

Preface

The Annual Accounts of the State Government are prepared and examined under the directions of the Comptroller and Auditor General of India (C&AG) in accordance with Article 149 of Constitution of India, for being laid before the Legislature of the State.

The Annual Accounts consists of (a) Finance Accounts and (b) Appropriation Accounts.

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

The Senior Deputy Accountant General (Accounts and Entitlements) prepares the State Finance Accounts and Appropriation Accounts.

A combined reading of the Finance Accounts and Appropriation Accounts, the Reports on State Finances and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facets of the finances of the Government of Sikkim.

'Accounts at a Glance' provides a Broad Overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

We look forward to suggestions that would help us in improving the publication.

Place: Gangtok

Date: 20 November 2015



(VANLAL CHHUANGA)

Accountant General

Our Vision, Mission and Core Values

The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and are recognised for independent, credible, balanced and timely reporting on public finance and governance.

Our mission enunciates our current role and describes what we are doing today.

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

Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance

- **Independence**
- **Objectivity**
- **Integrity**
- **Reliability**
- **Professional Excellence**
- **Transparency**
- **Positive Approach**

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Chapter - I

OVERVIEW

1.1 Introduction

The Senior Deputy Accountant General (Accounts and Entitlements), Sikkim compiles the accounts of receipts and expenditure of the Government of Sikkim. This compilation is based on the initial accounts rendered by the Chief Pay and Accounts Offices, Public Works and Forest Divisions and Pay & Accounts Offices, Sikkim Legislative Assembly. Following such compilation, the Senior Deputy Accountant General (A&E) prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Accountant General (Audit) Sikkim and certification by the Comptroller and Auditor General of India.

1.2 Structure of Accounts

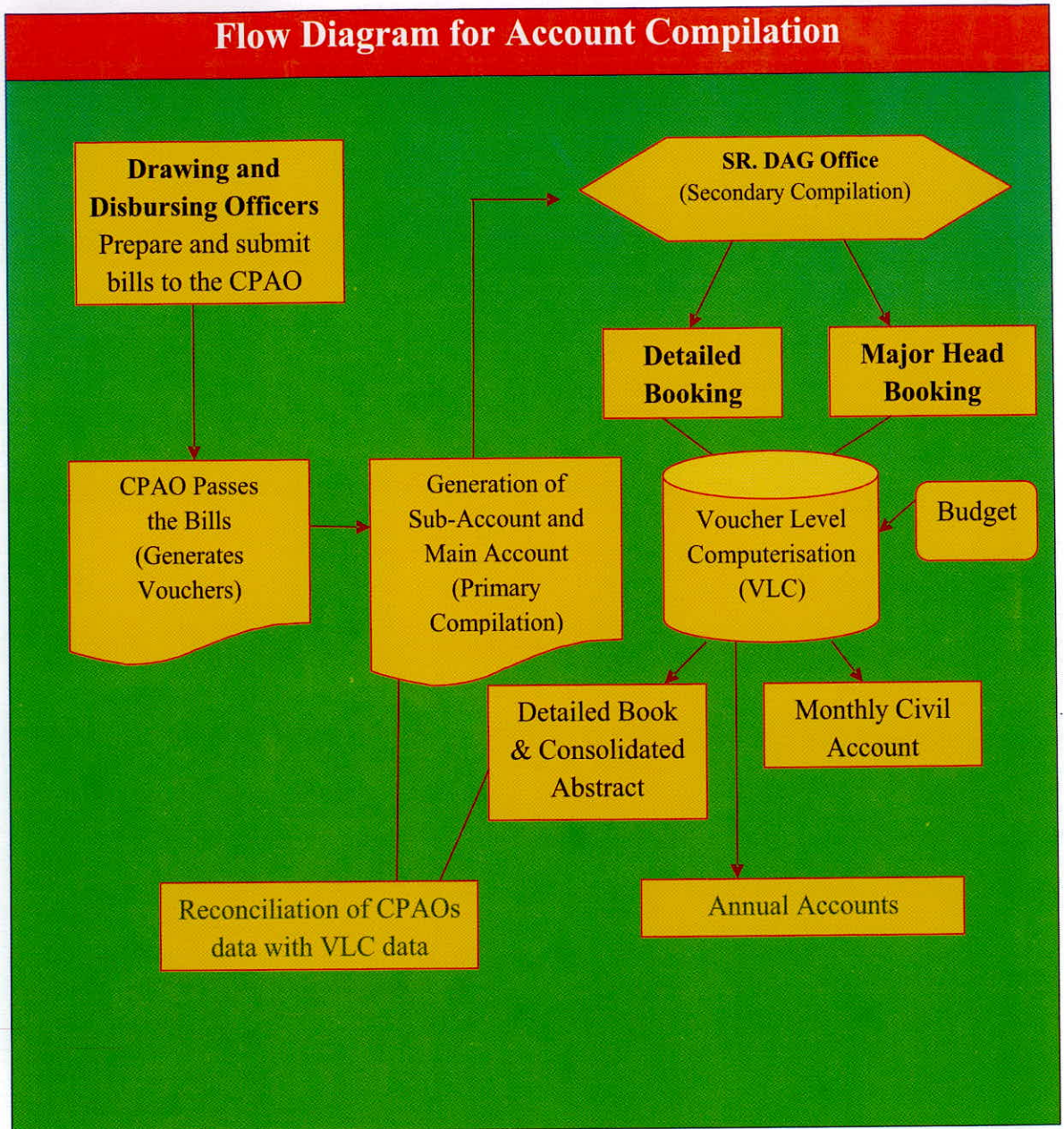
1.2.1 Government Accounts are kept in three parts:

Part 1 Consolidated fund	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part 2 Contingency fund	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped either by transferring the debit during the same financial year or by a fresh debit to the Consolidated Fund in the next financial year.
Part 3 Public Account	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

Accounts at a Glance provide a Bird's Eye View of the finances of the Government with respect to several key fiscal indicators.

1.2.2 Compilation of Accounts

Flow Diagram for Account Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. From 2009-10, the Finance Accounts have been issued in two volumes, in a new format, to make them more comprehensive and informative. Volume-I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of overall receipts and disbursements, other summarised statements and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume-II contains detailed statements (Part-I) and appendices (Part-II).

Receipts and disbursements of the Government of Sikkim as depicted in the Finance Accounts 2014-15 are given below.

(₹ in Crore)			
Receipts (Total: 4,739)	Revenue (Total: 4,462)	Tax Revenue	1,337
		Non-Tax Revenue	698
		Grants-in-Aid	2,427
	Capital (Total: 277)	Other Capital Receipts	...
		Recovery of Loans and Advances	1
		Borrowings and other Liabilities	276
Disbursements (Total: 4,739)	Revenue	3,731	
	Capital	981	
	Loans and Advances	27	

* Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts-Disbursements) of Public Account + Net of Opening and Closing Cash Balance

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 24 crore (₹ 331 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VI of Volume-II of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund 'Voted' by the State Legislature. There are 2 charged Appropriations and 44 voted Grants.

The Appropriation Act, 2014-2015, had provided for gross expenditure of ₹ 6,869 crore and reduction of expenditure (recoveries) of ₹ 1 crore. Against this, the actual gross expenditure was ₹ 4,826 crore and reduction of expenditure of ₹ 2 crore, resulting in net savings of ₹ 2,046 crore (30 per cent). The expenditure includes ₹ 20 crore drawn on Abstract Contingent (AC) Bills, which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Ways and Means Advances (WMA) has not been introduced in this State due to non-operation of Reserve Bank of India (RBI) functions.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 731 crore and a Fiscal Deficit of ₹ 276 crore representing 5 per cent and 2 per cent of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 6 per cent of total expenditure. This deficit was met from Public Debt (₹ 325 crore), Decrease in Public Account (₹ 143 crore) and net opening and closing cash balance (₹ 93 crore). Around 41 per cent of the revenue receipts (₹ 4,462 crore) of the State Government was spent on committed expenditure like salaries (₹ 1,236 crore), interest payments (₹ 240 crore) and pensions (₹ 333 crore).

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

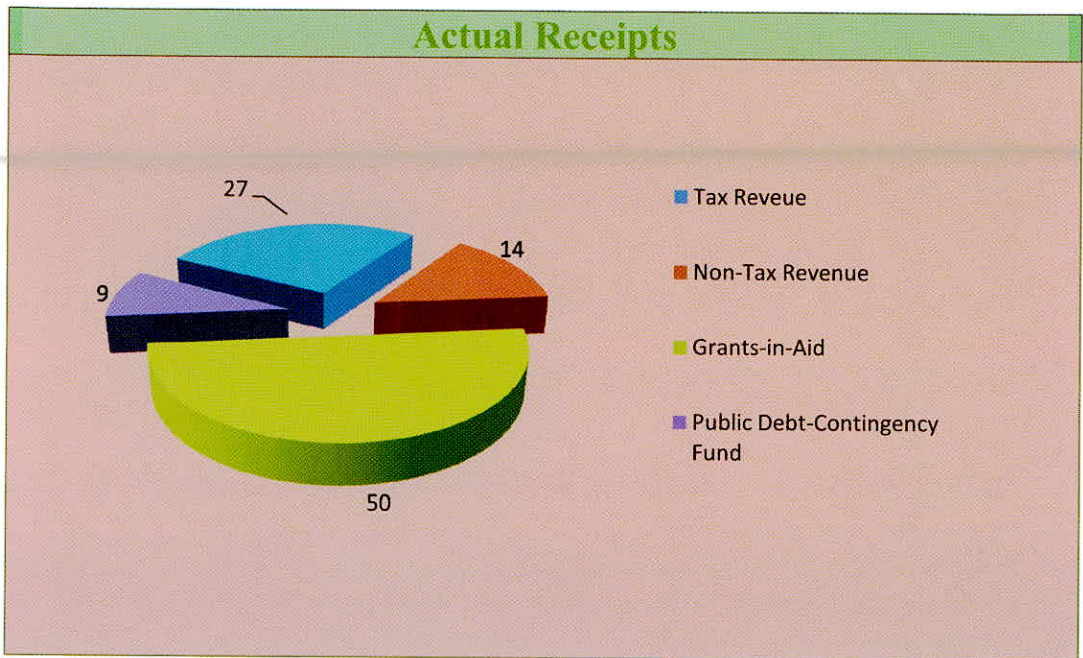
Sources and Application of Funds

(₹ in crore)

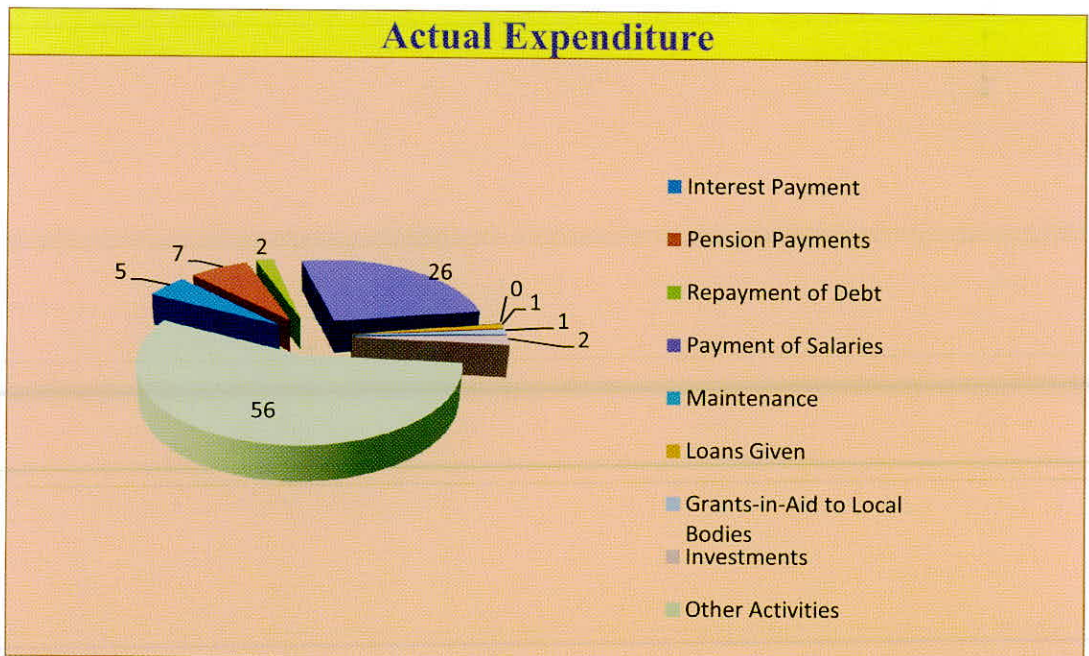
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2014	271
	Revenue Receipts	4,462
	Miscellaneous Capital Receipts	...
	Recovery of Loans & Advances	1
	Public Debt	412
	Small Savings Provident Funds & Others	266
	Reserves & Sinking Funds	215
	Deposits Received	92
	Civil Advances Repaid	...
	Suspense Account	5,440
	Remittances	1,462
	Contingency Fund	1
	TOTAL	12,622

APPLICATION	Revenue Expenditure	3,731
	Capital Expenditure	981
	Loans Given	27
	Repayment of Public Debt	87
	Small Savings Provident Fund & Others	241
	Reserves & Sinking Funds	144
	Deposits Spent	100
	Civil Advances Given	...
	Suspense Account	5,681
	Remittances	1,452
	Closing Cash Balance as on 31.3.2014	178
	TOTAL	12,622

1.4.3 Where the Rupee came from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

Sl. No.	Head	B.E 2013-14	Actuals	Percentage of actual to B.E	Percentage of actual to GSDP(\$)
1.	Tax Revenue (@)	1,454	1,337	92	9
2.	Non-Tax Revenue	1,099	698	64	5
3.	Grants-in-aid & Contributions	3,561	2,427	68	17
4.	Revenue Receipts (1+2+3)	6,114	4,462	73	1
5.	Recovery of Loans and Advances	1	1	100	...
6.	Other Receipts	...	...	...	...
7.	Borrowings & other Liabilities (A)	341	276	81	2
8.	Capital Receipts (5+6+7)	342	277	81	2
9.	Total Receipts (4+8)	6,456	4,739	73	33
10.	Non-Plan Expenditure (NPE) (11+13)	3,013	2,594	86	18
11.	NPE on Revenue Account	3,013	2,594	86	18
12.	NPE on Interest Payments out of 11	240	240	100	2
13.	NPE on Capital Account	...	...	...	...
14.	Plan Expenditure (PE) (15+16)	3,443	2,145	62	15
15.	PE on Revenue Account	1,826	1,137	62	8
16.	PE on Capital Account	1,645	1,008	61	7
17.	Total Expenditure (10+14)	6,456	4,739	73	33
18.	Revenue Expenditure (11+15)	4,839	3,731	77	26
19.	Capital Expenditure (13+16) (#)	1,645	1,008	61	7
20.	Revenue Surplus (4-18)	1,275	731	57	5
21.	Fiscal Deficit 17 - (4+5+6) = 7	341	276	81	2

(\$) GSDP figure of ₹ 14,518 crore adopted from the Department of Economics, Statistics, Monitoring & Evaluation, Government of Sikkim, Gangtok.

(@) Includes State's share of Union Taxes of ₹ 809 crore.

(A) Net (Receipt – Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipt – Disbursements) of Part-III Public Account + Net of Opening and Closing Cash Balance.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 981 crore) and Loans and Advances disbursed (₹ 27 crore).

1.5.1 Receipts and Disbursements:

The following table summarises the Receipts & Disbursements Accounts for 2014-15:

(₹ in crore)

Total Receipts		Total Disbursements	
4,739		4,739	
Revenue Receipts	4,462 (94.15)	Revenue Disbursements	3,731 (78.73)
Capital Receipts	277 (5.85)	Capital Disbursements	1,008 (21.27)

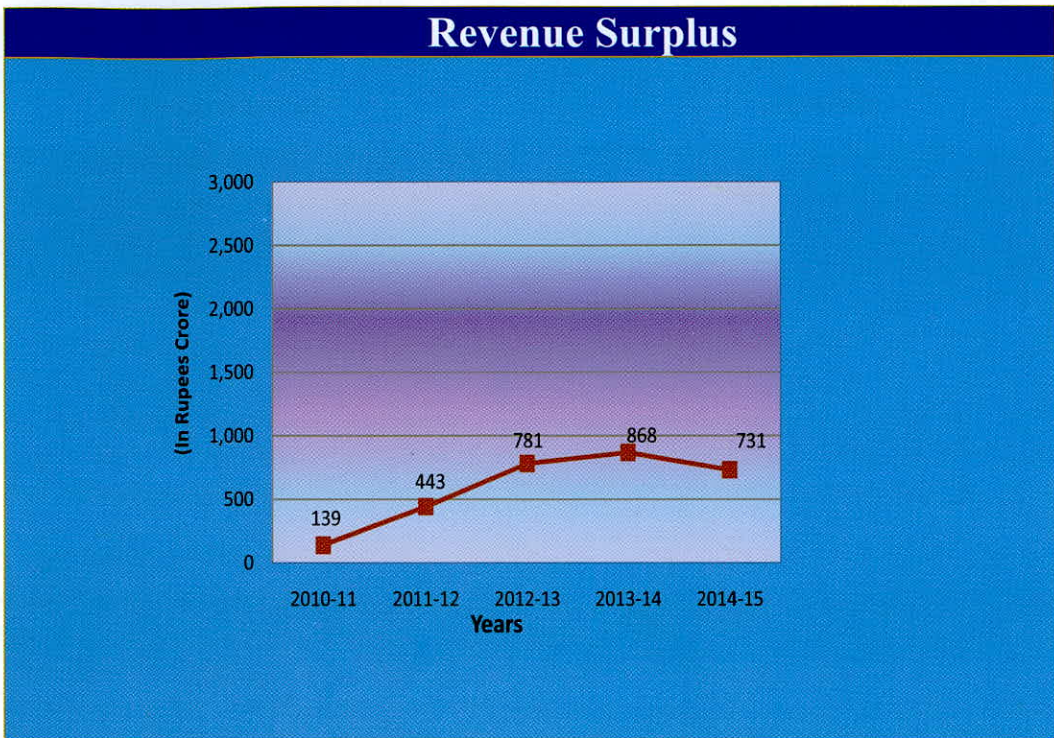
Figures in parentheses indicate percentage.

1.6 What do the Deficits and Surpluses indicate?

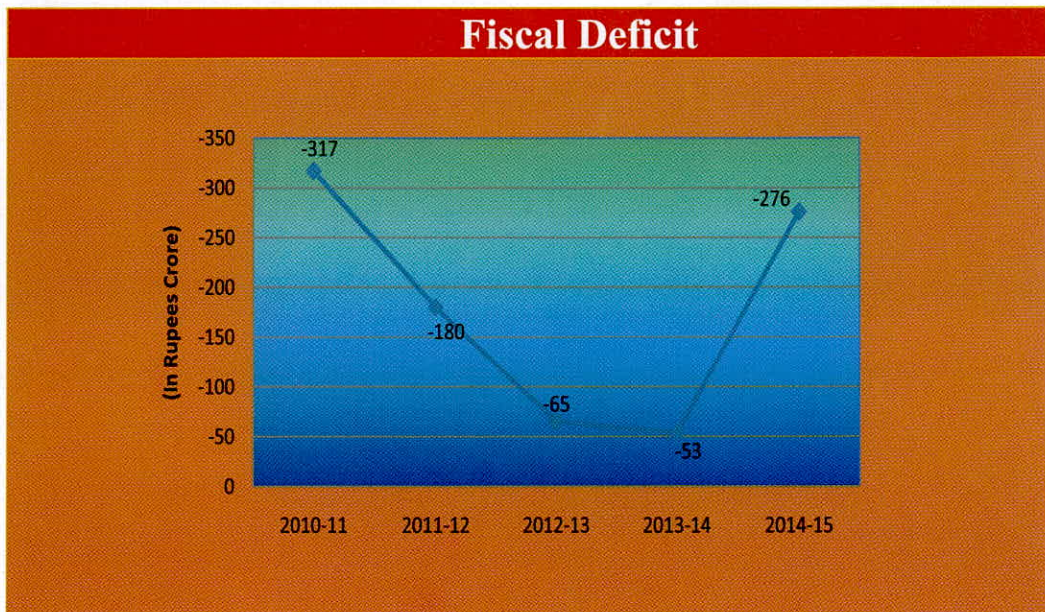
Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure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

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The 13th Finance Commission has recommended that the States achieve revenue balance by 2013-14 and reduce Gross Fiscal Deficit to 1.90 per cent of GSDP by 2014-15.

1.6.1 Trend of Revenue Surplus



1.6.2 Trend of Fiscal Deficit



Chapter - II

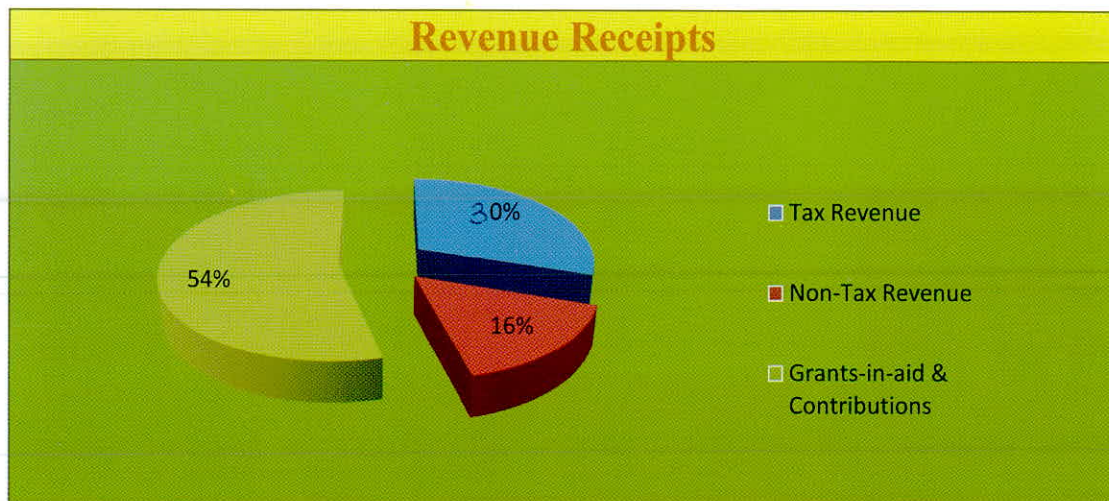
RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2014-15 were ₹ 4,739 crore.

2.2 Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from foreign Governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.



Revenue Receipt Components (2014-15)

(₹ in Crore)

Components	Actuals
A. Tax Revenue	1,337
Taxes on Income & Expenditure	492
Taxes on Property & Capital Transactions	14
Taxes on Commodities & Services	831
B. Non-Tax Revenue	698
Interest Receipts, Dividends and Profits	67
General Services	460
Social Services	9
Economic Services	162
C. Grants-in-aid & Contributions	2,427
Total – Revenue Receipts	4,462

2.3 Trend of Receipts

(₹ in Crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Tax	804	906	1,134	1,288	1,337
Revenues	(11)	(11)	(11)	(10)	(9)
Non-Tax	1,138	1,045	807	794	698
Revenues	(16)	(12)	(8)	(6)	(5)
Grants-in-	1,105	1,722	1,852	2,244	2,427
Aid	(15)	(21)	(19)	(18)	(17)
Total	3,047	3,673	3,793	4,326	4,462
Revenue	(42)	(44)	(38)	(35)	(31)
Receipts					
GSDP	7,145*	8,400**	9,957*	12,377**	14,518***

Note: Figures in parentheses represent percentage to GSDP

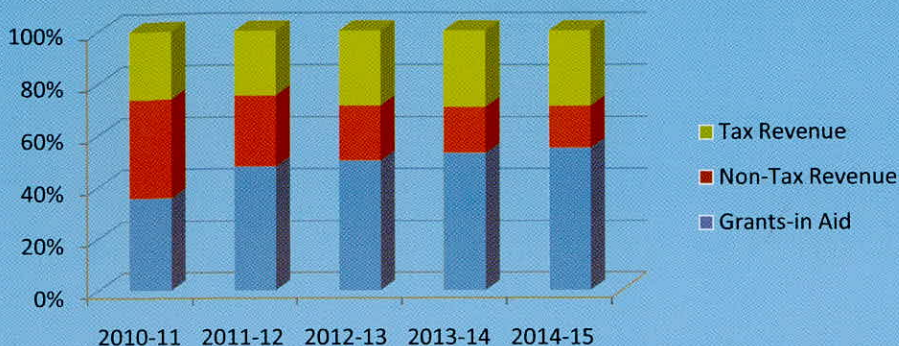
* Provisional

** Quick Estimates

*** Advanced Estimates

Though the GSDP increased by 17 per cent between 2013-14 and 2014-15, growth in revenue collection was only 3 per cent. While tax revenue increased by 4 per cent, non-tax revenues declined by 12 per cent.

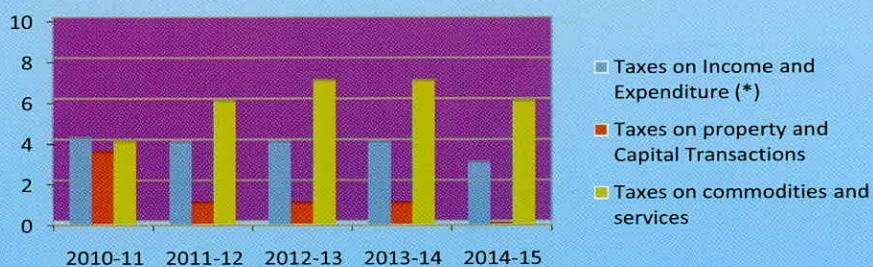
Component under Revenue Receipts as proportion to GSDP



Sector-wise Tax Revenue

	2010-11	2011-12	2012-13	2013-14	2014-15
Taxes on Income and Expenditure	319	368	408	434	492
Taxes on Property and Capital Transactions	13	14	11	11	14
Taxes on Commodities and Services	473	524	715	843	831
Total Tax Revenues	805	906	1,134	1,288	1337

Trend of Major Taxes in proportion to GSDP



(*) Primarily includes net proceeds of Central share to the State

2.4 Performance of State's own Tax Revenue Collection

(₹ in Crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GDP
(1)	(2)	(3)	(4)	(5)
2010-11	804	525	280	3.92
2011-12	906	612	294	3.50
2012-13	1,134	698	436	4.38
2013-14	1,288	763	525	4.24
2014-15	1,337	809	528	3.63

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in Crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	13	14	11	11	14
Expenditure on Collection	8	10	13	14	14
Efficiency of Tax Collection (in per cent)	61	71	(-)118	(-)127	(-) 100

B. Taxes on Commodities and Services

(₹ in Crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	473	524	715	843	831
Expenditure on Collection	24	31	44	74	141
Efficiency of Tax Collection (in per cent)	5	6	6	9	17

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency in respect of Property and Capital Transactions is excellent. However, the collection efficiency of taxes on Commodities and Services can be further improved.

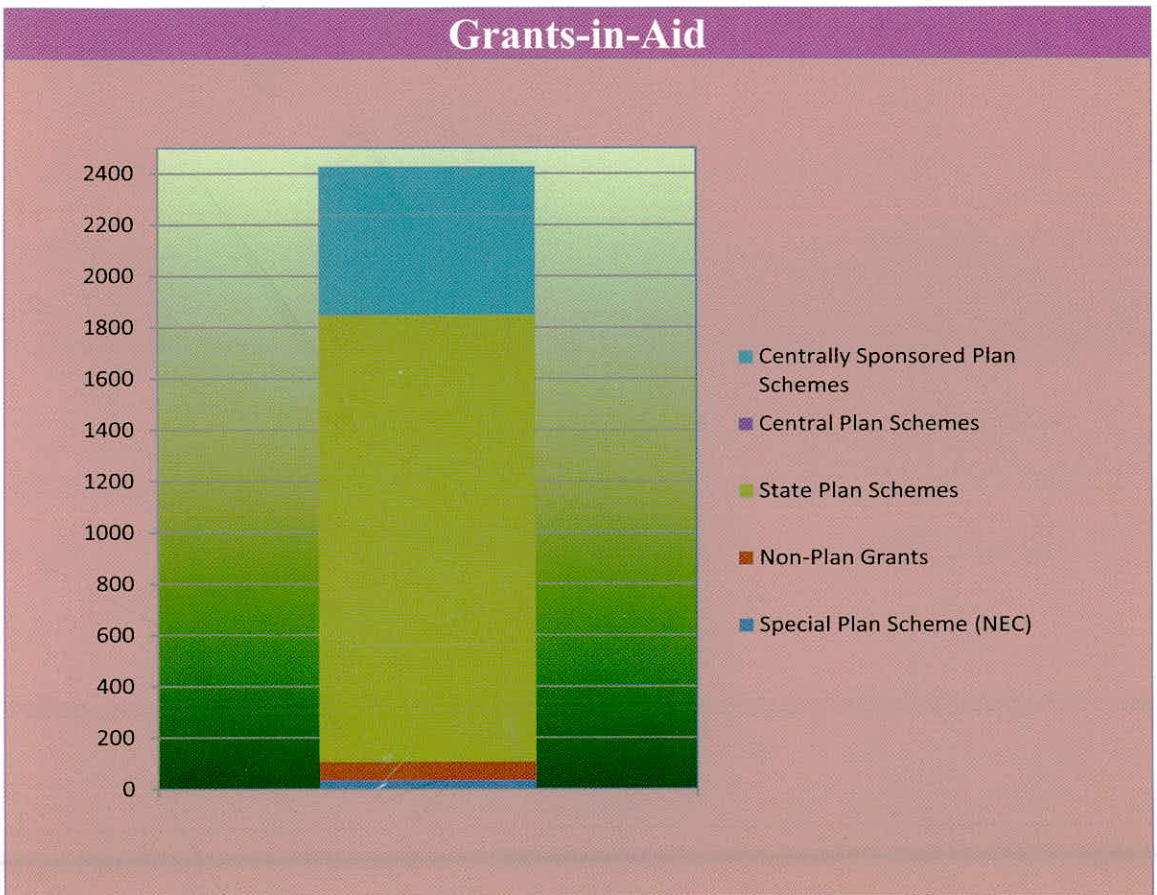
2.6 Trend in State's Share of Union Taxes over the past five years

(₹ in Crore)

Major Head description	2010-11	2011-12	2012-13	2013-14	2014-15
Corporation Tax	205	241	251	257	282
Taxes on Income other than Corporation Tax	109	122	150	169	202
Taxes on Wealth	...	1	...	1	1
Customs	92	106	116	124	131
Union Excise Duties	67	69	79	88	74
Service Tax	52	73	102	124	119
Other Taxes and Duties on Commodities and Services	...	...	...	...	...
State Share of Union Taxes	525	612	698	763	809
Total Tax Revenue	804	906	1,134	1,288	1,337
Percentage of Union Taxes to Total Tax Revenue	65	68	62	59	61

2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2014-15 under Grants-in-Aid were ₹ 2,427 crore as shown below:



2.8 Public Debt

Trend of Public Debt over the past 5 years

(₹ in crore)

Description	2010-11	2011-12	2012-13	2013-14	2014-15
Internal Debt	44	42	133	230	331
Central Loans	(-) 22	(-) 3	(-) 8	(-) 22	(-) 6
Total Public Debt	22	39	125	208	325

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

Chapter - III

Expenditure

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the organisation. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

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

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 3,731 crore for 2014-15 fell short of budget estimates by ₹ 1,108 crore due to less disbursement.

The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below:

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Budget Estimates(BE)	3,054	3,233	3,570	3,983	4,839
Actuals	2,908	3,230	3,012	3,458	3,731
Gap	146	3	558	525	1,108
Percentage of gap over BE	5	...	16	13	23

There was no compounding shortfall of revenue receipts against budget estimates.

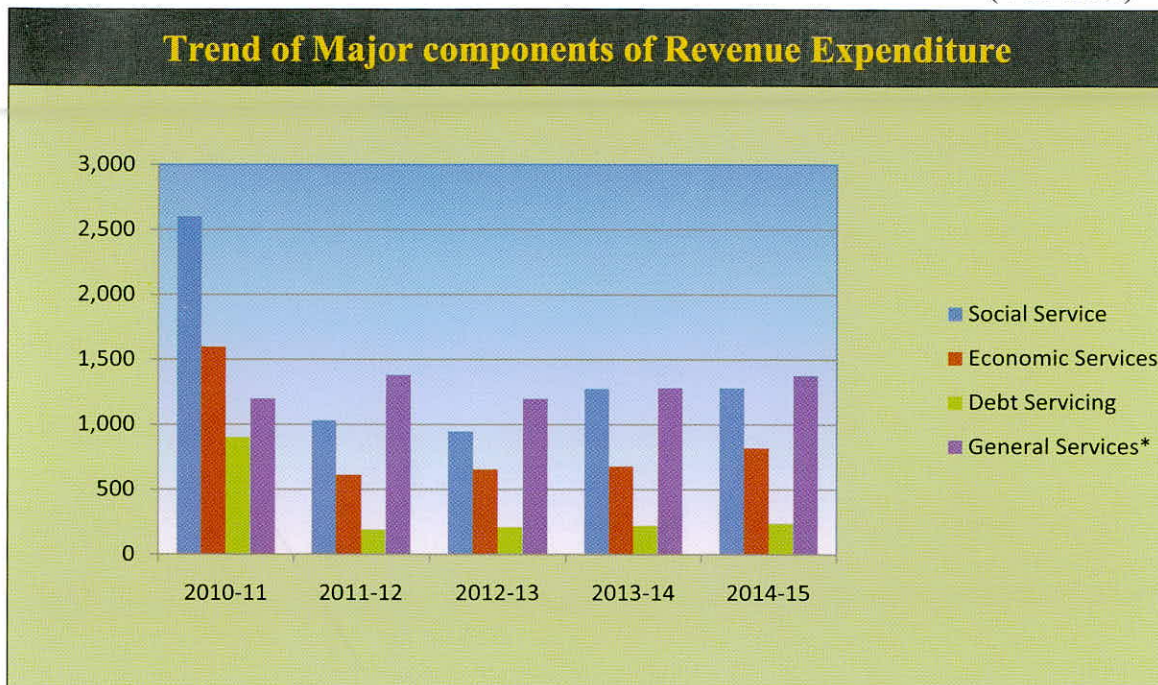
3.2.1 Sectoral distribution of Revenue Expenditure (2014-15)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services		
(i) Collection of Taxes on Property and Capital transactions	14	...
(ii) Collection of Taxes on Commodities and Services	141	4
(iii) Other Fiscal Services	13	...
B. Organs of State	80	2
C. Interest Payments and Servicing of debt	240	8
D. Administrative Services	383	10
E. Pensions and Miscellaneous General Services	717	19
F. Social Services	1,280	34
G. Economic Services	821	22
H. Grants-in-Aid and Contribution	42	1
Total Expenditure (Revenue Account)	3,731	100

3.2.2 Major components of Revenue Expenditure (2010-2015)

(₹ in crore)



* General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments) and includes MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions).

The expenditure on Economic Services (which includes important sectors like Rural Development, Agriculture and Irrigation) registered significant growth, as against marginal growth in other services.

3.3 Capital Expenditure

Capital disbursements for 2014-15 at 7 per cent of GSDP were less than Budget Estimates by ₹ 637 crore (less disbursement of ₹ 637 crore under Plan Expenditure).

3.3.1 Sectoral distribution of Capital Expenditure

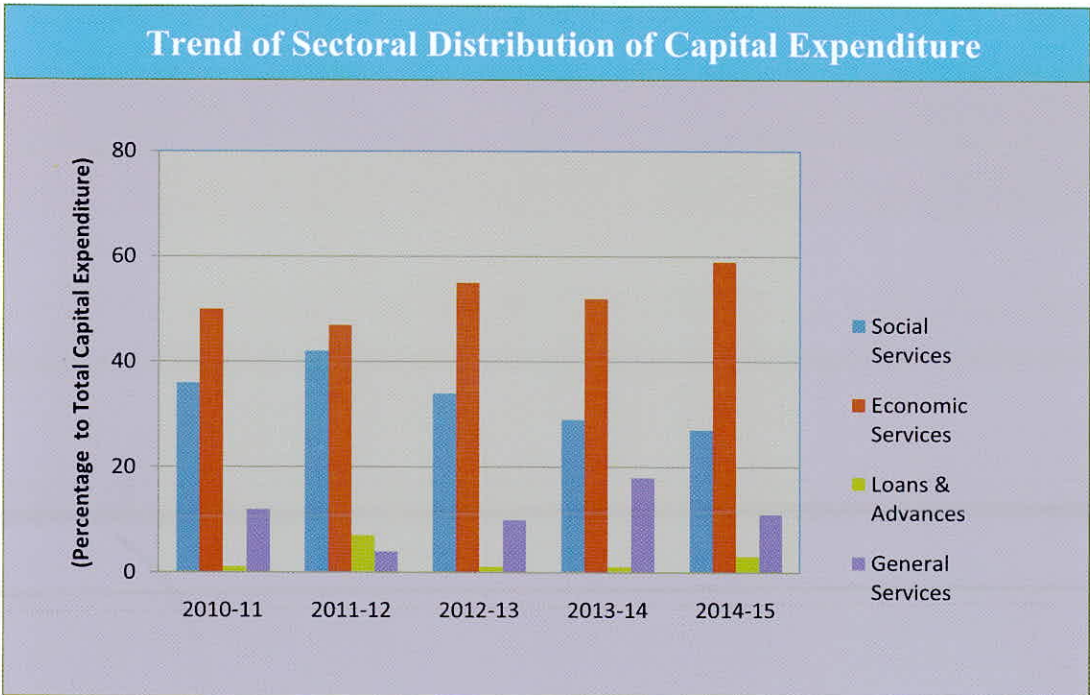
(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1.	General Services – Police, Land Revenue etc.	110	11
2.	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	270	27
3.	Economic Services – Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.	601	60
4.	Loans and Advances Disbursed	27	2
	Total	1,008	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

Sl. No.	Sector	2010-11	2011-12	2012-13	2013-14	2014-15
1.	General Services	57	25	83	170	110
2.	Social Services	166	277	291	266	270
3.	Economic Services	228	313	468	476	601
4.	Loans and Advances	6	49	5	10	27
	Total	457	664	847	922	1,008

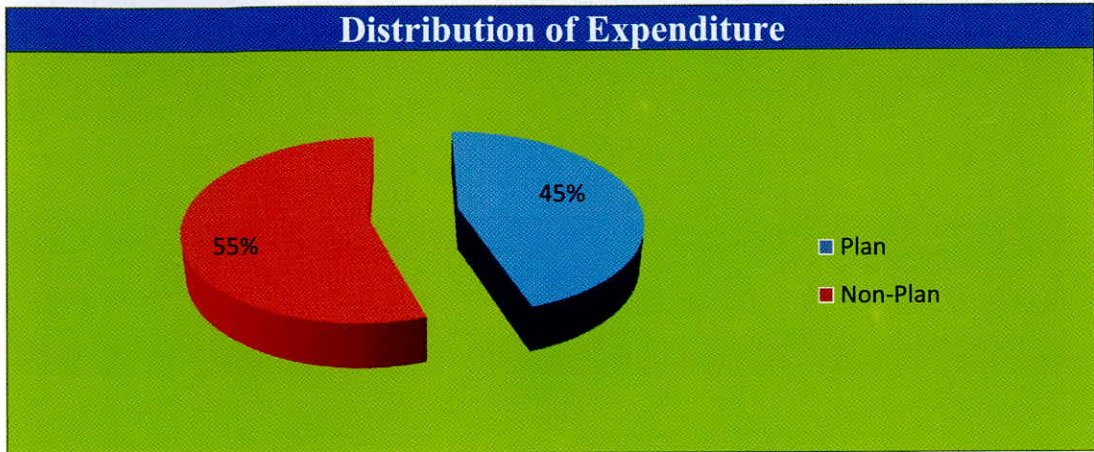


Expenditure under General Sector which is indicative of development related spending reduced by 35 per cent during 2014-15 from 2013-14.

Chapter - IV

PLAN & NON-PLAN EXPENDITURE

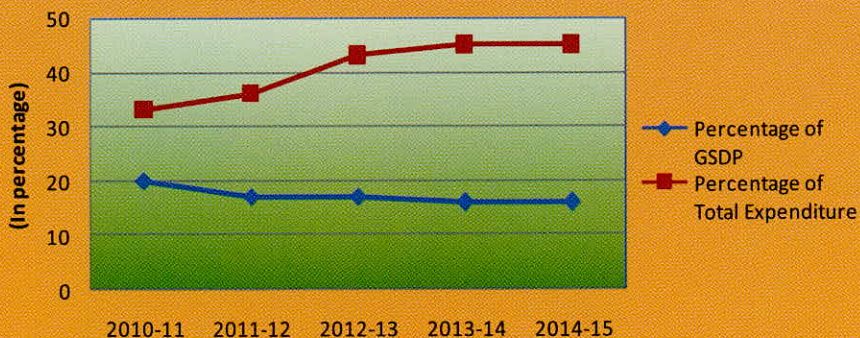
4.1 Distribution of Expenditure (2014-15)



4.2 Plan Expenditure

During 2014-15, Plan Expenditure, representing 45 per cent of total disbursements, was ₹ 2,145 crore (₹ 1,599 crore under State Plan, ₹ 519 crore under Centrally Sponsored Plan Schemes and ₹ 27 crore under Loans and Advances).

Plan Expenditure as proportion of total expenditure and GSDP



4.2.1 Plan expenditure under Capital Account

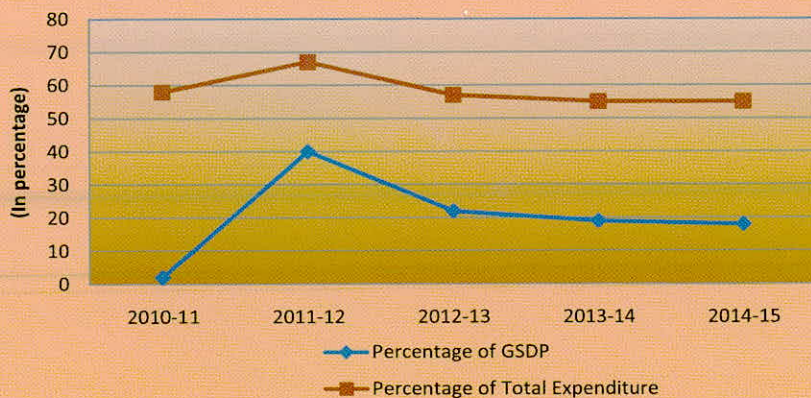
(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Total Capital Expenditure	457	664	847	922	1,008
Capital Expenditure (Plan)	451	615	842	912	981
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	99	93	99	99	97

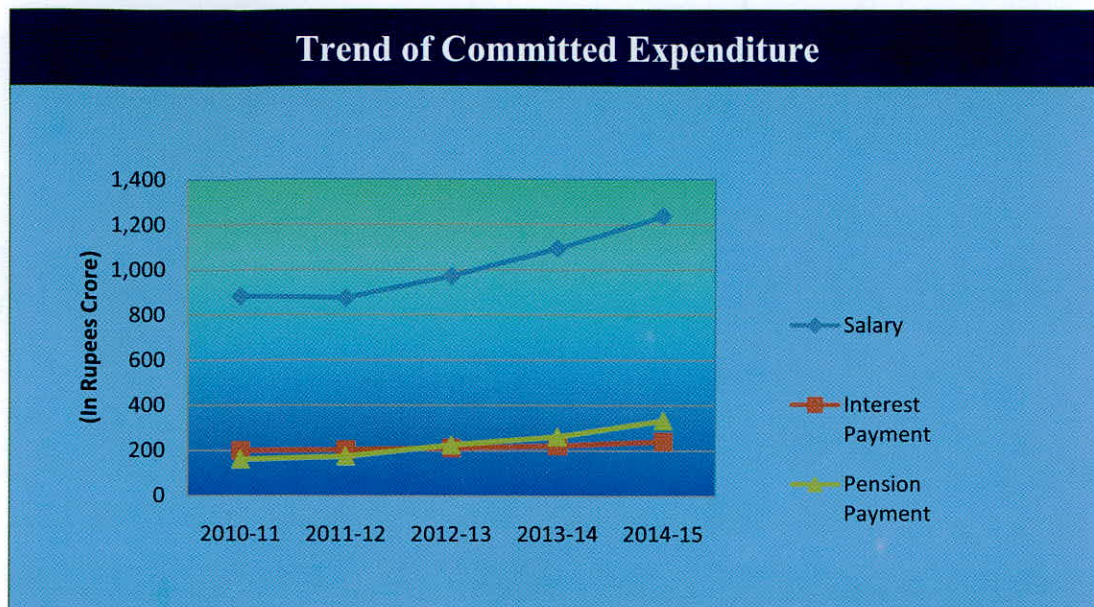
4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2014-15, representing 55 per cent of total disbursements, was ₹ 2,594 crore, (₹ 2,594 crore under Revenue and no expenditure under Capital).

Non-Plan Expenditure as proportion of total expenditure and GSDP



4.4 Committed Expenditure



Component	2010-11	2011-12	2012-13	2013-14	2014-15
Committed Expenditure	1,241	1,239	1,407	1,576	1,821
Revenue Expenditure	2,908	3,230	3,012	3,458	3,731
Percentage of committed expenditure to Revenue Receipts	41	34	37	36	41
Percentage of committed expenditure to Revenue expenditure	43	38	47	46	49

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

Chapter - V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2014-15

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excesses (+)
1	Revenue Voted	4,631	88	...	4,719	3,459	(-) 1,260
	Charged	276	...	...	276	273	(-) 3
2	Capital Voted	1,643	114	...	1,757	980	(-) 777
	Charged	...	...	...	...	...	...
3	Public Debt Charged	89	...	...	89	87	(-) 2
4	Loans and Advances Voted	28	...	...	28	27	(-) 1
	Total	6,667	202	...	6,869	4,826	(-) 2,043

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2010-11	(-) 332.42	(-) 524.73	(-) 0.62	(-) 0.30	(-) 858.07
2011-12	(-) 703.98	(-) 705.46	(-) 21.16	(-) 0.23	(-) 1,430.83
2012-13	(-) 742.71	(-) 681.14	(-) 21.64	...	(-)1,425.49
2013-14	(-) 705.44	(-) 499.05	(-) 11.95	...	(-) 1,192.54
2014-15	(-) 1,262.46	(-) 776.39	(-) 1.97	(-) 0.98	(-) 2,041.80

5.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/programmes.

Some grants with persistent and significant savings are given below:

(Savings in percentage)

Grant	Nomenclature	2010-11	2011-12	2012-13	2013-14	2014-15
01	Food Security and Agriculture Development	19	17	4	35	30
02	Animal Husbandry, Live Stock, Fisheries and Veterinary Services	13	8	8	8	16
06	Eccleslastical	8	2	5	6	11

(Savings in percentage)

Grant	Nomenclature	2010-11	2011-12	2012-13	2013-14	2014-15
11	Food, Civil Supplies and Consumer Affairs	...	10	10	8	13
12	Forest Environment & Wild Life Management	19	43	60	38	38
19	Irrigation & Flood Control	39	65	63	72	86
22	Land Revenue and Disaster Management	55	37	51	33	42
29	Development Planning, Economic Reforms & North Eastern Council Affairs	83	85	12	4	70
38	Social Justice, Empowerment & Welfare	52	47	34	23	33
39	Sports and Youth Affairs	27	7	72	24	41
41	Urban Development and Housing	15	9	9	6	60

During 2014-15, supplementary grants totaling ₹ 202 crore (4 per cent of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
01	Food Security and Agriculture Development	Revenue	64.98	5.04	50.01
02	Animal Husbandry, Livestock, Fisheries and Veterinary Services	Revenue	42.47	2.00	39.12
		Capital	3.86	0.65	1.51
07	Human Resource Development	Capital	39.39	0.36	18.73
11	Food, Civil Supplies and Consumer Affairs	Revenue	30.75	0.60	30.40
		Capital	3.62	2.93	2.73
12	Forest, Environment and Wild Life Management	Revenue	244.98	39.54	175.26
19	Irrigation and Flood Control	Revenue	148.76	0.01	18.41
21	Labour	Revenue	6.97	0.14	5.07
22	Land Revenue & Disaster Management	Revenue	280.37	2.00	189.06

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
28	Personnel, Admin. Reforms and Training, Public Grievances, Career Option & Employment, Skill Dev. and Chief Minister's Self Employment Scheme	Revenue	12.98	0.22	7.87
29	Development Planning, Economics Reforms and North Eastern Council Affairs	Revenue	92.91	0.14	13.06
34	Roads and Bridges	Capital	222.38	10.00	85.59
35	Rural Management and Development	Revenue	251.67	1.62	168.99
38	Social Justice, Empowerment and Welfare	Revenue	108.98	8.69	86.56
39	Sports and Youth Affairs	Revenue Capital	9.97 11.33	0.88 0.90	8.60 5.11
40	Tourism	Capital	380.83	40.07	266.36
41	Urban Development & Housing	Capital	219.21	10.76	70.50

Chapter - VI

ASSETS AND LIABILITIES

6.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition/purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 97 crore at the end of 2014-15. Dividend received during the year was ₹ 1 crore (i.e. 1.03 per cent) against the investment. There was no increase in the investment.

Cash Balance with State Bank of Sikkim and other banks stood at ₹ 271 crore on 31 March 2014 and decreased to ₹ 178 crore at the end of March 2015.

6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

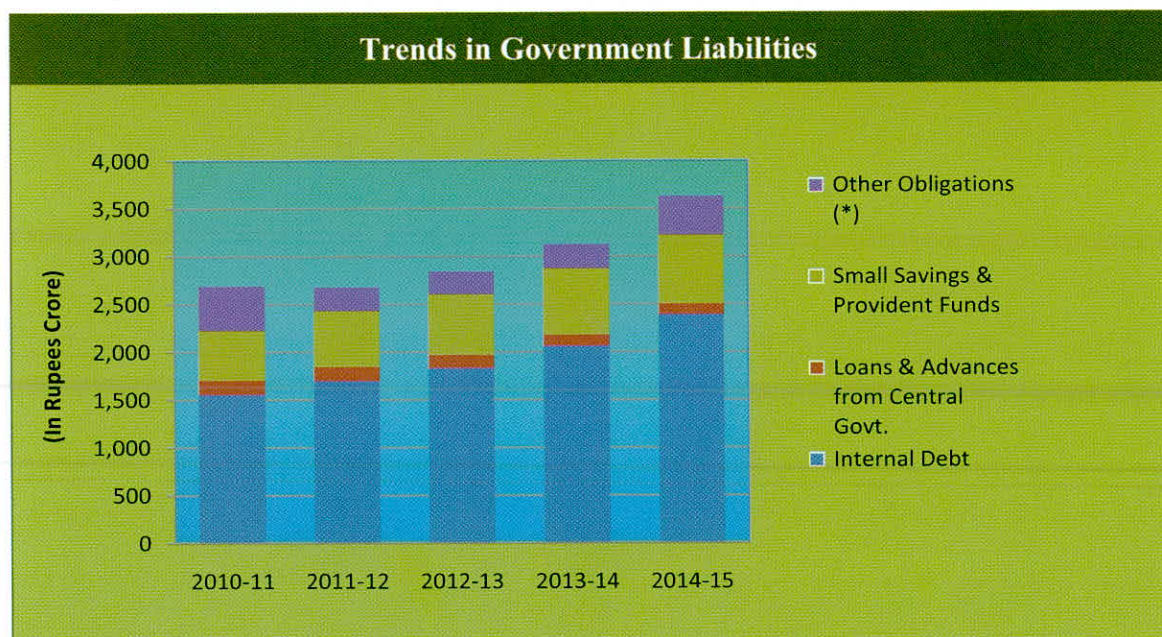
Details of the Public Debt and total liabilities of the State Government are as under: (₹ in crore)

Year	Public Debt	Percentage to GSDP	Public Account (*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2010-11	1,813	25	615	09	2,428	34
2011-12	1,852	22	701	08	2,553	30
2012-13	1,978	20	779	08	2,757	28
2013-14	2,186	18	882	07	3,068	25
2014-15	2,510	17	971	07	3,481	24

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹ 413 crore (13 per cent) in Public Debt and Other liabilities as compared to 2013-14.



(*) Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

Government of India determines, from time to time, the limits up to which State Governments can borrow from the market. The Government of Sikkim has borrowed ₹ 330 crore under Market Loans during the year 2014-15. The closing balance of Market Loans as on 31 March 2015 was increased by ₹ 308 crore from ₹ 1,531 crore to ₹ 1,839 crore.

6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc. is given below:

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2015	
		Principal	Interest
2010-11	360	247	30
2011-12	310	164	...
2012-13	310	186	1
2013-14	157	121	...
2014-15	157	110	3

Chapter - VII

OTHER ITEMS

7.1 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2014-15 was ₹ 135 crore. Of this, Loans and Advances to Government Corporations/Companies, Non-Government Institutes and Local Bodies amounted to ₹ 37 crore. There was no recovery of Principal amount at the end of 31 March 2015.

7.2 Financial Assistance to Local Bodies and Others

During the last two years, Grants-in-Aid to local bodies etc. increased from ₹ 355 crore in 2013-14 to ₹ 362 crore in 2014-15. Grants to Zilla Parishads, Gram Panchayats and Municipalities (₹ 41 crore) represented 11 per cent of total grants given during the year.

Detail of Grants-in-Aid for the past 2 years is as under:

(₹ in crore)

Year	Zilla Parishads	Municipalities	Gram Panchayats	Others	Total
2013-14	10	...	23	322	355
2014-15	14	42	27	321	404

7.3 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2014	As on 31 March 2015	Net increase (+) / decrease (-)
Cash Balances	271	178	(-) 93
Investments from cash balance (GOI Treasury Bills)	750	1,050	(+) 300
Investment from earmarked fund balances	262	308	(+) 46
(a) Sinking Fund	230	270	(+) 40
(b) Guarantee redemption Fund	18	24	(+) 6
(c) Other Funds	14	14	...

State Government had a positive closing cash balance at the end of 2014-15, despite utilising its cash balances and earmarked fund balances towards investments.

7.4 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Senior Deputy Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. In 2014-15, 96 per cent of the total expenditure of ₹ 4,712 crore of the State Government was reconciled. Similarly, 95 per cent of the total receipts of ₹ 4,462 crore was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO) of different departments is given below:

Particulars	Total No. of CCOs	Fully Reconciled	Partially Reconciled	Not reconciled
Expenditure	49	47	2	...
Receipts	38	36	2	...
Total	87	83	4	...

7.5 Submission of Accounts by Treasuries

The rendition of initial accounts by the Treasuries is satisfactory. However, in some cases, delay have been observed in submission of monthly accounts by the treasuries and other accounts rendering units owing to the ongoing computerisation of Government transaction including accredited banks under Sikkim Integrated Financial Management System (SIFMS-Mission Mode project).

7.6 Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum period of 90 days, through submission of DC bills. To the end of 31 March 2015, total number of 2,878 AC bills amounting to ₹ 72 crore were outstanding for submission of DC bills.

