

**Report of the
Comptroller and Auditor General of India
on
Social, Economic, Revenue and General Sectors
for the year ended March 2013**

The Report has been laid on the table of
the State Legislature Assembly on
28-06-2014

Government of Sikkim
Report No.1 of 2014

CONTENTS

Paragraph	Particulars	Page
	Preface	iii
	Executive summary	v
Chapter I: Social Sector		
1.1	Introduction	1
1.2	Planning and conduct of Audit	2
1.3	Infructuous expenditure <i>(Health Care, Human Services & Family Welfare Department)</i>	3
1.4	Irregular expenditure <i>(Human Resource Development Department)</i>	4
Chapter II: Economic Sector		
2.1	Introduction	7
2.2	Planning and conduct of Audit	9
2.3	Rajiv Gandhi Grameen Vidyutikaran Yojana <i>(Energy & Power Department)</i>	9
2.4	Rashtriya Krishi Vikas Yojana <i>(Food Security & Agriculture Development Department)</i>	39
2.5	‘Suspension Foot Bridges’ funded under Social & Infrastructure Development Fund <i>(Rural Management & Development Department)</i>	63
2.6	Unauthorised expenditure due to violation of GOI conditions <i>(Animal Husbandry, Livestock, Fisheries & Veterinary Services Department)</i>	71
2.7	Unauthorised expenditure <i>(Food Security & Agriculture Development Department)</i>	72
2.8	Undue benefit to contractors <i>(Roads & Bridges Department)</i>	73
2.9	Loss on sale of Power <i>(Energy & Power Department)</i>	74
Chapter III: Economic Sector (Public Sector Undertakings)		
3.1	Overview of State Public Sector Undertakings	77
3.2	Failure to invoke Bank Guarantee in full <i>(Sikkim Power Development Corporation Limited)</i>	88
3.3	Levying interest beyond permissible limit <i>(Sikkim Scheduled Castes, Scheduled Tribes & Other Backward Classes Development Corporation Limited)</i>	89
Chapter IV: Revenue Sector		
4.1	Trend of Revenue Receipts	91
4.2	Response of the Departments/Government towards Audit	95
4.3	Analysis of the mechanism for dealing with the issues raised by Audit	97
4.4	Results of audit	98
4.5	Undue benefit to a company <i>(Finance, Revenue & Expenditure Department (Commercial Taxes Division))</i>	99
4.6	Non-levy of Sikkim Value Added Tax <i>(Finance, Revenue & Expenditure Department (Commercial Taxes Division))</i>	100
4.7	Non-realisation of revenue <i>(Finance, Revenue & Expenditure Department (Commercial Taxes Division))</i>	101
Chapter V: General Sector		
5.1	Introduction	103
5.2	Planning and conduct of Audit	104

Paragraph	Particulars	Page
5.3	Disaster Management (Land Revenue & Disaster Management Department)	105
5.4	Roads & Bridges Projects funded under NLCPR and NEC (Development Planning, Economic Reforms & North Eastern Council Affairs Department)	135
Chapter VI: Follow up of Audit Observations		
6.1	Follow up action on earlier Audit Reports	155
6.2	Response of the departments to the recommendations of the Public Accounts Committee	155
6.3	Monitoring	155
6.4	Outstanding Inspection Reports	156
6.5	Departmental Audit Committee Meetings	157

List of Appendices

Appendix	Subject	Page
1.1	Audit conducted during 2012-13 under Social Sector	159
2.1	Audit conducted during 2012-13 under Economic Sector	159
2.3.1	Package wise details of status of execution of RGGVY works as on 30 November 2013	160
2.3.2	Revised cost variation statement	160
2.3.3	Statement showing the payment of excess Mobilisation Advance	161
2.3.4	Details of three tier Inspection Mechanism under RGGVY	161
2.3.5	Details of assets created under RGGVY scheme	162
2.4.1	List of name of the scheme appeared in DAPs	163
2.4.2	Major Recommendation of SLSC	163
2.5.1 (a)	Calculation on loss of interest sustained during 2010-11 by the Department due to routing the funds through budget	164
2.5.1 (b)	Calculation on loss of interest sustained during 2011-12 by the Department due to routing the funds through budget	164
2.5.1 (c)	Calculation on loss of interest sustained during 2012-13 by the Department due to routing the funds through budget	165
2.5.1 (d)	Calculation on loss of interest sustained during 2013-14 by the Department due to routing the funds through budget	165
2.5.2	Details of avoidable expenditure	165
2.5.3	100 Mtrs bridge as per the drawing prepared by the Department	166
2.5.4	Recovery of cost of excess materials	168
2.8.1	Statement showing excess payment in carriage of stone	173
3.1.1	Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31 March 2013 in respect of Government Companies and Statutory Corporations	174
3.1.2	Summarised financial results of Government Companies and Statutory Corporations for the latest year for which accounts were finalised	176
3.1.3	Statement showing grants and subsidy received /receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2013	178
3.1.4	Statement showing financial position of Statutory Corporations	180
3.1.5	Statement showing working results of Statutory Corporations	181
4.1	Statement showing the details of tax deposited	182
4.2	Statement showing the purchase of cement and MS rod by M/s Golden Cross pharma Pvt. Limited, Rorathang	183
4.3	Statement showing the details of non-payment of tax by the works contractors	183
5.1	Audit conducted during 2012-13 under General Sector	184