



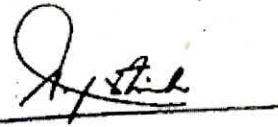
Preface

This is the Fifth issue of our annual publication 'Accounts at a Glance'.

The Annual Accounts of the State Government are prepared and examined under the directions of Comptroller and Auditor General of India in accordance with the requirement of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 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 expenditure against provision approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Senior Deputy Accountant General (Accounts and Entitlements), Sikkim prepares the State Finance Accounts and the Appropriation Accounts.

'Accounts at a Glance' provide 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.



(A.W.K.LANGSTIEH)

ACCOUNTANT GENERAL, SIKKIM

Gangtok
Date



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CHAPTER-I

OVERVIEW

The monthly accounts of the State Government are compiled and consolidated from the accounts submitted by the Chief Pay and Accounts Office, Public Works and Forest Divisions to the Office of the Senior Deputy Accountant General (Accounts and Entitlements), Sikkim. Besides, the Finance Accounts and the Appropriation Accounts are prepared annually by the Senior Deputy Accountant General under the directions of the Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The accounts of Government are kept in the following three parts:

| | |
|----------|-------------------|
| Part I | Consolidated Fund |
| Part II | Contingency Fund |
| Part III | Public Account |

There are two main divisions under the Consolidated Fund:

The Revenue division (Revenue Account) deals with the proceeds of taxation and other receipts classed as revenue and the expenditure met there from, the net result of which represents the revenue surplus or deficit for the year.

In the Capital division, the section 'Receipt Heads (Capital Account)' deals with receipts of capital nature which cannot be applied as a set off to capital expenditure. The section 'Expenditure Heads (Capital Account)' deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a material and permanent character. It also includes receipts of a capital nature intended to be applied as a set off to capital expenditure. The section 'Public Debt, Loans and Advances, etc.' comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances' made (and their recoveries) by Government.

In the Contingency Fund, the transactions connected with Contingency Fund established under Article 267 of the Constitution of India are recorded.

In the Public Account, the transactions relating to 'Debt' (other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' are recorded.

Annual Accounts of the Government of Sikkim for the year 2002-2003 have been finalised and submitted to the State Government on 24.09.2003 for placing before the State Legislature. The Audit Report of the Comptroller and Auditor General of India for the year 2002-2003 is being presented separately.

Finance Accounts

Finance Accounts present the accounts of receipts and outgoings of the Government for the year together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debts and the liabilities and assets as worked out from the balances recorded in the accounts.

During 2002-2003 total receipts amounted to Rs. 2152.48 crore comprising Rs 2080.52 crore revenue receipts (Rs. 182.73 crore Tax revenue, Rs. 1315.84 crore Non-Tax revenue and Rs. 581.95 crore Grants-in-aid and Contributions), and Rs. 71.96 crore capital receipts (Rs. 1.28 crore towards recovery of loans and advances and Rs. 70.68 crore on account of borrowings and other liabilities).

Disbursements during the year were Rs. 2091.67 crore, Rs. 1882.62 crore (90 %) on revenue account and Rs. 209.05 crore (10 %) on capital account.

Appropriation Accounts

Appropriation Accounts bring out the expenditure of the State Government against amounts voted and charged by the State Legislature and supplement the Finance Accounts. These comprise accounts of 2 charged Appropriations and 43 voted Grants.

Appropriation Acts, 2002-2003 had provided for a gross expenditure of Rs. 2287.35 crore, which includes the Supplementary Grants of Rs. 277.73 crore. An amount of Rs. 13.31 crore was projected as recoveries in reduction of expenditure.

Appropriation Accounts 2002-2003 show disbursements aggregating Rs. 2144.40 crore against the aggregate budget provision of Rs. 2287.35 crore, resulting in savings of Rs. 142.95 crore, against Grants and Appropriations.

Recoveries in reduction of expenditure amounted to Rs. 12.38 crore reflecting a saving of Rs. 0.93 crore vis-à-vis budget estimates.

CHAPTER-II

HIGHLIGHTS OF ACCOUNTS

(Rupees in crore)

| Sl. No | | B.E 2002-2003 * | Actuals | Percentage of Actuals to B.E | Percentage of Actuals to GDP |
|--------|--|-----------------|---------|------------------------------|------------------------------|
| 1. | Tax Revenue | 190.41 | 182.73 | 95.97 | 15.85 |
| 2. | Non-Tax Revenue | 1095.41 | 1315.84 | 120.12 | 114.12 |
| 3. | Grants-in-aid & Contributions | 634.12 | 581.95 | 91.77 | 50.47 |
| 4. | Revenue Receipts (1+2+3) | 1919.94 | 2080.52 | 108.36 | 180.44 |
| 5. | Recovery of Loans & Advances | 1.04 | 1.28 | 123.08 | 0.11 |
| 6. | Other Receipts | - | - | - | - |
| 7. | Borrowings and other liabilities (net) | 40.59 | 70.68 | 174.11 | 6.13 |
| 8. | Capital Receipts (5+6+7) | 41.63 | 71.96 | 172.83 | 6.24 |
| 9. | Total Receipts (4+8) | 1961.57 | 2152.48 | 109.73 | 186.68 |
| 10. | Non-Plan Expenditure (NPE) | 1653.47 | 1634.65 | 98.86 | 141.76 |
| * 11. | NPE on Revenue Account | 1653.06 | 1634.59 | 98.88 | 141.77 |
| 12. | NPE on Interest Payments out of 11 | 89.32 | 89.53 | 100.24 | 7.76 |
| 13. | NPE on Capital Account | 0.41 | 0.06 | 14.63 | - |
| 14. | Plan Expenditure (PE) | 585.75 | 457.02 | 78.02 | 39.64 |
| * 15. | PE on Revenue Account | 278.21 | 248.03 | 89.15 | 21.51 |
| 16. | PE on Capital Account | 307.54 | 208.99 | 67.95 | 18.12 |
| 17. | Total Expenditure (10+14) | 2239.22 | 2091.67 | 93.41 | 181.41 |
| * 18. | Revenue Expenditure(11+15) | 1931.27 | 1882.62 | 97.48 | 163.28 |
| 19. | Capital Expenditure (13+16) | 307.95 | 209.05 | 67.88 | 18.13 |
| 20. | Revenue Surplus (4-18) | (-) 11.33 | 197.90 | 1646.69 | 17.16 |
| 21. | Fiscal Deficit (4+5+6-17) | 318.24 | 9.87 | 3.10 | 0.86 |

* Provision and actuals excluding the recovery figure as shown in Demands for Grants.

Receipts and Disbursements

Total receipts during the year were Rs. 2152.48 crore, against which total disbursements were Rs. 2091.67 crore. The resulting surplus of Rs. 60.81 crore takes into account Capital Receipts of Rs. 71.96 crore. The deficit projected in the budget was Rs. 0.54 crore. Thus the actual surplus is more than the estimate in the budget by Rs. 61.35 crore.

The following table summarises the Accounts for 2002-2003.

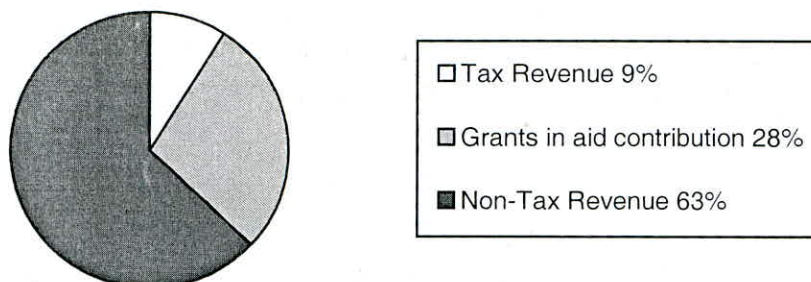
(Rupees in crore)

| Total Receipts | 2152.48 | | Total Disbursements | 2091.67 | |
|------------------|---------|-----|-----------------------|---------|-----|
| Revenue Receipts | 2080.52 | 97% | Revenue Disbursements | 1882.62 | 90% |
| Capital Receipts | 71.96 | 3% | Capital Disbursements | 209.05 | 10% |

RECEIPTS

Revenue Receipts

Gross Tax Revenue of Rs. 182.73 crore and Grants-in-aid and contributions of Rs. 581.95 crore formed 9 per cent and 28 per cent respectively of the total Revenue Receipts. The major contributor to revenues was non Tax Revenue of Rs. 1315.84 crore comprising 63 per cent of total Revenue Receipts. The ratio of Revenue Receipts is indicated in the diagram below.



Net tax receipts during the year were lower than the budget estimates by Rs. 7.68 crore, mainly on account of less receipts of State Share of Union Taxes and Duties as estimated. The decrease was partly off set by higher collection under Taxes on Income (levied under State laws).

Share of various tax, non-tax revenue and grants-in-aid and contributions to total revenue receipts is given below:

Revenue Receipts and Grants-in-Aid and Contributions

(Rupees in crore)

| Components | Actuals | Percentage to total Revenue Receipts |
|--|----------------|--------------------------------------|
| A. Tax Revenue* | 182.73 | 8.78 |
| Taxes on Income and Expenditure ** | 54.70 | 2.63 |
| Taxes on Property and Capital Transactions | 3.85 | 0.18 |
| Taxes on Commodities and Services | 124.18 | 5.97 |
| B. Non-tax Revenue | 1315.84 | 63.25 |
| Interest Receipts, Dividends and Profits | 8.93 | 0.43 |
| General Services *** | 1263.18 | 60.72 |
| Social Services | 2.35 | 0.11 |
| Economic Services | 41.38 | 1.99 |
| C. Grants-in-aid and Contributions | 581.95 | 27.97 |
| TOTAL-REVENUE RECEIPTS | 2080.52 | 100 |

* Includes State's share of Taxes and Duties from Government of India of Rs. 77.20 crores.

** Income Tax Act, 1961 has not been implemented in the State. Figures indicate the Taxes on income levied under Sikkim Income Tax Manual, 1948.

*** Out of Rs. 1263.18 crore under General Services, Rs. 1256.62 crore pertains to the gross receipts under State Lotteries.

Capital Receipts

Compared to the budget estimates of Rs 41.63 crore, the actual receipts were Rs 71.96 crore resulting in an overall increase of Rs. 30.33 crore.

DISBURSEMENTS

Revenue Disbursements

Revenue Disbursement of Rs. 1882.62 crore was 90 per cent of total disbursements of Rs. 2091.66 crore. It was less than budget estimates by Rs. 48.65 crore i.e Rs. 18.47 crore savings under non-plan expenditure and Rs. 30.18 crore savings under Plan Expenditure.

Capital Disbursements

Capital Disbursements of Rs. 209.05 crore was 10 per cent of the total disbursement. It was less than the budget estimates by Rs. 98.90 crore due to less disbursement of Rs. 0.35 crore under non-plan expenditure and Rs 98.55 crore under Plan Expenditure.

Plan Disbursements

During the year 2002-2003, plan disbursements were Rs. 457.02 crore consisting of Rs 429.91 crore under State Plan, Rs. 0.38 crore under Central Plan and Rs. 26.73 crore under Centrally Sponsored Plan (the details of expenditure shared by Centre and the State are not available).

Non-Plan Disbursements

Non-plan Disbursements during 2002-2003 were Rs. 1634.65 crore, consisting of Rs. 1634.59 crore under Revenue and Rs. 0.06 crore under Capital.

Sectoral distribution of expenditure and its percentage to total revenue expenditure is given below:-

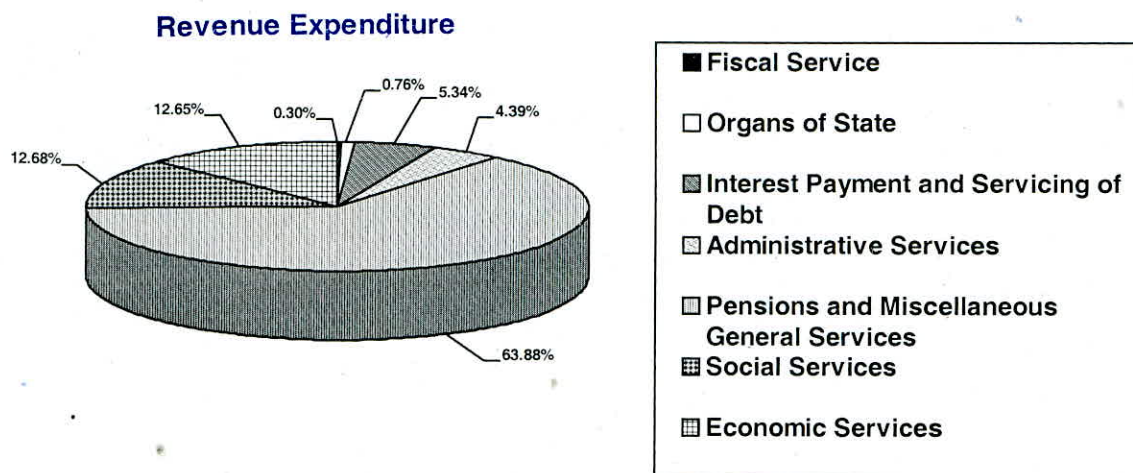
SECTORAL DISTRIBUTION OF EXPENDITURE AND ITS PERCENTAGE TO TOTAL REVENUE EXPENDITURE

(Rupees in crore)

| Components | Amount | Percentage to Total Revenue Expenditure |
|--|----------------|---|
| A. Fiscal Services | 5.74 | 0.30 |
| (i) Collection of Taxes on Property and Capital transactions | 2.44 | 0.13 |
| (ii) Collection of Taxes on Commodities and Services | 2.78 | 0.14 |
| (iii) Collection of Taxes on Income and Expenditure | 0.52 | 0.03 |
| B. Organs of State | 14.24 | 0.76 |
| C. Interest Payment and Servicing of Debt | 100.53 | 5.34 |
| D. Administrative Services | 82.58 | 4.39 |
| E. Pension and Miscellaneous General Services | 1202.66 | 63.88 |
| F. Social Services | 238.74 | 12.68 |
| G. Economic Services | 238.13 | 12.65 |
| TOTAL EXPENDITURE (REVENUE ACCOUNT) | 1882.62 | 100 |

A pie chart showing the distribution of Expenditure under different sectors is as under :

SECTORAL DISTRIBUTION OF EXPENDITURE DURING 2002 -2003



TREND OF EXPENDITURE

Trend of expenditure in some important sectors between 1998-99 and 2002-2003 (5 years) is brought out below:

STATEMENT OF EXPENDITURE IN SELECTED SECTORS

(Rupees in Crore)

| Sector | 1998-1999 | % to B.E | % to RBE | 1999-2000 | % to B.E | % to RBE | 2000-2001 | % to B.E | % to RBE | 2001-2002 | % to B.E | % to RBE | 2002-2003 | % to B.E | % to RBE |
|--------------------------------------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|
| Interest Payment & Servicing of Debt | 55.71 | 87.16 | 87.16 | 72.12 | 96.28 | 96.28 | 84.25 | 95.35 | 95.35 | 90.48 | 100.78 | 99.67 | 100.53 | 100.20 | 100.20 |
| Pension & Misc. General Services | 993.14 | 99.97 | 99.97 | 995.34 | 99.16 | 99.16 | 242.21 | 64.41 | 64.41 | 1079.38 | 511.14 | 511.14 | 1202.66 | 100.07 | 100.07 |
| Education, Sports, Arts & Culture | 111.92 | 117.76 | 97.74 | 110.41 | 98.55 | 98.17 | 113.78 | 102.23 | 92.06 | 121.47 | 96.44 | 95.11 | 134.02 | 97.87 | 97.95 |
| Health & Family Welfare | 42.06 | 137.77 | 97.75 | 33.65 | 88.78 | 84.45 | 31.73 | 77.00 | 73.66 | 36.98 | 103.58 | 90.57 | 39.91 | 89.62 | 89.65 |
| Crop Husbandry | 18.20 | 91.02 | 88.94 | 18.39 | 108.56 | 89.88 | 17.22 | 70.49 | 66.36 | 14.60 | 99.00 | 95.30 | 15.50 | 150.49 | 150.63 |
| Rural Development | 8.94 | 55.81 | 51.23 | 8.34 | 92.39 | 81.19 | 10.23 | 86.94 | 84.96 | 10.54 | 111.18 | 109.56 | 15.70 | 111.98 | 102.55 |
| Irrigation & Flood Control | 6.45 | 123.56 | 88.72 | 6.42 | 143.62 | 46.66 | 16.48 | 46.49 | 46.43 | 15.91 | 166.95 | 86.66 | 19.00 | 94.72 | 94.67 |
| Energy | 56.25 | 103.72 | 92.78 | 27.84 | 84.50 | 79.09 | 25.87 | 93.01 | 90.25 | 26.75 | 98.09 | 97.59 | 50.67 | 98.93 | 98.93 |
| Transport | 18.25 | 94.85 | 94.85 | 20.38 | 105.71 | 94.00 | 32.91 | 117.01 | 100.00 | 37.84 | 87.06 | 79.60 | 44.71 | 85.45 | 85.44 |
| General Economic Services | 23.29 | 132.63 | 119.13 | 31.80 | 78.36 | 77.99 | 9.16 | 47.66 | 45.17 | 14.02 | 63.73 | 60.64 | 11.77 | 59.26 | 100.86 |

BE: Budget Estimate; RBE: Revised Budget Estimate

DEBTS AND LIABILITIES

Outstanding Public Debt at the end of 2002-2003 was Rs. 622.12 crore, comprising internal debt of Rs. 341.32 crore, loans and advances from Central Government of Rs. 280.80 crore and other liabilities accounted under Public Account of Rs. 266.01 crore.

The State also acts as a banker and trustee in respect of deposits like small savings collections, provident funds and deposits. There was an overall increase of Rs. 23.44 crore in respect of such liabilities of the State Government during 2002-2003.

Interest payments on debt and other liabilities totalling Rs. 89.53 crore constituted 5 per cent of revenue expenditure of Rs. 1882.62 crore. Interest payments on public debts were Rs. 69.70 crore (Internal debt Rs. 37.64 crore, loans and advances from Central Governments Rs. 32.06 crore) and Rs. 19.83 crore on other liabilities. Expenditure on account of interest payments increased by Rs. 5.37 crore during 2002-2003.

Internal debt of Rs. 34.81 crore raised during 2002-2003 was mainly used for payments of interest of Internal Debt.

INVESTMENTS AND RETURNS

Total investment as share capital in non-financial public sector undertakings (PSUs) stood at Rs. 69.56 crore at the end of 2002-2003. Dividends received during the year were Rs. 1.76 crore on investment. During 2002-2003 investments in PSUs increased by Rs. 5.19 crore.

LOANS AND ADVANCES BY THE STATE GOVERNMENT

Total loans and advances made by the State Government at the end of 2002-2003 was Rs. 6.28 crore. Information about arrears in recovery of Loans and Advances and interest had not been received from the departmental officers who maintain the detailed accounts thereof.

Loans and advances to Government Corporations/Companies, Non-Government Institutes, Local bodies, etc. at the end of 2002-2003 was Rs. 4.84 crore.

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

Assistance to local bodies etc. during 2002-2003 was Rs. 4.07 crore up from Rs. 3.72 crore in 1999-2000 to Rs. 4.07 crore in 2002-2003, which was a 9 per cent increase in the last four years. The grants given to Panchayat Raj Institutions (4.03 crores) compared 99 per cent of total grants given during the year.

APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of Sikkim for the year 2002-2003 present the accounts of sums expended during the year ended 31 March 2003, compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Articles 204 and 205 of the Constitution of India.

The Appropriation Accounts show that in the year 2002-2003, there was actual expenditure of Rs. 2144.40 crore, comprising Rs. 1895.00 crore Revenue expenditure, Rs. 208.99 crore Capital expenditure, Rs. 40.35 crore Repayment of Debt, and Rs. 0.06 crore Loans and Advances by the State Government. There were savings under Revenue section of expenditure, Capital section of expenditure and Loans and Advances with reference to total grants allocated by the State Legislature as under;

(Rupees in crore)

| Summary of Appropriation Accounts | | | | | (Rupees in crore) | |
|-----------------------------------|---------------------------|----------------|---------------------|---------|--------------------|-----------------------|
| Sl. No. | Nature of expenditure | Original grant | Supplementary grant | Total | Actual expenditure | Savings(-) Excess (+) |
| 1 | Revenue | | | | | |
| | Voted | 1623.51 | 224.35 | 1847.86 | 1790.97 | (-) 56.89 |
| | Charged | 98.91 | 5.22 | 104.13 | 104.03 | (-) 0.10 |
| 2 | Capital | | | | | |
| | Voted | 259.38 | 35.22 | 294.60 | 208.99 | (-) 85.61 |
| | Charged | ... | ... | ... | ... | ... |
| 3 | Public Debt | | | | | |
| | Charged | 27.41 | 12.94 | 40.35 | 40.35 | ... |
| 4 | Loans and Advances | | | | | |
| | Voted | 0.41 | ... | 0.41 | 0.06 | (-) 0.35 |
| | Charged | ... | ... | ... | ... | ... |
| Total | | 2009.62 | 277.73 | 2287.35 | 2144.40 | (-) 142.95 |

Details of persistent savings/excesses in a few selected grants/appropriations are given below:

TREND OF EXPENDITURE ON SELECTED GRANTS SHOWING PERSISTENT SAVINGS/EXCESSES

(Rupees in crore)

| GRANT NO./SECTION | Years | Total Allocation | Percentage of Savings - |
|---|-----------|------------------|-------------------------|
| 1. Crop Husbandry (Revenue) | 1998-1999 | 20.44 | 11% |
| | 1999-2000 | 19.93 | 8% |
| | 2000-2001 | 25.95 | 34% |
| | 2001-2002 | 23.44 | 22% |
| | 2002-2003 | 22.80 | 28% |
| 13. Forestry & Wild Life (Revenue) | 1998-1999 | 17.24 | 3% |
| | 1999-2000 | 17.11 | 14% |
| | 2000-2001 | 20.48 | 8% |
| | 2001-2002 | 28.72 | 4% |
| | 2002-2003 | 32.54 | 24% |
| 14. Health and Family Welfare (Revenue) | 1998-1999 | 43.22 | 3% |
| | 1999-2000 | 40.19 | 16% |
| | 2000-2001 | 43.32 | 26% |
| | 2001-2002 | 41.60 | 9% |
| | 2002-2003 | 45.40 | 10% |
| 17. Industry (Capital) | 1998-1999 | 2.81 | 59% |
| | 1999-2000 | 30.49 | 94% |
| | 2000-2001 | 3.22 | 4% |
| | 2001-2002 | 8.08 | 4% |
| | 2002-2003 | 4.20 | 27% |
| 21. Administration of Justice/Judiciary (Revenue) | 1998-1999 | 1.84 | 9% |
| | 1999-2000 | 3.59 | 4% |
| | 2000-2001 | 4.04 | 18% |
| | 2001-2002 | 4.03 | 17% |
| | 2002-2003 | 4.16 | 23% |

RECONCILIATION OF ACCOUNTS

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of departmental figures with the accounts figures.

Before the annual accounts are finalised, all the Heads of the Departments and Controlling Officers are required to reconcile the departmental accounts figures with those booked by the Senior Deputy Accountant General on quarterly basis in order to ensure that the latter's figures are accurate. This also facilitates identification of errors, misclassification and proper budgetary/financial control of expenditure. The report of reconciliation by the Controlling Officers during the year 2002-03 are as under:

| Particulars | Total No. of Controlling Officers | Fully reconciled | Partially reconciled | Not at all reconciled |
|--------------------------|-----------------------------------|------------------|----------------------|-----------------------|
| (i) Expenditure Accounts | 48 | 48 | Nil | Nil |
| (ii) Receipt Accounts | 32 | 32 | Nil | Nil |

SUBMISSION OF ACCOUNTS BY TREASURIES

There was a delay of 17 to 20 days in receipt of accounts for the months of April 2002 to March 2003 from The Chief Pay and Accounts Office.

11 Public Works Divisions and 5 Forest Divisions submitted their accounts with delays ranging from 1 to 28 days. The fact of late receipt/non-receipt of monthly accounts was brought to the notice of the concerned authorities, as and when the delay occurred.

CHAPTER-III

TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE

Trends in Government Revenue Receipts and Revenue Expenditure from 1998-99 to 2002-2003 (5 years period) is given below:

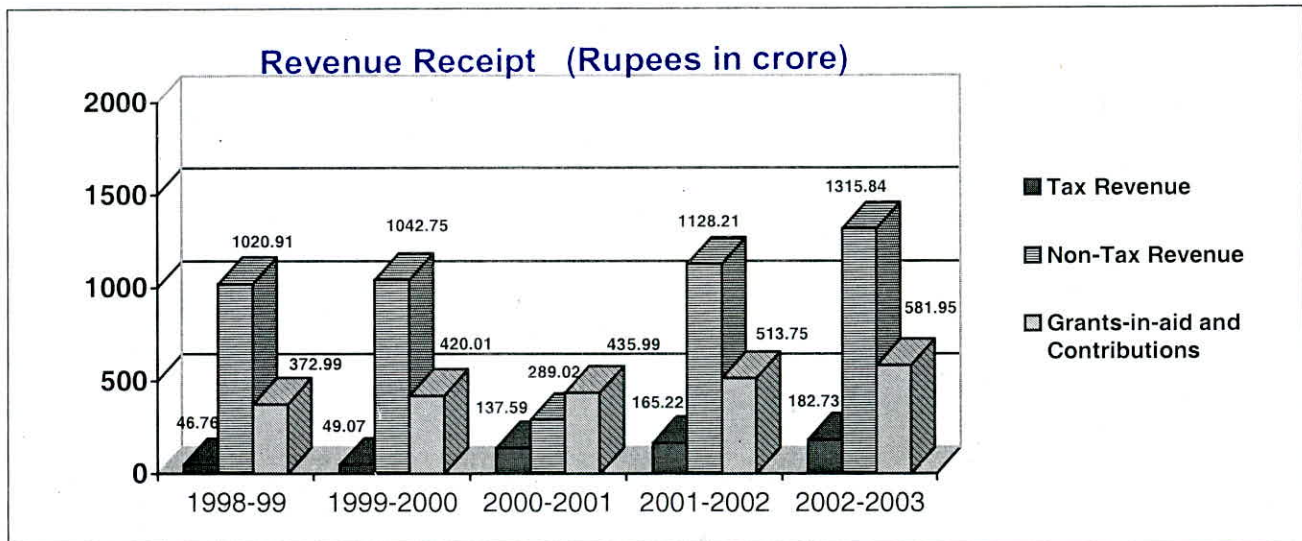
Revenue Receipts

(Rupees in crore)

| Year | Tax Revenue | Non-Tax Revenue | Grants-in-aid and Contributions | Gross Revenue Receipts | GDP | Percentage of Gross Revenue Receipts to GDP |
|-----------|-------------|-----------------|---------------------------------|------------------------|----------|---|
| 1998-1999 | 46.76 | 1020.91 | 372.99 | 1440.66 | 782 | 184.22% |
| 1999-2000 | 49.07 | 1042.75 | 420.01 | 1511.83 | 840 | 179.98% |
| 2000-2001 | 137.59 | 289.02 | 435.99 | 862.60 | 976 | 88.38% |
| 2001-2002 | 165.22 | 1128.21 | 513.75 | 1807.18 | 1072 (P) | 168.58% |
| 2002-2003 | 182.73 | 1315.84 | 581.95 | 2080.52 | 1153 (Q) | 180.44% |

(P) Provisional; (Q) Quickly arrived at and hence not final figure; GDP – Gross Domestic Product

The Revenue Receipts over the last five years is shown in the Bar chart below:



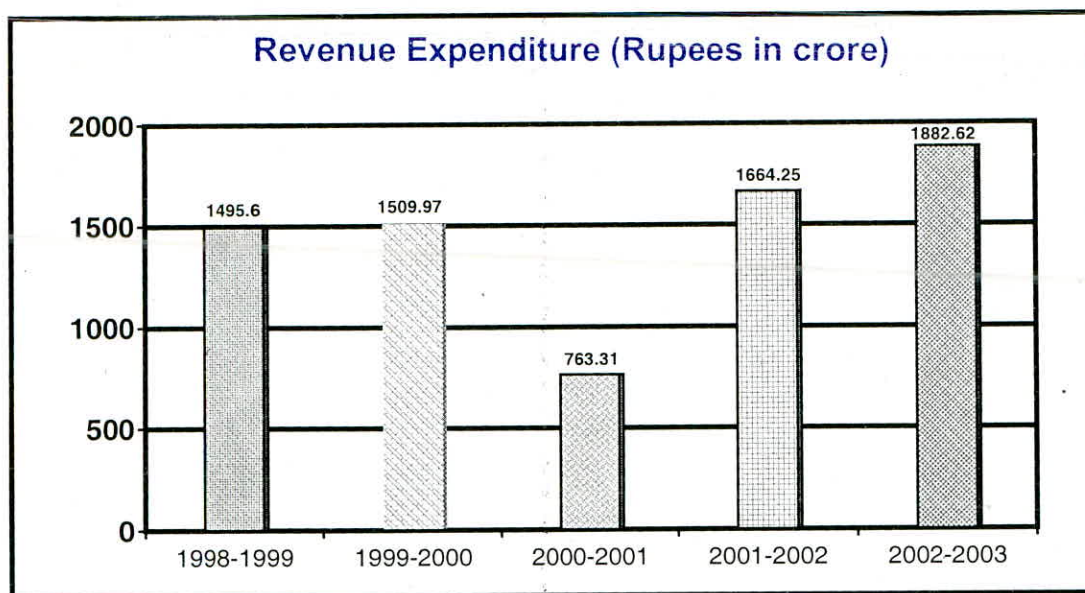
Revenue Expenditure

(Rupees in crore)

| Year | Revenue Expenditure | Total Expenditure | GDP | Percentage increase/decrease over previous year | | | Percentage of Government Expenditure to GDP |
|-----------|---------------------|-------------------|---------|---|-------------------|--------|---|
| | | | | Revenue Expenditure | Total Expenditure | GDP | |
| 1998-1999 | 1495.60 | 1621.42 | 782 | 19% | 16% | 15.98% | 207.34% |
| 1999-2000 | 1509.97 | 1619.47 | 840 | 0.96% | (-) 0.12% | 11.26% | 192.79% |
| 2000-2001 | 763.31 | 914.57 | 976 | 49.45% | 43.53 | 8.45% | 93.71% |
| 2001-2002 | 1664.25 | 1875.16 | 1072(P) | 118.03% | 105.03% | 7.24% | 174.92% |
| 2002-2003 | 1882.62 | 2091.67 | 1153(Q) | 13.12% | 11.55% | 7.56% | 181.41% |

(P) Provisional; (Q) Quickly arrived at and hence not final figure; GDP – Gross Domestic Product

The Revenue Expenditure over the last five years is shown in the Bar chart below:



The overall increase in the Government's revenue receipt and revenue expenditure during 2002-2003 compared to 1998-99 have been Rs. 639.86 crores and Rs. 387.02 crores respectively was mainly due to increased revenue from State run lotteries during the year. Growth in major areas of Revenue Expenditure is shown in the following table:-

(Rupees in crore)

| Areas of expenditure | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 | Percentage increase in 2002-2003 over the year 1998-99 |
|---|-----------|-----------|-----------|-----------|-----------|--|
| Interest Payments and Servicing of Debt | 55.71 | 72.12 | 84.24 | 90.48 | 100.53 | 80% |
| Pension and Other Retirement Benefits. | 14.70 | 16.26 | 18.26 | 21.29 | 29.18 | 99% |
| Miscellaneous General Services | 978.44 | 979.08 | 223.95 | 1058.09 | 1173.48 | 20% |
| Administrative Services | 63.24 | 60.76 | 63.66 | 66.51 | 82.58 | 31% |
| Social Services | 212.21 | 196.27 | 192.49 | 226.67 | 238.74 | 13% |
| Agriculture and Allied Activities | 56.19 | 54.22 | 59.81 | 69.40 | 71.73 | 28% |
| Energy | 22.33 | 27.84 | 25.87 | 26.75 | 50.67 | 127% |
| Industries & Minerals | 6.70 | 6.47 | 8.33 | 7.58 | 22.46 | 235% |

Government Accounts

The total expenditure (Revenue and Capital) for the year is netted against total receipts (Revenue and non-debt Capital receipts) of the year and the surplus/deficit thereof is transferred to a separate ledger called "Government Account". In addition, net effect of Prior Period Adjustments, Miscellaneous Government Accounts, etc, is also transferred to the ledger "Government Account". Thus, the ledger "Government Account" represents the cumulative surplus/deficit of the operations of the Government.

The details of the ledger "Government Accounts" for the past five years are given below:

(Rupees in crore)

| Year | Revenue Heads | | | Capital Heads | | | Other Heads (#) | Deficit for the year | Cumulative deficit at the end of the year | | |
|----------|---------------|-----------------|------------|---------------|-----------------|-----------------|-----------------|----------------------|---|-----------|---|
| | 2 | | 3 | | | 4 | | | | 5 | 6 |
| | (a) | (b) | (c) | (a) | (b) | (c) | | | | (2c+3c+4) | |
| Receipts | Disbursements | Deficit/Surplus | Receipts | Disbursements | Deficit/Surplus | Deficit/Surplus | | | | | |
| 1998-99 | 1440.66 | 1495.60 | (-) 54.94 | ... | 91.76 | (-) 91.76 | ... | (-) 146.70 | (-) 554.39 * | | |
| 99-2000 | 1511.83 | 1509.97 | (+) 1.86 | ... | 94.34 | (-) 94.34 | ... | (-) 92.48 | (-) 646.87 | | |
| 2000-01 | 862.60 | 763.31 | (+) 99.29 | ... | 150.93 | (-) 150.93 | ... | (-) 51.64 | (-) 698.18 * | | |
| 2001-02 | 1807.18 | 1664.25 | (+) 142.93 | ... | 210.73 | (-) 210.73 | ... | (-) 67.80 | (-) 766.34 * | | |
| 2002-03 | 2080.52 | 1882.62 | (+) 197.90 | ... | 209.05 | (-) 209.05 | ... | (-) 11.15 | (-) 777.49 | | |

* Difference of Rs. 1.15 crore, 0.32 crore and Rs. 0.36 crore was due to proforma correction under M.H. 6004 and M.H. 6885 in the respective years.

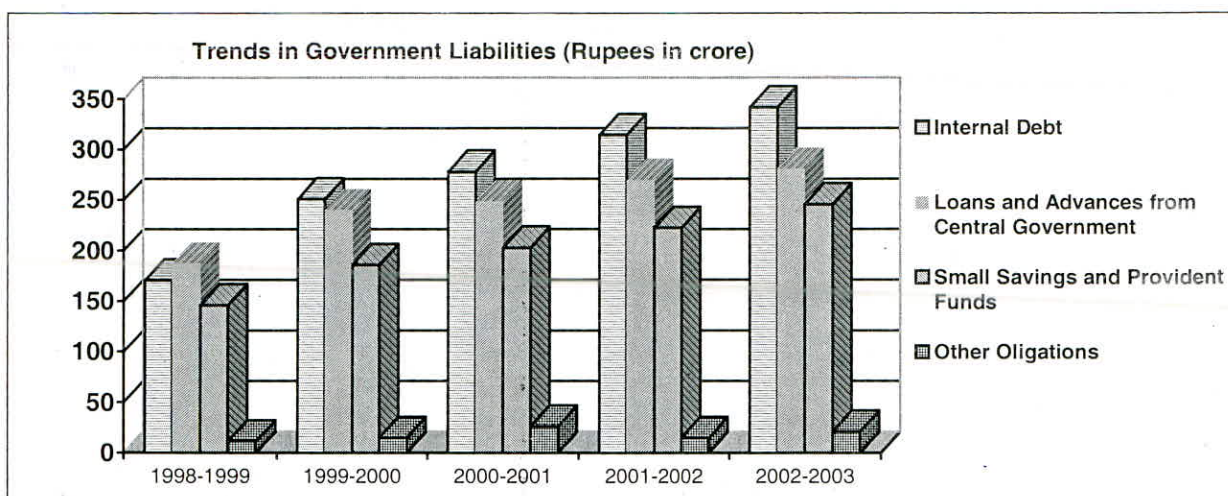
LIABILITIES

Liabilities of the State Government increased by Rs. 369.58 crore from Rs. 518.56 crore in 1998-99 to Rs. 888.14 crore during 2002-2003. Public debt comprising internal debt of the State Government and loans and advances from the Central Government increased by Rs. 264.20 crore from Rs. 357.92 crore in 1998-99 to Rs. 622.12 crore at the end of the current year. 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 fixed from time to time by the State Legislature. No such limit has been fixed by the State Legislature in respect of the State Government. Details of the Public Debt and total liabilities of the State Government are as under:

(Rupees in crore)

| Year | Internal Debt | Loans & Advances from Central Government | Total Public Debt | Small Savings Insurance and Pension fund | Provident Funds | Other Obligations | Total Liabilities* | GDP | % of total liability to GDP |
|-----------|---------------|--|-------------------|--|-----------------|-------------------|--------------------|----------|-----------------------------|
| 1998-1999 | 170.67 | 187.25 | 357.92 | 3.63 | 142.12 | 14.89 | 518.56 | 782 | 66.31% |
| 1999-2000 | 250.74 | 239.88 | 490.62 | 4.71 | 181.01 | 26.03 | 702.37 | 840 | 83.61% |
| 2000-2001 | 278.11 | 248.65 | 526.76 | 5.82 | 196.79 | 14.75 | 744.12 | 976 | 76.24% |
| 2001-2002 | 314.21 | 269.72 | 583.93 | 6.85 | 215.27 | 21.16 | 827.21 | 1072 (P) | 77.16% |
| 2002-2003 | 341.32 | 280.80 | 622.12 | 8.12 | 237.45 | 20.45 | 888.14 | 1153(Q) | 77.02% |

(P) Provisional; (Q) Quickly arrived at and hence not final figure.



STATE PROVIDENT FUND

The details of transactions from the State Provident Fund are shown in the following table:

(Rupees in crore)

| Year | Opening Balance | Receipts | Payments | Net accretion during the year | Closing Balance | Interest charged on balance of P.F |
|-----------|-----------------|----------|----------|-------------------------------|-----------------|------------------------------------|
| 1998-1999 | 57.32 | 94.11 | 9.31 | 84.80 | 142.12 | 12.14 |
| 1999-2000 | 142.12 | 55.51 | 16.62 | 38.89 | 181.01 | 20.00 |
| 2000-2001 | 181.01 | 51.19 | 35.41 | 15.78 | 196.79 | 19.36 |
| 2001-2002 | 196.79 | 57.59 | 39.11 | 18.49 | 215.27 | 19.50 |
| 2002-2003 | 215.27 | 61.90 | 39.72 | 22.18 | 237.45 | 19.00 |

* Figures includes interest accrued during the year.

STATE GOVERNMENT EMPLOYEES GROUP INSURANCE FUND

From the 1st January 1994 the State Government Employees Group Insurance Scheme has been introduced by the Government. The details of transactions for last five years from the insurance Fund are shown in the following table.

(Rupees in Crore)

| Year | Opening Balance | Receipts* | Payments | Net accretion for the year | Closing Balance | Interest charged on balance of Group Insurance Fund |
|-----------|-----------------|-----------|----------|----------------------------|-----------------|---|
| 1998-1999 | 2.84 | 0.99 | 0.20 | 0.79 | 3.63 | 0.26 |
| 1999-2000 | 3.63 | 1.30 | 0.22 | 1.08 | 4.71 | 0.56 |
| 2000-2001 | 4.71 | 1.43 | 0.32 | 1.11 | 5.82 | 0.59 |
| 2001-2002 | 5.82 | 1.35 | 0.32 | 1.03 | 6.85 | 0.54 |
| 2002-2003 | 6.85 | 1.66 | 0.39 | 1.27 | 8.12 | 0.84 |

* Figures include interest accrued during the year.

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, Co-operative Societies, etc. are given below:

(Rupees in crore)

| At the end of the year | Amount Guaranteed (Principal only) | Amount outstanding | |
|------------------------|---------------------------------------|--------------------|----------|
| | | Principal | Interest |
| 1998-1999 | Nil | 21.07 | N.A. |
| 1999-2000 | 0.50 | 21.57 | N.A. |
| 2000-2001 | 83.14 | 104.61 | N.A. |
| 2001-2002 | 1.17 | 95.70 | N.A. |
| 2002-2003 | 10.00 | 95.70 | N.A. |

N.A. – not available

WAYS AND MEANS ADVANCES

No agreement has so far been made by the State government with the Reserve Bank of India for the transaction of its banking business. As a result, no transactions (inter Government/State) are routed through the R.B.I. However, under a resolution made in the year 1968-69 with the State Bank of Sikkim (a State Undertaking), the Bank has been vested with the responsibility of receiving money on behalf of Government, making all Government payments and keeping custody of the balances of Government in current accounts as well as in fixed deposits that may be made through the branches of the Bank. For the purpose of meeting the resource gap the State Government takes Ways and Means Advances from the Government of India which is subsequently adjusted by Government of India while releasing grants-in-aid to the State Government.

The Ways and Means Advance drawn by the State Government from Government of India and its repayment/adjustment in the last five years are given below:-

(Rupees in crore)

| Year | Amount of Ways and Means advance drawn from Government of India | Repayment/Adjustment | Outstanding at the end of the year |
|-----------|---|----------------------|------------------------------------|
| 1998-1999 | 22.00 | 20.00 | 2.00 |
| 1999-2000 | 25.00 | 2.00 | 25.00 |
| 2000-2001 | NIL | 6.25 | 18.75 |
| 2001-2002 | NIL | 9.38 | 9.37 |
| 2002-2003 | NIL | 9.37 | NIL |

GENERAL CASH BALANCES

The cash balance with the Government increased from Rs. 90.43 crore at the beginning of the year 2002-2003 to Rs. 151.21 crore at its end, the details of sources and application of funds being as follows:

| Cash flow Statement for the year | | | (Rupees in crore) | | |
|----------------------------------|---|----------------|-------------------|---------------------------|----------------|
| SOURCES | | | APPLICATION | | |
| Sl. No | Items | Amount | Sl. No | Items | Amount |
| 1 | Opening cash balance | 90.43 | 1 | Revenue Expenditure | |
| | | | | Non-Plan | 1634.59 |
| | | | | Plan | 248.03 |
| | | | | Total | 1882.62 |
| 2. | State's share of Union Taxes | 77.20 | 2 | Capital Expenditure | |
| | | | | Non-Plan | |
| | | | | Plan | 208.99 |
| | | | | Total | 208.99 |
| 3. | State's own revenue collection | 1421.37 | 3 | Loans and Advances repaid | 32.65 |
| 4. | Central grants/assistance other than loans | 581.95 | 4 | Loans and Advances given | 0.06 |
| 5. | Miscellaneous receipts | - | 5 | Closing cash balance | 151.21 |
| 6. | Net Receipts from public debt, small savings, deposits and advances (Other than Central loans) | 51.46 | | | |
| 7. | Receipts from Central loans | 43.73 | | | |
| 8. | Recoveries from borrowers | 1.28 | | | |
| 9. | Net contribution from Contingency Fund | (-) 0.03 | | | |
| 10. | Net effect of adjustment of suspense and remittance balances & increase/decrease of Reserve Funds | 8.14 | | | |
| | Total | 2275.53 | | Total | 2275.53 |

Investments held in the Cash Balance Investment Account as on 31 March 2003 were 29.00 crore.

Other cash balances and investment comprising cash with departmental officers (Rs. – 0.20 crore), permanent advances with departmental officers (Rs. 0.38 crore) and investment of earmarked funds (Rs. 36.43 crore) as on 31 March 2003 were Rs. 36.61 crore. There is an unreconciled difference of Rs. 25.98 crore between State Bank of Sikkim and the Government Account.

CONTINGENCY FUND

Contingency Fund of the State with a corpus of Rs. 1.00 crore is designed to meet contingencies. The following details will indicate the extent of use of this Fund during the year:

| | (Rupees in crore) | | | | |
|---|-------------------|-----------|-----------|-----------|-----------|
| | 1998-99 | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 |
| Number of withdrawals from Contingency Fund | 4 | 5 | 5 | 3 | 2 |
| Total withdrawals from Contingency Fund (Rs. In crore) | 0.33 | 0.99 | 0.53 | 0.95 | 0.28 |
| Withdrawals from Contingency Fund as a percentage to total Budget provision | 0.02% | 0.06% | 0.05% | 0.08% | 0.01% |



Officers in the Office of the Accountant General (A&E), Sikkim, Gangtok, who may be contacted for detailed information on Accounts at a Glance

| Name and Designation of the Officer | Telephone Number | |
|--|------------------|--------|
| Shri A.W.K. Langstieh, Accountant General, Sikkim | Office | 222845 |
| | | 222643 |
| Shri B.K. Mukherjee, Deputy Accountant General (A&E), Sikkim | Residence | 222795 |
| | Office | 222458 |
| | Residence | 281255 |

