

**GOVERNMENT OF SIKKIM**

**ACCOUNTS AT A GLANCE**

**1998-99**

**SENIOR DEPUTY ACCOUNTANT GENERAL,  
(ACCOUNTS AND ENTITLEMENTS) SIKKIM**



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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, etc to the Sr. Deputy Accountant General (Accounts and Entitlements). Besides, the Finance Accounts and the Appropriation Accounts are prepared annually by the Sr. 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 therefrom, 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 1998-99 have recently been presented to the State Legislature. Audit report of the Comptroller and Auditor General of India for the year 1998-99 is being presented separately.

### **Finance Accounts**

Finance Accounts 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 debts and the liabilities and assets as worked out from the balances recorded in the accounts.

During 1998-99 total receipts amounted to Rs. 1593.08 crore comprising Rs.1440.66 crore revenue receipts (Rs. 46.76 crore Tax revenue), Rs. 1020.91 crore Non-Tax revenue and Rs. 372.99 crore Grants-in-aid and Contributions), and Rs. 152.42 crore capital receipts.

Disbursements during the year were Rs. 1588.44 crore. Rs. 1495.60 crore (94 %) on revenue account and Rs. 92.84 crore (6 %) on capital account.

The budgetary deficit for 1998-99 was estimated at Rs. 129.54 crore. However, the actual surplus worked out to Rs. 4.64 crore.

Budgetary surplus of Rs. 4.64 crore comprises revenue deficit of Rs.54.94 crore and surplus on capital account amounting to Rs. 59.58 crore.

### **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 4 charged Appropriations and 53 voted Grants.

Appropriation Acts, 1998-99 had projected for a gross expenditure of Rs. 1717.92 crore, including the Supplementary Grants totalling Rs. 78.28 crore, voted by State Legislature during the year. An amount of Rs. 10.35 crore was projected as recoveries in reduction of expenditure.

Appropriation Accounts 1998-99 show disbursements aggregating Rs. 1630.95 crore against the aggregate budget provision of Rs. 1717.92 crore, resulting in savings of Rs. 86.97 crore against Grants and Appropriations.

Recoveries in reduction of expenditure amounted to Rs. 9.51 crore reflecting a savings of Rs. 0.84 crore vis-à-vis budget estimates.

## CHAPTER-II

### HIGHLIGHTS OF ACCOUNTS

(Rupees in crore)

Sl. No		B.E 1998-99	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GDP
1.	Tax Revenue	41.25	46.76	113 %	**
2.	Non-Tax Revenue	1026.44	1020.91	99 %	
3.	Grants-in-aid & Contributions	335.15	372.99	111 %	
4.	Revenue Receipts (1+2+3)	1402.84	1440.66	103 %	
5.	Recovery of Loans & Advances	1.05	0.92	88 %	
6.	Other Receipts	-	-	-	
7.	Borrowings and other obligations (net)	141.73	151.50	107 %	
8.	Capital Receipts (5+6+7)	142.78	152.42	107 %	
9.	Total Receipts (4+8)	1545.62	1593.08	103 %	
10.	Non-Plan Expenditure (NPE)	1353.29	1336.91	99 %	
11.	NPE on Revenue Account	1352.07	1335.83	99 %	
12.	NPE on Interest Payments out of 11	60.67	52.47	86 %	
13.	NPE on Capital Account	1.22	1.08	89 %	
14.	Plan Expenditure (PE)	321.87	251.53	78 %	
15.	PE on Revenue Account	180.07	159.77	89 %	
16.	PE on Capital Account	141.80	91.76	65 %	
17.	Total Expenditure (10+14)	1675.16	1588.44	95 %	
18.	Revenue Expenditure (11+15)	1532.14 *	1495.60	98 %	
19.	Capital Expenditure (13+16)	143.02	92.84	65 %	
20.	Revenue Deficit (4-13 or 18-4)	129.30	54.94	42 %	
21.	Budgetary Surplus/Deficit (9-17 or 17-9)	(-129.54)	4.64		
22.	Fiscal Deficit (4+5+6-17) = (7+21)	271.27	146.86		

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

\*\* Comparison of actuals/budget provision with GDP could not be worked out due to non availability of GDP value from State Government for 1998 - 99.

#### Receipts and Disbursements

Total receipts during the year were Rs. 1593.08 crore, against which total disbursements were Rs. 1588.44 crore. The budgetary surplus was Rs. 4.64 crore which is more by Rs. 134.18 crore in comparison to the budget estimate.

The following table summarises the Accounts for 1998-99.

(Rupees in crore)

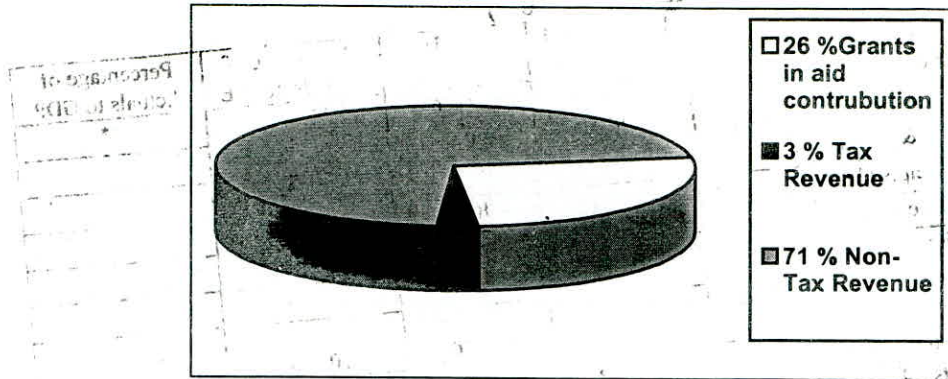
Total Receipts		1593.08	Total Disbursements		1588.44
Revenue Receipts	1440.66	90 %	Revenue Disbursements	1495.60	94 %
Capital Receipts	152.42	10 %	Capital Disbursements	92.84	6 %



## RECEIPTS

### Revenue Receipts

Gross Tax Revenue of Rs. 46.76 crore and Grants-in-aid and Contributions of Rs. 372.99 crore formed 3 percent and 26 percent respectively of the total Revenue Receipt. Major contributors to revenue were Non-Tax Revenues of Rs. 1020.91 crores comprising 71 percent of total Revenue Receipt. The ratio of Revenue Receipts is indicated in parenthesis.



Net tax receipts during the year were higher than the budget estimates by Rs. 5.51 crore, mainly on account of collection under Income Tax levied under state laws and Taxes on Property and Capital Transactions. The increase was partly off set by lower collection under Taxes on Commodities and Services.

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

### Revenue Receipts and Grants Aid and Contributions

(Rupees in crore)

Components	Actuals	Percentage to total Revenue Receipts
<b>A. Tax Revenue</b>	46.76	3.24 %
Taxes on Income and Expenditure *	18.33	1.27 %
Taxes on Property and Capital Transactions	0.63	0.04 %
Taxes on Commodities and Services	27.80	1.93 %
<b>B. Non-tax Revenue</b>	10,20.91	70.87 %
Interest Receipts, Dividends and Profits	1.49	0.11 %
General Services**	999.13	69.35 %
Social Services	0.95	0.07 %
Economic Services	19.34	1.34 %
<b>C. Grants-in-aid and Contributions ***</b>	372.99	25.89 %
<b>TOTAL-REVENUE RECEIPTS</b>	1440.66	100 %

\* Income Tax Act, 1961 has not been implemented in the State. Figures indicate the Taxes on income levied under State Laws (Sikkim).

\*\* Out of Rs. 999.13 Crores under General Services, Rs. 993.03 Crores pertains to the gross receipts under State Lotteries

\*\*\* Out of Rs. 372.99 Crores under C. Grants-in-aid and Contributions the scheme wise Grants contribution are detailed below :-



		(Rs in Crore)
(i)	Non – Plan Grants	22.31
(ii)	Grants for State Plan Schemes	218.28
(ii)	Grants for Central Plan Schemes	0.72
(iv)	Grants for Centrally Sponsored Plan Schemes	39.47
(v)	State's Share of Union Excise Duties	92.21
<b>Total</b>		<b>372.99</b>

### Capital Receipts

Compared to the budget estimates, there was an overall increase of Rs. 9.64 crore in Capital Receipts. This was mainly under borrowings under Internal debt and Loans and Advances from Central Government.

### DISBURSEMENTS

#### Revenue Disbursements

Revenue Disbursement (net) of Rs. 1495.60 Crores was 94 % of total disbursements of Rs. 1588.44 Crores. It was less of budget estimates by Rs. 36.54 crore (Rs.16.24 crore less under Non - Plan on Revenue account and Rs. 20.30 crore less under Plan on Revenue Account).

#### Capital Disbursements

Capital Disbursements were of Rs. 92.84 crores was 6% of total disbursement of Rs. 1588.44 crores. It was less of budget estimates by Rs. 50.18 crore due to less disbursement under Plan on capital account, (Rs. 50.04 crore), and Non - Plan Capital Account (Rs.0.14 crore).

#### Plan Disbursements

During the year 1998-99, Plan Disbursements were Rs. 251.53 crore (Rs. 159.77 crore on Revenue Account and Rs 91.76 crore on Capital Account).

#### Non-Plan Disbursements

Non - Plan Disbursements during 1998-99 were Rs. 1336.91 crore, consisting of Rs. 1335.83 crore under Revenue and Rs. 1.08 crore under Capital.

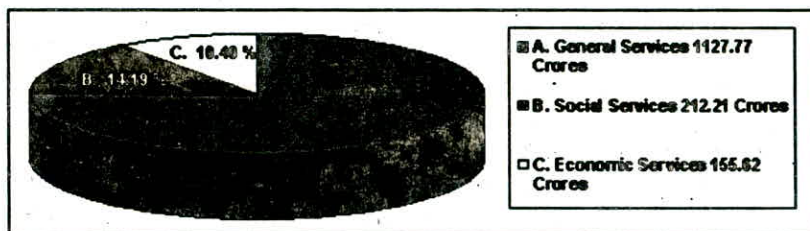
Sectoral distribution of expenditure and its percentage to total revenue expenditure is given below:-

**SECTORAL DISTRIBUTION OF EXPENDITURE AND ITS PERCENTAGE TO TOTAL REVENUE EXPENDITURE**

(Rupees in crore)

Components	Amount	Percentage to Total Revenue Expenditure
<b>A. General Services</b>	1127.77	75.41 %
(a) Organs of State	10.26	0.69 %
(b) Fiscal Services		
(i) Collection of Taxes on Income and Expenditure	0.39	0.03 %
(ii) Collection of Property and Capital Transaction	2.30	0.15 %
(iii) Collection of Taxes on Commodities and Services	2.73	0.18 %
(c) Interest Payment and Servicing of Debt.	55.71	3.72 %
(d) Administrative Services	63.24	4.23 %
(e) Pension and Miscellaneous General Services	993.14	66.40 %
<b>B. Social Services</b>	212.21	14.19 %
<b>C. Economic Services</b>	155.62	10.40 %
<b>TOTAL EXPENDITURE (REVENUE ACCOUNT)</b>	1495.60	

A pie chart showing the distribution of Expenditure in different sectors are as under :-



75.41 % of Revenue expenditure under General Services was mainly due to inclusion of gross transaction of State Lotteries under Pension and Miscellaneous General Services.

**TREND OF EXPENDITURE**

Trend of expenditure in some important sectors between 1994-95 and 1998-99 (5 years) is brought out below

**STATEMENT OF EXPENDITURE IN SELECTED SECTORS**

(Rupees in Crore)

Sector	1994-95	% to B.E	1995-96	% to B.E	1996-97	% to B.E	1997-98	% to B.E	1998-99	% to B.E
<b>A. Social Services</b>										
i) Education	38.93	6.17	45.45	4.37	54.97	4.25	57.73	3.85	109.30	6.36
ii) Health & Family Welfare	14.41	2.28	19.13	1.84	21.85	1.69	21.43	1.43	42.06	2.45



(Rupees in Crore)

Sector	1994-95	% to B.E	1995-96	% to B.E	1996-97	% to B.E	1997-98	% to B.E	1998-99	% to B.E
<b>B. Economic Services</b>										
i) Agriculture	10.73	1.70	13.88	1.33	13.86	1.07	13.75	0.92	18.65	1.09
ii) Rural Development	2.64	0.42	10.83	1.04	9.79	0.76	8.45	0.56	8.94	0.52
iii) Irrigation & Flood Control	3.15	0.50	3.89	0.37	6.60	0.51	4.43	0.30	6.45	0.38
iv) Power	32.59	5.16	43.81	4.21	46.29	3.58	49.13	3.27	56.25	3.27
v) Transport	14.59	2.31	15.59	1.50	16.82	1.30	17.55	1.16	18.25	1.06
vi) General Economic Services	1.12	0.18	1.52	0.15	2.05	0.16	1.69	0.11	2.77	0.16

## DEBTS AND LIABILITIES

Outstanding Public Debt at the end of 1998-99 was Rs. 357.92 crore, comprising internal debt of Rs. 170.67 crore, loans and advances from Central Government Rs. 187.25 crore and other liabilities accounted under Public Account Rs. 160.64 crore.

The State also acts as a banker and trustee in respect of deposits like small savings collections, provident funds and insurance deposits. There was an overall increase of Rs. 88.96 crore in respect of such liabilities of State Government during 1998-99.

Interest payments on debt and other liabilities totalling Rs. 52.47 crore constituted 3.51 % of revenue expenditure of Rs. 1495.60 crore. Interest payments on public debts were Rs. 40.08 crore (Internal debt Rs. 19.83 crore and loans and advances from Central Government Rs. 20.25 crore) and Rs. 12.39 crore on other liabilities. Expenditure on account of interest payments increased by Rs. 11.53 crore during 1998-99.

Internal debt of Rs. 42.00 crore raised during 1998-99 was mainly used for (i) discharge of debt obligations Rs. 4.65 crore and (ii) payments of interest Rs. 19.83 crore.

## INVESTMENTS AND RETURNS

Total investments as share capital in Statutory Corporation's, Companies, Bank (State Bank of Sikkim) and Co-operatives stood at Rs. 41.85 crore at the end of 31<sup>st</sup> March 1999. Dividends received during the year were Rs. 1.23 crore (i.e. 2.94 %) on total investment. During 1998-99, while investments in Statutory Corporation's, Companies, Bank (State Bank of Sikkim) and Co-operatives increased by Rs. 2.27 crore, there was a decrease in dividend income by Rs. 0.36 crore as compared with the previous year.



## LOANS AND ADVANCES BY THE STATE GOVERNMENT

Total loans and advances made by the State Government at the end of 1998-99 was Rs. 9.88 crore. During the year 1998-99 State Government had paid Loans and Advances amounting to Rs. 1.08 crore and recovered outstanding loans amounting to Rs. 0.92 crore. Information about arrears in recovery of Loans and Advances and interest has not been received from the Departmental Officers who maintain the detailed accounts thereof.

Total outstanding loans and advances to Government Corporations/Companies, non-Government Institutions, Local bodies, etc. at the end of 1998-99 was Rs. 2.98 crore. No recovery has so far been made during last five financial years.

## APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of Sikkim for the year 1998-99 present the accounts of sums expended in the year ended 31 March 1999, compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Articles 203. and 205 of the Constitution of India.

The Appropriation Accounts show that in the year 1998-99, there was gross expenditure of Rs. 1630.95 crore, comprising Rs. 1505.72 crore Revenue Expenditure, Rs. 91.76 crore Capital Expenditure, Rs. 32.99 crore Repayment of Debt, and Rs. 1.08 crore Loans and Advances by the State Government. There were savings under Revenue/Capital /Loans and Advances and excess under Public Debt with reference to total grants allocated by the State Legislature.

(In crore of Rupees)

Sl. No.	Nature of Expenditure	Original Grant	Supplementary grant	Total	Actual Expenditure	Savings (-) Excess (+)
1	Revenue Voted Charged	1419.77 66.83	55.49 0.40	1475.26 67.23	1446.35 58.77	(-) 28.91 (-) 8.46
2	Capital Voted Charged	119.41 -	22.39 -	141.80 -	91.76 -	(-)50.04 -
3	Public Debt Charged	32.41	-	32.41	32.99	(+)0.58
4	Loans and Advances Voted	1.22	-	1.22	1.08	(-) 0.14
	<b>Total Voted Charged</b>	<b>1540.40 99.24</b>	<b>77.88 0.40</b>	<b>1618.28 99.64</b>	<b>1539.19 91.76</b>	<b>(-) 79.09 (-) 7.88</b>

Details of persistent savings on few selected grants/appropriations are given below :-

**TREND OF EXPENDITURE ON SELECTED GRANTS SHOWING PERSISTENT SAVINGS**

GRANT NO/SECTION	YEARS	TOTAL ALLOCATION	PERCENTAGE OF SAVINGS
(Rupees in Crore)			
3. Administration of Justice (Revenue)	1994-95	0.64	9
	1995-96	1.04	11
	1996-97	1.05	12
	1997-98	1.21	21
	1998-99	1.84	9
17. Public Works (Capital)	1994-95	19.21	6
	1995-96	23.33	8
	1996-97	22.59	23
	1997-98	29.90	23
	1998-99	33.54	51
24. Medical & Public Health (Revenue)	1995-95	15.15	5
	1995-96	19.45	2
	1996-97	22.91	5
	1997-98	24.38	12
	1998-99	43.22	3
34. Crop Husbandry (Revenue)	1994-95	11.26	6
	1995-96	14.36	7
	1996-97	15.35	13
	1997-98	29.23	55
	1998-99	20.44	11
39. Forestry & Wild Life (Revenue)	1994-95	11.27	6
	1995-96	14.36	7
	1996-97	15.35	13
	1997-98	16.03	32
	1998-99	17.24	3
46. Industry (Capital)	1994-95	3.93	20
	1995-96	17.43	68
	1996-97	4.07	14
	1997-98	6.75	58
	1998-99	2.81	59

**RECONCILIATION OF ACCOUNTS**

Before the annual accounts are finalised, all the Heads of Departments and Controlling Officers are required to reconcile the departmental accounts figures with those booked by the Sr. Deputy Accountant General on quarterly basis in order to ensure that the figures as booked by the Sr. Deputy Accountant General are accurate. This also facilitates identification of errors, misclassification and proper budgetary/financial control of expenditure.

Till the end of third quarter's reconciliation during the year 1998-99, out of 48 controlling officers, only 18 of them reconciled their accounts while 8 of them reconciled



partially and 22 did not reconcile at all. Hence, there was delay in reconciliation of their accounts by nine months in respect of 30 departments. By the end of the fourth quarter, it was however, noticed that 47 departments reconciled their figures while one of them reconciled partially.

## **TREASURY INSPECTION**

Significant shortcomings have been noticed during treasury inspection carried out by the Office of the Senior Deputy Accountant General, Sikkim in September 1999 mainly relating to rendition of monthly accounts by the Chief Pay and Accounts Office (under the Administrative control of Finance Department). Delay in rendition of the monthly accounts during the year 1998-99 ranged from 15 days to 64 days. This was mainly due to centralisation of the compilation of Accounts in the Pay and Accounts office at Gangtok after collecting all supporting documents from three other districts.

Non recording of full and correct classifications in a number of the receipt and payment documents and some accounting errors were also noticed in rendition of the Monthly Accounts.

Some of the registers as prescribed in the Chief Pay and Accounts Office's Handbook were also found not being maintained by Chief Pay and Accounts Office as below :-

- (a) Register to interest bearing advances viz., House building, Motor car etc.
- (b) Department wise register for watching the recoveries of Festival Advances drawn by the Government Servants
- (c) Establishment payment check Registers
- (d) Register of Special Contingencies



## CHAPTER-III

### TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE

Trends in Government Revenue Receipts and Revenue Expenditure from 1994-95 to 1998-99 (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
1994-95	18.93	332.16	195.17	546.26	420.12	130 %
1995-96	27.28	626.73	287.20	941.21	518.46	181 %
1996-97	29.91	829.34	298.34	1157.59	617.02	187 %
1997-98	36.49	929.83	333.15	1299.47	N.A.	N.A.
1998-99	46.76	1020.91	372.99	1440.66	N.A.	N.A.

\* Figures indicated are provisional.

#### Revenue Expenditure

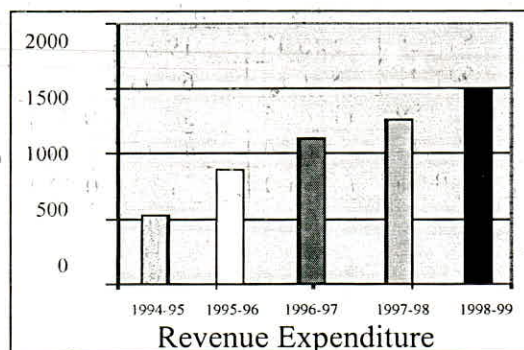
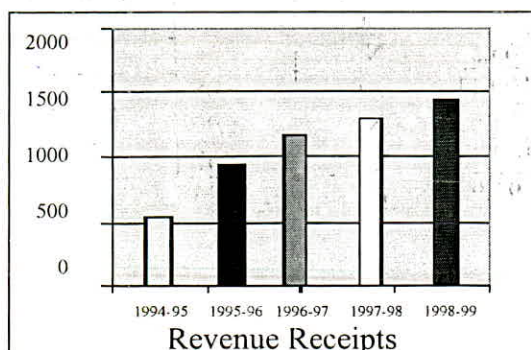
(Rupees in crore)

Year	Revenue Expenditure (Actuals)	Total Expenditure	**GDP	Percentage increase over previous year			Percentage of Government Expenditure to GDP
				Revenue Expenditure	Total Expenditure	GDP	
94-95	526.42	601.38	420.12	*178 %	*129 %	9 %	143 %
95-96	881.18	992.50	518.46	67 %	65 %	23 %	191 %
96-97	1118.86	1240.70	617.02	27 %	25 %	19 %	201 %
97-98	1258.19	1394.82	N.A.	12 %	12 %	N.A.	N.A.
98-99	1495.60	1621.42	N.A.	19 %	16 %	N.A.	N.A.

\* In pursuance of the Supreme Court verdict in April 1994 to bring all transactions relating to Sikkim State Lotteries under the purview of the Consolidated Fund of the State, the accounting procedure of State Lotteries underwent a change with effect from 06/05/1994. As such there were an abrupt increase both in the Revenue Receipt and Revenue Expenditure during the Financial year in comparisons with previous years

\*\* Figures indicated are provisional

The Revenue Receipts and Expenditure over the last five years is shown in the Bar chart as below



The overall increase in the Government's total expenditure during 1998-99 compared to 1994-95 has been Rs. 1020.04 crore. Growth in major areas of Revenue Expenditure is shown in the following table:

Areas of expenditure	1994-95	1995-96	1996-97	1997-98	1998-99	Percentage increase in 1998-99 over the year 1994-95
Interest Payments and Servicing of Debt	26.13	29.00	32.98	46.61	55.71	113 %
Pension and Miscellaneous General Services	309.57	595.75	796.48	893.24	993.14	221 %
Administrative Services	25.61	30.37	35.64	38.80	63.24	147 %
Social Services	74.96	105.50	124.92	143.45	212.21	183 %
Agriculture and Allied Activities	36.51	47.26	44.98	41.06	56.19	54 %
Rural Development	2.64	10.83	9.73	7.71	8.39	218 %
Power	10.67	13.34	15.57	18.01	22.33	109 %
Industries & Minerals	2.91	3.92	4.67	4.70	6.70	130 %

### Deficit/Surplus

The Budgetary deficit of Rs.32.38 crore in 1997-98 turned to a surplus of Rs. 4.64 crore in 1998-99. On the other hand the fiscal deficit increased from Rs.67.02 crore in 1997-98 to Rs.146.86 crore in 1998-99.

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 Account" for the past five years are given below.

(Rupees in crore)

Year	Revenue Heads			Capital Heads			Other Heads Deficit / Surplus	Deficit for the year	Cummulative Deficit/ Surplus at the end of the year
	Receipts	Disbursements	Deficit/ surplus	Receipts	Disbursements	Deficit			
94-95	546.26	526.42	19.84	2.16	67.70	65.54	Nil	45.70	
95-96	941.21	881.18	60.03	2.02	102.13	100.11	Nil	40.08	
96-97	1157.59	1118.86	38.73	0.76	95.39	94.63	Nil	55.90	
97-98	1299.47	1258.19	41.28	0.73	109.03	108.30	Nil	67.02	
98-99	1440.66	1495.60	(-) 54.94	0.92	92.84	91.92	Nil	146.86	



## LIABILITIES

Liabilities of the State Government increased by Rs. 267.65 crore from Rs. 250.91 crore in 1994-95 to Rs. 518.56 crore during 1998-99. Public debt comprising internal debt of the State Government and loans and advances from the Central Government increased by Rs. 151.73 crore from Rs. 206.19 crore in 1994-95 to Rs. 357.92 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 from time to time fixed 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 & Pension Fund)	Provident Funds	Other Obligations	Total Liabilities*	GDP	% of total liability to GDP
94-95	92.59	113.60	206.19	0.77	36.71	7.24	250.91	420.12	59.72
95-96	104.81	128.31	233.12	1.42	42.08	8.04	284.66	518.46	54.90
96-97	117.44	144.44	261.88	2.03	48.99	9.40	322.30	617.02	52.23
97-98	133.31	163.22	296.53	2.84	57.32	11.52	368.21	N.A.	N.A.
98-99	170.67	187.25	357.92	3.63	142.12	14.89	518.56	N.A.	N.A.

\*Small savings, Provident Funds, Non-interest bearing obligations such as deposits of Local Funds, Other earmarked funds, etc..

## 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 for the year	Closing Balance	Interest charged on balance of P.F
1994-95	31.71	11.12	6.12	5.00	36.71	3.95
1995-96	36.71	11.62	6.25	5.37	42.08	4.42
1996-97	42.08	13.83	6.91	6.92	48.99	5.15
1997-98	48.99	17.49	9.16	8.33	57.32	6.02
1998-99	57.32	94.11	9.31	84.80	142.12	12.14

## STATE GOVERNMENT EMPLOYEES GROUP INSURANCE FUND

From 1<sup>st</sup> January 1994 the State Government employees Group Insurance Scheme has been introduced by the Government. The details of transactions from the insurance Fund are shown in the following table. :



Year	Opening Balance	Receipts*	Payments	Net accretion for the year	Closing Balance	Interest Charged on balance of Group Insurance Fund
1994-95	0.13	0.67	0.03	0.64	0.77	0.05
1995-96	0.77	0.76	0.11	0.65	1.42	0.12
1996-97	1.42	0.81	0.20	0.61	2.03	0.19
1997-98	2.03	0.99	0.18	0.81	2.84	0.27
1998-99	2.84	0.99	0.20	0.79	3.63	0.26

\* Figure includes interest 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, Cooperative Societies, etc. is given below.

At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding (k.pees. in crore)	
		Principal	Interest
1994-95	3.83	3.83	N.A.
1995-96	NIL	3.83	N.A.
1996-97	10.00	13.83	N.A.
1997-98	8.05	21.78	N.A.
1998-99	NIL	21.07	N.A.

N.A. :- Not available

## WAYS AND MEANS ADVANCES

No agreement has so far been made by the State Government with 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 an agreement 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 Account 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 in the last three years are given below :-

Year	Amount of Way and Means advance drawn from Government of India	Repayment	Outstanding at the end of the year
1996-97	15.00	15.00	Nil
1997-98	15.00	15.00	Nil
1998-99	22.00	20.00	2.00

## GENERAL CASH BALANCES

The closing cash balance according to the State Bank of Sikkim was Rs 1.16 crore (credit) as at the end of 1998-99 against the general cash balance of Rs 17.52 crore (debit) reflected in State Govt. accounts. The difference of Rs. 16.36 crore was under reconciliation.

Investments held in the Cash Balance Investment Account as on 31<sup>st</sup> March 1999 was Rs. (-) 0.21 crore

Other cash balances and investment comprising cash with departmental officers (Rs3.26 crore), permanent advances with departmental officers (Rs 0.37 crore) and investment of earmarked funds (Rs0.46 crore) as on 31<sup>st</sup> March 1999 were at Rs. 4.09 crore.

## CONTINGENCY FUND

Contingency Fund of the State is designed to meet contingencies. The following table indicates the extent of use of this Fund during the year

(Rupees in crore)

	1994-95	1995-96	1996-97	1997-98	1998-99
Total withdrawals from Contingency Fund (Rs.)	0.05	0.10	0.15	1.12	0.33
Withdrawals from Contingency Fund as a percentage of the Fund provision.	10 %	20 %	30 %	1.12 %	33 %

## CALAMITY RELIEF FUND

In accordance with the recommendation of the 9<sup>th</sup> Finance Commission, Calamity Relief Fund has been constituted in the State of Sikkim for the purpose of meeting the expenditure on relief w.e.f., 01.04.1990 (i.e., from 1990-91 financial year) with the share of 75:25 % between Central Government and State Government. Though the Central Government contribution had been received by the State Government from 1990-91 onwards, only the transactions from 1993-94 onwards had been included in the accounts. Transactions from 1990-91 to 1992-93 was kept outside the Government Accounts due to non submission of accounts by the State Government to this office. Taking into account the transactions from 1993-94 onwards the balance credited in the calamity Relief Fund at the end of 31<sup>st</sup> March '99 was Rs. 2.28 crores. However, the actual amount credited into the Bank has not been intimated by the Government. The details position of the Fund in the last five years are given below :



(In crore of Rupees)

Year	Opening Balance	Receipt during the year.				Disbursement	Closing Balance	Interest realized on investment of the balances
		Central Contribution	State Contribution	Spl. Grants from Central Govt	Total Receipts			
94-95	Cr. 1.53	2.25	0.75	Nil	3.00	2.22	Cr. 2.31	Nil
95-96	Cr. 2.31	3.33	*2.57	Nil	5.90	5.66	Cr. 2.55	Nil
96-97	Cr. 2.55	3.53	1.18	Nil	4.71	4.68	Cr. 2.58	Nil
97-98	Cr. 2.58	3.73	1.24	**12.52	17.49	16.19	Cr. 3.88	Nil
98-99	Cr. 3.88	3.92	1.31	Nil	5.23	6.83	Cr. 2.28	Nil

\* Against the 25 % share of Rs. 1.11 crore State Government make excess provision of Rs. 1.46 crore during 1995-96.

\*\* Special Calamity grants from Central Government amounting to Rs. 5.52 crores for the year 1996-97 has been reflected in the account for the year 1997-98 by the State Government