receipts			Total Disbursements		
3,895			3,895		
Revenue Receipts	3,673	(94.30)	Revenue Disbursements	3,230	(82.92)
Capital Receipts	222	(05.70)	Capital Disbursements	665	(17.08)

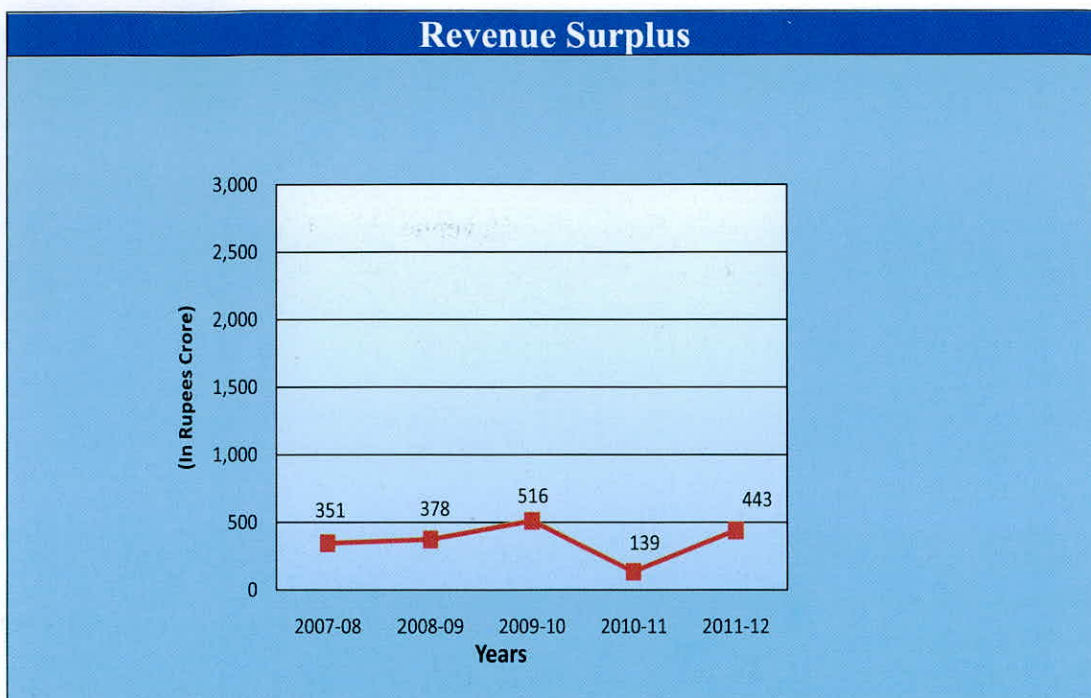
Figures in brackets indicate percentage.

1.6. What do the Deficits and Surplus indicate?

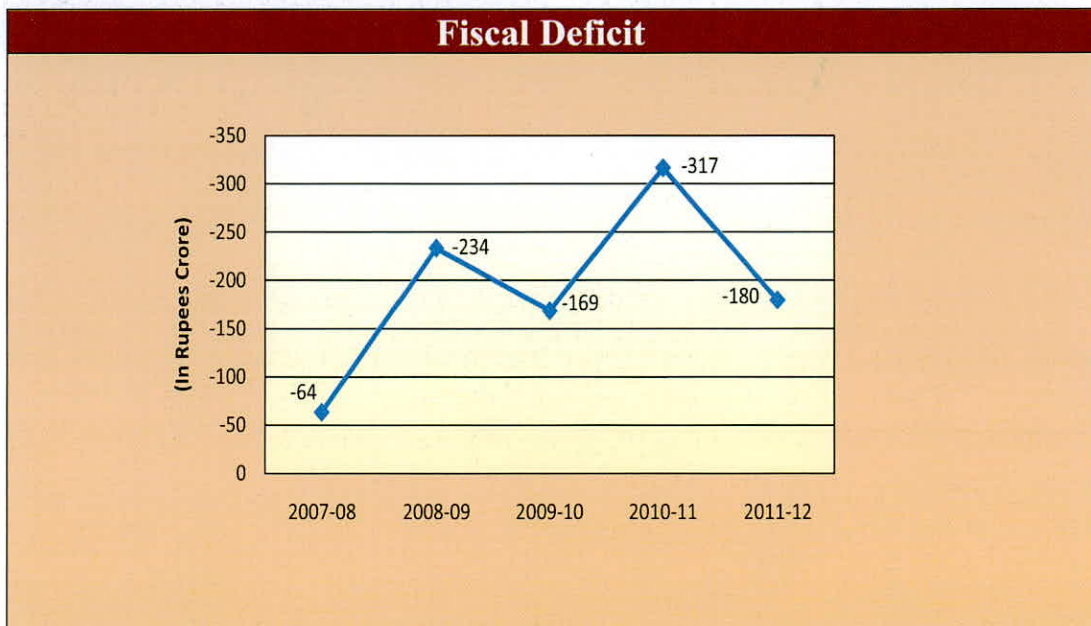
Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure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

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The 13th Finance Commission has recommended that the States achieve revenue balance by 2010-11 and reduce Gross Fiscal Deficit to 2.14 % of GSDP by 2011-12.

1.6.1. TREND OF REVENUE SURPLUS



1.6.2. Trend of Fiscal Deficit



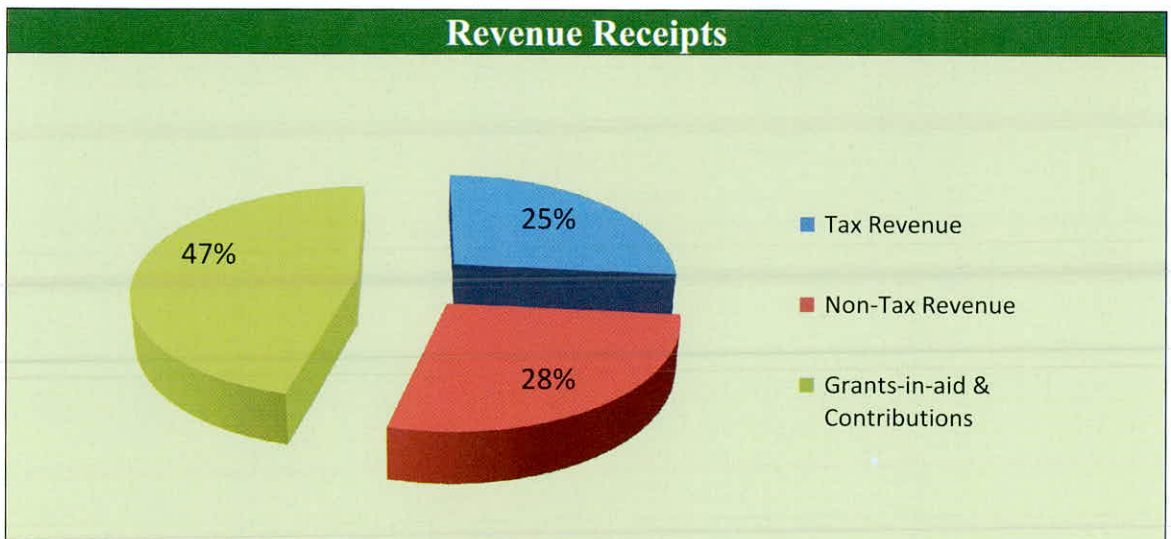
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2011-12 were ₹ 3,895 crore.

2.2. Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes Interest Receipts, Dividends, Profits etc.
Grants-in-Aid	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 (2011-12)

(₹ in crore)

Components	Actuals
A. Tax Revenue	906
Taxes on Income & Expenditure	368
Taxes on Property & Capital Transactions	14
Taxes on Commodities & Services	524
B. Non-Tax Revenue	1,045
Interest Receipts, Dividends and Profits	30
General Services	876
Social Services	8
Economic Services	131
C. Grants-in-aid & Contributions	1,722
Total – Revenue Receipts	3,673

2.3. Trend of Receipts

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax	543	563	598	804	906
Revenues	(22)	(17)	(10)	(11)	(11)
Non-Tax	1,414	1,205	1,356	1,138	1,045
Revenues	(56)	(37)	(22)	(16)	(12)
Grants-in- Aid	743	903	1,300	1,105	1,722
	(30)	(28)	(21)	(15)	(21)
Total	2,700	2,671	3,254	3,047	3,673
Revenue	(108)	(82)	(53)	(42)	(44)
Receipts					
GSDP	2,506	3,229	6,133	7,145*	8,400**

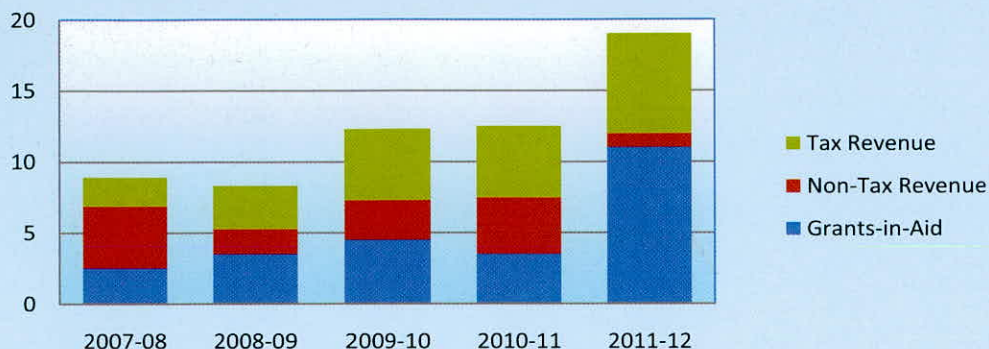
Note: Figures in parentheses represent percentage to GSDP

* Provisional

** Quick Estimates

Though the GSDP increased by 18 % between 2010-11 and 2011-12, growth in revenue collection was only 21 %. While tax revenue increased by 13 %, non-tax revenues declined by 8 %.

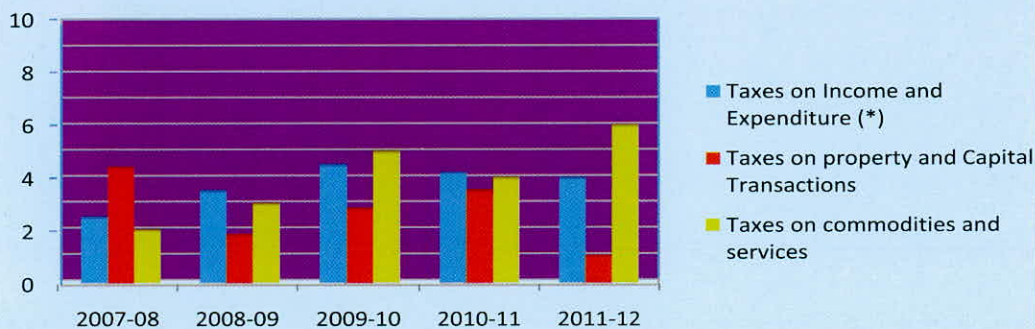
Components under Revenue Receipts as proportion to GSDP



Sector-wise Tax Revenue

	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on Income and Expenditure	232	210	243	319	368
Taxes on Property and Capital Transactions	7	6	8	13	14
Taxes on Commodities and Services	304	347	348	473	524
Total Tax Revenues	543	563	599	805	906

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)
2007-08	543	345	198	7.90 %
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 %

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	7	6	8	13	14
Expenditure on Collection	4	4	9	8	10
Efficiency of Tax Collection	57 %	67 %	(-) 13 %	61 %	71 %

B. Taxes on Commodities and Services

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	304	347	348	473	524
Expenditure on Collection	21	19	21	24	31
Efficiency of Tax Collection	7 %	5 %	6 %	5 %	6 %

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.

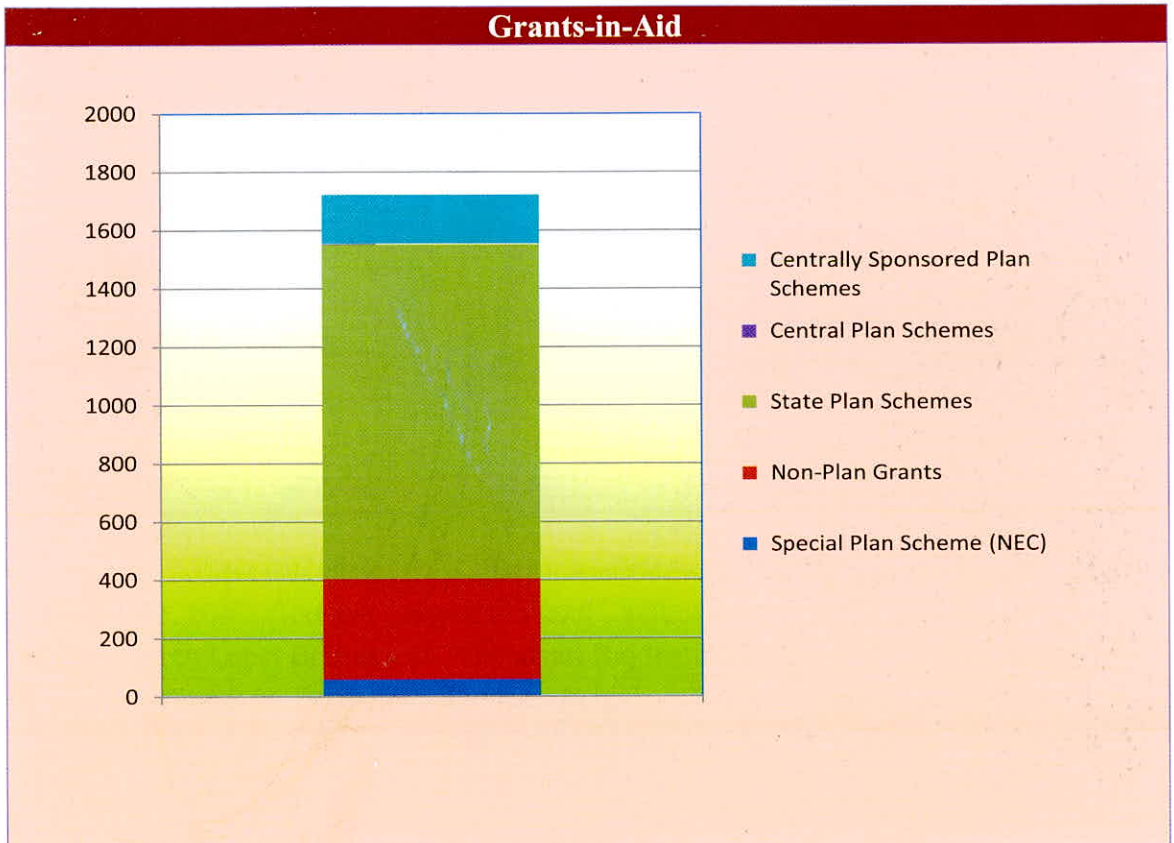
2.6. Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

Major Head description	2007-08	2008-09	2009-10	2010-11	2011-12
Corporation Tax	110	119	154	205	241
Taxes on Income other than Corporation Tax	74	75	86	109	122
Taxes on Wealth	-	-	-	-	1
Customs	65	70	53	92	106
Union Excise Duties	62	61	42	67	69
Service Tax	34	39	40	52	73
Other Taxes and Duties on Commodities and Services	-	-	-	-	-
State Share of Union Taxes	345	364	375	525	612
Total Tax Revenue	543	563	598	804	906
% of Union Taxes to Total Tax Revenue	64	65	63	65	68

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 2011-12 under Grants-in-Aid were ₹ 1,722 crore as shown below:



2.8. PUBLIC DEBT

Trend of Public Debt over the past 5 years

(₹ in crore)

Description	2007-08	2008-09	2009-10	2010-11	2011-12
Internal Debt	233	277	324	44	42
Central Loans	(-) 9	(-) 16	(-) 19	(-) 22	(-) 3
Total Public Debt	224	261	305	22	39

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

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.

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

3.2. Revenue Expenditure

Revenue Expenditure of ₹ 3,230 crore for 2011-12 fell short of budget estimates by ₹ 3 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)

	2007-08	2008-09	2009-10	2010-11	2011-12
Budget Estimates(BE)	2,380	2,237	2,567	3,054	3,233
Actuals	2,349	2,294	2,738	2,908	3,230
Gap	31	57	171	146	3
% of gap over BE	1	3	7	5	-

There was no compounding shortfall of Revenue Receipts against budget estimates.

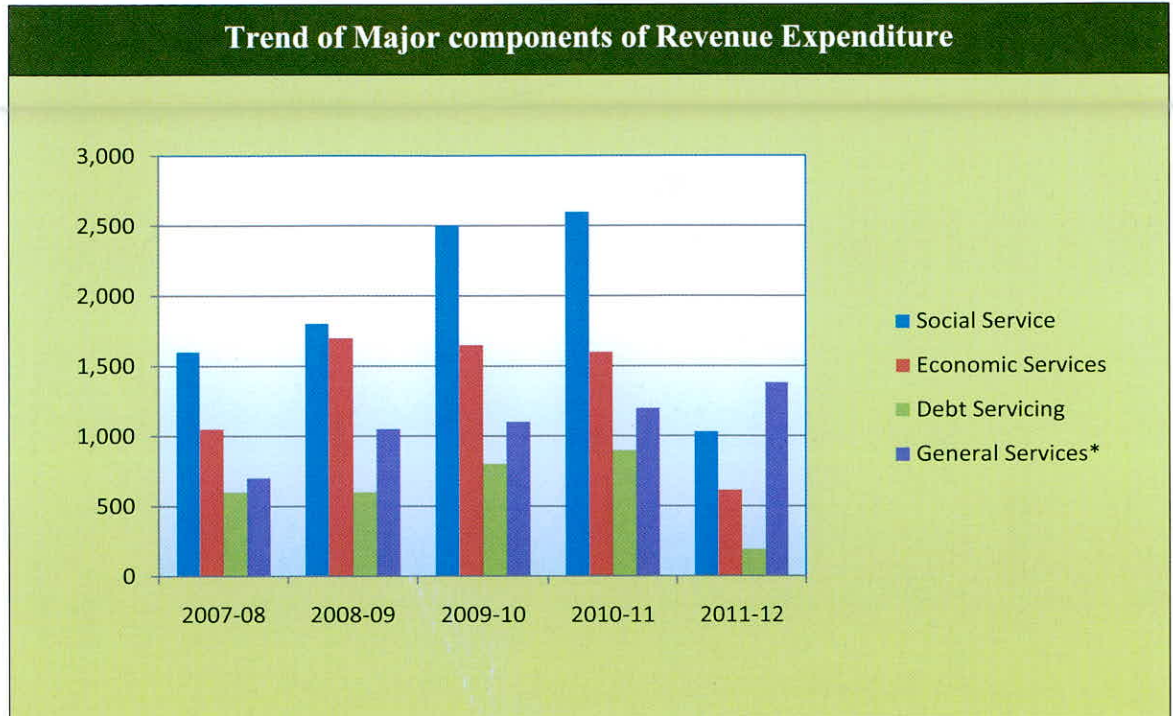
3.2.1. Sectoral distribution of Revenue Expenditure (2011-12)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services		
(i) Collection of Taxes on Property and Capital transactions	10	-
(ii) Collection of Taxes on Commodities and Services	32	1
(iii) Other Fiscal Services	1	-
B. Organs of State	46	1
C. Interest Payments and Servicing of debt	203	6
D. Administrative Services	280	9
E. Pensions and Miscellaneous General Services	981	30
F. Social Services	1032	32
G. Economic Services	614	19
H. Grants-in-Aid and Contribution	31	1
Total Expenditure (Revenue Account)	3230	100

3.2.2. Major components of Revenue Expenditure (2007-2012)

(₹ 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 2011-12 at 5 % of GSDP were less than Budget Estimates by ₹ 436 crore (less disbursement of ₹ 436 crore under Plan Expenditure).

3.3.1. Sectoral distribution of Capital Expenditure

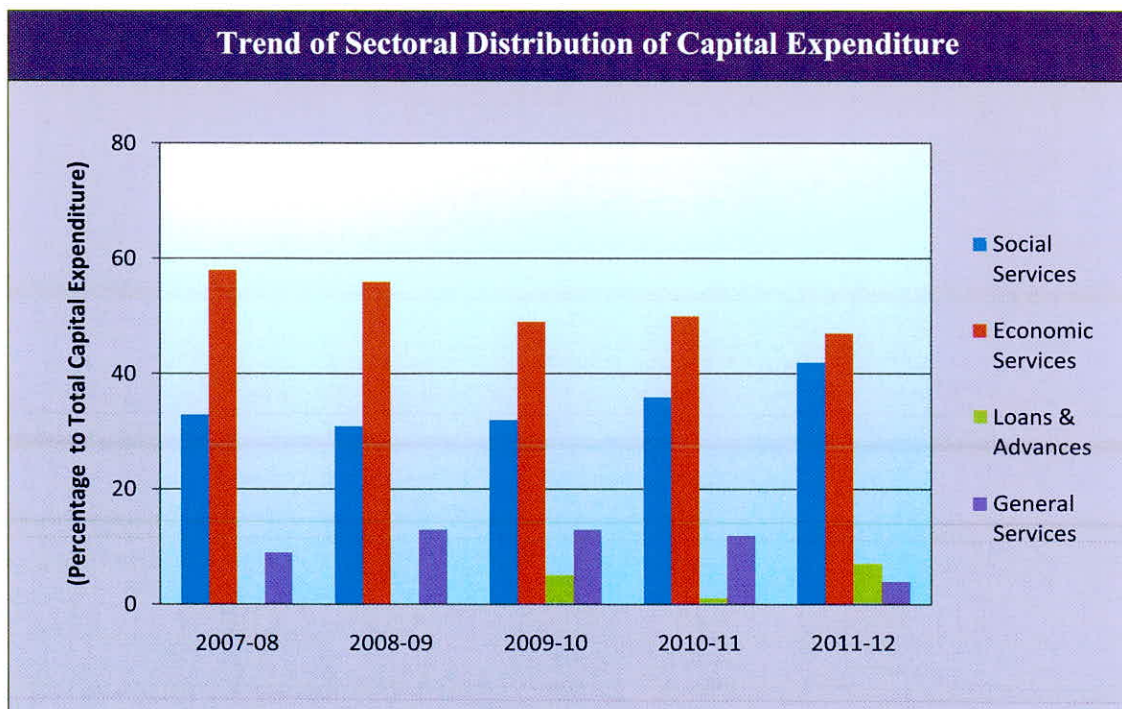
(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1.	General Services – Police, Land Revenue etc.	25	4
2.	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	277	42
3.	Economic Services – Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.	313	47
4.	Loans and Advances Disbursed	49	7
	Total	664	100

3.3.2. Sectoral distribution of Capital Expenditure over the past 5 years

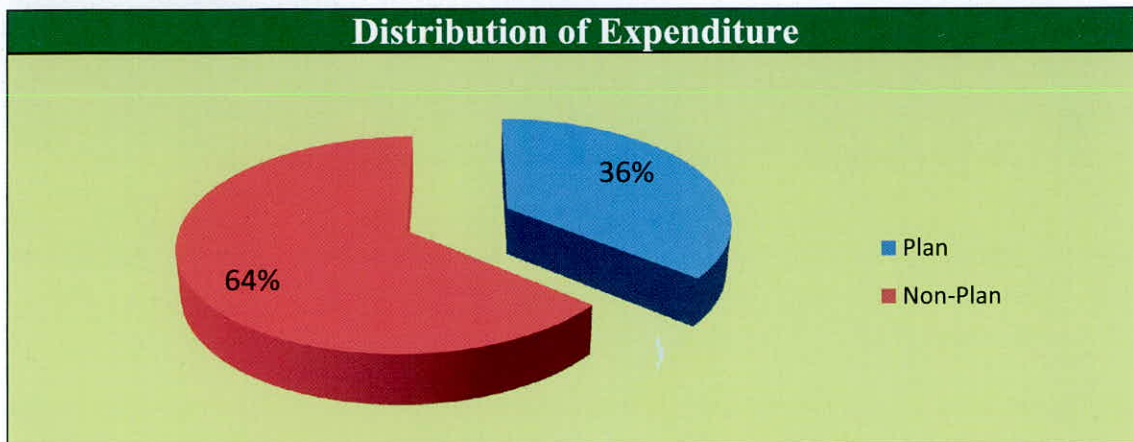
(₹ in crore)

Sl. No.	Sector	2007-08	2008-09	2009-10	2010-11	2011-12
1.	General Services	39	77	89	57	25
2.	Social Services	135	191	221	166	277
3.	Economic Services	241	344	339	228	313
4.	Loans and Advances	-	-	37	6	49
	Total	415	612	686	457	664



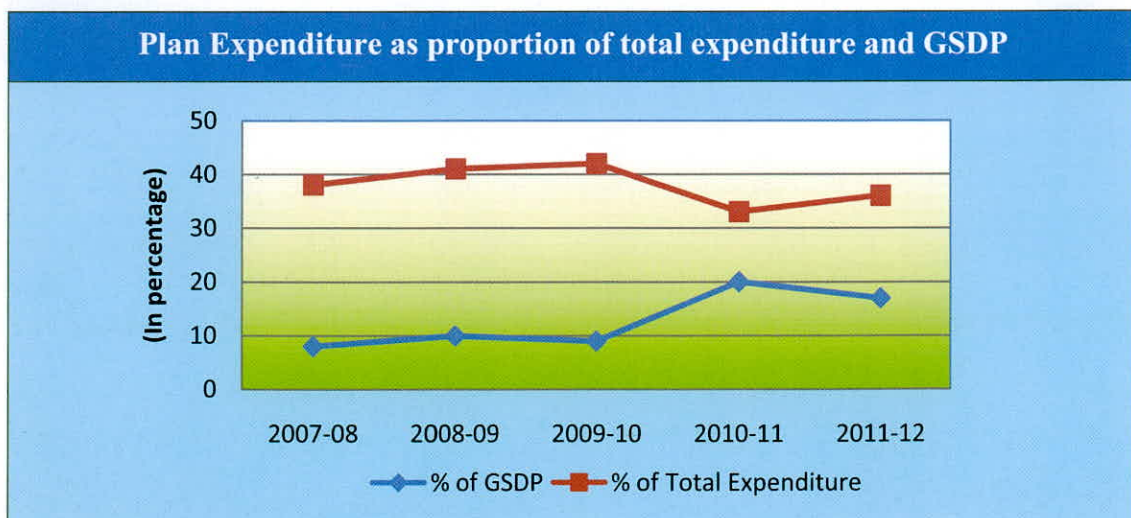
PLAN & NON-PLAN EXPENDITURE

4.1. Distribution of Expenditure (2011-12)



4.2. PLAN EXPENDITURE

During 2011-12, Plan Expenditure, representing 36 percent of total disbursements, was ₹ 1,413 crore (₹ 1,194 crore under State Plan, ₹ 170 crore under Centrally Sponsored Plan Schemes and ₹ 49 crore under Loans and Advances).



4.2.1. Plan Expenditure under Capital Account

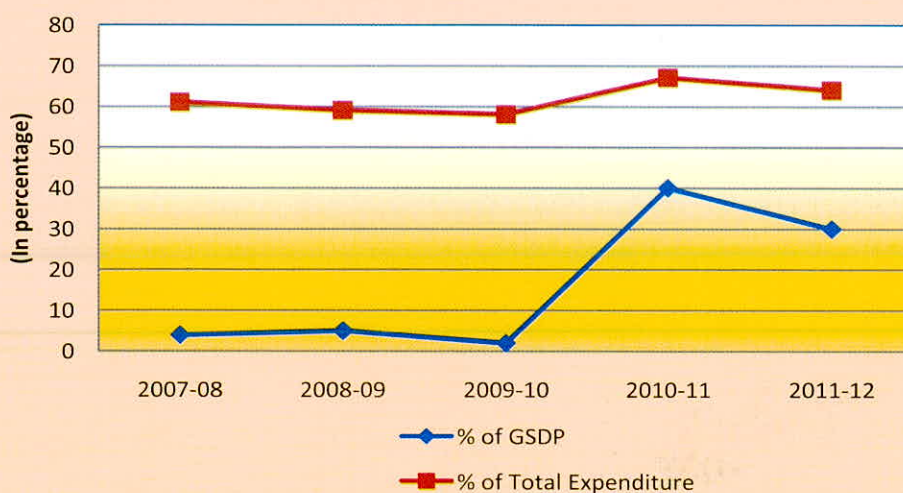
(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Total Capital Expenditure	415	612	686	457	664
Capital Expenditure (Plan)	415	612	649	451	615
% of Capital Expenditure (plan) to Total Capital Expenditure	100	100	95	99	93

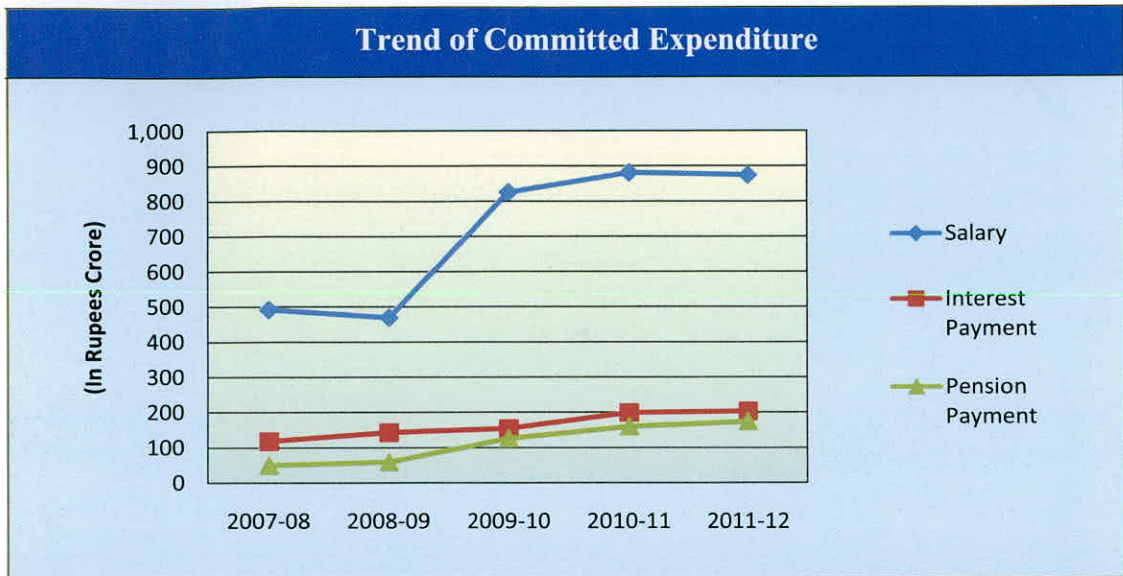
4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2011-12, representing 64% of total disbursements, was ₹ 2,482 crore, (₹ 2,482 crore under Revenue and no expenditure under Capital).

Non-Plan Expenditure as proportion of total expenditure and GSDP



4.4. COMMITTED EXPENDITURE



Component	2007-08	2008-09	2009-10	2010-11	2011-12
Committed Expenditure	661	672	1,106	1,241	1,239
Revenue Expenditure	2,349	2,294	2,738	2,908	3,230
% of committed expenditure to Revenue Receipts	24	25	34	41	34
% of committed expenditure to Revenue Expenditure	28	29	40	43	38

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

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2011-12

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excesses (+)
1	Revenue Voted	3,045.70	670.02	(-) 462.78	3,252.94	3,014.41	(-) 238.53
	Charged	219.52	0.56	(-) 13.91	206.17	217.51	(+) 11.34
2	Capital Voted	1,094.84	226.05	(-) 503.61	817.28	615.76	(-) 201.52
	Charged	-	-	-	-	-	-
3	Public Debt Charged	69.82	-	(-) 21.16	48.66	48.66	-
4	Loans and Advances Voted	45.40	4.00	(-) 0.23	49.17	49.17	-
	Total	4,475.28	900.63	(-) 1,001.69	4,374.22	3,945.51	(-) 428.71

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

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2007-08	(-) 120.05	(-) 285.89	-	(-) 0.25	(-) 406.19
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

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 %)

Grant	Nomenclature	2007-08	2008-09	2009-10	2010-11	2011-12
01	Food Security and Agriculture Development	8	36	11	19	17
12	Forest Environment & Wild Life Management	4	4	6	19	43
19	Irrigation & Flood Control	22	56	29	39	65

Grant	Nomenclature	2007-08	2008-09	2009-10	2010-11	2011-12
29	Development Planning, Economic Reforms & North Eastern Council Affairs	72	62	61	83	85
38	Social Justice, Empowerment & Welfare	28	5	21	52	55

During 2011-12, supplementary grants totaling ₹ 901 crore (23 % of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
01	Food Security and Agriculture Development	Revenue	60.39	13.20	61.31
02	Animal Husbandry, Livestock, Fisheries and Veterinary Services	Capital	8.11	6.90	7.82
03	Building and Housing	Capital	19.03	8.19	18.30
05	Cultural Affairs and Heritage	Capital	16.47	6.78	16.28
07	Human Resource Development	Revenue	246.19	44.81	279.61

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
10	Finance Revenue & Expenditure	Revenue	1,130.67	14.54	1,013.01
11	Food Civil Supplies and Consumer Affairs	Revenue	16.90	2.93	17.87
12	Forest, Environment and Wild Life Management	Revenue	110.28	14.61	71.29
13	Health Care, Human Services and Family Welfare	Capital	138.82	1.10	97.56
14	Home	Revenue	31.06	0.14	26.86
15	Horticulture & Cash Crops Development	Revenue	17.21	18.79	32.78
19	Irrigation and Flood Control	Revenue	108.97	8.41	40.54
22	Land Revenue & Disaster Management	Revenue	70.10	373.31	280.21

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
28	Personnel, Administrative Reforms and Training, Public Grievances, Career Options and Employment, Skill Development and Chief Minister's self Employment Scheme	Revenue	28.73	1.66	23.86
29	Development Planning, Economics Reforms and North Eastern Council Affairs	Revenue	68.46	1.09	10.74
		Capital	19.00	1.50	17.87
30	Police	Revenue	210.95	0.38	178.97
		Capital	11.00	2.00	5.83
31	Energy and Power	Capital	72.72	3.16	36.60
33	Water Security and Public Health Engineering	Capital	78.29	13.34	34.27
34	Roads and Bridges	Capital	183.63	82.88	115.13

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
35	Rural Management and Development	Capital	103.35	36.88	82.29
38	Social Justice, Empowerment and Welfare	Revenue	117.88	25.68	76.24
		Capital	8.49	3.80	5.59
40	Tourism	Capital	161.05	23.15	57.00
41	Urban Development and Housing	Capital	222.78	2.07	57.36
43	Panchayati Raj Institutions	Revenue	310.73	18.24	278.47

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 2011-12. However, no dividends were received against the investment during the year. There was no increase in the investment nor income on dividends.

Cash Balance with State Bank of Sikkim and other banks stood at ₹ 155 crore on 31st March 2011 and decreased to ₹ 129 crore at the end of March 2012.

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:

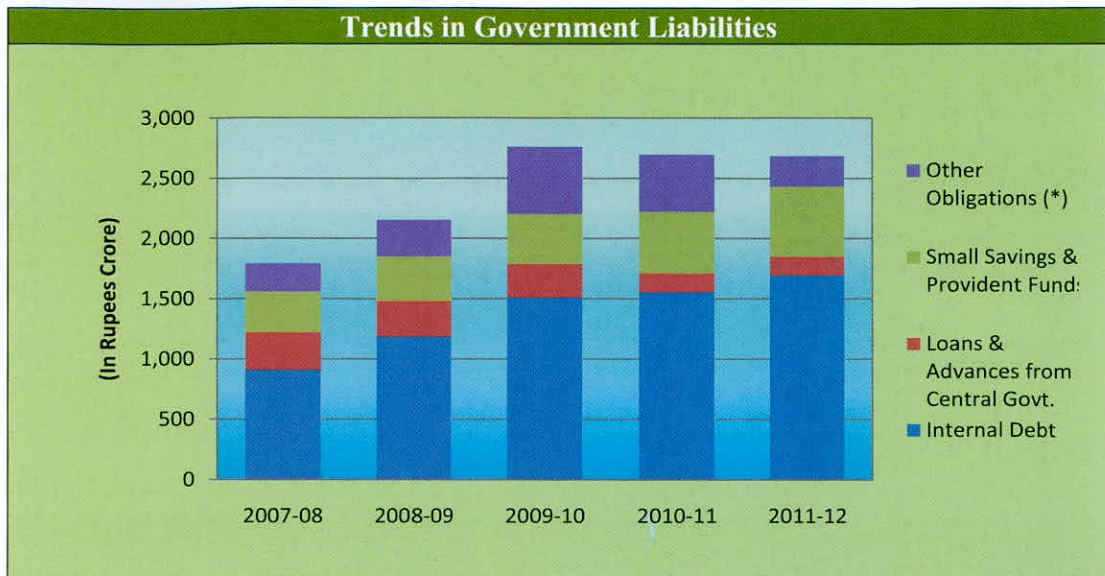
(₹ in crore)

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2007-08	1,225	49	391	16	1,616	65
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

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹ 125 crore (5 %) in Public Debt and Other liabilities as compared to 2010-11.



(*) 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 ₹ 40 crore under Market Loans during the year 2011-12. The closing balance of Market Loans as on 31.03.2012 was increased by ₹ 23.28 crore from ₹ 1235.43 crore to ₹ 1258.71 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 st March 2012	
		Principal	Interest
2007-08	84	75	-
2008-09	75	75	-
2009-10	75	75	3
2010-11	360	247	30
2011-12	310	164	-

OTHER ITEMS

7.1. Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2011-12 was ₹ 96 crore. Of this, Loans and Advances to Government Corporations/Companies, Non-Government Institutes and Local Bodies amounted to ₹ 49 crore. There was no recovery of Principal amount at the end of 31st March 2012.

7.2. Financial Assistance to Local Bodies and Others

During the last two years, Grants-in-Aid to local bodies etc. decreased from ₹ 257 crore in 2010-11 to ₹ 253 crore in 2011-12. Grants to Zilla Parishads, Gram Panchayats and Municipalities (₹ 204 crore) represented 88% 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
2010-11	4	2	237	14	257
2011-12	9	2	218	24	253

7.3. Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 st April 2011	As on 31 st March 2012	Net increase (+) / decrease (-)
Cash Balances	155	129	(-) 26
Investments from cash balance (GOI Treasury Bills)	440	565	125
Investment from earmarked fund balances	151	236	85
(a) Sinking Fund	126	138	12
(b) Guarantee redemption Fund	14	14	...
(c) Other Funds	11	84	73

State Government had a positive closing cash balance at the end of 2011-12, 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 2011-12, 100 % of the total expenditure of ₹ 3,846 crore of the State Government was reconciled. Similarly, 100% of the total receipts of ₹ 3,673 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, submission of accounts by the Pay and Accounts Officers (PAOs) of the Public Works and Forest Departments should improve.

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 31st March 2012, total number of 5,625 AC bills amounting to ₹ 144 crore were outstanding for submission of DC bills.

