

FINANCE ACCOUNTS

(VOLUME-I)

2013-14

GOVERNMENT OF SIKKIM

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CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

This compilation containing the Finance Accounts of the Government of Sikkim for the year ending 31 March 2014 presents the financial position alongwith accounts of the receipts and disbursements of the Government for the year. These accounts are presented in two volumes, Volume-I contains the consolidated position of the state of finances and Volume-II depicts the accounts in detail. The Appropriation Accounts of the Government for the year for Grants and Charged Appropriations are presented in a separate compilation.

The Finance Accounts have been prepared under my supervision in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and have been compiled from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices, and departments responsible for the keeping of such accounts functioning under the control of the Government of Sikkim and the statements received from the State Bank of Sikkim. Statement (No.8 and 9), explanatory notes below statement (No.9 and 19) and appendices (IV, V, X and XII) in this compilation have been prepared directly from the information received from the Government of Sikkim who are responsible to ensure the correctness of such information.

The treasuries, offices, and or departments functioning under the control of the Government of Sikkim are primarily responsible for preparation and correctness of the initial and subsidiary accounts as well as ensuring the regularity of transactions in accordance with the applicable laws, standards, rules and regulations relating to such accounts and transactions. I am responsible for preparation and submission of Annual Accounts to the State Legislature. My responsibility for the preparation of accounts is discharged through the office of the Senior Deputy Accountant General (A&E). The audit of these accounts is independently conducted through the office of the 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. These offices are independent organizations with distinct cadres, separate reporting lines and management structure.

(v)

The audit was conducted in accordance with the Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit 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.

On the basis of the information and explanations that my officers required and have obtained, and according to the best of my information as a result of test audit of the accounts and on consideration of explanations given, I certify that, to the best of my knowledge and belief, the Finance Accounts read with the explanatory 'Notes to Accounts' give a true and fair view of the financial position, and the receipts and disbursements of the Government of Sikkim for the year 2013-14.

Points of interest arising from study of these accounts as well as test audit conducted during the year or earlier years are contained in my Reports on the Government of Sikkim being presented separately for the year ended 31 March 2014.



(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

Date:
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 outgoing 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.

2. The Accounts of the Government are kept in three parts:

Part I: The 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 extended by the Reserve Bank of India 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 categorized 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 '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: The 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 2013-14 is ₹ one crore.

Guide to the Finance Accounts

Part III: The 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 like 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 characters), Detailed Heads (two digits), and Object Heads (two 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.

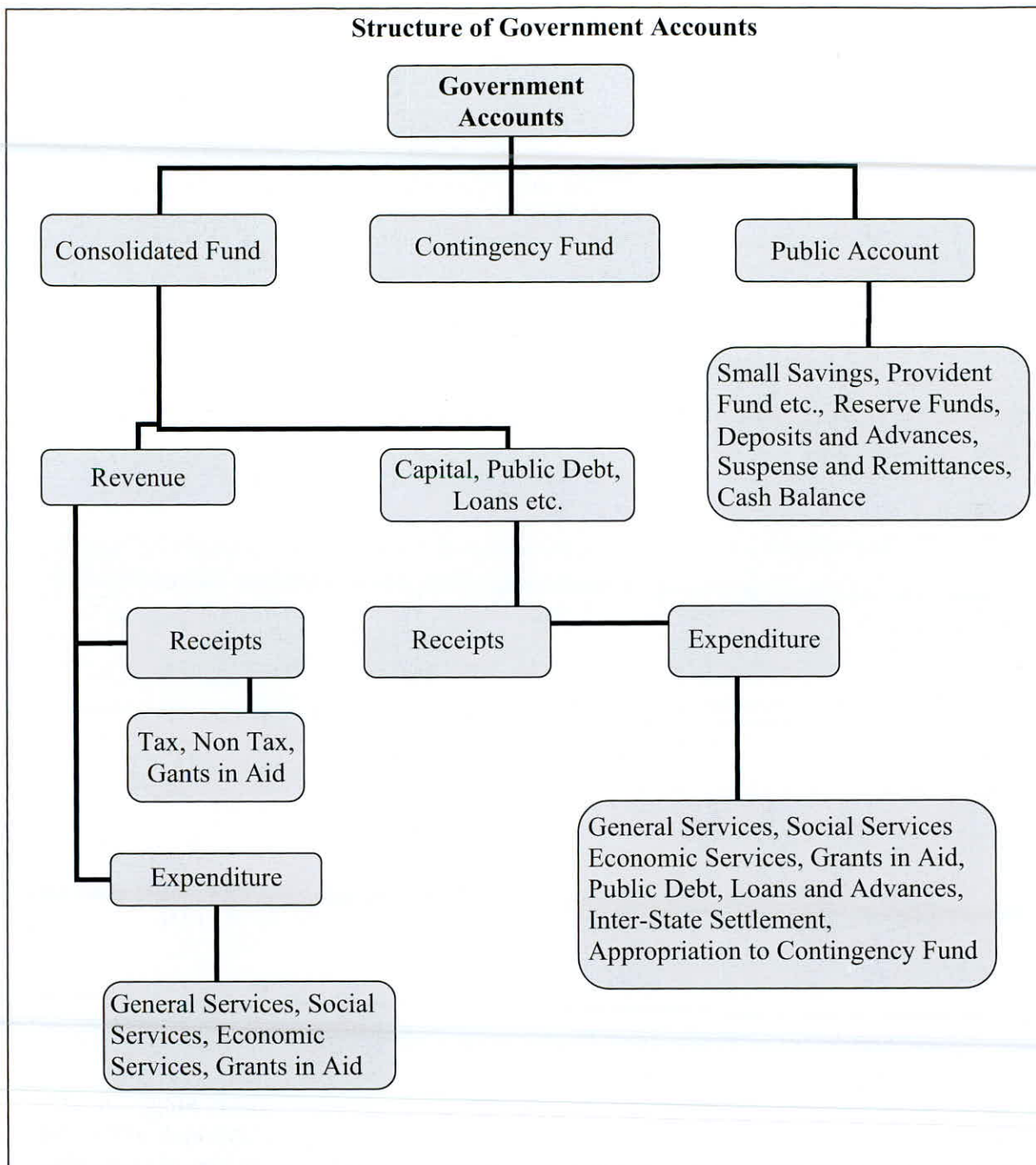
4. The main unit of classification in accounts is the Major Head which contains the following coding pattern (according to the List of Major and Minor Heads corrected upto 31 March 2014.

0020 to 1606	Revenue Receipts
2011 to 3606	Revenue Expenditure
4000	Capital Receipts
4046 to 7810	Capital Expenditure (including Public Debt, Loans and Advances)
7999	Appropriation to the Contingence Fund
8000	Contingency Fund
8001 to 8999	Public Account

5. The Finance Accounts, generally (with some exceptions), depict transactions upto the Minor Head. The figures in the Finance Accounts are depicted at net level, i.e., after accounting for recoveries as reduction of expenditure. This treatment is different from the depiction in the Demands for Grants presented to the Legislature and in the Appropriation Accounts, where, expenditure is depicted at the gross level.

Guide to the Finance Accounts

6. A Pictorial representation of Structure of Government Accounts is given below:



Guide to the Finance Accounts

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, four statements which give summarised information on the financial position and transaction of the State Government for the current financial year, Notes to Accounts and an appendix to the Notes to Accounts. Details of the **four** statements 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.
2. **Statement of receipts and disbursement:** 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. **Statements of Receipts (Consolidated Fund):** This statement comprises revenue and capital receipts (including disinvestments, borrowings and recoveries of loans and advances). This statement corresponds to detailed statements 11, 15 and 16 in Volume-II of the Finance Accounts.
4. **Statements 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 statement 12, 13 and 16 in Volume-II.

Volume-II of the Finance Accounts contains three parts- six summary statements in Part I, nine detailed statement in Part II and eleven Appendices in Part III.

Part I of Volume-II

5. **Statement of Progressive Capital Expenditure:** This statement corresponds to the detailed statement 13 in Part 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 15 in Part II.

Guide to the Finance Accounts

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 16 in Part II.
8. **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-IV provides details of the recipient institution.
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 Other institutions.
10. **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.
11. **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.
12. **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 under Plan (State Plan, Centrally Sponsored Scheme and Central Plan Schemes) and Non Plan, Charged and Voted expenditure are exhibited distinctly.
13. **Detailed Statement of Capital Expenditure by Minor Heads and Sub heads:** This statement, which corresponds to the summary statement 5 in Part I of this volume, depicts the capital expenditure (during the year and cumulatively) of the State Government under Plan (State Plan, Centrally Sponsored Schemes and Central Plan Schemes) and Non Plan. In addition to representing details of capital expenditure at Minor Head level, in respect of significant schemes, this statement depicts details at Subhead levels also.
14. **Detailed 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, Cooperative Institutions and Local Bodies.
15. **Detailed Statement of Borrowings and Other Liabilities:** This statement, which corresponds to the summary statement 6 in Part I of this volume, 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

Guide to the Finance Accounts

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; and (c) interest rate profile of outstanding loans.

16. Detailed Statement on Loans and Advances given by the Government: This statement corresponds to the summary 7 in Part I of this volume.

17. Statement on 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.

18. Detailed Statement on Contingency Fund and Other Public Account transactions: This statement depicts at Minor Head level the details of unrecovered amounts under Contingency Fund, consolidated position of public Accounts transactions during the year, and outstanding balances at the end of the year.

19. Detailed Statement on Investment of Earmarked Balance: This statement depicts details of investments from the Reserve Funds (Public Account).

Part III of Volume-II

Part III contains twelve appendices on various items including salaries, subsidies, grants-in-aid, externally aided projects, scheme wise expenditure in respect of major Central schemes and State Plan schemes, etc. These details are present 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 'Index' in Volume-I or II. The statements read with the appendices give a complete picture of the state of finances of the State Government.

Guide to the Finance Accounts

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 direct link with the Summary Statements are not shown below).

Parameter	Summary Statements (Volume-I/ Volume-II)	Detailed Statements (Volume-II)	Appendices
Revenue Receipts (including Grants received)	2,3	11	
Revenue Expenditure	2,4	12	II (Salary), III (Subsidy)
Grants-In-Aid given by the Government	2	8	IV
Capital receipts	2,3	11	
Capital expenditure	1,2,4	5,13,17	
Loans and advances given by the Government	1,2	7,16	
Debt Position/Borrowings	1,2	6,15	
Investments of the Government in Companies, Corporations etc		14	
Cash	1,2		VIII
Balances in Public Account and investments thereof	1,2	18, 19	
Guarantees		9	
Schemes			V (Externally Aided Projects), VI, VII

D. Periodical and Book Adjustments

Certain transactions that appear in the accounts do not involve actual movement of cash at the time of booking. Some of these transactions take place at the level of the account rendering units (e.g. treasuries, divisions etc.) themselves. For instance, transactions involving adjustment of all deductions (GPF, recoveries of advances given

Guide to the Finance Accounts

etc.) from salaries are recorded by debiting functional major heads (pertaining to the concerned department) by book adjustment to revenue/loans/public account receipts. Similarly 'nil' bills where moneys transferred between the Consolidated Fund and Public Account represent non-cash transactions occurring at the level of the accounts rendering units.

In addition of the above the Sr. Dy. Accountant General (A&E) carries out periodical adjustments and book adjustments of the following nature in the accounts of the State Government, details of which appear in Appendix-I (Volume-I) and footnotes to the relevant statements.

Example of periodical adjustments and book adjustments are given below:

- (1) Creation of funds/adjustment of contribution to Funds in Public Account by debit to Consolidated Fund e.g., State Disaster Response Fund, Central Road Fund, Reserve Funds, Sinking Fund, etc.
- (2) Crediting of deposit heads of accounts in Public Account by debit to Consolidated Fund.
- (3) Annual adjustment of interest on General Provident Fund and State Government Group Insurance Scheme where interest on GPF is adjusted by debiting Major Head 2049-Interest and crediting Major Head 8009-General Provident Fund.
- (4) Adjustment of Debt waiver under the scheme of Government of India based on the recommendations of the Central Finance Commission. These adjustments (where Central loans are written off by crediting Major Head 0075-Misc. General Services by contra entry in the Major Head 6004-Loans and Advances from the Central Government) impact both Revenue Receipt and Public Debt heads Account.

E. Rounding:

Difference of ₹ 0.01 lakh/crore, wherever occurring is due to rounding off.

1: STATEMENT OF FINANCIAL POSITION

(₹ in crore)

Assets ¹	Reference (Sr. no.)		As on 31 March 2014	As on 31 March 2013
	Notes to Accounts	Statement		
Cash			12,83.60	10,48.63
(i) Cash in State Bank of Sikkim	...	18	2,59.51	51.41
(ii) Departmental Balances	...	18	0.55	0.05
(iii) Permanent Imprest	...	18	0.42	0.41
(iv) Cash Balance Investments	...	18	7,50.00	7,50.00
(v) Deposits with Other Bank	...	18	11.09	13.96
(vi) Investments from Earmarked Funds ²	...	19	2,62.03	2,32.80
Capital Expenditure		13	73,46.54	64,34.60
(i) Investments in shares of Companies, Corporations, etc.	...	14	97.42	97.42
(ii) Other Capital Expenditure	...	13	72,49.12	63,37.18
Contingency Fund (un-recouped)	...	18	1.00	...
Loans and Advances	...	16	1,09.48	1,00.00
Advances with departmental officers	...	18	1.03	1.03
Suspense and Miscellaneous Balances³
Remittance Balances
Cumulative excess of expenditure over receipts⁴
Total			87,41.65	75,84.26

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

2 Investments out of earmarked funds in shares of companies etc. are excluded under capital expenditure and included under "Investments from Earmarked Funds".

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

4 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.)**(₹ in crore)**

Liabilities	Reference (Sr. no.)		As on 31 March 2014	As on 31 March 2013
	Notes to Accounts	Statement		
Borrowings (Public Debt)				
(i) Internal Debt	...	6	20,58.47	18,28.92
(ii) Loans and Advances from Central Government	...	6	1,27.07	1,49.04
Non-Plan Loans	...	6	0.55	0.38
Loans for State Plan Schemes	...	6	1,22.78	1,29.95
Loans for Central Plan Schemes
Loans for Centrally Sponsored Plan Schemes	...	6	1.41	16.15
Other loans	...	6	2.34	2.56
Contingency Fund (corpus)		18	1.00	1.00
Liabilities on Public Account			14,48.34	13,67.01
(i) Small Savings, Provident Funds, etc.	...	18	6,85.64	6,24.15
(ii) Deposits	...	18	1,46.21	1,42.79
(iii) Reserve Funds	...	18	3,13.15	2,46.00
(iv) Remittance Balances	...	18	2,04.31	1,96.73
(v) Suspense and Miscellaneous Balances	...	18	99.03	1,57.34
Cumulative excess of receipts over expenditure	...	17	51,06.77	42,38.29
Total			87,41.65	75,84.26

2. STATEMENT OF RECEIPTS AND DISBURSEMENTS

(₹ in crore)

Receipts			Disbursements		
	2013-14	2012-13		2013-14	2012-13
Part-I Consolidated Fund					
Section-A: Revenue					
Revenue Receipts	43,26.44	37,93.32	Revenue Expenditure	34,57.96	30,12.35
Tax revenue (raised by the State)	5,24.92	4,35.48	Salaries ^{1*}	10,93.88	9,71.02
Non-tax revenue	7,94.49	8,06.96	Subsidies*	15.60	8.41
			Grants-in-aid ^{2*}	89.62	56.51
Interest receipts	67.02	46.00	General services	11,11.01	10,76.21
Others	7,27.47	7,60.96	Interest Payment and service of debt	2,21.16	2,10.92
			Pension	2,60.63	2,25.17
Share of Union Taxes/Duties	7,62.62	6,98.48	Others	6,29.22	6,40.12
			Social services	4,87.83	2,87.46
			Economic services	3,67.72	3,69.14
Grants from Central Government	22,44.41	18,52.40	Compensation and assignment to Local Bodies and PRIs	2,92.30	2,43.60
Revenue Deficit	...	...	Revenue Surplus	8,68.48	7,80.97

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). ¹ 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

(₹ in crore)

Receipts			Disbursements		
	2013-14	2012-13		2013-14	2012-13
Part-I Consolidated Fund <i>Concl'd.</i>					
Section-B: Capital					
Capital Receipts	...	...	Capital Expenditure	9,11.94	8,42.35
			General Services	1,69.52	83.31
			Social Services	2,66.21	2,91.22
			Economic Services	4,76.21	4,67.82
Recoveries of Loans and Advances	0.92	0.90	Loans and Advances disbursed	10.40	5.11
			General Services	...	...
			Social Services	10.00	5.00
			Economic Services	...	...
			Others	0.40	0.11
Public Debt Receipts	2,96.32	1,96.81	Repayment of Public	88.74	71.12
Internal Debt (market loans etc.)	2,94.01	1,95.22	Internal Debt (market loans etc.)	64.47	61.58
Loans from GOI	2.31	1.59	Loans from GOI	24.27	9.54
Net of Inter-State-Settlement Account	...	...	Net of Inter-State-Settlement Account	...	...
Total Receipts Consolidated Fund	46,23.68	39,91.03	Total Expenditure Consolidated Fund	44,69.04	39,30.93
Deficit in Consolidated Fund	...	60.10	Surplus in Consolidated Fund	1,54.64	...

Part-II Contingency Fund					
Contingency Fund	...	...	Contingency Fund	1.00	...

Part-III Public Accounts³					
Small savings	2,42.54	2,19.92	Small savings	1,81.05	1,74.57
Reserves & Sinking Funds	2,29.15	1,93.75	Reserves & Sinking Funds	1,91.24	1,98.97

³ For details please refer to Statement No 18 in Voume-II.

2. STATEMENT OF RECEIPTS AND DISBURSEMENTS

(₹ in crore)

Receipts			Disbursements		
	2013-14	2012-13		2013-14	2012-13
Part-III Public Accounts Concl.					
Deposits	88.9	93.59	Deposits	85.47	54.13
Advances	...	...	Advances	...	...
Suspense and Misc	50,36.34	42,04.24	Suspense and Misc⁴	50,95.15	43,47.22
Remittances	15,46.88	12,40.11	Remittances	15,39.30	13,00.21
Total Receipts Public Account	71,43.81	59,51.61	Total Disbursements Public Account	70,92.21	60,75.10
Deficit in Public Account	...	...	Surplus in Public Account	51.60	46.42
Opening Cash Balance	65.36	1,28.76	Closing Cash Balance	2,70.60	65.36
Increase in cash balance	2,05.24	...	Decrease in cash balance	...	63.40

⁴ 'Suspense and Miscellaneous' includes 'other accounts' such as 8658 - Suspense Account, 8670 - Cheques and Bills, 8671 - Departmental Balances, 8672 - Permanent Cash Impreset, 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.18.

ANNEXURE TO STATEMENT 2

CASH BALANCES AND INVESTMENTS OF CASH BALANCES

(₹ in crore)

	As on 31 March 2014	As on 31 March 2013
(A) General Cash Balance		
(1) Deposits with other Banks(State Bank of Sikkim)	2,59.51	51.41
(2) Deposits with the Nationalised Banks	11.09	13.96
TOTAL	2,70.60	65.37
Investment held in the 'Cash Balance Investment Accounts'	7,50.00	7,50.00
TOTAL (A)	10,20.60	8,15.37
(B) Other Cash Balances and Investments		
(1) Cash with Departmental Officers viz,Forest and Public Works Deptt.	0.55	0.05
(2) Permanent Advances for Contingent Expenditure with Departmental Officers.	0.42	0.41
(3) Investments of Earmarked Funds	2,62.03	2,32.80
TOTAL (B)	2,63.00	2,33.26
TOTAL (A+B)	12,83.60	10,48.63

ANNEXURE TO STATEMENT 2

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 Accounts.

(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 ₹ 2,59.51 crore with the State Bank of Sikkim as on 31 March 2014 as per the record of this office. But as per the record of the State Bank of Sikkim, the Cash Balance of Government stood at ₹ 2,07.07 crore leaving behind an unreconciled balance of ₹ 52.44 crore.

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND)

TAX & NON-TAX REVENUE		
	(₹ in crore)	
	Actuals	
Description	2013-2014	2012-2013
A. Tax Revenue		
A.1 Own Tax Revenue		
Land Revenue	3.39	5.66
Stamps and Registration Fees	6.46	5.35
State Excise	1,20.64	1,11.12
Taxes on Sales, Trades etc.	2,86.33	2,27.08
Taxes on Vehicles	18.52	16.38
Others	89.58	69.89
A.2 Share of net proceeds of Taxes		
Corporation Tax	2,56.44	2,50.87
Taxes on Income other than Corporation Tax	1,68.86	1,50.19
Taxes on Wealth	0.70	0.43
Customs	1,24.41	1,16.05
Union Excise Duties	87.87	78.86
Service Tax	1,24.34	1,02.08
Total A	12,87.54	11,33.96
B. Non Tax Revenue		
Interest Receipts	67.02	46.00
Miscellaneous General Services	4,88.98	5,46.39
Power	98.93	82.90
Police	41.14	49.23
Road Transport	34.10	29.01
Forestry and Wild Life	14.27	12.28
Other Administrative Services	11.06	9.64
Contributions and Recoveries towards Pension and Other Retirement Benefits	10.64	4.72
Public Works	4.68	4.70
Plantations	3.62	3.98
Water Supply and Sanitation	3.17	2.74
Tourism	2.65	2.13
Medical and Public Health	2.19	1.50
Other Rural Development Programmes	2.13	1.46
Stationery and Printing	2.05	2.08
Crop Husbandry	1.45	0.71
Education, Sports, Art and Culture	1.38	1.37
Urban Development	0.99	0.97
Animal Husbandry	0.85	0.72
Dividends and Profits	0.55	1.53
Housing	0.54	0.51
Industries	0.50	0.85

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

TAX & NON-TAX REVENUE		
	(₹ in crore)	
	Actuals	
Description	2013-2014	2012-2013
Labour and Employment	0.49	0.38
Information and Publicity	0.27	0.34
Minor Irrigation	0.22	0.20
Non-ferrous Mining and Metallurgical industries	0.15	0.18
Other General Economic Services	0.13	0.09
Food Storage and Warehousing	0.09	0.08
Village and Small Industries	0.08	0.06
Fisheries	0.07	0.03
Other Social Services	0.06	0.04
Public Service commission	0.02	0.13
Co-operation	0.01	...
Jails	0.01	...
Total B	7,94.49	8,06.96
C. Grants-in-aid from Central Government		
Non-Plan Grants		
Grants under the prviso to art.275(1) of the Constitution	...	...
Grants towards Contribution to State Disaster Response Fund	98.20	24.15
Other Grants	50.06	2,41.22
Grants for State/Union Territory Plan Schemes		
Block Grants (of which Externally Aided Projects)	42.56	25.90
Grants under the prviso to art.275(1) of the Constitution	3.32	2.44
Other Grants	17,57.32	1316.87
Grants for Central Plan Schemes	0.20	1.03
Grants for Centrally Sponsored Plan Schemes	2,33.17	1,89.66
Grants for Special Plan Schemes	59.58	51.13
Total C	22,44.41	1852.40
Total Revenue Receipts (A+B+C)	43,26.44	3793.32
D. Capital Receipts		
Disinvestment proceeds	...	...
Others	...	...
Total D	...	...

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND) - Concl'd.		
CAPITAL, PUBLIC DEBT AND OTHER RECEIPTS		
	(₹ in crore)	
	Actuals	
Description	2013-2014	2012-2013
E. Public Debt Receipts		
Internal Debt of the State Government		
Market Loans	2,15.00	94.00
WMA 1 from the RBI	...	...
Bonds	...	...
Loans from Financial Institutions	57.00	85.01
Special Securities issued to National Small Savings Fund of the Central Government	21.21	11.21
Other Loans	0.81	5.00
Loans and Advances from the Central Government		
Non-Plan Loans	...	
Loans for State/Union Territory Plan Schemes	2.02	1.59
Loans for Centrally Sponsored Plan Schemes	...	...
Other Loans	...	...
Total E	2,96.04	1,96.81
F. Loans and Advances by State Government (Recoveries) 2	0.92	0.90
G. Inter State Settlement	...	...
Total - Receipts in Consolidated Fund (A+B+C+D+E+F+G)	46,23.40	3991.03

1 WMA: Ways and Means Advances

2 Details are in Statement 7 and 16. in Volume-II.

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	13.39	...	...	13.39
	President, Vice-President/Governor/Administrator of Union Territories	5.47	...	...	5.47
	Council of Ministers	10.16	...	...	10.16
	Administration of Justice	23.87	...	...	23.87
	Elections	6.47	...	...	6.47
A.2.	Fiscal Services				
	Collection of Taxes on Income and Expenditure	1.09	...	...	1.09
	Land Revenue	14.14	...	...	14.14
	Stamps and Registration	0.24	...	...	0.24
	State Excise Duties	4.86	...	...	4.86
	Taxes on Sales, Trades etc.	8.58	...	...	8.58
	Taxes on Vehicles	1.82	...	...	1.82
	Other Taxes and Duties on Commodities and Services	58.25	...	...	58.25
	Appropriation for reduction or avoidance of Debt	12.00	...	...	12.00
	Interest Payment	2,09.16	...	...	2,09.16
A.3.	Administrative Services				
	Public Service Commission	2.61	...	...	2.61
	Secretariat-General Services	34.88	...	...	34.88
	District Administration	9.80	...	...	9.80
	Treasury and Accounts Administration	13.06	...	...	13.06
	Police	2,21.91	14.89	...	2,36.80
	Jails	5.20	...	...	5.20
	Stationery and Printing	7.02	...	...	7.02
	Public Works	41.57	1,54.63	...	1,96.20
	Other Administrative Services	60.44	...	...	60.44

4 - STATEMENT OF EXPENDITURE(CONSOLIDATED FUND) - Contd.

A.EXPENDITURE BY FUNCTION - Contd.

(₹ in crore)

	Description	Revenue	Capital	L&A	Total
A.4.	Pensions and Miscellaneous General Services				
	Pensions and Other Retirement Benefits	2,60.63	...	...	2,60.63
	Miscellaneous General Services	4,41.38	...	...	4,41.38
	Total - General Services	14,68.00	1,69.52	...	16,37.52
B.	Social Services				
B.1.	Education, Sports, Art and Culture				
	General Education	6,30.16	49.80	10.00	6,89.96
	Technical Education	0.49	...	...	0.49
	Sports and Youth Services	6.14	...	...	6.14
	Art and Culture	9.25	...	...	9.25
B.2.	Health and Family Welfare				
	Medical and Public Health	1,44.59	93.47	...	2,38.06
	Family Welfare	16.80	...	...	16.80
B.3.	Water Supply, Sanitation, Housing and Urban Development				
	Water Supply and Sanitation	22.19	39.24	...	61.43
	Housing	1,70.04	9.74	...	1,79.78
	Urban Development	40.28	62.16	...	1,02.44
B.4.	Information and Broadcasting				
	Information and Publicity	13.88	0.25	...	14.13
B.5.	Welfare of Schedule Castes, Schedule Tribes and Other Backward Classes				
	Welfare of Sceduled Castes,Sceduled Tribes and Other Backward Classes	25.98	1.86	...	27.84
B.6.	Labour and Labour Welfare				
	Labour and Employment	5.85	...	...	5.85
B.7.	Social Welfare and Nutrition				
	Social Security and Welfare	44.04	9.69	...	53.73
	Nutrition	8.80	...	...	8.80
	Relief on Account of Natural Calamities	1,03.22	...	...	1,03.22

4 - STATEMENT OF EXPENDITURE(CONSOLIDATED FUND) - Contd.

A.EXPENDITURE BY FUNCTION - Contd.

(₹ in crore)

	Description	Revenue	Capital	L&A	Total
B.8.	Others				
	Other Social Services	34.29	...	...	34.29
	Secretariat-Social Services	0.36	...	...	0.36
	Total - Social Services	12,76.36	2,66.21	10.00	15,52.57
C.	Economic Services				
C.1.	Agriculture and Allied Activities				
	Crop Husbandry	55.50	1.98	...	57.48
	Soil and Water Conservation	7.03	...	...	7.03
	Animal Husbandry	33.16	2.40	...	35.56
	Diary Development	1.75	...	...	1.75
	Fisheries	4.51	1.37	...	5.88
	Forestry and Wild Life	77.78	2.44	...	80.22
	Plantations	4.70	...	...	4.70
	Food Storage and Warehousing	24.99	0.54	...	25.53
	Co-operation	10.96	3.27	...	14.23
	Other Agricultural Programmes	15.22	0.40	...	15.62
C.2.	Rural Development				
	Special Programmes for Rural Development	24.07	...	...	24.07
	Rural Employment	6.15	...	...	6.15
	Land Reforms	2.00	...	...	2.00
	Other Rural Development Programmes	60.97	19.29	...	80.26
	Other Special Areas Programmes	0.99	11.70	...	12.69
C.3.	Special Areas Programmes				
	Minor Irrigation	37.69	...	...	37.69
	Flood Control and Drainage	2.10	3.79	...	5.89
C.4.	Energy				
	Power	1,19.36	66.26	...	1,85.62
	Non-Conventional Sources of Energy	1.08	...	...	1.08
C.5.	Industry and Minerals				
	Village and Small Industries	19.35	...	...	19.35
	Industries	6.97	...	...	6.97

4 - STATEMENT OF EXPENDITURE(CONSOLIDATED FUND) - Contd.

A.EXPENDITURE BY FUNCTION - Concl.

(₹ in crore)

	Description	Revenue	Capital	L&A	Total
C.5.	Industry and Minerals - Concl.				
	Non-ferrous Mining and Metallurgical Industries	3.58	...	...	3.58
	Loans for Telecommunication and Electronic Industries	...	0.50	...	0.50
	Loans for Consumer Industries	...	3.61	...	3.61
C.6.	Transport				
	Roads and Bridges	88.10	2,93.33	...	3,81.43
	Road Transport	39.65	2.00	...	41.65
C.7.	Science Technology and Environment				
	Other Scientific Research	1.74	0.25	...	1.99
	Ecology and Environment	0.50	...	...	0.50
C.8.	General Economic Services				
	Secretariate-Economic Services	6.23	...	...	6.23
	Tourism	11.97	63.08	...	75.05
	Census Surveys and Statistics	7.61	...	...	7.61
	Civil Supplies	0.49	...	...	0.49
	Other General Economic Services	1.99	...	...	1.99
	Total - Economic Services	6,78.19	4,76.21	...	11,54.40
D.	Loans,Grants-in-aid and Contributions				
	Compensation and Assignments to Local Bodies and Pachayati Raj Institutions.	35.41	...	...	35.41
E.	Public Debt				
	Internal Debt of the State Government	...	...	64.47	64.47
	Loans and Advances from the Central Government	...	...	24.27	24.27
F.	Loans to Government Servants, etc.				
	Loans to Government Servants, etc.	...	...	0.40	0.40
	Total Loans, Grants in Aid & Contributions	35.41	...	89.14	1,24.55
	Total Consolidated Fund Expenditure	34,57.96	9,11.94	99.14	44,69.04

4 - STATEMENT OF EXPENDITURE(CONSOLIDATED FUND)

B.EXPENDITURE BY NATURE

(₹ in crore)

Object of Expenditure	2013-14			2012-13			2011-12		
	Rev	Cap	Total	Rev	Cap	Total	Rev	Cap	Total
01 - Salaries	1093.88	...	1093.88	971.01	...	971.01	874.83	...	874.83
50 - Other Charges	362.98	...	362.98	514.24	...	514.24	770.72	...	770.72
36 - Grants-in-aid-Salaries	256.90	...	256.90	...	...	...	...	...	...
45 - Interest	206.72	...	206.72	195.95	...	195.95	187.34	...	187.34
27 - Minor Works	155.04	...	155.04	131.59	...	131.59	36.45	...	36.45
13 - Office Expenses	125.43	...	125.43	88.84	...	88.84	76.87	...	76.87
04 - Pensionary Charges	120.65	...	120.65	109.97	...	109.97	88.38	...	88.38
71 - Ex-gratia Payment	115.87	...	115.87	...	...	...	323.05	...	323.05
71 - Superannuation & Retirement Allowances	92.51	...	92.51	73.81	...	73.81	56.05	...	56.05
31 - Grant-in-aid	64.62	...	64.62	276.46	...	275.36	255.93	...	255.93
02 - Wages	60.78	...	60.78	46.00	...	46.00	43.45	...	43.45
73 - Fodder and Fodder Concentrate	52.11	...	52.11	...	...	...	25.38	...	25.38
75 - Mission Poverty Free Scheme / Kacha House Free	50.00	...	50.00	65.87	...	65.87	39.90	...	39.90
72 - Rimbi Micro Hydel Scheme	33.47	...	33.47	...	...	...	27.36	...	27.36
76 - Leave Encashment	32.90	...	32.90	30.67	...	30.67	21.12	...	21.12
75 - Restoration of Communication Links	31.39	...	31.39	17.95	...	17.95	28.69	...	28.69
72 - Transfer to Sikkim Ecology Fund	30.00	...	30.00	20.00	...	20.00	...	...	...

4 - STATEMENT OF EXPENDITURE(CONSOLIDATED FUND) -Contd.

B.EXPENDITURE BY NATURE - Contd.

(₹ in crore)

Object of Expenditure	2013-14			2012-13			2011-12		
	Rev	Cap	Total	Rev	Cap	Total	Rev	Cap	Total
77 - Capacity Building/Training	28.52	...	28.52	...	...	...	...	...	...
71 - Transfer to the Sikkim Transport Infrastructure Development Fund	27.20	...	27.20	11.00	...	11.00	...	...	...
72 - Non-formal Education	27.01	...	27.01	...	...	...	...	...	...
35 - Major Works	27.01	...	27.01	...	...	...	...	...	...
72 - Gram Panchayat	22.65	...	22.65	...	...	...	20.95	...	20.95
71 - Rothak Micro Hydel Scheme	21.87	...	21.87	...	...	...	18.98	...	18.98
76 - Accelerated Irrigation Benefit Programme	17.64	...	17.64	...	...	...	10.56	...	10.56
84 - Bio-Diversity Hot Spot Conservation	15.99	...	15.99	...	...	...	...	...	...
72 - Silviculture Research	15.80	...	15.80	...	...	...	...	...	...
33 - Subsidies	15.52	...	15.52	...	...	...	...	...	...
72 - Capacity Building/Training Programme	15.02	...	15.02	10.61	...	10.61	...	...	...
78 - State Government Contribution towards Contributory Pension Fund	14.61	...	14.61	...	...	...	...	...	...

4 - STATEMENT OF EXPENDITURE(CONSOLIDATED FUND) -Contd.

B.EXPENDITURE BY NATURE - Contd.

(₹ in crore)

Object of Expenditure	2013-14			2012-13			2011-12		
	Rev	Cap	Total	Rev	Cap	Total	Rev	Cap	Total
74 - Distribution of G.C.I. Sheets to the Rural Poor	14.47	...	14.47	...	...	...	...	...	...
73 - Integrated Education (100% CSS)	14.33	...	14.33	...	...	...	...	...	...
89 - Drough Prone are programme	13.04	...	13.04	...	...	...	17.85	...	17.85
82 - Purchase of Uniform	12.32	...	12.32	...	...	...	...	...	...
50 - Other Charges	12.01	...	12.01	...	...	...	...	...	...
71 - Sinking Fund	12.00	...	12.00	12.00	...	12.00	12.00	...	12.00
78 - Purchase of Electric Chullah with utensils	12.00	...	12.00	...	...	...	...	...	...
71 - Zilla Panchayat	11.76	...	11.76	...	...	...	...	...	...
50 - Other Charges	11.54	...	11.54	...	...	...	...	...	...
75 - Development of Inner City Roads	11.00	...	11.00	...	...	...	...	...	...
21 - Supplies and Materials	10.80	...	10.80	21.65	...	21.65	...	...	...
11 - Travel Expenses	10.49	...	10.49	10.04	...	10.04	10.01	...	10.01
53 - Lachen Bazar Water Supply Schemes (NEC)	...	15.32	15.32	...	...	...	...	...	...
77 - Constuction of 575 Beded Supper Speciality Hospital (State Share)	...	50.18	50.18	...	...	...	...	...	...

4 - STATEMENT OF EXPENDITURE(CONSOLIDATED FUND) -Contd.

B.EXPENDITURE BY NATURE - Contd.

(₹ in crore)

Object of Expenditure	2013-14			2012-13			2011-12		
	Rev	Cap	Total	Rev	Cap	Total	Rev	Cap	Total
76 - Construction of 575 bedded Super Speciality Hospital (ACA)	...	40.00	40.00	...	94.59	94.59	...	86.68	86.68
71 - Secretariat at Gangtok	...	10.30	10.30	...	...	...	...	...	...
53 - State Share for Construction of ITI	...	132.86	132.86	...	...	...	...	...	...
72 - Software Technology Park	25.00	...	25.00
74 - Scheme under Special Component Plan	10.26	...	10.26
88 - National Programme for varietal Development (100% CSS)	18.29	...	18.29
71 - Training	12.59	...	12.59
71 - Gangtok Water Supply (State Plan)	11.33	11.33
72 - Augmentation of Gangtok Water Supply Phase II (Non-Lapsable Pool of Central Resource) (R)	11.06	11.06
73 - Sikkim Development Corporation (EAP)	...	15.18	15.18	...	...	...	...	...	...
77 - City Centre (Namchi)	...	32.79	32.79	...	...	...	...	37.27	37.27

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

(₹ in crore)

Object of Expenditure	2013-14			2012-13			2011-12		
	Rev	Cap	Total	Rev	Cap	Total	Rev	Cap	Total
78 - Backward Region Grant Gund (BRGF)	...	15.06	15.06	...	...	...	...	...	...
81 - Infrastructure Development of Panchayats in the State of Sikkim (100%CSS)	21.00	21.00
71 - Construction in Border Areas	...	11.70	11.70	...	17.40	17.40	...	17.93	17.93
53 - Major Works	...	174.43	174.43	...	...	...	...	88.18	88.18
71 - Removal of Deficiencies in Existing Network	...	11.26	11.26	...	...	...	...	...	...
75 - Land Compensation for PMGSY	...	18.54	18.54	...	...	...	...	...	...
79 - Construction of Steel Bridge Over Upper Ben Khola on Tarku-Rabongla(GLVC) Road (NEC)	...	43.04	43.04	...	...	...	...	27.26	27.26
91 - External Aided Project	...	11.59	11.59	...	...	...	...	...	...
95 - Special Plan Assistance	15.68	15.68
96 - Land Compensation	...	12.11	12.11	...	...	...	...	...	...
97 - Financing of ongoing Schemes sanctioned under NABARD (State Plan)	...	19.08	19.08	...	...	...	...	10.04	10.04
81 - Dev. of Tourist Circuit along Sharchok Phebo, Sangmo, Deythang Pokheri,Zarong in South SKM(100%CSS)	...	18.60	18.60	...	...	...	...	...	...
Others	178.11	279.91	458.02	206.87	675.56	882.43	218.15	289.32	507.47
TOTAL	3457.96	911.95	4369.91	3012.35	842.35	3854.70	3230.16	615.75	3845.91

Note: Object head codes are as per the budget documents.

Notes to Accounts

1. Summary of significant accounting policies:

(i) Entity and Accounting Period:

These accounts present the transactions of the Government of Sikkim for the period 1 April 2013 to 31 March 2014. The accounts of receipts and expenditure of the Government of Sikkim have been compiled based on the initial accounts rendered by 6 District Treasuries, 72 Public Works (including Irrigation Divisions), 14 Forest Divisions and 3 other divisions (Lottery Department, Sikkim Nationalized Department - Plan and Non Plan) and advices of the State Bank of Sikkim. Though, on average, during the year, there were delays ranging from 9 to 13 days in the receipt of accounts from accounts rendering units, no accounts were excluded at the end of the year.

(ii) Basis of Accounting:

With the exception of some book adjustments (Appendix – I A), the accounts represent the actual cash receipts and disbursements during the account period. Physical Assets and Financial Assets such as investments etc., are shown at historical cost i.e., the value at the year of acquisition/purchase. Physical assets are not depreciated or amortized. Losses in physical assets at the end of their life have not been expensed or recognized.

The pension liability of the Government, 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. The retirement benefits disbursed during the current year are reflected in the accounts in Statement 12.

(iii) Currency in which Accounts are kept:

The accounts of the Government are maintained in Indian Rupees.

(iv) Form of Accounts:

Under Article 150 of the Constitution, 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, 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 under which the transactions are to be classified.

(v) Classification between Revenue and Capital:

Revenue Expenditure is recurring in nature and is intended to be met from revenue receipts. Capital Expenditure is defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. Expenditure on Grants-in-Aid is recorded as Revenue Expenditure in the books of the grantor, and as Revenue Receipt in the books of the recipient.

2. Quality of Accounts

(i) Booking under Minor Head "800 - Other Receipts and Other Expenditure":

Minor Heads 800-Other Expenditure/ Other Receipts are intended to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of Minor Heads

800 is to be discouraged, since it renders the accounts opaque. During the year the State Government classified under 800-Other Receipts/Expenditure an amount of ₹ 1,68.77 crore under 32 Revenue Receipts heads and ₹ 5,23.63 crore under 35 Expenditure heads, constituting 3.90 per cent of total revenue receipts and 11.98 per cent of the total expenditure (Revenue and Capital) incurred under respective major heads. Instances where a substantial proportion (50 per cent or more) of the receipts and expenditure was classified under the Minor Head 800 – Other Receipts/ Other Expenditure are given in Appendix – I B and C respectively.

(ii) Outstanding Abstract Contingency (AC) Bills:

Drawing and Disbursing Officers are authorized to draw sums of money by preparing Abstract Contingency (AC) bills by debiting service heads. They are required to present Detailed Contingency (DC) Bills containing vouchers in support of final expenditure within three months of the withdrawal of AC bills. Non-submission of DC bills renders the expenditure under AC bills opaque. Significant expenditure against AC bills in March indicates that the drawl was primarily to exhaust the budget and reveals inadequate budgetary planning. Details of AC bills outstanding as on 31 March 2014 are given below:

Year	Outstanding Abstract Contingent Bills	
	Number of bills	Amount
Upto 2011-12	2147	50.23
2012-13	318	31.91
2013-14	510	11.49
Total	2975	93.63

Out of ₹ 11.49 crore drawn against AC bills in 2013-14, AC bills amounting to ₹ 4.13 crore were drawn in March 2014 alone, out of which, ₹ 1.42 crore was drawn on the last day of the financial year.

(iii) Outstanding Utilization Certificates (UCs):

Rule 116 (1) of the Sikkim Financial Rules stipulates that every grant made for a specific object is subject to implied conditions: (i) that the grant shall be spent upon the object within a reasonable time of one year from the date of issue of the letter sanctioning grant and (ii) that any portion of the amount which is not ultimately required for expenditure upon that object shall be duly surrendered to Government. UCs outstanding beyond that specified periods indicates absence of assurance on utilisation of the grants for intended purposes and the expenditure shown in the accounts to that extent cannot be treated as final. The status of outstanding UCs as per the records of the Senior Deputy Accountant General (Accounts) is given below:

Year	Outstanding Utilization Certificates (UCs)	
	Number of UCs awaited	Amount involved
Upto 2011-12	4259	4,53.34
2012-13	322	1,25.26
2013-14	409	2,96.66
Total	4990	8,75.26

(iv) Reconciliation of Receipts and Expenditure:

To exercise effective control of expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, all Controlling Officers are required to reconcile the Receipts and Expenditure recorded in their books every month during the financial year with the figures accounted for by the Sr. Dy. Accountant General (Accounts). Such reconciliation has been completed for all Revenue and Capital expenditure of ₹ 43,69.90 crore; receipts of ₹ 42,70.96 crore (98.71 per cent of total revenue receipts of ₹ 43,26.44 crore) have also been reconciled.

(v) Cash Balance:

There is a net difference of ₹ 52.44 crore (debit) between the Cash Balance as on 31 March 2014 as worked out by the Senior Deputy Accountant General (Accounts) and as reported by State Bank of Sikkim. The difference is mainly due to non-reconciliation of figures by the State Treasuries with the State Bank of Sikkim.

3. Other items**(i) Liabilities on Retirement Benefits:**

The expenditure on "Pension and other retirement benefits" during the year to State Government employees recruited on or before 31 March 2006 was ₹ 2,46.02 crore (7.11 per cent of total revenue expenditure). State Government employees recruited with effect from 1 April 2006 are eligible for the New Pension Scheme, which is a defined contributory pension scheme. In terms of the Scheme, the employee contributes 10 per cent of basic pay and dearness allowance, which is matched by the State Government, and the entire amount, is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank. The actual amount payable by employees and the matching Government contribution has not been estimated. During the year, the Government of Sikkim deposited ₹ 29.47 crore under Major Head 8342-117 Defined Contribution Pension scheme (employees' contribution of ₹ 14.61 crore, matching Government contribution of ₹ 14.61 crore and ₹ 0.25 crore towards interest payment) and transferred an amount of ₹ 36.42 crore part of which pertained to previous year to NSDL/ Trustee Bank. ₹ 30.03 crore contributed under the scheme in earlier years remained to be transferred to NSDL/ Trustee Bank as on 31 March 2014. Uncollected, unmatched and untransferred amounts, with accrued interest, represent outstanding liabilities under the scheme.

(ii) Guarantees:

The State Government extends guarantees on the loans taken by entities like State Government undertakings etc. Guarantees are contingent liabilities on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee was extended. Details of Guarantees reported in Statement 9 are on the basis of information received from the Finance Department, which is the authority for issuing such guarantees. The Sikkim Government Guarantees Act, 2000, stipulates that the total outstanding Government guarantee as on the 1st day of April of any year shall not exceed thrice the State's Tax receipts of the second preceding year and that the State Government shall charge guarantee commission of minimum one per cent which shall not be waived under any circumstances. The total guarantees (principal plus interest) outstanding as on 31 March 2014 was ₹ 1,22.09 crore, which was within the prescribed limit of thrice the total Tax Receipts of 2011-12 (₹ 2,93.92 crore). However, no guarantee commission was received during the year. Consequently, the Revenue Surplus of the State Government was understated by a minimum of ₹ 1.22 crore (at 1 per cent of outstanding guarantees of ₹ 1,22.09 crore as of 31 March 2014).

(iii) Reserve Funds:**(a) Consolidated Sinking Fund:**

State Government of Sikkim constituted a Consolidated Sinking Fund for redemption of the open market loans of the Government commencing from 2004-2005. As per guidelines, the Government is required to contribute to the Fund at the rate of 1 to 3 per cent of the outstanding open market loans as at the end of the previous year. The scope of this fund has been extended to cover all outstanding liabilities of the Government through a notification issued on 18 August 2007 on the basis of recommendations of The Twelfth Finance Commission. The State Government has not adopted the recommendations of Reserve Bank of India for minimum annual contribution of 0.5 per cent of outstanding liabilities. For the year 2013-14, the requirement for annual contribution was ₹ 13.79 crore (0.5 per cent of outstanding liabilities of ₹ 27,58.09 crore) in terms of the guidelines of the RBI and ₹ 13.32 crore (at 1 to 3 per cent of outstanding open market loans of ₹ 13,31.71 crore) in terms of the guidelines of the State Government. During the year government transferred ₹ 12.00 crore to the fund against the minimum contribution of ₹ 13.32 crore, as per its own guidelines, resulting in overstatement of Revenue Surplus ranging from ₹ 1.32 crore to ₹ 1.79 crore. As on 31 March 2014, the Fund had a balance of ₹ 230.35 crore (which included ₹ 15.23 crore accrued interest), which has been invested in fixed deposits in nationalized banks as per the directions of the Reserve Bank of India. Details of transaction in the fund are given in Statements 18 and 19.

(b) Guarantee Redemption Fund:

The State Government constituted a Guarantee Redemption Fund in the year 2005 for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Undertakings or other bodies and which stand invoked. The Government is required to contribute an amount equal to at least one-fifth 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 2013-14, the State Government transferred ₹ 2 crore to the Guarantee Redemption Fund. No guarantee was invoked during the year. The Fund had a corpus of ₹ 17.72 crore at the end of the year which was entirely invested.

(c) State Disaster Response Fund:

The State Government replaced the Calamity Relief Fund with the State Disaster Response Fund in 2010-11 as per the recommendations of the Thirteenth Finance Commission. In terms of the guidelines of the Fund, the Centre, and Special Category States like Sikkim, are required to contribute to the Fund in the proportion of 90:10. Further, if the State does not have adequate balance under SDRF, the Government of India provides additional assistance from the National Disaster Response Fund (NDRF). As at the beginning of 2013-14, the Fund had a corpus of ₹ 18.14 crore, out of which ₹ 13.96 crore was invested. During the year 2013-14, the State Government transferred ₹ 102.73 crore to the SDRF (Central share: ₹ 23.70 crore and State share of ₹ 2.63 crore together with ₹ 73.06 crore received as NDRF contribution and accrued interest of ₹ 1.34 crore). After meeting the expenditure of ₹ 105.33 crore during the year, the fund had a closing balance (including investment) of ₹ 15.54 crore as on 31 March 2014. Details are available at Statement 18 in the Finance Accounts.

(iv) Suspense and Remittances:

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. The position of gross figures under major suspense heads for the last three years is given below:

8658 – Suspense Accounts

(₹ in crore)

Minor Head	2011-12		2012-13		2013-14	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101-PAO - Suspense	7.63	4.68	8.13	4.69	7.10	2.76
Net	Dr 2.95		Dr 3.44		Dr 4.34	
102-Suspense Account (Civil)	98.66	(-)13.15	0.31	(-)0.22	0.18	0.06
Net	Dr 1.12		Dr 0.53		Dr 0.12	
112 – Tax Deducted at Source	14.53	20.27	14.54	22.91	13.62	23.13
Net	Cr 5.74		Cr 8.37		Cr 9.51	
123-AIS Suspense	0.06	0.33	0.06	0.32	0.01	0.27
Net	Cr 0.27		Cr 0.26		Cr 0.26	
135-Cash Settlement between A.G. Sikkim and other States	0.75	0.12	0.79	0.12	1.74	0.75
Net	Dr 0.63		Dr 0.67		Dr 0.99	

8782 – Cash Remittances and adjustments between officers rendering accounts to the same Accounts Officer

(₹ in crore)

Minor Head	2011-12		2012-13		2013-14	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
102-Public Works Remittances	14,16.91	16,66.81	26,11.11	28,23.29	13,77.83	16,44.48
Net	Cr 2,49.90		Cr 2,12.18		Cr 2,66.65	
103-Forest Remittances	65.26	67.04	1,04.46	85.76	32.90	18.87
Net	Cr 1.78		Dr 18.70		Dr 14.03	
108-Other Remittances	1,35.86	1,41.02	2,02.67	2,05.93	1,28.57	80.29
Net	Cr 5.16		Cr 3.26		Dr 48.28	

(v) MH 8670 Cheques and Bills:

Credit balance under MH 8670 Cheques and Bills indicates cheques issued which remained uncashed as on 31 March. The opening balance as on 1 April 2013 was ₹ 1,53.34 crore (Credit). During 2013-14, cheques worth ₹ 26,14.83 crore were issued, against which cheques worth ₹ 26,73.47 crore were encashed leaving a closing balance of ₹ 94.70 crore (Credit).

(vi) Contingency Fund:

The Government of Sikkim has set up a Contingency Fund under Article 267(2) of the Constitution of India with corpus of ₹ 1.00 crore. Advances from this fund are made for the purposes of meeting unforeseen expenditure which are recouped to the Fund to the full extent as soon as State Legislature authorizes additional expenditure. During the year an amount of ₹ 1.00 crore was given to Election Department, Government of Sikkim out of the Fund which remained un-recouped at the end of 31 March 2014.

(vii) Unspent balances in the accounts of the implementing agencies:

The State Government provides funds to State/ district level autonomous bodies and authorities, societies, non-governmental organizations, etc., for implementation of centrally sponsored schemes (State Share) and State schemes. Since the funds are generally not being fully spent in the same financial year, unspent balances exist in the accounts of the implementing agencies. The State Government has informed that the aggregate amount of unspent balances in the bank accounts of implementing agencies kept outside Government accounts as on 31 March 2014 was ₹ 1,65.28 crore. The State Government expenditure as reflected in the Accounts to that extent is, therefore, not final.

(viii) Shortfall in expenditure on Central Releases:

The State Government is entrusted with the execution of Central Plans and Centrally Sponsored Schemes in the State, for which grants are released by the Government of India. The State Government provides for the Central and State share in its Budget. During the year, the Government of India released ₹ 20,96.15 crore towards Centrally Sponsored Schemes, Central Plan Schemes, Additional Central Assistance and State Plan Schemes. Against this, the State Government spent ₹ 19,65.08 crore leading to a shortfall of ₹ 1,31.07 crore resulting in an overstatement of Revenue Surplus to this extent. Further, the matching States share on Central releases could not be estimated since the information has not been provided in the budget separately.

(ix) Write-off of Central Loans:

In furtherance of the recommendations of the Thirteenth Finance Commission, Ministry of Finance, Government of India, in a series of orders, all dated 29 February 2012, wrote 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 between the effective date of the order (31 March 2010) and its implementation against future repayments to the Ministry of Finance. In pursuance of the above orders, during the year, Ministry of Finance has agreed to write off ₹ 14.61 crore under Central Plan Schemes (CPS) and Centrally Sponsored Schemes (CSS) advanced to the State Government by Ministries other than the Ministry of Finance. However, the amount of excess repayment of principal and interest needs to be calculated, since all the loan accounts are maintained by Government of Sikkim.

(x) Non compliance of guideline of the Central Road Fund:

An amount of ₹ 1.20 crore was received as Grants-in-aid from the Central Road Fund, which has not been transferred to Public Account due to absence of budget provision. Consequently, the Revenue Surplus has been overstated to that extent.

(xi) Disclosures under Sikkim Fiscal Responsibility and Budget Management (FRBM) Act, 2010 and Rules there under:

The position of the State Government disclosures under the Sikkim FRBM Rules and as reflected in the accounts is given below:

Sl. No	Targets	Achievements as per the accounts
1	Maintain revenue surplus from 2010 onwards.	As per the Accounts, the Government of Sikkim had maintained a revenue surplus of ₹ 780.97 crore in 2012-13 and a revenue surplus of ₹ 868.48 crore in 2013-14. The Government of Sikkim is maintaining its position as revenue surplus State consistently since 2000-01.
2	Reduce fiscal deficit to 3 per cent of estimate GSDP at the end of March 2014 and adhere to it thereafter.	As per the Accounts, the Government of Sikkim maintained Fiscal Deficit of 1 per cent for the year 2012-13 and 0.43 per cent for the year 2013-14.
3	Debt stock not exceeding 30 per cent of GSDP.	The total outstanding debt of the State including reserves and deposits (₹ 1,97.34 crore) was 1.59 per cent of GSDP* of ₹ 1,23.77 crore for 2013-14.
4	Under the Sikkim Government Guarantee Act 2000 (Act No. 21 of 2000) the ceiling on the total outstanding Government Guarantees as on the 1st day of April of any year shall not exceed thrice the State's Tax Receipt of the second preceding year.	Guarantee statement showing the outstanding at the beginning of 2013-14 as ₹ 1,86.42 crore which is within the prescribed ceiling.

* GSDP estimates of ₹ 1,23,77 crore for 2013-14 as informed by Ministry of Statistics and Programme Implementation.

(xii) Committed Liabilities:

The accounts are incomplete unless figures relating to Committed Liabilities are also exhibited. Since the State Government has not provided this information, the appendix on Committed Liabilities has not been incorporated.

(xiii) Impact of incorrect booking on revenue deficit/surplus:

Impact on revenue deficit of the State Government consequent to the budgeting and booking under incorrect expenditure and revenue heads (details given in preceding paragraphs) is given below:

(₹ in crore)

Sl. No.	Item	Impact on Revenue Surplus	
		Overstatement	Understatement
3 (ii)	Non receipt of guarantee commission	...	1.22
4 (iii)(a)	Consolidated Sinking Fund	1.32 to 1.79	...
4 (viii)	Under utilization of Central Grants for Central and State Plan Schemes	1,31.07	...
4 (x)	Non provision of budget under Central Road Fund	1.20	...

Appendix – I

A - Statement of Periodical/ Other Adjustments

(Refer para 1 (ii) of Notes to Accounts)

(₹ in crore)

Sl. No.	Head of Accounts		Amount	Remarks
	From	To		
1	8121-General and other Reserve Fund 122-State Disaster Response Fund	2245-Relief on Accounts of Natural Calamities <i>05-Calamity Relief Fund</i> 901-Deduct amount met from Calamity Relief Fund	105.33	Transfer of expenditure to State Disaster Response Fund
2	8235-General and other Reserve Fund 200-Other Funds	5054-Capital Outlay on Roads and Bridges 901-Deduct amount met from Sikkim Transport Infrastructure Development Fund	5.14	Transfer of expenditure to Sikkim Transport Infrastructure Development Fund
3	8235-General and other Reserve Fund 200-Other Funds	3435-Ecology and Environment <i>03-Environmental Research and Ecological Regeneration</i> 901-Deduct amount met from Sikkim Ecology Fund	11.54	Transfer of expenditure to Sikkim Ecology Fund

Appendix – I

A - Statement of Periodical/ Other Adjustments

(Refer para 1 (ii) of Notes to Accounts)

(₹ in crore)

Sl. No.	Head of Accounts		Amount	Remarks
	From	To		
4	2045-Other Taxes and Duties on Commodities and Services 797-Transfer to Reserve Funds/Deposit Accounts	8235-General and other Reserve Fund 200-Other Funds	30.00	Fund transferred to the Sikkim Ecology Fund.
5	2045-Other Taxes and Duties on Commodities and Services 797-Transfer to Reserve Funds/Deposit Accounts	8235-General and other Reserve Fund 200-Other Funds	27.20	Fund transferred to the Sikkim Transport Infrastructure Development Fund
6	2049-Interest Payment <i>03-Interest on Small Savings, Provident Funds etc</i> 104-Interest on State Provident Funds	8009-State Provident Fund <i>01-Civil</i> 101-General Provident Fund	46.92	Annual Interest credited to GPF
7	2049- Interest Payment <i>03-Interest on Small Savings, Provident Funds etc</i> 108-Interest on Insurance and Pension Fund	8011-Insurance and Pension Fund 107-State Government Employees' Group Insurance Scheme	3.76	Annual Interest credited to SGEGIS
8	2071-Pensions and Other Retirement benefits <i>01-Civil</i> 117-Government Contribution of Defined Contribution Pension Scheme	8342-Other Deposits 117-Defined Contribution Pension Scheme for Government Employees	14.61	Contribution given by the Government for Defined Contribution Pension Scheme.

Appendix – I

A - Statement of Periodical/ Other Adjustments

(Refer para 1 (ii) of Notes to Accounts)

(₹ in crore)

Sl. No.	Head of Accounts		Amount	Remarks
	From	To		
9	2049- Interest Payment <i>03- Interest on Small Savings, Provident Funds etc</i> 117-Interest on Defined Contribution Pension Scheme	8342-Other Deposits 117-Defined Contribution Pension Scheme for Government Employees	0.25	Annual Interest credited to Defined Contribution Pension Scheme.
10	6004- Loans and Advances from the Central Government <i>04- Loans for Centrally Sponsored Schemes</i> 800- Other Loans	0075- Miscellaneous General Services 800- Other Receipts	14.61	Write off as per the recommendation of 13 th Finance Commission.

Appendix - I

B – Statement of Major Head-wise Receipts booked under MH 800 – Other Receipts

(Refer para 2 (i) of Notes to Accounts)

(₹ in crore)				
Major Head	Major Head Description	Total Receipts	Receipt booked under Minor Head 800	Percentage of Column 4 to Column 3
(1)	(2)	(3)	(4)	(5)
0801	Power	98.93	98.93	100
0406	Forestry and Wild Life	14.27	12.98	91
0070	Other Administrative Services	11.06	8.46	76
0059	Public Works	4.68	2.65	57
0407	Plantations	3.62	3.62	100
0029	Land Revenue	3.39	2.23	66
1452	Tourism	2.65	1.80	68
0515	Other Rural Development	2.13	2.14*	100

* due to operation of 901 deduct refund

Appendix - I

C – Statement of Major Head-wise Expenditure booked under MH 800 – Other Expenditure

(Refer para 2 (i) of Notes to Accounts)

(₹ in crore)

Major Head	Major Head Description	Total Expenditure	Expenditure booked under Minor Head 800	Percentage of Column 4 to Column 3
(1)	(2)	(3)	(4)	(5)
2216	Housing	170.04	162.34	95
2245	Relief on Account of Natural Calamities	103.22	64.99	63
4801	Capital Outlay on Power Projects	66.26	65.23	98
2435	Other Agricultural Programmes	15.22	15.13	99
4216	Capital Outlay on Housing	9.47	7.00	72
2852	Industries	6.97	6.57	94
2407	Plantations	4.70	4.70	100
4711	Capital Outlay on Flood control Projects	3.79	2.50	66
2506	Land Reforms	2.00	2.00	100
4225	Capital Outlay on Welfare of SC/ST/OBC	1.86	1.86	100
2810	Non-Conventional Sources of Energy	1.08	1.08	100
4859	Capital outlay on Telecommunication and Electronic Industries	0.50	0.50	100