



**GOVERNMENT OF SIKKIM**  
**FINANCE REVENUE & EXPENDITURE DEPARTMENT**  
**GANGTOK**

No.10/ Bud/Fin

Dated: 6<sup>th</sup> August 2012

**BUDGET CIRCULAR**

The Annual Budget of the State Government for the financial year 2013-14 has to be presented to the Legislative Assembly and got passed by March 2013. Further the Finance, Revenue and Expenditure Department has to assess the availability of resource for financing of the Annual Plan, 2013-14 and submit to the Government of India before finalization of the Annual Plan. To achieve the above objectives, the process of formulation of Budget Estimates for 2013-14 will have to be completed as early as possible. The Heads of the Departments are, therefore, requested to take immediate steps for formulation of Budget for 2013-14 as per the following guidelines:-

**CONSOLIDATED ESTIMATE OF REVENUE RECEIPTS (FORM - I)**

The estimates should be worked out based on **trend Growth rate** & also on policy decisions and other relevant orders. It must include total arrears and outstanding dues to be recovered during the year under report. The additional yield anticipated from revisions of rates etc. may projected in form-I as Additional Resource Mobilization. In case any shortfall is anticipated in the revenue realization in the revised estimate of 2012-13, appropriate explanation may recorded (e.g. post-budget decision of the Government, deficiencies in the tax collection machinery) and the measures taken thereof by the Department. During the financial year 2011-12 some Departments may not have been able to realize revenue to the extent estimated by them. **These Departments have to furnish detailed explanations for shortfalls and propose measures to bridge the shortfall of the previous years so as to neutralize the deficit in the budget estimates of the current year. The Departments must take urgent steps to increase their revenue commensurate with increase in expenditure.**

The Government of Sikkim has enacted the Fiscal Reform and Budget Management Act during 2010-11. The Act requires introduction of Medium Term Fiscal Plan (MTFP) every year containing

the fiscal projections for the period of three years with growth rate of **12% in Tax Revenue and 20% in Non Tax Revenue** have been targeted keeping the estimated revenue target of the financial year 2012-13. Therefore, estimated growth of tax and non-tax revenue should not be less than the prescribed growth rate projected in the MTFP.

### **CONSOLIDATED ESTIMATE OF EXPENDITURE (FORM-II)**

The consolidated estimates of expenditure under “Salaries” may be framed for **Non-Plan and Plan separately** duly certified by Heads of Departments. While calculating Salaries, basic pay as on 1.4.2013 in revised scale should be taken with **D.A @ 79%**. In addition 15% of total of Column 10 of Appendix I (a) may be added to the gross amount to cover expenses on account of increase in D.A., Leave encashment etc. In case of Departments like Human Resource Development, Police, Health and Rural Management and Development, Nominal Rolls may be segregated District wise, Sub-division wise, Institution wise etc. **No provision should be proposed for posts lying vacant for more than one year. Provision for vacant posts should be made with circumspection so as to avoid savings due to non filling up of the posts.** A separate **CONSOLIDATED** Statement i.e. **ONE STATEMENT FOR EACH DEPARTMENT** should be prepared showing total strength in Appendix I. All Departments must submit statement of existing strength of Muster Roll employees and Work-Charged establishment, etc **separately** under **Non-Plan and Plan** separately as per **Appendix III and IV.**

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

The other Non-Plan revenue expenditures may be kept at the current year’s level duly excluding onetime provision made in the current year. However, if there is any additional requirement same may be specifically indicated in the remarks column.

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

Form – I	-	Consolidated Estimate of Revenue Receipts
Form – II	-	Consolidated Estimate of Expenditure (Non–Plan)
Appendix - I	-	Consolidated Abstract showing Nominal Roll of Regular Employees–Expenditure Head Wise (Non-Plan)
Appendix – II	-	Estimate of Leave Encashment (This Form be submitted to the Office of Director, Pension)
Appendix – III	-	Consolidated Abstract Showing Muster Roll Employees-Expenditure Head Wise
Appendix –IV	-	Consolidated Abstract showing Nominal Roll of Employees Other Than Regular Employees
Appendix – V	-	Details of Motor Vehicles
Appendix – VI	-	Stock Suspense/Civil Deposits and Other Transactions Under Public Accounts

Abstract of the details of Appendix I, III and IV expenditure head wise and strength are also needed to be submitted. Separate forms have been enclosed for each of these forms and appended as Appendix I (a) & I (b), Appendix III (a) & III (b) and Appendix IV (a) & IV (b) respectively.

**The Budget forecast MUST be presented in the formats prescribed in duplicate ( two copies ) and in **BOOK form in the standard A4 size paper** as per above guidelines latest by **30.08.2012** through the concerned Head of the Department. The proposals shall not be accepted if the department fails to comply with the above formalities. The budget proposals must also be submitted along with **SOFT COPY (in MS Excel format)** directly to the **Budget Division for preliminary scrutiny and acceptance.****

**The schedule of discussions shall be notified in due course.** Departments are requested to issue similar guidelines to the Autonomous Bodies/Organizations/Offices under their administrative control to submit the proposals through them and the same to be included in their budget proposals. Finance Revenue & Expenditure Department will not entertain budget proposals of Autonomous Bodies/Organization/Office directly.

The Budget Circular along with the forms can be downloaded from the internet in the State Govt. website <http://www.sikkimfred.gov.in> The soft copy of all the statements can also be sent by e-mail to [budgetfred@gmail.com](mailto:budgetfred@gmail.com).

*Sd/-*

**(S. D. Pradhan)**  
**Principal Director (Budget)**

**Copy to :**

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