

सत्यमेव जयते

FINANCE ACCOUNTS (VOLUME-I)

2022-23



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



GOVERNMENT OF SIKKIM

FINANCE ACCOUNTS
VOLUME – I

2022-23

GOVERNMENT OF SIKKIM

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Report of the Comptroller and Auditor General of India
Audit of the Finance Accounts of the Government of Sikkim

Opinion

The Finance Accounts of Government of Sikkim for the year ended 31 March 2023 present the financial position along with accounts of receipts and disbursements of the Government for the year involving transactions from and/ or to the Consolidated fund, the Contingency Fund and the Public Account of the State. The compilation of Finance Accounts comprises two Volumes; Volume- I contains the consolidated position of the state of finances and explanatory 'Notes to Finance Accounts' including a summary of Significant Accounting Policies and Volume - II depicts the accounts in detail. The Appropriation Accounts of the Government for the year for Grants and Charged Appropriations, which represent the budget comparison, are presented separately.

On the basis of the information and explanations that my officers required and have obtained and as a result of test audit of the accounts, in my opinion, the Finance Accounts read with the explanatory 'Notes to Finance Accounts' present fairly the financial position and the receipts and disbursements of Government of Sikkim for the year 2022-23.

Observations arising from audit of these accounts as well as audit conducted during the year or earlier years are contained in my Financial, Compliance and Performance Audit Reports on Government of Sikkim being presented separately for the year ended 31 March 2023.

Basis for Opinion

The conduct of audit is in accordance with the CAG's Auditing Standards. These Standards require that we plan and perform audits to obtain reasonable assurance that the accounts are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. The audit evidence that we have obtained provides a basis for my opinion.

Responsibilities for Preparation of the Initial and Subsidiary Accounts

The State Government is responsible for obtaining authorisation of budget from the State Legislature. The State Government and those responsible for execution of budget such as treasuries, offices and departments of Government of Sikkim are responsible for preparation and correctness of the initial and subsidiary accounts as well as for ensuring the regularity of transactions in accordance with the applicable laws, standards, rules and regulations.

Also, they are responsible for rendering the initial and subsidiary accounts and information related thereto to the Office of the Senior Deputy Accountant General (Accounts and Entitlements) of Sikkim for compilation and preparation of the Finance Accounts.

Responsibilities for Compilation of Annual Accounts

The Office of the Senior Deputy Accountant General (Accounts and Entitlements) of Sikkim functioning under my control is responsible for compilation and preparation of Annual Accounts of the State Government. This is in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The Annual Accounts have been compiled from the vouchers, challans and initial and subsidiary accounts as received from the treasuries, offices and departments of Government of Sikkim and the statements received from the State Bank of Sikkim.

Statements (8, 9, 19 and 20) and Appendices (IV, VIII, IX and XI) in this compilation have been prepared directly from the information received from Government of Sikkim and the Union Government who are responsible for such information.

Responsibilities for the Audit of the Annual Accounts

The audit of the Annual Accounts is conducted through the Office of the Principal Accountant General (Audit) in accordance with the requirements of Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for expressing an opinion on these Accounts based on the results of such audit.

The Office of the Principal Accountant General (Audit) and the Office of the Senior Deputy Accountant General (Accounts and Entitlements) are independent organisations with distinct cadres, separate reporting lines and management structure.



(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

Date: 29/Nov/2023

Place: New Delhi

GUIDE TO THE FINANCE ACCOUNTS

A. Broad Overview of the Structure of Government Accounts

1. The Finance Accounts of the State of Sikkim present the accounts of receipts and outgoings of the Government for the year, together with the financial results disclosed by the Revenue and Capital accounts, the accounts of the Public Debt and the liabilities and assets of the State Government as worked out from the balances recorded in the accounts. The Finance Accounts are accompanied by Appropriation Accounts, which present comparison of expenditure against the Grants / Appropriations.
2. The Accounts of the Government are kept in the following three parts:

Part I: Consolidated Fund: 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 (WMA) extended by the Reserve Bank of India (RBI) and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund, except in accordance with 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.

The Consolidated Fund comprises two sections: Revenue and Capital (including Public Debt, Loans and Advances). These are further categorised under 'Receipts' and 'Expenditure'. The Revenue Receipts section is divided into three sectors, *viz.*, 'Tax Revenue', 'Non Tax Revenue' and 'Grants-in-aid and Contributions'. These three sectors are further divided into sub-sectors like 'Goods and Services Tax', 'Taxes on Income and Expenditure', 'Fiscal Services', *etc.* The Capital Receipts section does not contain any sectors or sub-sectors. The Revenue Expenditure section is divided into four sectors, *viz.*, 'General Services', 'Social Services', 'Economic Services' and 'Grants-in-aid and Contributions'. These sectors in the Revenue Expenditure section are further divided into sub-sectors, like, 'Organs of State', 'Education, Sports, Art and Culture', *etc.* The Capital Expenditure section is sub-divided into seven sectors, *viz.*, 'General Services', 'Social Services', 'Economic Services', 'Public Debt', 'Loans and Advances', 'Inter-State Settlement' and 'Transfer to Contingency Fund'.

Part II: Contingency Fund: 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. The Contingency Fund of the Government of Sikkim for 2022-23 is ₹ one crore.

GUIDE TO THE FINANCE ACCOUNTS - contd.

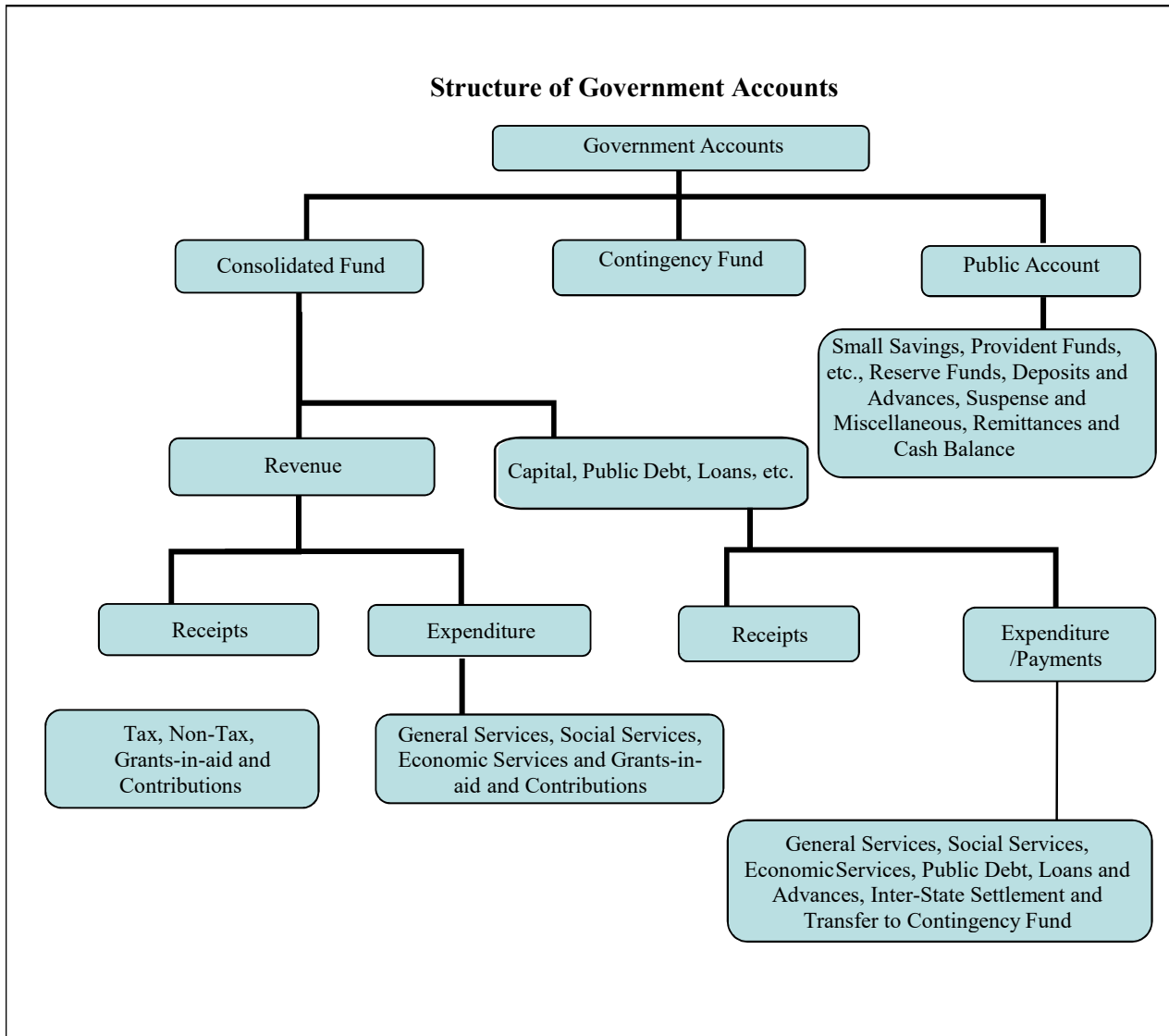
Part III: Public Account: All other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayable such as Small Savings and Provident Funds, Deposits (bearing interest and not bearing 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 comprises six sectors, *viz.*, 'Small Savings, Provident Funds, *etc.*', 'Reserve Funds', 'Deposit and Advances', 'Suspense and Miscellaneous', 'Remittances', and 'Cash Balance'. These sectors are further sub-divided into sub-sectors. The Public Account is not subject to the vote of the Legislature.

3. Government accounts are presented under a six tier classification, *viz.*, Major Heads (four digits), Sub-Major Heads (two digits), Minor Heads (three digits), Sub-Heads (two digits), Detailed Heads (two to three digits) and Object Heads (two / three/ four digits). Major Heads represent functions of Government, Sub-Major Heads represent sub-functions, Minor Heads represent programmes/ activities, Sub-Heads represent schemes, Detailed Heads represent sub-schemes and Object Heads represent purpose/object of expenditure.
4. The main unit of classification in accounts is the Major Head which contains the following coding pattern (according to the List of Major and Minor Heads corrected up to 31 March 2022).

0005 to 1606	<i>Revenue Receipts</i>
2011 to 3606	<i>Revenue Expenditure</i>
4000	<i>Capital Receipts</i>
4046 to 7810	<i>Capital Expenditure (including Public Debt, Loans and Advances)</i>
7999	<i>Appropriation to the Contingency Fund</i>
8000	<i>Contingency Fund</i>
8001 to 8999	<i>Public Account</i>

GUIDE TO THE FINANCE ACCOUNTS - contd.

5. A pictorial representation of the structure of accounts is given below:



B. What the Finance Accounts contain

The Finance Accounts are presented in two volumes.

Volume I contains the Certificate of the Comptroller and Auditor General of India, the Guide to the Finance Accounts, 13 Statements which give summarised information on the financial position and transactions of the State Government for the current financial year and Notes to Finance Accounts. Description of 13 Statements and Notes to Finance Accounts in **Volume I** are given below:

- 1. Statement of Financial Position:** This statement depicts the cumulative figures of assets and liabilities of the State Government, as they stand at the end of the year, and as compared to the position at the end of the previous year.

GUIDE TO THE FINANCE ACCOUNTS - contd.

2. **Statement of Receipts and Disbursements:** This statement depicts all receipts and disbursements of the State Government during the year in all the three parts in which Government accounts are kept, *viz.*, the Consolidated Fund, Contingency Fund and Public Account. In addition, it contains an annexure, showing alternative depiction of Cash Balances (including investments) of the Government. The Annexure also depicts the Ways and Means position of the Government in detail.
3. **Statement of Receipts (Consolidated Fund):** This statement comprises Revenue and Capital Receipts, Borrowings and Repayments of the Loans given by the State Government. This statement corresponds to Detailed Statements 14, 17 and 18 in Volume II of the Finance Accounts.
4. **Statement of Expenditure (Consolidated Fund):** In departure from the general depiction of the Finance Accounts up to the Minor Head level, this statement gives details of expenditure by nature of activity (objects of expenditure) also. This statement corresponds to Detailed Statements 15, 16, 17 and 18 in Volume II.
5. **Statement of Progressive Capital Expenditure:** This statement corresponds to the Detailed Statement 16 in Volume II.
6. **Statement of Borrowings and Other Liabilities:** Borrowings of the Government comprise Market Loans raised by it (Internal Debt) and Loans and Advances received from the Government of India. 'Other Liabilities' comprise 'Small Savings, Provident Funds, *etc.*', 'Reserve Funds' and 'Deposits'. The statement also contains a note on service of debt and corresponds to the Detailed Statement 17 in Volume II.
7. **Statement of Loans and Advances given by the Government:** This statement depicts all Loans and Advances given by the State Government to various categories of loanees like Statutory Corporations, Government Companies, Autonomous and Other Bodies/Authorities and recipient individuals (including Government servants). This statement corresponds to the Detailed Statement 18 in Volume II.
8. **Statement of Investments of the Government:** This statement depicts investments of the State Government in the equity capital of Statutory Corporations, Government Companies, other Joint Stock Companies, Co-operative institutions and Local Bodies. This statement corresponds to Detailed Statement 19 in Volume II.
9. **Statement of Guarantees given by the Government:** This statement summarises the guarantees given by the State Government on repayment of principal and interest on loans raised by Statutory Corporations, Government Companies, Local Bodies and Other institutions. This statement corresponds to Detailed Statement 20 in Volume II.
10. **Statement of Grants-in-aid given by the Government:** This statement depicts all Grants-in-aid given by the State Government to various categories of grantees, like, Statutory Corporations, Government Companies, Autonomous and Other Bodies/Authorities and individuals. Appendix III provides details of the recipient institutions.

GUIDE TO THE FINANCE ACCOUNTS - contd.

11. **Statement of Voted and Charged Expenditure:** This statement assists in the agreement of the net figures appearing in the Finance Accounts with the gross figures appearing in the Appropriation Accounts.
12. **Statement of Sources and Application of Funds for Expenditure other than on Revenue Account:** This statement is based on the principle that Revenue expenditure is expected to be defrayed from Revenue Receipts, while Capital Expenditure of the year is met from Revenue Surplus, net credit balances in the Public Account, Cash Balance at the beginning of the year, and Borrowings.
13. **Summary of Balances under Consolidated Fund, Contingency Fund and Public Account:** This statement assists in establishing the accuracy of the accounts. This statement corresponds to the Detailed Statements 14, 15, 16, 17, 18 and 21 in Volume II.

Notes to Finance Accounts and Significant Accounting Policies

Notes to Finance Accounts provide disclosures and explanatory notes, which are intended to provide additional information / explanation relevant to the transactions, classes of transactions, balances, *etc.*, which shall be helpful to the stakeholders / users of the Finance Accounts.

Significant Accounting Policies, including basis of budget and financial reporting, requirements of Indian Government Accounting Standards (IGASs), form of accounts, classification between Capital and Revenue Expenditure, rounding off, periodical adjustments, *etc.*, are included as part of the Notes to Finance Accounts in Volume I of the Finance Accounts.

Volume II of the Finance Accounts contains two parts - nine Detailed Statements in Part I and 11 Appendices in Part II.

Part I of Volume II

14. **Detailed Statement of Revenue and Capital Receipts by Minor Heads:** This statement corresponds to the Summary Statement 3 in Volume I of the Finance Accounts. In addition to representing details of Revenue Receipts at Minor Head level, this statement depicts details at Sub Head level in respect of Grants-in-aid from Central Government.
15. **Detailed Statement of Revenue Expenditure by Minor Heads:** This statement, which corresponds to the Summary Statement 4 in Volume I, depicts the Revenue Expenditure of the State Government. Charged and Voted expenditure are exhibited distinctly.
16. **Detailed Statement of Capital Expenditure by Minor Heads and Sub Heads:** This statement, which corresponds to the Summary Statement 5 in Volume I, depicts the Capital Expenditure (during the year and cumulatively) of the State Government. Charged and Voted expenditure are exhibited distinctly. In addition to representing details of Capital Expenditure at Minor Head level, in respect of significant schemes, this statement depicts details at Sub Head level also.

GUIDE TO THE FINANCE ACCOUNTS - contd.

17. **Detailed Statement of Borrowings and Other Liabilities:** This statement, which corresponds to the Summary Statement 6 in Volume I, contains details of 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.*), and Ways and Means advances extended by the Reserve Bank of India. This statement presents the information on loans under three categories: (a) details of individual loans; (b) maturity profile, *i.e.*, amounts payable in respect of each category of loans in different years; (c) interest rate profile of outstanding loans and annexure depicting Market Loans.
18. **Detailed Statement of Loans and Advances given by the Government:** This statement corresponds to the Summary Statement 7 of Volume I.
19. **Detailed Statement of Investments of the Government:** This statement depicts details of investments entity wise and Major and Minor Head wise details of Investments during the year, where there is a difference between Statement 16 and 19. This statement corresponds to Statement 8 in Volume I.
20. **Detailed Statement of Guarantees given by the Government:** This statement depicts entity wise details of Government Guarantees. This statement corresponds to Statement 9 in Volume I.
21. **Detailed Statement of Contingency Fund and Public Account Transactions:** This statement depicts at Minor Head level the details of un-recouped amounts under Contingency Fund, consolidated position of Public Accounts transactions during the year, and outstanding balances at the end of the year.
22. **Detailed Statement of Investments of Earmarked Balances:** This statement depicts details of Investment from the Reserve Funds and Deposits (Public Account).

Part II of Volume II

Part II contains 11 Appendices on various items including Salaries, Subsidies, Grants-in-aid, Externally Aided Projects, *etc.* These details are presented in the accounts at Sub-Head level or below (*i.e.*, below Minor Head levels) and so are not generally depicted in the Finance Accounts. A detailed list of appendices appears at the 'Table of Contents' in Volume I and II. The statements and Notes to Finance Accounts read with the appendices present the financial position along with accounts of the receipts and disbursements of the Government for the year.

GUIDE TO THE FINANCE ACCOUNTS - conclud.

C. Ready Reckoner:

The section below links the summary statements appearing in Volume I with the detailed statements and appendices in Volume II (Appendices which do not have a direct link with the Summary Statements are not shown below).

Parameter		Volume I	Volume II	
		Summary Statements	Detailed Statements	Appendices
Revenue Receipts (including Grants received), Capital Receipts		2, 3	14	
Revenue Expenditure		2, 4	15	I (Salary) II (Subsidy)
Grants-in-aid given by the Government		2, 10		III (Grants-in-aid)
Capital Expenditure		1, 2, 4, 5, 12	16	I (Salary)
Loans and Advances given by the Government		1, 2, 7	18	
Debt Position/Borrowings		1, 2, 6	17	
Investments of the Government in Companies, Corporations etc.		8	19	
Cash		1, 2, 12, 13		
Balances in Public Account and Investments thereof		1, 2, 12, 13	21, 22	
Guarantees		9	20	
Schemes				IV (Externally Aided Projects)

VOLUME - I

1 STATEMENT OF FINANCIAL POSITION

(₹ in crore)

Assets ¹	Reference (Sr. no.)		As on 31 March 2023	As on 31 March 2022
	Notes to Finance Accounts	Statement		
Cash			2,682.73	2,789.19
(i) Cash in State Bank of Sikkim	5(v)	21	38.24	43.45
(ii) Departmental Balances	...	21	0.95	0.95
(iii) Permanent Imprest	...	21	0.48	0.48
(iv) Cash Balance Investments	...	21	1,958.33	2,073.06
(v) Deposits with Other Banks	...	21	38.01	52.03
(vi) Investments from Earmarked Funds	...	22	646.72	619.22
Capital Expenditure		16	18,406.47	16,029.88
(i) Investments in shares of Companies, Corporations, etc.	...	19	111.08	107.58
(ii) Other Capital Expenditure	...	16	18,295.39	15,922.30
Contingency Fund (un-recouped)	...	21	0.00	0.00
Loans and Advances	...	18	253.23	253.30
Advances with departmental officers	...	21	1.03	1.03
Suspense and Miscellaneous Balances²	...	...	...	...
Remittance Balances	...	...	...	...
Cumulative excess of expenditure over receipts³	...	...	...	...
Total			21,343.46	19,073.40

1 The figures of assets and liabilities are cumulative figures. Please also see note 1 (ii) in the section 'Notes to Finance Accounts'.

2 In this statement the line item 'Suspense and Miscellaneous Balances' does not include 'Cash Balance Investment Account', 'Departmental Balances' & 'Permanent Imprest' which is included separately above, though the latter forms part of this sector elsewhere in these Accounts.

3 The cumulative excess of receipts over expenditure or expenditure over receipts is different from and not the Fiscal/Revenue Deficit for the current year.

1 STATEMENT OF FINANCIAL POSITION - Concl'd.

(₹ in crore)

Liabilities	Reference (Sr. no.)		As on 31 March 2023	As on 31 March 2022
	Notes to Finance Accounts	Statement		
Borrowings (Public Debt)				
(i) Internal Debt	...	6,17	9,395.94	8,068.39
(ii) Loans and Advances from Central Government	...	6,17	1127.34	585.74
Non-Plan Loans	...	6,17	0.00	0.05
Loans for State Plan Schemes	...	6,17	58.66	69.13
Loans for Centrally Sponsored Plan Schemes	...	6,17	0.34	0.44
Other loans	...	6,17	1068.34	516.12
Contingency Fund (corpus)	...	21	1.00	1.00
Liabilities on Public Account			3,485.05	3,557.34
(i) Small Savings, Provident Funds, etc.	...	21	1,453.36	1,416.31
(ii) Deposits	...	21	363.13	376.98
(iii) Reserve Funds	...	21	1,003.84	1,034.72
(iv) Remittance Balances	...	21	451.61	369.98
(v) Suspense and Miscellaneous Balances	...	21	213.11	359.35
Cumulative excess of receipts over expenditure	...	12	7,334.13	6,860.93
Total			21,343.46	19,073.40

2 STATEMENT OF RECEIPTS AND DISBURSEMENTS

(₹ in crore)

Receipts			Disbursements		
	2022-23	2021-22		2022-23	2021-22
Part-I Consolidated Fund					
Section-A: Revenue					
Revenue Receipts (Ref. Statement 3 & 14)	8,103.80	7,080.72	Revenue Expenditure (Ref. Statement 4-A,4-B &	7,630.58	6,668.84
Tax Revenue (raised by the State) (Ref. Statement 3 & 14)	1,497.26	1,254.41	Salaries ¹ (Ref. Statement 4-B & Appendix - I)	3,038.50	2,826.30
Non-Tax Revenue (Ref. Statement 3 & 14)	976.11	680.63	Subsidies (Ref. Appendix - II)	4.89	2.75
			Grants-in-aid ² (Ref. Statement 4-B, 10 & Appendix - III)	168.72	148.19
Interest Receipts (Ref. Statement 3 & 14)	66.13	49.92	General services (Ref. Statement 4-A & 15)	2,169.61	1,814.25
Others (Ref. Statement 3)	909.98	630.71	Interest Payment and Service of Debt (Ref. Statement 4-A,4-B & 15)	733.18	647.04
Total (Ref. Statement 3 & 14)	976.11	680.63	Pension (Ref. Statement 4-A,4-B & 15)	1,150.24	983.24
Share of Union Taxes/Duties (Ref. Statement 3 & 14)	3,864.75	3,287.55	Others (Ref. Statement 4-B)	286.19	183.97
			Total (Ref. Statement 4-A & 15)	2,169.61	1,814.25
			Social Services (Ref. Statement 4-A & 15)	1,256.50	1,014.44
			Economic Services (Ref. Statement 4-A & 15)	893.66	753.41
Grants from Central Government (Ref. Statement 3 & 14)	1,765.68	1,858.13	Compensation and Assignment to Local Bodies and PRIs (Ref. Statement 4-A,4-B &	98.70	109.50
Revenue Deficit	0.00	0.00	Revenue Surplus	473.22	411.88

¹Salary, Subsidy and Grants-in-aid figures have been summed up across all sectors to present a consolidated figure. The expenditure in this statement under the sectors 'Social', 'General' and 'Economic' services does not include expenditure on salaries, subsidies and grants in aid (explained in footnote 2) under Revenue Expenditure (and salaries under Capital Expenditure). Salaries, sometimes, also figure under Capital Expenditure.

²Grants-in-aid are given to statutory corporations, companies, autonomous bodies, local bodies etc. by the Government which is included as a line item above. These grants are distinct from compensation and assignment of taxes, duties to the Local Bodies which is depicted as a separate line item 'Compensation and assignment to Local Bodies and PRIs'

2 STATEMENT OF RECEIPTS AND DISBURSEMENTS - Contd.

(₹ in crore)

Receipts			Disbursements		
	2022-23	2021-22		2022-23	2021-22
Part-I Consolidated Fund - Concltd.					
Section-B: Capital					
Capital Receipts (Ref. Statement 3 & 14)	0.00	0.00	Capital Expenditure (Ref. Statement 4-A, 4-B &	2,376.60	1,315.78
			General services (Ref. Statement 4-A & 16)	272.79	229.25
			Social Services (Ref. Statement 4-A & 16)	1,058.07	385.02
			Economic Services (Ref. Statement 4-A & 16)	1,045.74	701.51
Recoveries of Loans and Advances (Ref. Statement 3, 7 & 18)	0.44	0.45	Loans and Advances disbursed (Ref. Statement 4-A, 7 & 18)	0.38	0.85
			General Services (Ref. Statement 4-A, 7 & 18)	0.00	0.00
			Social Services (Ref. Statement 4-A, 7 & 18)	0.00	0.00
			Economic Services (Ref. Statement 4-A, 7 & 18)	0.00	0.00
			Others (Ref. Statement 7)	0.38	0.85
Public Debt Receipts (Ref. Statement 3, 6 & 17)	2,036.90	1,882.60	Repayment of Public Debt (Ref. Statement 4-A, 6 & 17)	167.75	119.90
Internal Debt (market loans, NSSF etc.) (Ref. Statement 3, 6 & 17)	1,483.87	1,579.00	Internal Debt (market loans, NSSF etc.) (Ref. Statement 4-A, 6 & 17)	156.31	108.70
Loans from GOI (Ref. Statement 3, 6 & 17)	553.03	303.60	Loans from GOI (Ref. Statement 4-A, 6 & 17)	11.43	11.20
Net of Inter-State-Settlement Account	0.00	0.00	Net of Inter-State-Settlement Account	0.00	0.00
Total Receipts Consolidated Fund (Ref. Statement 3)	10,141.14	8,963.77	Total Expenditure Consolidated Fund (Ref. Statement 4-A)	10,175.31	8,105.37
Deficit in Consolidated Fund	34.17	0.00	Surplus in Consolidated Fund	0.00	858.40
Part-II Contingency Fund					
Contingency Fund (Ref. Statement 21)	0.00	0.00	Contingency Fund (Ref. Statement 21)	0.00	0.00

2 STATEMENT OF RECEIPTS AND DISBURSEMENTS - Concl'd.

(₹ in crore)

Receipts			Disbursements		
	2022-23	2021-22		2022-23	2021-22
Part-III Public Account³					
Small savings <i>(Ref. Statement 21)</i>	461.21	446.41	Small savings <i>(Ref. Statement 21)</i>	424.17	348.39
Reserves & Sinking Funds <i>(Ref. Statement 21)</i>	249.35	143.66	Reserves & Sinking Funds <i>(Ref. Statement 21)</i>	307.73	215.66
Deposits <i>(Ref. Statement 21)</i>	371.78	342.16	Deposits <i>(Ref. Statement 21)</i>	385.64	327.52
Advances <i>(Ref. Statement 21)</i>	0.00	0.00	Advances <i>(Ref. Statement 21)</i>	0.00	0.00
Suspense and Misc. <i>(Ref. Statement 21)</i>	17,344.35	13,270.56	Suspense and Misc.⁴ <i>(Ref. Statement 21)</i>	17,375.85	14,018.39
Remittances	2,950.98	1,921.18	Remittances	2,869.34	2,064.86
Total Receipts Public Account <i>(Ref. Statement 21)</i>	21,377.67	16,123.97	Total Disbursements Public Account <i>(Ref. Statement 21)</i>	21,362.73	16,974.82
Deficit in Public Account	0.00	850.83	Surplus in Public Account	14.94	0.00
Opening Cash Balance	95.48	87.94	Closing Cash Balance	76.26	95.48
Increase in Cash Balance	0.00	7.54	Decrease in Cash Balance	19.22	0.00

³ For details please refer to Statement No. 21 in Volume II.

⁴ 'Suspense and Miscellaneous' includes 'other accounts' such as 8658 - Suspense Accounts, 8670 - Cheques and Bills, 8671 - Departmental Balances, 8672 - Permanent Cash Imprest, 8673 - Cash Balance Investment and 8680 - Miscellaneous Government Accounts. The figures may appear huge on account of these other accounts. Details may please be seen in Statement No.21.

ANNEXURE - A

CASH BALANCES AND INVESTMENTS OF CASH BALANCES

(₹ in crore)

	As on 31 March 2023	As on 31 March 2022
(A) General Cash Balance		
(1) Deposits with State Bank of Sikkim	38.24	43.45
(2) Deposits with Other Banks	38.01	52.03
TOTAL	76.25	95.48
Investment held in the 'Cash Balance Investment Accounts'	1,958.33	2,073.06
TOTAL (A)	2,034.58	2,168.54
(B) Other Cash Balances and Investments		
(1) Cash with Departmental Officers viz., Forest and Public Works Dept.	0.95	0.95
(2) Permanent Advances for Contingent Expenditure with Departmental Officers.	0.48	0.48
(3) Investments from Earmarked Funds	646.72	619.22
TOTAL (B)	648.15	620.65
TOTAL (A+B)	2,682.73	2,789.19

ANNEXURE - A

CASH BALANCES AND INVESTMENTS OF CASH BALANCES - Concl'd.**Explanatory Notes****(a) Cash and Cash Equivalents:**

Cash and cash equivalents consist of cash in treasuries and deposit with State Bank of Sikkim and other Banks and Remittances in Transit. The balance under the head 'Deposits with State Bank of Sikkim' (A 1 above) depicts the combined balance of the Consolidated Fund, Contingency Fund and the Public Account at the end of the year. To arrive at the overall cash position, the cash balances with treasuries, departments and investments out of the cash balances/reserve funds etc. are added to the balance in 'Deposits with State Bank of Sikkim'.

(b) The general cash balance represents the combined balance of the Consolidated Fund, Contingency Fund and the Public Account.

(c) Under a resolution passed in the year 1968-69, the State Bank of Sikkim has been vested with the responsibility by the Government of Sikkim of receiving money on behalf of Government and making all Government payments and keeping custody of the balances of government in Current Account as well as in Fixed Deposits that may be made through the branches of Bank. There is a balance of ₹ 38.24 crore with the State Bank of Sikkim as on 31 March 2023 as per the records of this office. But as per the record of the State Bank of Sikkim, the Cash Balance of Government stood at ₹ 3.67 crore leaving behind an unreconciled balance of ₹ 34.57 crore.

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND)

TAX & NON-TAX REVENUE		
	(₹ in crore)	
	Actuals	
Description	2022-23	2021-22
A. Tax Revenue		
A.1 Own Tax Revenue		
State Goods and Services Tax (SGST)	804.23	655.55
Taxes on Income other than Corporation Tax	0.00	0.00
Land Revenue	8.79	9.53
Stamps and Registration Fees	26.52	23.35
State Excise	298.46	249.20
Taxes on Sales, Trades etc.	248.77	227.18
Taxes on Vehicles	49.69	39.09
Others	60.80	50.51
A.2 Share of net proceeds of Taxes		
Central Goods and Services Tax (CGST)	1,100.79	964.04
Integrated Goods and Services Tax (IGST)	0.00	0.00
Corporation Tax	1,284.66	988.33
Taxes on Income other than Corporation Tax	1,260.52	982.89
Other Taxes On Income and Expenditure	0.00	0.01
Taxes on Wealth	0.00	0.14
Customs	155.96	216.61
Union Excise Duties	50.87	103.14
Service Tax	5.89	29.03
Other Taxes and Duties on commodities and Services	6.06	3.36
Total A	5,362.01	4,541.96
B. Non Tax Revenue		
Interest Receipts	66.13	49.92
Miscellaneous General Services	15.53	13.84
Power	402.72	306.77
Forestry and Wild Life	180.26	24.31
Police	125.55	112.38
Road Transport	68.34	61.78
Contributions and Recoveries towards Pension and Other Retirement Benefits	24.30	26.94
Other Administrative Services	15.02	19.45
Public Works	13.97	14.84
Tourism	9.87	4.12
Education, Sports, Art and Culture	9.51	10.59
Water Supply and Sanitation	6.31	5.15
Industries	5.17	5.50
Urban Development	4.42	3.09
Dividends and Profits	4.12	1.45
Stationery and Printing	3.87	1.97

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND) - Contd.

TAX & NON-TAX REVENUE - Concl'd.		
	(₹ in crore)	
	Actuals	
Description	2022-23	2021-22
Medical and Public Health	3.43	4.49
Other Rural Development Programmes	2.98	1.85
Labour and Employment	2.79	1.75
Crop Husbandry	2.54	0.43
Animal Husbandry	2.02	2.00
Plantations	2.00	1.35
Public Service Commission	1.74	0.04
Minor Irrigation	1.04	3.96
Housing	0.56	0.56
Social Security and Welfare	0.51	0.61
Non-ferrous Mining and Metallurgical industries	0.30	0.25
Other General Economic Services	0.30	0.25
Village and Small Industries	0.25	0.19
Food Storage and Warehousing	0.22	0.57
Information and Publicity	0.17	0.07
Co-operation	0.07	0.06
Other Social Services	0.05	0.01
Fisheries	0.05	0.09
Jails	0.00	0.00
Total B	976.11	680.63
C. Grants-in-aid from Central government		
Grants for State/Union Territory Plan Schemes		
Block Grants	0.00	0.00
Other Grants	0.00	0.00
Grants for Centrally Sponsored Plan Schemes	0.00	(-)0.14
Grants for Special Plan Schemes	0.00	0.00
Centrally Sponsored Schemes	1,118.22	749.07
Finance Commission Grants	532.90	787.48
Other Grants transfer/Grants to States/Union Territories with Legislature	114.56	321.72
Total C	1,765.68	1,858.13
Total Revenue Receipts (A+B+C)	8,103.80	7,080.72
D. Capital Receipts		
Disinvestment proceeds	0.00	0.00
Others	0.00	0.00
Total D	0.00	0.00

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND) - Concl'd.

CAPITAL , PUBLIC DEBT AND OTHER RECEIPTS		
	(₹ in crore)	
	Actuals	
Description	2022-23	2021-22
E. Public Debt receipts		
Internal Debt of the State Government		
Market Loans	1,414.00	1,511.00
WMA ¹ from the RBI	0.00	0.00
Loans from Financial Institutions	69.87	68.00
Special Securities issued to National Small Savings Fund of the Central Government	0.00	0.00
Other Loans	0.00	0.00
Loans and Advances from the Central Government	0.00	0.00
Non-Plan Loans	0.00	0.00
Loans for State/Union Territory Plan Schemes	0.00	0.00
Loans for Centrally Sponsored Plan Schemes	0.00	0.00
Centrally Sponsored Schemes	0.92	1.07
Other Loans for State/Union Territory with Legislature Schemes	552.11	302.53
Total E	2,036.90	1,882.60
F. Loans and Advances by State Government (Recoveries)²	0.44	0.45
G. Inter State Settlement	0.00	0.00
Total - Receipts in Consolidated Fund (A+B+C+D+E+F+G)	10,141.14	8,963.77

¹ WMA: Ways and Means Advances.

² Details are in Statement 7 and 18 in Volume-I & II respectively.

4. STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)

A. EXPENDITURE BY FUNCTION

(₹ in crore)

	Description	Revenue	Capital	L & A	Total
A.	General Services				
A.1.	Organs of State				
	Parliament/State/Union Territory Legislatures	25.08	...	...	25.08
	President, Vice-President/ Governor/Administrator of Union Territories	11.05	...	...	11.05
	Council of Ministers	34.94	...	...	34.94
	Administration of Justice	66.56	...	...	66.56
	Elections	20.54	...	...	20.54
A.2.	Fiscal Services				
	Collection of Taxes on Income and Expenditure	2.84	...	...	2.84
	Land Revenue	13.70	...	...	13.70
	Stamps and Registration	0.10	...	...	0.10
	State Excise Duties	9.68	...	...	9.68
	Taxes on Vehicles	12.41	...	...	12.41
	Collection Charges under State Goods	9.62	...	...	9.62
	Other Taxes and Duties on Commodities and Services	37.05	...	...	37.05
	Other Fiscal Services	0.10	...	...	0.10
	Appropriation for reduction or avoidance of Debt	15.00	...	...	15.00
	Interest Payment	7,18.18	...	...	7,18.18
A.3.	Administrative Services				
	Public Service Commission	6.43	...	...	6.43
	Secretariat-General Services	85.95	...	...	85.95
	District Administration	41.80	...	...	41.80
	Treasury and Accounts Administration	26.99	...	...	26.99
	Police	5,26.30	1.23	...	5,27.53
	Jails	12.40	...	...	12.40
	Stationery and Printing	14.33	...	...	14.33
	Public Works	46.09	2,71.56	...	3,17.65
	Vigilance	15.06	...	...	15.06
	Other Administrative Services	47.12	...	...	47.12

4. STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)

A. EXPENDITURE BY FUNCTION

(₹ in crore)

	Description	Revenue	Capital	L & A	Total
A.4.	Pensions and Miscellaneous General Services				
	Pensions and Other Retirement benefits	11,50.25	...	...	11,50.25
	Miscellaneous General Services	33.75	...	...	33.75
	Total - General Services	29,83.32	2,72.79	...	32,56.11
B.	Social Services				
B.1.	Education, Sports, Art and Culture				
	General Education	12,88.43	2,14.67	...	15,03.10
	Technical Education	26.38	...	...	26.38
	Sports and Youth Services	26.70	...	...	26.70
	Art and Culture	32.97	...	...	32.97
B.2.	Health and Family Welfare				
	Medical and Public Health	5,71.37	36.88	...	6,08.25
	Family Welfare	20.63	...	...	20.63
B.3.	Water Supply, Sanitation, Housing and Urban Development				
	Water Supply and Sanitation	69.68	1,20.41	...	1,90.09
	Housing	1,05.37	4,51.00	...	5,56.37
	Urban Development	37.68	2,23.42	...	2,61.10
B.4.	Information and Broadcasting				
	Information and Publicity	19.17	...	...	19.17
B.5.	Welfare of Schedule Castes, Schedule Tribes and Other Backward Classes				
	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2,33.83	8.34	...	2,42.17
B.6.	Labour and Labour Welfare				
	Labour and Employment	14.54	...	...	14.54
B.7.	Social Welfare and Nutrition				
	Social Security and Welfare	1,82.84	3.35	...	1,86.19
	Nutrition	33.10	...	...	33.10
	Relief on Account of Natural Calamities	1,09.83	...	...	1,09.83

4. STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)

A. EXPENDITURE BY FUNCTION

(₹ in crore)

	Description	Revenue	Capital	L & A	Total
B.8.	Others				
	Other Social Services	40.27	...	...	40.27
	Secretariat-Social Services	0.72	...	...	0.72
	Total - Social Services	28,13.51	10,58.07	...	38,71.58
C.	Economic Services				
C.1.	Agriculture and Allied Activities				
	Crop Husbandry	2,40.58	2.63	...	2,43.21
	Soil and Water Conservation	36.94	...	...	36.94
	Animal Husbandry	68.11	1.64	...	69.75
	Diary Development	13.57	...	...	13.57
	Fisheries	9.01	0.12	...	9.13
	Forestry and Wild Life	1,18.86	0.53	...	1,19.39
	Plantations	8.02	...	...	8.02
	Food Storage and Warehousing	37.22	2.07	...	39.29
	Co-operation	20.58	0.90	...	21.48
	Other Agricultural Programmes	6.31	...	...	6.31
C.2.	Rural Development				
	Special Programmes for Rural Development	89.09	...	...	89.09
	Rural Employment	48.14	...	...	48.14
	Land Reforms	0.96	...	...	0.96
	Other Rural Development Programmes	85.11	33.92	...	1,19.03
C.3.	Special Areas Programmes				
	Other Special Areas Programmes	2.21	64.42	...	66.63
C.4.	Irrigation and Flood Control				
	Minor Irrigation	26.62	19.38	...	46.00
	Flood Control and Drainage	10.99	80.43	...	91.42
C.5.	Energy				
	Power	4,02.08	2,25.46	...	6,27.54
	Non-Conventional Sources of Energy	2.40	...	...	2.40
C.6.	Industry and Minerals				
	Village and Small Industries	52.88	19.00	...	71.88
	Industries	14.76	...	...	14.76

4. STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)

A. EXPENDITURE BY FUNCTION

(₹ in crore)

	Description	Revenue	Capital	L & A	Total
	Non-ferrous Mining and Metallurgical Industries	7.27	...	...	7.27
	Loans for Telecommunication and Electronic Industries	...	50.00	...	50.00
	Loans for Consumer Industries	...	0.49	...	0.49
C.7.	Transport				
	Roads and Bridges	2,72.69	3,38.78	...	6,11.47
	Road Transport	74.36	(-)5.00	...	69.36
C.8.	Communications	...	...	...	...
C.9.	Science Technology and Environment				
	Other Scientific Research	8.27	...	...	8.27
	Ecology and Environment	3.79	...	...	3.79
C.10.	General Economic Services				
	Secretariat-Economic Services	6.77	...	...	6.77
	Tourism	48.17	2,10.91	...	2,59.08
	Census Surveys and Statistics	13.61	...	...	13.61
	Civil Supplies	2.71	...	...	2.71
	Other General Economic Services	2.97	0.06	...	3.03
	Total - Economic Services	17,35.05	10,45.74	...	27,80.79
D.	Loans, Grants-in-Aid and Contributions				
	Compensation to Assignments to Local Bodies and Panchayati Raj Institutions	98.70	...	...	98.70
E.	Public Debt				
	Internal Debt of the State Government	...	...	1,56.31	1,56.31
	Loans and Advances from the Central Government	...	...	11.43	11.43
F.	Loans to Government Servants				
	Loans to Government Servants, <i>etc.</i>	...	...	0.38	0.38
	Total Loans, Grants in Aid & Contributions	98.70	...	1,68.12	2,66.82
	Total Consolidated Fund Expenditure	76,30.58	23,76.60	1,68.12	1,01,75.30

4 - STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)**B. EXPENDITURE BY NATURE**

(₹ in crore)

Object of Expenditure	2022-23			2021-22			2020-21		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
01 - Salaries	3,038.50		3,038.50	2,826.30	...	2,826.30	2,630.82	...	2,630.82
02 - Wages	499.99		499.99	441.35	...	441.35	405.06	...	405.06
04 - Pensionary Charges	447.10		447.10	383.09	...	383.09	372.58	...	372.58
11 - Travel Expenses	12.42		12.42	8.80	...	8.80	...	...	...
13 - Office Expenses	67.69		67.69	51.52	...	51.52	44.23	...	44.23
21 - Supplies and Materials	48.99		48.99	47.52	...	47.52	45.81	...	45.81
27 - Minor Works	31.77		31.77	24.52	...	24.52	21.48	...	21.48
31 - Grant-in-aid	112.94		112.94	93.46	...	93.46	73.04	...	73.04
36 - Grants-in-aid-Salaries	55.78		55.78	54.73	...	54.73	37.77	...	37.77
45 - Interest	717.92		717.92	634.66	...	634.66	557.44	...	557.44
50 - Other Charges	234.56	1.00	235.56	224.05	...	224.05	218.92	...	218.92
51 - Motor Vehicles	36.56	1.00	373.18	23.85	...	23.85	17.20	...	17.20
53 - Major Works	1.10	336.62	337.72	...	...	...	...	386.42	386.42
Others *	2,325.26	2,037.98	4,363.24	1,854.99	1,315.78	3,170.77	1,944.30	1,127.46	3,071.76
Total	7,630.58	2,376.60	10,007.18	6,668.84	1,315.78	7,984.62	6,368.65	1,513.88	7,882.53

* These include heads which do not represent the economic nature of expenditure.

5. STATEMENT OF PROGRESSIVE CAPITAL EXPENDITURE

Major Head	Description	Expenditure during 2021-22	Progressive expenditure upto 2021-22	Expenditure during 2022-23	Progressive expenditure upto 2022-23	Increase(+)/ Decrease(-) in percentage
(₹ in crore)						
A GENERAL SERVICES						
4055	Police	5.00	102.52	1.23	103.75	(-)/75
4058	Stationery and Printing	0.76	9.47	...	9.47	(-)/100
4059	Public Works	223.49	1,493.85	271.56	1,765.41	22
Total - A GENERAL SERVICES		229.25	1,605.84	272.79	1,878.63	19
B SOCIAL SERVICES						
(a) Education, Sports, Art and Culture						
4202	Education, Sports, Art and Culture	156.76	1,145.24	214.67	1,359.91	37
Total (a) Education, Sports, Art and Culture		156.76	1,145.24	214.67	1,359.91	37
(b) Health and Family Welfare						
4210	Medical and Public Health	40.75	1,195.11	36.87	1,231.99	(-)/10
Total (b) Health and Family Welfare		40.75	1,195.11	36.87	1,231.99	-10
(c) Water Supply, Sanitation, Housing and Urban Development						
4215	Water Supply and Sanitation	111.23	1,538.00	120.41	1,658.41	8
4216	Housing	9.84	492.96	451.00	943.96	4483
4217	Urban Development	44.52	753.38	223.42	976.80	402
Total (c) Water Supply, Sanitation, Housing and Urban Development		165.59	2,784.34	794.83	3,579.17	380
(d) Information and Broadcasting						
4220	Information and Publicity	...	6.53	...	6.53	...
Total (d) Information and Broadcasting		...	6.53	...	6.53	...

5. STATEMENT OF PROGRESSIVE CAPITAL EXPENDITURE - Contd.

Major Head	Description	Expenditure during 2021-22	Progressive expenditure upto 2021-22	Expenditure during 2022-23	Progressive expenditure upto 2022-23	Increase(+)/ Decrease(-) in Percentage
(₹ in crore)						
B SOCIAL SERVICES - conclud.						
(e) Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes						
4225	Welfare of SC/ST/OBC	9.35	80.08	8.35	88.43	(-11)
Total (e) Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		9.35	80.08	8.35	88.43	(-11)
(g) Social Welfare and Nutrition						
4235	Social Security and Welfare	12.57	77.25	3.35	80.59	(-73)
Total (g) Social Welfare and Nutrition		12.57	77.25	3.35	80.59	(-73)
(h) Other Social Services						
4250	Other Social Services	...	0.02	...	0.02	...
Total (h) Other Social Services		...	0.02	...	0.02	...
Total - B SOCIAL SERVICES		385.02	5,288.57	1,058.07	6,346.64	175
C ECONOMIC SERVICES						
(a) Agriculture and Allied Activities						
4401	Crop Husbandry	0.09	44.66	2.62	47.29	2811
4403	Animal Husbandry	2.95	36.90	1.64	38.54	(-44)
4404	Dairy Development	...	1.88	...	1.88	...
4405	Fisheries	0.66	18.49	0.12	18.61	(-82)
4406	Forestry and Wild Life	1.01	44.80	0.53	45.33	(-48)
4408	Food Storage and Warehousing	3.11	27.95	2.07	30.02	(-33)
4415	Agricultural Research and Education	...	0.11	...	0.11	...
4425	Co-operation	...	36.32	0.90	37.22	100
4435	Other Agricultural Programmes	...	4.38	...	4.38	...
Total (a) Agriculture and Allied Activities		7.82	215.49	7.88	223.38	1

5. STATEMENT OF PROGRESSIVE CAPITAL EXPENDITURE - Contd.

Major Head	Description	Expenditure during 2021-22	Progressive expenditure upto 2021-22	Expenditure during 2022-23	Progressive expenditure upto 2022-23	Increase(+)/ Decrease(-) in Percentage (₹ in crore)
C ECONOMIC SERVICES - contd.						
(b) Rural Development						
4515	Other Rural Development Programmes	5.33	307.01	33.93	340.93	537
Total (b) Rural Development		5.33	307.01	33.93	340.93	537
(c) Special Areas Programme						
4575	Other Special Areas Programmes	43.54	443.58	64.42	508.00	48
Total (c) Special Areas Programme		43.54	443.58	64.42	508.00	48
(d) Irrigation and Flood Control						
4702	Minor Irrigation	...	11.67	19.38	31.05	100
4711	Flood control Projects	27.77	168.26	80.43	248.69	190
Total (d) Irrigation and Flood Control		27.77	179.93	99.81	279.74	259
(e) Energy						
4801	Power Projects	102.64	1,612.75	225.46	1,838.21	120
Total (e) Energy		102.64	1,612.75	225.46	1,838.21	120
(f) Industry and Minerals						
4851	Village and Small Industries	...	21.56	19.00	40.56	100
4853	Non-ferrous Mining and Metallurgical Industries	...	6.68	...	6.68	...
4859	Telecommunication and Electronic Industries	...	2.80	50.00	52.80	100
4860	Consumer Industries	...	73.73	0.49	74.23	100
4885	Other Capital Outlay on Industries and Minerals	...	15.88	...	15.88	...
Total (f) Industry and Minerals		...	120.65	69.49	190.15	100
(g) Transport						
5053	Civil Aviation	...	127.86	...	127.86	...
5054	Roads and Bridges	338.01	4,826.11	338.78	5,164.89	...
5055	Road Transport	5.00	67.59	(-)5.00	62.59	(-)200
Total (g) Transport		343.01	5,021.56	333.78	5,355.34	(-)3

5. STATEMENT OF PROGRESSIVE CAPITAL EXPENDITURE - Concl.

Major Head	Description	Expenditure 2021-22 during	Progressive expenditure upto 2021-22	Expenditure 2022-23 during	Progressive expenditure upto 2022-23	Increase(+)/ Decrease(-) in Percentage (₹ in crore)
C ECONOMIC SERVICES - concl.						
(i) Science Technology and Environment						
5425	Other Scientific and Environmental Research	...	6.82	...	6.82	...
Total (i) Science Technology and Environment		...	6.82	...	6.82	...
(j) General Economic Services						
5452	Tourism	170.32	1,223.83	210.91	1,434.74	24
5465	Investment in general Financial and Trading Institutions	...	1.68	...	1.68	...
5475	Other General Economic Services	1.08	2.15	0.06	2.21	(-)94
Total (j) General Economic Services		171.40	1,227.67	210.97	1,438.63	23
Total - C ECONOMIC SERVICES		701.51	9,135.47	1,045.74	10,181.20	49
Total Expenditure Head Capital Account (A+B+C)		1,315.78	16,029.88	2,376.60	18,406.47	81

Explanatory Notes

The total investment of the Government in the share capital of various concerns at the end of 2022-23 was ₹ 111.08 crore. Dividend ₹ 4.12 crore was credited to the Government Accounts during 2022-23

6. STATEMENT OF BORROWINGS AND OTHER LIABILITIES

(i) Statement of Public Debt and Other Liabilities¹

Nature of Borrowings	Balance as on 01 April 2022	Receipt during the year	Repayments during the year	Balance as on 31 March 2023	Net increase (+) /Decrease (-) Percentage	As percentage of Total Liabilities
A Public Debt (₹ in crore)						
6003 Internal Debt of the State Government						
Market Loans	7,658.00	1,414.00	94.00	8,978.00	17	71
Special Securities issued to National Small Savings Fund of the Central Government	124.13	0.00	16.10	108.03	(-)13	1
Loans from Financial Institutions	286.26	69.87	46.21	309.92	8	2
6004 Loans and Advances from the Central Government						
Non-Plan Loans	0.05	0.00	0.05	0.00	(-)100	0
Loans for State/Union Territory Plan Schemes	69.13	0.00	10.47	58.66	(-)15	0
Loans for Centrally Sponsored Plan Schemes	0.44	0.00	0.11	0.33	(-)22	0
Loans for Special Schemes	0.58	0.00	0.22	0.36	(-)38	0
Centrally Sponsored Schemes	1.72	0.92	0.19	2.45	42	0
Other Loans for State/Union Territory with Legislature Schemes	513.82	552.11	0.40	1,065.53	107	8.00
Total A Public Debt	8,654.13	2,036.90	167.75	10,523.28	22	83
B Other Liabilities						
Public Accounts						
Small Savings, Provident Funds, etc.	1,416.32	461.21	424.17	1,453.36	3	11
Reserve Funds bearing Interest	296.19	183.65	255.77	224.07	(-)24	2
Reserve Funds not bearing Interest	119.32	65.70	51.96	133.06	12	1
Deposits bearing Interest	68.52	222.36	238.64	52.24	(-)24	0
Deposits not bearing Interest	308.46	149.42	147.00	310.88	1	2
Total B Other Liabilities	2,208.81	1,082.34	1,117.54	2,173.61	(-2)	17
Total Public Debt and other liabilities	10,862.94	3,119.24	1,285.29	12,696.89	17	100

¹ Detail Accounts is at page 183 to 194 of Finance Accounts Volume II, Statement - 17.

For details on amortisation arrangements, service of debt etc. explanatory notes to this statement at page 21 to 23 may be seen.

6 STATEMENT OF BORROWINGS AND OTHER LIABILITIES - Contd.

Explanatory Notes to Statement 6**1. Amortisation arrangements:-**

The system of creation of Sinking Funds by transferring funds from revenue for amortisation of open market loans was created by Government from 1999-2000 *vide* Notification No.3/ Finance Accounts dated 31.08.1999 on the recommendation of the 10th Finance Commission. The balance of the fund at the commencement and at the end of the 2022-23 are given below:-

(₹ in crore)				
Name	Balance in 1 April 2022	Addition during the year	Withdrawal during the year	Balance on 31 March 2023
Sinking Fund	551.47	15.00	0.00	566.47

An amount of ₹15.00 crore was appropriated from revenue during this year.

As per information furnished by the Government the entire balance of the fund along with interest (₹15.00 crore for the year 2022-23 and ₹33.32 crore for the year 2021-22) was invested in the nationalised bank as fixed deposit as per the directions of Reserve Bank of India.

2. Loans from National Small Savings Fund:-

Loans out of the collection in the Small Savings Schemes and Public Provident Fund in the Post Offices are being shared between the State Government and the Central Government in the ratio of 3:1. A separate fund viz. National Small Savings Fund was created in 1999-2000 for the purpose of release of loans out of Small Savings collections. No loan was received during the year 2022-23 whereas an amount of ₹16.10 crore was repaid during the year. The balance outstanding at the end of the year was ₹108.03 crore which was 1.03 per cent of the total Public Debt of the State Government as on 31 March 2023.

3. Loans and Advances from the Central Government for State:-

During 2022-23 State Government received loans from Central Government of ₹553.03 crore and paid ₹11.43 crore towards repayment to Government of India. The loans from the Central Government as on 31 March 2023 contributed 5.26 per cent of the total Public Debt of the State Government on 31 March 2023.

6 STATEMENT OF BORROWINGS AND OTHER LIABILITIES - Contd.

4. Internal Debt of State Government:-

The receipt of ₹1,483.87 crore under the head includes market borrowing ₹1,414.00 crore and ₹69.87 crore borrowed from NABARD. During 2022-23 Government paid ₹156.31 crore in repayment of outstanding loans and paid interest ₹3.62 crore to Life Insurance Corporation of India, ₹0.24 crore to Rural Electrification Corporation, ₹0.25 crore to National Insurance Corporation, ₹0.00 crore to National Co-operative Development Corporation, ₹8.79 crore to NABARD and ₹10.43 crore to Special Central Government Security issued to NSSF. Government also paid interest of ₹593.69 crore towards Market Loan during the year 2022-23.

Interest on Debt and Other Obligations - The outstanding gross debt and other obligations and the total net amount of interest charges met from revenue during 2022-23 and 2021-22 were as shown below :-

	2022-23	2021-22	Net Increase (+)/ Decrease(-) during the year
	(₹ in crore)		
(i) Gross Debt and other obligations outstanding at the end of the year			
(a) Public Debt and Small Savings, Provident Funds <i>etc.</i>	11,976.64	10,070.44	1,906.20
(b) Other Obligations	720.25	792.50	(-)72.25
Total (i)	12,696.89	10,862.94	1,833.95
(ii) Interest paid by Government			
(a) On Public Debt and Small Savings, Provident Funds <i>etc.</i>	711.17	624.58	86.59
(b) Other Obligations	...	...	...
Total (ii)	711.17	624.58	86.59
(iii) Deduct			
(a) Interest received on loans and advances given by Government	14.38	9.62	4.76
(b) Interest realised on investment of cash balances	51.76	40.30	11.46
Total (iii)	66.14	49.92	16.22
(iv) Net interest charges	652.04	585.12	66.92
(v) Percentage of gross interest (item (ii)) to total Revenue Receipts	8.86	8.97	(-)0.11
(vi) Percentage of net interest (item (iv)) to total Revenue Receipts	8.05	8.26	(-)0.21

6 STATEMENT OF BORROWINGS AND OTHER LIABILITIES - Concl.

5. Appropriation for reduction or avoidance of Debt:-

8222 Sinking Funds

01- Appropriation for reduction or avoidance of Debt

101 Sinking Funds

(₹ in crore)

		Amount transferred to Miscellaneous	
Balance as on 1 April 2022	551.47	Government Account	...
Amount appropriated from revenue during 2022-23	15.00	Balance as on 31 March 2023	566.47
Interest on Investment			
Total	<u>566.47</u>		Total
		Cash	...
		Investment	566.47
		Total	<u>566.47</u>

02- Sinking Fund Investment Account

101 Sinking Fund Investment Account

(₹ in crore)

Balance as on 1 April 2022	551.47	Sale of Securities	...
Purchase of Securities	...	Balance as on 31 March 2023	566.47
Investment (Fixed Deposit) in Nationalised Bank during 2022-23	15.00		
Total	<u>566.47</u>		Total
		Total	<u>566.47</u>

As per information furnished by the Finance Department, the Sinking Fund balances were invested as fixed deposits in the State Bank of Sikkim and other Commercial Banks.

7 STATEMENT OF LOANS AND ADVANCES GIVEN BY THE GOVERNMENT

Section - 1 Summary of Loans and Advances Loanee group wise

(₹ in crore)							
Loanee group	Balance as on 01 April 2022	Disbursement during the year	Repayments during the year	Write-off of irrecoverable loans and advances	Balance as on 31 March 2023 (2+3)-(4+5)	Net (+) increase / decrease (-) during the year (2-6)	Interest payment in arrears
1	2	3	4	5	6	7	8
Universities/Academic Institutions	48.15	0.00	...	0.00	48.15		0.00
Others	203.58	0.00	0.04	0.00	203.54		0.00
Government Servants	1.56	0.38	0.40	0.00	1.54		0.00
Miscellaneous	0.00	0.00	0.00	0.00	0.00		0.00
Total-Loan and Advances	*253.29	0.38	0.44	0.00	253.23		0.00

* Difference of ₹ 0.01 crore from Statement 18 due to rounding off.

Following are the cases of a loan having been sanctioned as 'loan in perpetuity'

(₹ in crore)						
Sl. No.	Loanee entity	Year of sanction	Sanction Order No.	Amount	Rate of Interest	
NIL						

Note: No information is available in respect of loan in perpetuity due to loan accounts being maintained by the State Government Department.

7. STATEMENT OF LOANS AND ADVANCES GIVEN BY THE GOVERNMENT

Section - 2 Summary of Loan and Advances - Sector-wise

Sectors	Balance as on 01 April 2022	Disbursement during the year	Repayments during the year	Write-off of irrecoverable loans and advances	Balance as on 31 March 2023	Net increase(+) / decrease(-) during the year(2-6)	Interest Payment in arrears
1	2	3	4	5	6	7	8
Loans For Social Services -							
Loans for Education, Sports, Art and Culture	48.15	0.00	0.00	0.00	48.15		0.00
Loans for Health and Family Welfare	0.13	0.00	0.00	0.00	0.13		0.00
Total-Loans for Social Services	48.28	0.00	0.00	0.00	48.28		0.00
Loans for Economic Services -							
Loans for Agriculture and Allied Activities	0.60	0.00	0.04	0.00	0.56	0.04	0.00
Loans for Energy	35.00	0.00	0.00	0.00	35.00	0.00	0.00
Loans for Industry And Minerals	3.12	0.00	0.00	0.00	3.12	0.00	0.00
Loans for Transport	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Loans for General Economic Services	164.72	0.00	0.00	0.00	164.72	0.00	0.00
Total-Loans for Economic Services	203.45	0.00	0.04	0.00	203.41	0.04	0.00
Loans to Government Servants etc. -							
Governments Servants	1.56	0.38	0.40	0.00	1.54	(-)0.02	0.00
Total-Loans to Government Servants etc.	1.56	0.38	0.40	0.00	1.54	(-)0.02	0.00
Miscellaneous Loans -							
Loans for Miscellaneous purposes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total-Miscellaneous Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total-Loans and Advances	253.29	0.38	0.44	0.00	253.23	(-)0.06	0.00

Note: (i) For details refer Section I of Detailed Statement No.18 of Loans and Advances given by the State Government.

(ii) No information is available regarding interest payment in arrears due to loan accounts being maintained by the State Government.

7 STATEMENT OF LOANS AND ADVANCES GIVEN BY THE GOVERNMENT - Concl'd.
Section - 3 Summary of repayment in arrears from other Loanee Entities

(₹ in crore)

Loanee-Entity	Amount of arrears as on 31 March 2023			Earliest year to which the arrears relate	Total loans outstanding against the entity on 31 March 2023
	Principal	Interest	Total		
1	2	3	4	5	6
- NA -					

Note: Information not received from the State Government.

8 STATEMENT OF INVESTMENTS OF THE GOVERNMENT

**Comparative summary of Government Investment in the share capital
and debentures of different concerns for 2021-22 and 2022-23**

(₹ in crore)

Name of the Concern	2022-23			2021-22		
	Number of Concerns	Investment at the end of the year	Dividend/ interest received during the year	Number of Concerns	Investment at the end of the year	Dividend/ interest received during the year
1. Statutory Corporations	3	8.14	2.67	3	8.14	...
2. Companies	25	91.31	1.45	25	87.81	1.45
3. Bank and Co-operative Societies	9	11.63	...	9	11.63	...
Total	37	111.08	4.12	37	107.58	1.45

9 - STATEMENT OF GUARANTEES GIVEN BY THE GOVERNMENT*

Guarantees given by the State Government for repayment of loans, etc. raised by Statutory Corporations, Government Companies, Local Bodies and Other Institutions during the year and sums guaranteed outstanding on 31 March 2023 in various sectors are shown below :

Sector-wise disclosure for Guarantees :

(₹ in crore)

Sector	Maximum amount guaranteed	Outstanding at the beginning of the year (2022-23)		Additions during the year (2022-23)	Deletions (other than invoked) during the year (2022-23)	Invoked during the year (2022-23)		Outstanding at the end of the year (2022-23)		Guarantee Commission or fee		Other material details
		Principal	Interest			Discharged	Not Discharged	Principal	Interest	Receivable	Received	
1	2	3	4	5	6	7	8	9	10	11	12	13
SC/ST	26.00	20.91	0.27	0.00	4.22	0.00	0.00	16.69	0.00	0.00	0.00	0.00
Roads	659.00	430.06	0.00	0.00	46.01	0.00	0.00	384.05	0.00	0.00	0.00	0.00
Housing	983.00	807.49	0.00	121.34	24.07	0.00	0.00	904.76	0.00	0.00	4.81	0.00
Health	300.00	246.22	1.61	0.00	55.42	0.00	0.00	192.41	0.00	0.00	0.00	0.00
Power **	3,075.47	3,028.82	342.91	0.00	83.58	0.00	0.00	2,945.82	342.33	0.00	0.00	0.00
Grand Total	5,043.47	4,533.50	344.79	121.34	213.30	0.00	0.00	4,443.73	342.33	0.00	4.81	0.00

* This disclosure statement is prepared based on information/data furnished by the State Government.

** The Guarantee amount of Power Sector ₹ 375.00 crore was not incorporated during the year 2021-22 due to non receipt of the Deed of Guarantee from Power Department and the same is hence included in this financial year 2022-23. This amount pertains to Guarantee of ₹ 187.50 crore each to PFC Ltd. and REC Ltd. Further, the Guarantee fee for the same amounting to ₹ 3.75 crore was inadvertently credited to the head 0055-00-101 during the financial year 2021-22.

10 STATEMENT OF GRANTS IN AID GIVEN BY THE GOVERNMENT

(i) Grants-in-aid paid in cash

(₹ in crore)

Grantee Institutions	Grants released			Grants for creation of capital assets		
	2022-23	2021-22	Total	2021-22	2020-21	
	State Fund Expenditure	Central Assistance (Including CSS/CS)				
1 Panchayati Raj Institutions						
(i) Zilla Parishads	14.34	0.00	14.34	13.95	0.00	0.00
(ii) Panchayat Samities	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Gram Panchayats	33.38	0.00	33.38	31.87	0.00	0.00
(iv) Others	0.00	0.00		0.00	0.00	0.00
2 Urban Local Bodies						
(i) Municipal Corporations	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Municipalities/Municipal Councils	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Others	0.00	0.00	0.00	0.00	0.00	0.00
3 Public Sector Undertakings						
(i) Government Companies	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Statutory Corporations	0.00	0.00	0.00	2.68	0.00	0.00
4 Autonomous Bodies						
(i) Universities	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Development Authorities	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Co-operative Institutions	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Others	0.00	0.00	0.00	0.00	0.00	0.00
5 Non-Government Organisations	0.00	0.00	0.00	0.00	0.00	0.00
6 Others	121.00	0.00	121.00	99.69	0.00	0.00
Total	168.72	0.00	168.72	148.19	0.00	0.00

10 STATEMENT OF GRANTS IN AID GIVEN BY THE GOVERNMENT - Concl'd.

(ii) Grants-in-aid given in kind

Grantee Institutions	Total Value	
	₹ in crore)	
	2022-23	2021-22
1 Panchayati Raj Institutions		
(i) Zilla Parishads	0.00	0.00
(ii) Panchayat Samities	0.00	0.00
(iii) Gram Panchayats	0.00	0.00
(iv) Others	0.00	0.00
2 Urban Local Bodies	0.00	0.00
(i) Municipal Corporations	0.00	0.00
(ii) Municipalities/Municipal Councils	0.00	0.00
(iii) Others	0.00	0.00
3 Public Sector Undertakings	0.00	0.00
(i) Government Companies	0.00	0.00
(ii) Statutory Corporations	0.00	0.00
4 Autonomous Bodies	0.00	0.00
(i) Universities	0.00	0.00
(ii) Development Authorities	0.00	0.00
(iii) Co-operative Institutions	0.00	0.00
(iv) Others	0.00	0.00
5 Non-Government Organisations	0.00	0.00
Total	0.00	0.00

11. STATEMENT OF VOTED AND CHARGED EXPENDITURE

(₹ in crore)

Particulars	Actuals					
	2022-23			2021-22		
	Charged	Voted	Total	Charged	Voted	Total
Expenditure Heads (Revenue Account)	785.62	6,844.96	7,630.58	690.94	5,977.90	6,668.84
Expenditure Heads (Capital Account)	...	2,376.60	2,376.60	...	1,315.78	1,315.78
Disbursement under Public Debt, Loans and Advances, Inter-State Settlement and Transfer to Contingency Fund	167.75	0.38	168.13	119.90	0.85	120.75
TOTAL	953.37	9,221.94	10,175.31	810.84	7,294.53	8,105.37

(a) The figures have been arrived as follows :-

E. PUBLIC DEBT

Internal Debt of the State Government	156.31	...	156.31	108.70	...	108.70
Loans and Advances from the Central Government	11.43	...	11.43	11.20	...	11.20

F. LOANS AND ADVANCES

Loans for Social Services	...	...	...	...	...	...
Loans for Economic Services	...	...	...	...	...	...
Loans to Government Servants, etc.	...	0.38	0.38	...	0.85	0.85
Miscellaneous Loans	...	...	...	...	...	...

H. TRANSFER TO CONTINGENCY FUND

TRANSFER TO CONTINGENCY FUND
------------------------------	-----	-----	-----	-----	-----	-----

(i) The percentage of charged expenditure and voted expenditure to total expenditures during 2021-22 and 2022-23 was as under:-

Year	Percentage of total expenditure	
	Charged	Voted
2021-22	10.00	90.00
2022-23	9.37	90.63

12 STATEMENT ON SOURCES AND APPLICATION OF FUNDS FOR EXPENDITURE OTHER THAN REVENUE ACCOUNT

On 1 April 2022 During the year 2022-23 On 31 March 2023

(₹ in crore)

Capital and Other Expenditure-
Capital Expenditure-

Public Works	1,605.84	272.79	1,878.63
Education, Sports, Art and Culture	1,145.24	214.67	1,359.91
Health and Family Welfare	1,195.11	36.87	1,231.98
Water Supply, Sanitation, Housing and Urban Development	2,784.34	794.84	3,579.18
Information and Broadcasting	6.53	0.00	6.53
Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	80.09	8.34	88.43
Social Welfare and Nutrition	77.24	3.35	80.59
Other Social Services	0.02	0.00	0.02
Agriculture and Allied Activities	215.50	7.89	223.39
Rural Development	307.00	33.93	340.93
Special Areas Programme	443.58	64.42	508.00
Irrigation and Flood Control	179.92	99.80	279.72
Energy	1,612.75	225.46	1,838.21
Industry and Minerals	120.65	69.49	190.14
Transport	5,021.57	333.78	5,355.35
Science Technology and Environment	6.82	0.00	6.82
General Economic Services	1,227.67	210.97	1,438.64
Total - Capital Expenditure	16,029.87	2,376.60	18,406.47

12 STATEMENT ON SOURCES AND APPLICATION OF FUNDS FOR EXPENDITURE OTHER THAN REVENUE ACCOUNT

Contd.

On 1 April 2022 During the year 2022-23 On 31 March 2023

(₹ in crore)

Principal Sources of Funds-**Debt-**

Internal Debts of the State Government	8,068.39	1,327.56	9,395.95
Loans and Advances from the Central Government	585.74	541.60	1,127.34
Small Savings, Provident Funds <i>etc.</i>	1,416.32	37.04	1,453.36
Total - Debt	10,070.45	1,906.20	11,976.65

Other Obligations

Contingency Fund	1.00	0.00	1.00
Reserve Fund	415.51	(-)58.38	357.13
Deposits and Advances	375.94	(-)13.86	362.08
Suspense and Miscellaneous (Other than amount closed to Government Account and Cash Balance Investment Account)	357.93	(-)146.24	211.69
Remittances	369.98	81.64	451.61
Total Other Receipts	1,520.36	(-)136.84	1,383.51
Total Debt and Other Receipts	11,590.79	1,769.36	13,360.16

Deduct-

i) Cash Balances	95.49	(-)19.22	76.27
ii) Investments	2,073.06	(-)114.73	1,958.33
iii) Inter State Suspense	...	...	...
Add: Amount closed to Government Account	...	...	...
Net-Provisions of Funds	9,422.24	1,903.31	11,325.56

12 STATEMENT ON SOURCES AND APPLICATION OF FUNDS FOR EXPENDITURE OTHER THAN REVENUE ACCOUNT

Concl.

On 1 April 2022 During the year 2022-23 On 31 March 2023

(₹ in crore)

Revenue Surplus (+) /Revenue Deficit (-) **473.22**

Total **2,376.53**

Progressive Net Capital and Other Expenditure 18,617.45

Progressive Principal Sources of funds 11,325.56

Difference **^a 7,291.89**

^a The amount differs with Statement No.1 on account of contribution from Miscellaneous Capital Receipts of ₹42.25 crore.

13. SUMMARY ON BALANCES UNDER CONSOLIDATED FUND, CONTINGENCY FUND AND PUBLIC ACCOUNT			
(₹ in crore)			(₹ in crore)
Debit Balances	Sector of the General Accounts	Name of Account	Credit Balances
		Consolidated Fund	
11,072.35	A to D,G,H and Part of L(e)	Government Account	...
...	E.....	Public Debt	10,523.28
253.23	F.....	Loans and Advances	...
...	H.....	Contingency Fund	1.00
		Public Account	
...	I.....	Small Savings, Provident Funds. etc.	1,453.36
	J.....	Reserve Funds -	
10.00		(a) Reserve Funds bearing interest	234.07
636.72		(b) Reserve Funds not bearing interest	769.77
		Gross Balance	
		Investment	
	K.....	Deposits and Advances -	
...		(a) Deposits bearing interest	52.25
...		(b) Deposits not bearing interest	310.88
1.03		(c) Advances	...
	L.....	Suspense and Miscellaneous	
		(Excluding 8680 - Miscellaneous Govt. Account)	
...		(b) Suspense	9.38
1,756.03		(c) Other Accounts	...
	M.....	Remittances	451.61
76.26	N.....	Cash Balance (Closing)	...
13,805.62		Total	13,805.60

* Difference by ₹ 0.02 crore due to rounding off.

13. SUMMARY ON BALANCES UNDER CONSOLIDATED FUND, CONTINGENCY FUND AND PUBLIC ACCOUNT - Contd.

Explanatory Notes :-

- (1) The significance of the head "Government Account" is explained in note B below.
- (2) A summary of receipts, disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account is given in Statement No.21.

(B) Government Account

Under the system of book-keeping followed in Government Accounts, the amounts booked under revenue capital and other transactions of Government the balances of which are not carried forward from year to year are closed to a single head called "Government Accounts". The balances under this head represents the cumulative result of all such transactions.

To this the balances under Public Debt, Loans and Advances, Small-Savings Provident Fund, Reserve Funds, Deposits and Advances, Suspense and Miscellaneous (Other than Miscellaneous Government Accounts), Remittances and Contingency Fund *etc.* , are added and the closing cash balance at the of the year is to be worked out and proved.

The other heading in the summary take into account of the balances under all accounts heads in the Government Books in regard to which the Government has a liability to repay the money received or have a claim to recover the amounts paid and also heads of accounts opened in the books for adjustment of remittance transactions.

It must be understood that theses balances can not be regarded as a complete record of the financial position on the Government as it does not take into account all the physical assets of the State, such as, lands, buildings, communication *etc.* , nor any accrued dues or outstanding liabilities which are not brought to account under the cash basis of accounting followed by the Government.

13. SUMMARY ON BALANCES UNDER CONSOLIDATED FUND, CONTINGENCY FUND AND PUBLIC ACCOUNT - Concl'd.

The net amount at the debit of Government Account at the end of the year has been arrived at as under :-

(₹ in crore)	Details	(₹ in crore)
Debit		Credit
9,168.97	A- Amount at the Debit of the Government Account as on 1 April 2022	
	B-Revenue Receipt)	8,103.80
7,630.58	D-Expenditure on Revenue Account	
	C-Capital Receipt	0.00
...	H-Transfer to Contingency Fund	
2,376.60	E-Capital Expenditure	
	L(e) Suspense and Miscellaneous	0.00
...	G-Amount at the debit of Government Account on 31 March 2023	11,072.35
19,176.15	Total	19,176.15

(i) In a number of cases there are unreconciled differences in the closing balance are reported in the statement of 'Receipts, Disbursement and Contingency Fund and Public Account' (Annexure A to Statement 2) and that shown in separate Registers or other record maintained in the Account office/Departmental officers for the purpose. Steps are being taken to settle the discrepancies.

(ii) The balances are communicated to the officers concerned every year for verification and acceptance thereof. In a larger number of cases such acceptances have not been received.

(iii) The cases where acceptances of balances have been delayed and the amounts involved are considerable have been mentioned in Appendix - VII of Volume II.

(iv) Cases where details/documents are awaited in connection with reconciliation of balances are detailed in Appendix - VII of Volume II.

Note to Finance Accounts for the year 2022-23

1. Summary of Significant Accounting Policies:

(i) Reporting Entity:

These accounts present the transactions of the Government of Sikkim. The accounts of receipts and expenditure of the Government of Sikkim have been compiled based on the initial accounts rendered by eight Treasuries, 58 Public Works Divisions and six Forest Divisions. No accounts have been excluded at the end of the year.

(ii) Reporting Period:

The reporting period of these accounts is 01 April 2022 to 31 March 2023.

(iii) Reporting Currency:

The accounts of the Government of Sikkim are reported in Indian Rupees (₹).

(iv) Form of Accounts:

Under Article 150 of the Constitution of India, the accounts of the Union and of the States are kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe. The word "form" used in Article 150 has a comprehensive meaning so as to include the prescription not only of the broad form in which the accounts are to be kept but also the basis for selecting appropriate heads of accounts under which the transactions are to be classified, which forms the chart of accounts.

(v) Basis of Budget and Financial Reporting:

As per the provisions of Article 202 of the Constitution of India, a statement of estimated receipts and expenditure, the Annual Financial Statements (called Budget) for a financial year is presented to the legislature in form of grants / appropriations before the commencement of the financial year. Budget is presented on gross basis without the recoveries and receipts which are otherwise permitted to be set off in reduction of expenditure. All grants / appropriations relating to heads of budget and accounts, whose balances are not carried forward, lapse at the end of the financial year.

Budget and Accounts: Both budget and accounts of the State follow the same accounting period, cash basis of accounting and uniform basis of classification. The accounts are classified as per the List of Major and Minor Heads to the level of Minor Heads as notified by the Controller General of Accounts in consultation with the Comptroller and Auditor General of India. Classification followed below Minor Heads is as agreed to by the Office of the Accountant General (Accounts and Entitlements) in each state.

A separate budget comparison statement is presented as Appropriation Accounts, which represent actual disbursements in comparison to the grants / appropriations.

Cash basis: The accounts represent the actual cash receipts and disbursements during the reporting period with the exception of such book adjustments which are authorised. Receipts and disbursements in the Finance Accounts are on net basis; net of recoveries, deductions and refunds.

Book Adjustments: Book adjustments are non-cash transactions that appear in the accounts as adjustments / settlements. Some of these transactions take place at the level of the account rendering units, *e.g.*, treasuries, divisions, *etc.*, for adjustments of deductions and recoveries from salaries to Revenue Receipts/Loans/Public Account, 'nil' bills for transfer of moneys between the Consolidated Fund and Public Account, *etc.*

Book adjustments are also carried out at Office of the Senior Deputy Accountant General (A&E). These, amongst others, include booking for creation of and contribution to funds in Public Account by debit to Consolidated Fund (*e.g.*, State Disaster Response Fund, Central Road Fund, Sinking Fund, *etc.*) crediting deposit heads of accounts in Public Account by debiting Consolidated Fund; annual adjustment of interest on General Provident Fund and State Government Group Insurance Scheme by debiting Major Head 2049-Interest Payments and crediting relevant Major Heads in Public Account; adjusting Debt waiver under the scheme of Government of India based on the recommendations of the Central Finance Commissions, recoupment of Contingency Fund, *etc.*

Classification between Capital and Revenue Expenditure: Significant expenditure incurred with the object of acquiring tangible assets of a permanent nature (for use in the organisation and not for sale in the ordinary course of business) or enhancing the utility of existing assets, are broadly defined as Capital expenditure. Subsequent 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 are classified as Revenue expenditure. Capital and Revenue expenditure are shown separately in the Accounts.

Physical and Financial Assets and Liabilities: Physical Assets and Financial Assets (such as, investments, loans and advances made by the Government, *etc.*), as well as Liabilities, such as, debt, *etc.*, are measured at historical cost. Physical Assets are not depreciated, and financial assets are not amortized. Losses in Physical Assets at the end of their life are also not expensed or recognised.

Grants-in-aid: In compliance with the Indian Government Accounting Standard (IGAS) 2: Accounting and Classification of Grants-in-aid, grants-in-aid in cash is recognised as revenue expenditure at the time of disbursement even if it involves creation of assets by the grantee, except in cases specifically authorised by the President on the advice of the Comptroller and Auditor General of India. All grants received are recognised as revenue receipts. Details for meeting the requirements of accounting and classification of Grants-in-aid given by the State Government are

depicted in Statement 10 and Appendix III of the Finance Accounts. Detailed information in respect of Grants-in-aid given in kind is nil.

Loans and Advances: In compliance with the IGAS 3: Loans and Advances made by Government, details of loans and advances made by the State Government are disclosed in Statements 7 and 18 of the Finance Accounts. The closing balances depicted in Statements as on 31 March 2023 is as provided by the State Government.

Retirement benefits: Retirement benefits disbursed during the reporting period have been reflected in the accounts, but the future pension liability of the Government towards employees under the Old Pension scheme, *i.e.*, the liability towards payment of retirement benefits for the past and the present service of its employees is not included in the accounts.

(vi) Rounding off:

The statements present figures which are rounded-off to ₹ in lakh and ₹ in crore as depicted at the top of the respective statements.

Minor difference of ₹0.01/0.02 lakh/crore, wherever occurring, between the Summary Statements and Detailed Statements in Volume-I and Volume-II respectively, is due to rounding off the figures.

(vii) Cash Balance:

Sikkim is the only state in India which does not bank with RBI. While the state banks with State Bank of Sikkim, central transfers for e.g. Finance Commission grants, are to Central Bank of India, Sikkim. Some other banks too are involved in the states cash transactions *viz.*, Vijaya Bank, SISCO Bank, IDBI Bank and Kotak Mahindra Bank. As reconciliation with all the different banks is ongoing, the Cash balance as reported in the accounts is the balance of the State as maintained in the books of accounts of the Senior Deputy Accountant General (A&E).

The cash balance reflects the balance after cash transactions involving Consolidated Fund, the Contingency Fund and Public Account of the State for the year. Book adjustments do not affect the cash balance. Cash balance reported in the Finance Accounts is subject to reconciliation with the State Bank of Sikkim.

(viii) Disclosure of Contingent & Committed liabilities:

Contingent liabilities are not recognised. In compliance with the IGAS 1, 'Guarantees given by the Governments', Sector/class-wise, details of guarantees are disclosed in Statements 9 and 20 of the Finance Accounts as per the details made available by the State Government.

The Government does not follow commitment accounting and the commitments are neither recorded nor the liability against commitment recognised in accounts, it has also not disclosed its future commitments under Appendix XII of the Finance Accounts.

(ix) Pass-through transactions:

Pass-through transactions in the nature of receipts collected by the State but required to be transferred to other entity are disclosed in the Notes to Finance Accounts. However, this year no pass-through transactions has been made by the State Government

2. Compliance with the Accounting Framework:**(i) Non-freezing of accounts by treasuries after closing monthly accounts:**

Non-freezing of accounts by treasuries after closing monthly accounts may give scope for data manipulation after submission of monthly accounts to Senior Deputy Accountant General (A&E) office and may lead to mismatch of figures/data between Senior Deputy Accountant General (A&E) office and State Government. In Sikkim, there is no provision for freezing of monthly accounts in the Treasury Accounting System after the closure of monthly accounts and sending them to the Office of the Senior Deputy Accountant General (Accounts & Entitlements).

(ii) Non-depiction of the economic nature of expenditure at the Object Head level: The budget document of the State Government had not used a consistent coding and nomenclature for the Object Head, which is the 6th level of Government accounting classification hierarchy meant to represent the economic nature of expenditure. The State budget had used this level of accounting for denoting, apart from standard heads object like Salary, Wages *etc.*, heads representing various schemes. Absence of consistent use of standard Object Heads has impacted the informational utility of Statement 4B – (Consolidated Fund) Statement of Expenditure By Nature, where a large share of Government expenditure using non-standard Object Heads have been grouped under “Others”.

3. Consolidated Fund:**(i) Goods and Services Tax:**

Goods and Services Tax (GST) was introduced with effect from 01 July 2017. During the year 2022-23, the State GST collection was ₹804.23 crore compared to ₹655.55 crore in 2021-22, registering an increase of ₹148.68 crore (22.68 *per cent*). In addition, the State received ₹1,100.79 crore as its share of net proceeds assigned to the State under Central Goods and Services Tax. The total receipts under GST were ₹1,905.02 crore. The State did not receive any compensation as Revenue receipt on account of loss of revenue arising out of implementation of GST during 2022-23.

The relevant figures are available in Statement No. 14 of the Finance Accounts.

(ii) Reconciliation of Receipts and Expenditure between CCOs and Accountant General (A&E):

All Controlling Officers are required to reconcile receipts and expenditure of the Government with the figures accounted for by the Deputy Accountant General (A&E), Sikkim. During the year 2022-23, receipts amounting to ₹ 10,141.14 crore (100 *per*

cent of total receipts) and expenditure amounting to ₹10,175.31 crore (100 per cent of total expenditure) were reconciled by the State Government.

Receipts amounting to ₹ 8,963.77 crore (100 per cent of total receipts) and expenditure amounting to ₹ 8,105.37 crore (100 per cent of total expenditure) were reconciled by the State Government during 2021-22 i.e., the previous year.

(iii) Bookings under Minor Head 800-Other Expenditure and 800-Other Receipts:

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

During the year 2022-23, ₹1,260.22 crore under 32 Major Heads of accounts, constituting 12.59 per cent of the total Revenue and Capital expenditure (₹10,007.16 crore) was classified under the Minor Head 800-Other Expenditure in the accounts. During the year 2021-22, ₹806.87 crore under 31 Major Heads of accounts, constituting 10.11 per cent of the total Revenue and Capital expenditure (₹7,984.62 crore) was classified under the Minor Head 800-Other Expenditure in the accounts.

Similarly, ₹689.36 crore under 32 Major Heads of Account, constituting 8.51 per cent of the total Revenue Receipts (₹8,103.80 crore) was classified under 800-Other Receipts in the accounts. During the previous year, ₹459.21 crore under 32 Major Heads of Account, constituting 6.49 per cent of the total Revenue Receipts (₹7,080.72 crore) was classified under 800-Other Receipts in the accounts.

This has reference to Statements 14, 15 and 16 of the Finance Accounts.

(iv) Unadjusted Abstract Contingent (AC) Bills:

Financial rules (Rule 290 of Central Treasury Rules) envisage that no moneys should be drawn from government treasury unless it is required for immediate disbursement. In emergent circumstances, Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money through Abstract Contingent (AC) bills. In terms of the Sikkim Treasury Rules/Financial Rules/ Financial Code/ Financial Hand Book, Rule 290 of Central Treasury Rules, DDOs are required to present Detailed Countersigned Contingent (DCC) bills containing vouchers in support of final expenditure within three months from the date of completion of the purpose for which the advance was drawn.

Out of 540 AC bills amounting to ₹43.74 crore drawn during the year 2022-23, 72 AC bills amounting to ₹ 5.95 crore (13.60 per cent) were drawn in March 2023. DCC Bills in respect of a total of 2,286 AC bills amounting to ₹52.42 crore as on 31 March 2023 were not received. Details of unadjusted AC bills as on 31 March 2023 pending submission of the DCC bills are given as follows:

Year	No. of unadjusted AC Bills	Amount (₹ in crore)
Up to 2021-22	1,987	34.98
2022-23	299	17.44
Total	2,286	52.42

At the end of 31 March 2022 (previous year), DCC Bills in respect of a total of 2,497 AC bills amounting to ₹58.98 crore were not received. 2,497 AC Bills due as on 31 March 2022 and 751 AC bills due as on 31 March 2023 were adjusted in 2022- 2023.

(v) Utilisation Certificates (UCs) for Grants-in-Aid not received:

In terms of Rules 116(1) of the Sikkim Financial Rules 1979, Utilization Certificates (UCs) in respect of Grants-in-Aid received by the grantee should be furnished by the grantee to the authority that sanctioned it, within one year from the date of receipt of grant or before applying for a further grant on the same object, whichever is earlier. To the extent of non-submission of UCs, there is a risk that the amount shown in Finance Accounts may not have reached the beneficiaries.

During the year 2022-23, ₹239.17 crore pertaining to 1,212 outstanding UCs for the period up to 2022-23 was cleared. Out of which, 959 UCs were due for up to 2021-22 and 253 UCs for 2022-23. In 2022-23, ₹62.66 crore grants were made, most of UCs against which shall be due in 2023-24 as UCs are to be submitted within one year from the date of receipt of grant or before applying for a further grant on the same object. The position of outstanding UCs as on 31 March 2023 is given below:

Year*	Number of UCs Outstanding	Amount (₹ in crore)
Up to 2021-22	802	62.51
2022-23	145	33.69
Total	947	96.20

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

The number of outstanding UCs as on 31 March 2022 (previous year) was 1,439 amounting to ₹210.03 crore.

(vi) Interest Adjustment:

Government is liable to pay/adjust interest in respect of balances under category J- Reserve Funds (a. Reserve Funds bearing interest) and K-Deposit and Advances (a. Deposits bearing interest), and for this purpose, specific Sub-Major Heads are provided in the List of Major and Minor Heads of Account.

Details of these Funds/Deposits and interest paid by the Government during the year 2022-23 are given as follows:

(₹in crore)

Funds/Deposits	Balance on 1 April 2022	Basis for calculation of interest	Interest due	Interest paid	Interest short paid
J-Reserve Fund: (a) Reserve Fund bearing interest (State Disaster Response Fund)	1.09	Interest calculated at the rate of 7.49 <i>per cent</i> (As per guideline of SDRF)	0.08	Nil	0.08
(b) Reserve Fund bearing interest (State Disaster Mitigation Fund)	22.82	Interest calculated at the rate of 7.49 <i>per cent</i> (As per guideline of SDRF)	1.71	Nil	1.71
J-Reserve Fund: Reserve Fund bearing interest (State Compensatory Afforestation Fund)	272.29	Interest is calculated at the rate of 3.35 <i>per cent</i> (As informed by GOI Ministry of Environment, Forest, and Climate Change)	9.12	7.00	2.12
K-Deposit and Advances: (a) Deposit bearing interest MH 8336-103 State Compensatory Afforestation Deposits	3.97	Interest calculated at the rate of 5.49 <i>per cent</i> (taking average Ways and Means interest rate as 5.49 <i>per cent</i> for the year 2022-23)	0.22	Nil	0.22
(b) Deposit bearing interest MH 8342-117 Defined Contribution Pension Scheme for Government Employees	68.49	Interest calculated as per the rate of interest 7.10 <i>per cent</i> notified by the Government payable to General Provident Fund	4.86	Nil	4.86
Total			15.99	7.00	8.99

Non-payment/short payment of the interest amounting to ₹8.99 crore has resulted in understatement of Revenue Expenditure to that extent.

This has reference to figures in Statements 15, 21 and 22 of the Finance Accounts.

(vii) Guarantees given by the Government:

In terms of the Sikkim Government Guarantees Act, 2000, the total outstanding Government Guarantees as on the first day of April of any year shall not exceed thrice the State's Tax Receipts of the second preceding year. During the year, total amount guaranteed by the State Government is ₹ 121.34 crore. The outstanding guarantees of ₹4,878.29 crore as on 1 April 2022, work out to more than five times (504.63 *per cent*) of the State's Tax Receipts of the year 2020-21 (₹966.70 crore) and are significantly higher than the limits prescribed.

During 2022-23, the State Government received ₹4.81 crore towards guarantee commission, which constituted 3.96 *per cent* of the guaranteed amount during the year

(₹121.34 crore). Under the Government Guarantee Act 2000, the Government shall charge a minimum of one *per cent* of the guaranteed amount as guarantee commission which works out to ₹1.21 crore. However, the State Government has not transferred ₹4.81 crore, received as guarantee commission, to Public Accounts (MH 8235-117 Guarantee Redemption Fund), in addition ₹3.75 crore was inadvertently credited to the head 0055-00-101 during the financial year 2021-22 also not transferred to Public Accounts; which has resulted in understatement of Revenue Expenditure to that extent.

The relevant figures are available in Statements 9, 14 and 20 of the Finance Accounts.

(viii) Expenditure on Ecology and Environment:

The expenditure incurred by the State Government towards environment is depicted in the Finance Accounts to the level of Minor Head under various functional heads 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 an expenditure of ₹3.57 crore against the budget allocation of ₹11.81 crore under Major Heads 3435.

This has reference to Statements 15 and 16 of the Finance Accounts.

(ix) Expenditure relating to unforeseen/ extraordinary events:

During the year 2022-23, the Government of Sikkim incurred ₹0.90 crore (₹17.20 crore in previous year) on relief measures relating to COVID-19 Pandemic under Major Head 2210. The entire amount of ₹0.90 crore was Revenue Expenditure.

During the year the State did not receive funds from the Central Government for this purpose, being grants in aid/central assistance *etc.*

This has reference to Statements 2, 4, 5, 14, 15 and 16 of the Finance Accounts.

(x) Writing off of Central Loans:

On the recommendations of the Thirteenth Finance Commission, Ministry of Finance, Government of India, in February 2012, had written off loans advanced to the State Government by various Ministries (except those advanced by the Ministry of Finance itself) as on 31 March 2010, towards Central Plan and Centrally Sponsored Schemes. Ministry of Finance permitted the State Governments to adjust the excess repayments of principal and interest made from the effective date of the order (31 March 2010) and its implementation against future repayments to the Ministry of Finance. The Government of Sikkim had made excess repayment of ₹15.95 crore to end of 31 March 2013, of which, Ministry of Finance has so far adjusted ₹14.61 crore. However, during 2022-23, Ministry of Finance has not adjusted any amount.

This has reference to Statement 17 of the Finance Accounts.

(xi) Loans given by the State Government:

In respect of old loans [detailed accounts of which are maintained by the State Government] amounting to ₹1.56 crore involving 7 Departments, recoveries of principal and interest have not been effected during the past several years and 16 such loans are more than 10 years old.

Terms and conditions of repayment of loans have not been settled for loans amounting to ₹37.11 crore to Statutory Bodies/Other entities. Consequently, the receivables of the State Government on this account could not be estimated.

This has reference to Statements 7 & 18 of the Finance Accounts.

(xii) Committed Liabilities:

In terms of the Twelfth Finance Commission recommendations, action has been initiated by the Central Government to move towards accrual basis of accounting. However, as the transition would occur in stages, for a changeover to the accrual-based system of accounting, some additional information in the form of statement is required to be appended to the present system of cash accounting to ensure more transparency in decision-making. The State Government has to furnish information on Committed Liabilities, but they did not do so.

(xiii) Restructuring of Centrally Sponsored Schemes (CSSs)/Additional Central Assistance (ACA) excluding Block Grants:

Consequent to the merger of Plan/Non-Plan classification, the Central Assistance release is now classified as Central Assistance/Share under Centrally Sponsored Schemes.

The total expenditure booked under Centrally Sponsored Schemes, as on 31 March 2023, is ₹1,314.78 crore (Revenue Expenditure ₹680.57 crore and Capital Expenditure ₹634.21 crore), which includes expenditure out of Central Assistance and State share for Centrally Sponsored Schemes.

This has reference to Statements 15 and 16 of the Finance Accounts.

(xiv) Direct transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budget):

As per the PFMS portal of the CGA, ₹342.39 crore was directly received by the implementing agencies in the State during 2022-23 which included transfer to intermediaries/beneficiaries.

The direct transfer to the implementing agencies has decreased by 7.58 per cent as compared to 2021-22 (from ₹370.47 crore in 2021-22 to ₹342.39 crore in 2022-23).

Details are in *Appendix-VI of the Finance Accounts.*

(xv) Off-Budget Liabilities of State Government:

The State Government did not disclose the off-budget liabilities in their budget documents/annual financial statements.

Off-Budget Borrowing is a liability of the Government in as much as the principal and the interest thereon invariably are serviced through the Government Budget, either as assistance or grant to State entity. As per the information provided by the State Government, there were Off-budget borrowings amounting to ₹121.34 crore as on 31 March 2023, where principal/interest are to be serviced through State Budget and/or by assignment of State Revenue.

(xvi) Transfer of funds to Single Nodal Agency (SNA):

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.

4. Contingency Fund:

In exercise of the powers conferred by Section 2 of the Sikkim Contingency Fund Act, 1975, the State Government made the Sikkim Contingency Fund Rules, 1975 for regulating all matters connected with or ancillary to the custody of, payment of monies into, and the withdrawal of monies from, the Contingency Fund of the State of Sikkim. The Contingency Fund of the State of Sikkim has a corpus of ₹1.00 crore. At the end of 2022-23, no amount remained un-recouped under various heads. As on 31 March 2023, Contingency Fund has balance of ₹1.00 crore.

The relevant figures are available in Statements 1, 2, and 21 of the Finance Accounts.

5. Public Account:**(i) National Pension System (NPS):**

During the year 2022-23, total contribution to the NPS which is a Defined Contribution Pension Scheme was ₹222.36 crore (Employees' contribution ₹114.57 crore and Government's contribution ₹107.79 crore). The detailed information on Government contribution is available in Statement No. 15 of the Finance Accounts.

The Government transferred ₹222.36 crore to the Public Account under Major Head 8342-117 Defined Contribution Pension Scheme. Since the employees' and Government contributions are in equal ratio, the Government's contribution of ₹107.79 crore to the NPS was less by ₹6.78 crore, which resulted in understatement of Revenue Expenditure to that extent.

(ii) (A) Reserve Funds bearing Interest:

(a) State Disaster Response Fund (SDRF): 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 and the entire amount was transferred to the fund as on 31 March 2023.

(b) State Disaster Mitigation Fund (SDMF): 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. This has resulted in understatement of Revenue Expenditure to the extent of ₹10.00 crore.

Central Government share of ₹10.60 crore for 2022-23 was released but not booked in accounts due to late receipt of fund in the State and will be taken into account during the financial year 2023-24. The State Government's share for 2022-23 was ₹1.20 crore. The State Government had transferred ₹1.20 crore to the fund as on 31 March 2023.

(c) State Compensatory Afforestation Fund: In compliance with the instructions issued by the Ministry of Environment, Forests and Climate Change, Government of India, the State Governments are required to establish the State Compensatory Afforestation Fund under interest bearing section in Public Account of the State for amounts received from user agencies for undertaking Compensatory Afforestation. During the year 2022-23, the State Government did not receive any amount (no amount in previous year) from the user agencies 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. However, as on 31 March 2023, the State Government did not transfer ₹0.04 crore from Major Head 8336-103 State Compensatory Afforestation Deposit to State Fund and National Fund as per the accounting guidelines.

(B) Reserve Funds not bearing Interest:

(a) Consolidated Sinking Fund: The Government of Sikkim set up the Consolidated Sinking Fund for amortization of loans in 2004-05. According to the guidelines of the Fund, States may contribute a minimum of 1 to 3 *per cent* of their outstanding open market loan at the end of the previous year to the Consolidated Sinking Fund. In the year 2022-23, Government contributed only ₹15.00 crore as against ₹76.58 crore it was required to contribute to the fund. The total accumulation of the Fund was ₹566.47 crore as on 31 March 2023 (₹551.47 crore as on 31 March 2022).

(b) 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. The amount required to be contributed to the Fund cannot be arrived at because no guarantees were invoked during 2022-23 and the State Government had 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 (₹68.45 crore as on 31 March 2022).

Transactions in the Fund are depicted in Statements 21 and 22 of the Finance Accounts.

(c) Central Road and Infrastructure Fund (CRIF): The erstwhile Central Road Fund (CRF) has been renamed as the Central Road and Infrastructure Fund (CRIF) vide GoI's Gazette notification dated 31.03.2018. The CRIF will be used for development and maintenance of National Highways, Railway projects, improvement of safety in Railways, State and Rural roads and other infrastructure.

In terms of the extant accounting procedure, the grants received by the State from the Centre are to be initially booked as Revenue Receipts under Major Head 1601. Thereafter, the amount so received is to be transferred by the State Government to the Public Accounts under Major Head 8449-103-Subventions from Central Road and Infrastructure Fund through functional Major Head(s).

During the year 2023, the State Government received grants of ₹12.78 crore towards CRIF. The State Government transferred ₹12.78 crore to the Fund in the Public Account as on 31 March 2023.

(iii) Suspense and Remittance Balances:

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balance under these heads, worked out by aggregating the outstanding debit and credit balances separately under various heads, was ₹9.38 crore (Credit) under Major Head 8658 as on 31 March 2023 (₹5.48 crore (Credit) as on 31 March 2022) and was ₹451.62 crore (Credit) under Major Head 8782 as on 31 March 2023 (₹369.98 crore (Credit) as on 31 March 2022).

Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

(iv) Cheques and Bills:

Credit balance under MH 8670 Cheques and Bills indicates cheques issued but remaining un-encashed. The opening balance as on 01 April 2022 was ₹353.87 crore (Credit). During 2022-23, cheques worth ₹7,427.53 crore were issued. Thus, against a total of ₹7,781.40 crore, cheques worth ₹7,577.67 crore were encashed, leaving a closing balance of ₹203.73 crore (Credit) as on 31 March 2023. The closing balance represents expenditure originally booked in financial year under different functional Major Heads, which has not resulted in cash outflow to the Government of Sikkim till 31 March 2023.

(v) Cash Balance:

The Cash balance as on 31 March 2023 as per the record of Sr. Deputy Accountant General was ₹76.26 crore (Debit). There is a balance of ₹38.24 crore with the State Bank of Sikkim as on 31 March 2023 as per the records of this office. But as per the record of the State Bank of Sikkim, the Cash Balance of Government stood at ₹3.67 crore leaving behind an unreconciled balance of ₹34.57 crore. The cash balances as available in the various scheduled banks in which government monies are received in Sikkim, are under reconciliation.

6. Impact on revenue expenditure:

The impact on revenue expenditure of misclassifications/non-compliance to statutory provisions on the states' finances as brought out in the preceding paras is tabulated below:

Para Number	Item	Understatement of revenue expenditure (₹ in crore)
3(vi)	Interest Adjustment	8.99
3(vii)	Guarantees commission not transferred to Guarantee Redemption Fund	8.56
5 (i)	National Pension System (NPS)	6.78
Total (Net) Impact	Understatement	24.33

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