



**GOVERNMENT OF SIKKIM
FINANCE, REVENUE AND EXPENDITURE
DEPARTMENT
GANGTOK**

**Half Yearly Review
Of the trends in Receipts and Expenditure
In relation to the Budget – 2013-14**

**To be presented before the Sikkim Legislative Assembly as required under sub
section (2) of section 7 of the
Sikkim Fiscal Responsibility and Budget Management Act, 2010 (15 of 2010)**

PART I
STATUTORY PROVISIONS CALLING FOR REVIEW.

As a measure to enforce compliance to The Sikkim Fiscal Responsibility and Budget Management, Act 2010, Section 7(2) of the Act, envisages the requirement of six monthly reviews. The provision of the said Act, is reproduced below:

Section 7(2)

The Minister –in-charge of the Department of Finance shall review every quarter, the trends in receipts and expenditure in relation to the budget, remedial measures to be taken to achieve the budget targets and every half year place before the Legislative Assembly the outcome of such reviews while placing a statement :-

- (a) any deviation in meeting the obligations cast on the Government under this ACT,
- (b) whether such deviation is substantial and relates to the actual or the pot-entail budgetary outcomes; and
- (c) the remedial measures the Government proposes to take.

Review document for the six month period April-September 2013 is presented herewith.

PART II

1 Introduction: Fiscal Policy Overview.

Implementing a rule based fiscal management system for deliverance of efficient public service, the Government adopted The Sikkim Fiscal Responsibility and Budget Management (FRBM) Act in the year 2010. The formulation of medium term fiscal plan (MTFP) to ensure fiscal stability and sustainability in a prudent manner is a mandate under the Act. The Medium Term Fiscal Plan statement presented in the Legislature along with the budget document 2013-14 has clearly stipulated the fiscal management principles, policy choices and fiscal stand enshrined in the Act. To ensure the fiscal stability and sustainability while providing efficient public service is the key feature of a growth oriented fiscal policy.. The fiscal management principles enshrined in the Act call for maintenance of certain fiscal parameters in form of fiscal indicators.

As a measure to enforce compliance to the Sikkim Fiscal Responsibility and Budget Management, Act 2010, the Minister in-charge of the department of Finance shall review every quarter, the trends in receipt and expenditure and achievements of targets in relation to the budget and every half year place before the Legislative Assembly the outcome of such reviews .

The assumptions with regard to the revenue augmentation and expenditure restructuring parameters adopted in the budget 2013-14 is on the basis on the data covering the period from 2004-05 to 2012-13 RE. The budget 2013-14 has assumed a nominal growth rate of 11.25 per cent of GSDP which is based on the GSDP growth path prescribed by the Thirteenth Finance Commission for Sikkim.

2 Fiscal Profile of Budget 2013-14.

The budget estimate 2013-14 is based on the Growth Rate of 11.25 percent which is the average Growth Rate of GSDP for the financial years from 2011-12 to 2014-15 prescribed by the 13th finance Commission, though the trend indicates the higher growth rate for Sikkim. The budget 2013-14 has assumed GSDP figure of 10396 crore in the line with the recommendation of Finance commission and the Ministry of Finance, Government of India. Though the expected growth rate of Taxes in Sikkim as envisaged in the 13th Finance Commission Report is 6.73 percent of GSDP , the Budget Estimate of 2013-14 has assumed the growth rate of Own Tax and Own Non Tax revenue at the rate of 4.09 and 3.06 per cent respectively . The assumption is based on the trend of growth in the preceding years. The Medium Term Fiscal Policy document 2013-14,- 2015-16 indicates only the net receipt as regards the revenue under State lottery. The expenditure under the state lottery has been excluded . However , the figure under Table II relating to Non Tax revenue is a consolidated one.

The Revenue Expenditure of government of Sikkim has been projected to be 31.24 percent to the GSDP which indicates marginal increase from the previous year. Similarly, the Capital Expenditure during the fiscal year is expected to stick to 12.74 percent which indicates slightly on the down trend. The projection of 3.0 per cent fiscal deficit relative to GSDP is according to the management principle enshrined in the Sikkim Fiscal Responsibility and Budget Management Act 2010. Budget Profile 2013-14 is shown under Table I

Table I
Budget Profile 2013-14
(As percentage to GSDP)

Revenue Receipts	40.98
Own Tax Revenue	4.09
Income Tax	0.00
Sales Tax	2.16
State Excise Duty	1.05
Motor Vehicle Tax	0.16
Stamp Duty and Registration	0.08
Other Taxes	0.64
Own Non Tax Revenue	3.06
Central Transfer	33.82
Tax Share	8.00
Grants	25.82
Revenue Expenditure	31.24
General Services	10.40
Interest Payment	1.99
Pension	2.73
Other General Services	5.68
Social Services	12.15
Education	5.96
Medical and Public Health	1.30
Other Social Services	4.89
Economic Services	8.16
Compensation and Assignment to LBs	0.53
Capital Expenditure	12.74
Capital Outlay	12.65
Net Landing	0.09
Revenue Deficit	-9.74
Fiscal Deficit	3.00
Primary Deficit	1.01
Outstanding Debt	29.90

Source : Medium Term Fiscal Plan for Sikkim 2013-14 – 2015-16

PART III

1 Revenue Profile:

1:1 Own Tax Revenue and Central Transfer.

The profile of the Total revenue including Own Tax Revenue and Central Transfer covering the review period is presented in Table- II

The state Own Tax Revenue constitutes 7.74 percent relative to the Budget Estimate and 4.09 per cent to GSDP. The sales tax (VAT) is the major source of own tax revenue. The realization of 43.26 per cent in the first half year is obviously a indication for improvement though not to the level of expected target . The receipt from excise duties is also a significant contributor to the *tax* kitty. Achievement of 48.56 per cent in the first half of the financial year is not up to the expected level. The shortcoming needs to be addressed . The Taxes on Vehicles under Sub sector Commodities and Services is one which has been consistently performing very well every year .The achievement of 54.36 percent by the mid of the financial year indicative of higher potential. The achievement of other two sectors “Stamp Duties and Other Taxes “ are the average performers. The performances of these sectors are public oriented as such the scope for any increasement is limited. The overall achievement of Own Tax Revenue in the first half of the Financial year is 46.26 percent . Given the present trend of realization of revenues in the first six months, the targets envisaged in the Budget Estimate may not be achieved which shall tend to upset the financial management principle for maintaining the Fiscal Deficit within the parameter of Fiscal Law accepted by the Government. The major share of the total revenue of the state government comes from the central transfers. This includes the share of the central taxes and the grants .Estimated amount of the central transfer including the Grant in the current financial year is 33.82 per cent relative to GSDP. Total receipt up to the review period is 37.82 percent which is far below the expected release by GOI.. Plausible reasons as in the past years may be due to failure in compliance of then conditions stipulated by the grantor. The problems needs to be addressed to achieve the budgetary targets.

Table –II
Own tax revenue and total Revenue Profile of First Six Months.
An overview.

(2013-14)		(Rupees in lakh)		
	<i>Items</i>	<i>B.E 2013-14</i>	<i>April-Sept.</i>	<i>% to budget</i>
1	Revenue (2+8+9)	425980.44	168569.55	39.57
2	Own Tax revenue(3+4+5+6+7)	42567.06	19694.26	46.26
3	Sales Tax	22500.00	9733.50	43.26
4	State Excise Duties	10900.00	5293.61	48.56
5	Motor vehicle Tax	1680.00	913.36	54.36
6	Stamp Duty and registration Fees	791.20	224.61	28.38
7	Other Taxes	6695.86	3529.38	52.70
8	Non Tax Revenue	31838.30	15883.53	49.89
9	Central Transfers (10+11)	35 1575.08	132991.76	37.82

10	Tax Devolution	83155.56	35645.13	42.86
11	Grants	268419.52	97346.63	36.26

1:2. Non –Tax Revenue.

The profile of the Non–Tax Revenue, in the first six months of the current financial year 2012-13 presented in Table III

Non Tax Revenue is an important source of revenue for the state as it constitutes 21.10 percent to the Budget Estimate 2013-14. Income from the power sector is quite significant in terms of constitution of non tax revenue pool which constitutes 34.56 per cent (after netting lottery's expenditure). However, the total realization up to the review period is only 49.89 percent . It calls for prudent mechanism to address the shortcomings to avoid the adverse impact on the financial resources of the state treasury. Although, the achievement of revenue under General Services is 62.44 percent against the projected/ estimated target, the inflow mostly relate to the reimbursement of salaries of Indian Reserve Battalion and contributions and recoveries of Pension and other retirement Benefits from the Government of India. Similarly , other prominent contributor to the non tax revenue is the state lotteries with annual target of 40 crore. The achievement as per the record is only 14.00 crore which constitute 35 percent only in the first half of the fiscal year. The Departments of Water supply and sanitation, Forest Environment & Wildlife Management, Public Works, who contribute a significant amount of revenues to the consolidated fund of the state have remained under performer as regards to the achievement of revenue target in the first half year of the fiscal year. The performances of the service oriented department like Printing and Stationary has not been encouraging. Realisation of revenue up to the review period is only 39.57 percent against the estimated target of `Rs 181.20 crore against the revenue expenditure of Rs 681.00 lakhs. The department should exercise the extra prudence to realize the pending dues and patronize the government works.

From the of Macro-economic prospectus , the state economy is mainly based on the service sector and the Tourism is the main dispenser. However the performance of the department in relation to the generation of revenue in the first half of the fiscal Year has been quite dismal by recording only 20.50 percent. The reasons may be multiple but the issues need to be addressed to maintain the fiscal balance. It is because to maintain the revenue account balance and to build up a revenue surplus for use in capital formation and productive expenditure is the Fiscal Management Principles and the target adopted by the government in FRBM Act, 2010.

The open tender system adopted by the Health Care, Human Services & Welfare Department for running the departmental stores in the ensuing year has paid a very encouraging dividend. The revenue realized under the Medical and Public Health in the first half year itself is more than the annual target. Aggregate achievement under the Social

Sector is 59.48 percent. It is obvious the trend is positive except the uptrend graph is due to the performance of the small departments whose impact on the general pool is miniscule and inconsistent..

Overall performances of the departments under Economic Sector in the first half of the financial year are 39.68 percent. The half yearly Civil Accounts of the current financial year indicates the positive trend of revenue of the sectors like Animal Husbandry, Fisheries and other Rural Development Programme .Poor achievement of revenue by the sectors like Crop Husbandry, Minor Irrigation and Village and small Industries are not positive indicators and tend to off set the fiscal balance in the resource pool. The concerned departments need to put the extra effort to reign the short comings to avoid the revenue imbalances

Overall achievement during the half yearly period is 39.57 per cent relative to the estimated target of total revenue receipt which comprise tax revenue of 46.26 per cent, non tax revenue 49.89 and central transfer including Grants in –aids for 37.82 per cent respectively. Achieving only 39.57 per cent by the end of September 2013 is not the positive indicator. Besides, the significant credit relates to the reimbursement of Pensions and salaries from the Government of India. This shall obviously tend have a negative impact on the balance of payment and may divert from the targets set in the fiscal parameter enshrined in the fiscal law. Therefore, all the departments who have under performed during the first six months will have to see that the estimated targets are achieved. Special efforts have to be made by the departments of Power and Energy, Commercial and Sales Tax and State Lotteries, Tourism, Crop Husbandry, Minor Irrigation and Village & Small Industries to achieve their targets which constitutes a major share of own state revenues.

Table -III

NON-TAX REVENUE (Rupees in lakh) 2013-14					
	A	GENERAL SERVICES	B.E	April-Sept.	Percentage to B.E
	0049	Interest Receipts	2885.00	2072.97	
	0050	Dividends and Profits	100.00	15.49	
	0051	Public Service commission	0.08	1.22	
	0055	Police	5029.31	3491.88	
	0056	Jails	0.03	0.96	
	0058	Stationary and Printing	181.20	71.66	
	0059	Public Works	445.67	125.07	
	0070	Other Adm. Service	429.32	862.51	
	0071	Contributions and Recoveries towards Pension and other Retirement Benefits.	495.01	444.53	
	0075	Misc. General Services. (77603.48) Gross	4000.02	1384.08	34.60
Total	A	GENERAL SERVICES	13565.64	8470.37	62.44
	B	SOCIAL SERVICES			
	0202	Edu, Sports, Art & Culture	169.40	47.32	
	0210	Medical and Public Health	127.00	148.46	
	0215	Water Supply and Sanitation	386.60	173.49	44.87
	0216	Housing	55.00	31.45	

	0217	Urban Development	48.85	51.20	
	0220	Information and Publicity	15.02	6.23	
	0230	Labors and Employment	14.40	30.56	
	0235	Social Security and Welfare	1.25	0.01	
	0250	Other Social Services	6.00	1.15	
Total	B	SOCIAL SERVICES	823.52	489.87	59.48
	C	ECONOMIC SERVICE			
	0401	Crop Husbandry	53.00	6.98	13.16
	0403	Animal Husbandry	51.97	44.43	
	0405	Fisheries	2.50	6.41	
	0406	Forest and Wildlife	1535.00	587.93	38.30
	0407	Plantation	350.00	100.00	
	0408	Food storage and Warehousing	7.00	6.27	
	0425	Co-operation	0.16	1.05	
	0515	Other Rural Dev. Programme	150.00	140.58	
	0702	Minor Irrigation	30.10	1.92	
	0801	Power	11010.00	3990.60	36.24
	0851	Village and small Industries	25.00	3.16	
	0852	Industries	40.01	46.51	
	0853	Non Ferrous Mining and Metallurgical Industries	17.00	7.77	
	1055	Roads Transport	3604.00	1861.48	51.65
	1452	Tourism	560.00	114.85	20.50
	1475	Other General Economic Services	13.50	3.35	
Total	C	ECONOMIC SERVICES	17449.14	6923.29	39.68
Total		NON TAX REVENUE	31838.30	15883.53	49.89

To improve the proper realization and to arrest the down trend of realization in the first half year, the Finance, Revenue and Expenditure Department has already held several meetings with the Departments and issued the instructions for tapping the loopholes. It is expected that the targets envisaged in the budget document shall be achieved by the end of the fiscal year.

PART IV

1 EXPENDITURE

1:1 Summary of Expenditure.

The slow trend of the expenditure in the first part of the financial year has remained a regular trend as it is reflective in the past years data. Substantial time is required for preparation of Action Plan for Operation (APOs). The compliance of procedural requirements which involves the preparation of the detail estimates, designs and specification and obtaining the approval of the Government are quite time consuming process. This obviously deter the timely execution of the government Plan in time. The delay in execution of the schemes in the first quarter of the financial year and resulting in to the slow trend of the expenditure especially in Capital Sector is a logical sequence. The average trend of expenditure in the Revenue Sectors is only 38.83 percent. Capital sector has remained at 20.67 percent Significant junk of progress is related to the payment of salaries. Otherwise, the expenditure in the first half of fiscal year is exponentially low. Causes for the slow pace of expenditure under these sectors are partially due to the delay in release of fund from Government of India as bigger part of the budget fall under the central transfer. As such, the fluctuating trend of expenditure, in the first half of the financial year as shown in the Table –IV is not an unusual feature which shall be regulated in the subsequent months.

Table IV

SUMMARY OF EXPENDITURE (2013-14 up to September 2013-14)

	Sectors	Budget Estimate			Expenditure	Percentage to B.E
		Plan	Non Plan	Total		
A	Revenue Account (1+2+3+4)	122429.77	288673.96	411202.73	159694.02	38.83
1	General Services	9314.39	172439.54	181852.93	58048.56	31.92
2	Social Services	60697.45	77240.10	137937.55	68585.25	49.72
3	Economic Services	52417.93	33483.48	85901.41	31591.03	37.77
4	Grants in Aid and Contribution.	00.00	5510.84	5510.84	1469.18	26.65
B	Capital Account (1+2+3)	130107.08		130107.08	26895.61	20.67
1	General Services	20406.61		20406.61	5123.82	25.10
2	Social Services	47560.89		47560.89	8844.81	18.59
3	Economic Services	62139.58		62139.58	12926.98	20.80

1:2 Revenue Expenditure.

The overall expenditure under Revenue Account is 38.83 percent and that of Capital sector has remained at lower figure of 20.67 percent of the total provision of then year. Expenditure profile of Revenue as well as of Capital Expenditure have been displayed in the Table V.

Table -V

REVENUE ACCOUNT (Rupees in lakh)							
			BUDGET ESTIMATE			EXPENDITURE	
		Heads of Accounts	2013-14				
			Plan	Non Plan	Total	Expenditure April-Sept.	Percentage to B.E
			B.E	B.E			
	A	<u>GENERAL SERVICES</u>					
	2011	Parliament/State/Union Territory Legislature	0.00	1296.86	1296.86	871.73	67.22
	2012	President, Vice President/Governor,	0.00	528.73	528.73	276.55	52.30
	2013	Council of Ministers	0.00	1100.58	1100.58	584.71	53.13
	2014	Administration of Justice	0.00	2708.41	2708.41	1104.49	40.78
	2015	Elections	0.00	716.91	716.91	402.27	56.11
	2020	Collection of Taxes on Income & Expenditure	0.00	112.95	112.95	59.90	53.03
	2029	Land Revenue	0.00	1360.41	1360.41	726.84	53.43
	2039	State Excise	0.00	483.30	483.30	282.45	58.44
	2040	Taxes on Sales, Trade etc.	403.00	460.29	863.29	399.49	46.28
	2041	Taxes on Vehicles	0.00	190.19	190.19	114.67	60.29
	2045	Other Taxes & Duties on Commodities & Services	0.00	4705.21	4705.21	63.06	1.34
	2048	Appropriation for reduction or avoidance of debt	0.00	1200.00	1200.00	1200.00	100.00
	2049	Interest Payments	0.00	20671.79	20671.79	7018.11	33.95
	2051	Public Services Commission	0.00	270.28	270.28	147.19	54.46
	2052	Secretariat -General Services	100.00	3138.95	3238.95	1797.72	55.50
	2053	District Administration	0.00	985.40	985.40	596.58	60.54
	2054	Treasury and Accounts Administration.	144.00	1406.93	1550.93	711.24	45.86

	2055	Police	753.00	23238.38	23991.38	12253.25	51.07
	2056	Jails	0.00	525.61	525.61	289.85	55.15
	2058	Stationery and Printing	177.00	503.96	680.96	386.42	56.75
	2059	Public Works	3971.56	1503.00	5474.56	2208.51	40.34
	2070	Other Administrative Services	3864.83	2359.92	6224.75	2424.01	38.94
	2071	Pensions and Other Retirement Benefits	0.00	28356.92	28356.92	12740.84	44.93
	2075	Miscell. General Services	0.00	74614.56	74614.56	11388.67	15.26
Total	A	GENERAL SERVICES	9413.39	172439.54	181852.93	58048.55	31.92
	B	<u>SOCIAL SERVICES</u>					
	2202	General Education	22376.37	39496.46	61872.83	38266.25	61.85
	2203	Technical Education	49.36	0.00	49.36	25.55	51.76
	2204	Sports and Youth Services	594.11	209.22	803.33	324.88	40.44
	2205	Art and Culture	376.00	390.19	766.19	390.88	51.02
	2210	Medical and Public Health	4767.55	8726.03	13493.58	7246.86	53.71
	2211	Family Welfare	1450.09	0.00	1450.09	838.36	57.81
	2215	Water Supply & Sanitation	963.29	1291.07	2254.36	1119.80	49.67
	2216	Housing	14892.00	579.47	15471.47	4191.97	27.09
	2217	Urban Development	3614.01	604.00	4218.01	661.55	15.68
	2220	Information and Publicity	1040.99	378.50	1419.49	501.16	35.31
	2225	Welfare of S/C, S/T and Other Backward classes.	2866.52	449.10	3315.62	660.29	19.91
	2230	Labour & Employment	472.00	330.24	802.24	275.35	34.32
	2235	Social Security & Welfare	4616.83	763.24	5380.07	1844.80	34.28
	2236	Nutrition	804.25	110.72	914.97	502.66	54.94
	2245	Relief on Account of Natural Calamities	14.07	22034.75	22048.82	11174.09	50.68
	2250	Other Social Services	1800.00	1838.36	3638.36	531.30	14.60
	2251	Secretariat- Social Services	0.01	38.75	38.76	29.49	76.08
Total	B	SOCIAL SERVICES	60697.45	77240.10	137937.55	68585.25	49.72
	C	<u>ECONOMIC SERVICES</u>					
	2401	Crop Husbandry	2546.99	2974.76	5521.75	2493.24	45.15
	2402	Soil & Water Conservation	83.20	646.05	729.25	402.89	55.25
	2403	Animal Husbandry	1428.59	2112.56	3541.15	1635.35	46.18
	2404	Dairy Development	191.11	55.24	246.35	81.02	32.89
	2405	Fisheries	40.34	395.16	435.50	260.10	59.72

	2406	Forestry & Wild Life	10036.57	2672.04	12708.61	2929.32	23.05
	2407	Plantations	40.00	435.00	475.00	214.00	45.05
	2408	Food, Storage & Warehousing	935.72	1788.61	2724.33	825.42	30.30
	2425	Co-operation	225.31	902.77	1128.08	575.18	50.99
	2435	Other Agricultural Programmes	3868.01	0.00	3868.01	185.37	4.79
	2501	Special Programmes for Rural Development	2119.00	0.00	2119.00	1336.63	63.08
	2505	Rural Employment	615.00	0.00	615.00	375.00	60.98
	2506	Land Reforms	200.00	0.00	200.00	73.92	36.96
	2515	Other Rural Development Programmes	5935.06	215.21	6150.27	2504.87	40.73
	2575	Other Special Area Programmes	100.00	0.00	100.00	15.20	15.20
	2702	Minor Irrigation	13988.46	326.05	14314.51	1019.33	7.12
	2711	Flood Control & Drainage	200.00	10.00	210.00	199.96	95.22
	2801	Power	3019.99	8077.55	11097.54	7789.60	70.19
	2810	Non-Conventional Sources of Energy	108.00	0.00	108.00	50.00	46.30
	2851	Village and Small Industries	974.64	744.00	1718.64	1021.20	59.42
	2852	Industries	668.64	40.00	708.64	237.76	33.55
	2853	Non-ferrous Mining & Metallurgical Industries	159.60	227.72	387.32	200.55	51.78
	3054	Roads and Bridges	2254.00	6193.29	8447.29	3373.33	39.93
	3055	Road Transport	433.00	3533.63	3966.63	2209.36	55.70
	3425	Other Scientific Research	174.00	0.00	174.00	84.94	48.82
	3435	Ecology and Environment	93.95	1221.73	1315.68	314.31	23.89
	3451	Secretariat-Economic Services	595.61	57.00	652.61	233.80	35.83
	3452	Tourism	688.80	507.96	1196.76	583.54	48.76
	3454	Census Surveys & Statistics	489.16	197.80	686.96	280.63	40.85
	3456	Civil Supplies	0.00	57.59	57.59	27.43	47.63
	3475	Other General Economic Services	205.18	91.76	296.94	57.78	19.46
Total	C	ECONOMIC SERVICES	52417.93	33483.48	85901.41	31591.03	36.78
	D	<u>GRANTS IN AID & CONTRIBUTION</u>					
	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	0.00	5510.84	5510.84	1469.18	26.66
Total	D	GRANTS IN AID & CONTRIBUTION	0.00	5510.84	5510.84	1469.18	26.66
TOTAL		A+B+C+D	122528.77	288673.96	411202.73	159694.04	38.83

SECTOR	I	CAPITAL ACCOUNT OF GENERAL SERVICES					
	4055	Capital Outlay of Police	1465.00	0.00	1465.00	210.55	14.37
	4059	Capital Outlay on Public Works	18941.61	0.00	18941.61	4913.27	25.94
Total	I	CAPITAL ACCOUNT OF GENERAL SERVICES	20406.61	0.00	20406.61	5123.82	25.10
SECTOR	II	CAPITAL ACCOUNT OF SOCIAL SERVICES					
	4202	Capital Outlay on Education, Sports, Art and Culture	7518.48	0.00	7518.48	219.19	2.92
	4210	Capital Outlay on Medical and Public Health	10764.87	0.00	10764.87	4462.27	41.45
	4215	Capital Outlay on Water Supply and Sanitation	5804.15	0.00	5804.15	1260.17	21.71
	4216	Capital Outlay on Housing	923.21	0.00	923.21	798.95	86.54
	4217	Capital Outlay on Urban Development	21045.12	0.00	21045.12	1538.77	7.31
	4225	Capital Outlay on Welfare of SC, ST & OBC	535.48	0.00	535.48	25.00	4.67
	4235	Capital Outlay on Social Security & Welfare	969.58	0.00	969.58	540.46	55.74
Total	II	CAPITAL ACCOUNT OF SOCIAL SERVICES	47560.89	0.00	47560.89	8844.81	18.60
SECTOR	III	CAPITAL ACCOUNT OF ECONOMIC SERVICES					
	4401	Capital Outlay on Crop Husbandry	94.00	0.00	94.00	35.79	38.07
	4403	Capital Outlay on Animal Husbandry	273.53	0.00	273.53	69.90	25.55
	4405	Capital Outlay on Fisheries	370.28	0.00	370.28	0.09	0.02
	4425	Capital Outlay on Co-operation	327.00	0.00	327.00	27.00	8.26
	4435	Capital Outlay on other Agricultural Programmes	40.00	0.00	40.00	31.97	79.93
	4515	Capital Outlay on other Rural Development Programmes	2711.29	0.00	2711.29	743.95	27.44
	4575	Capital Outlay on other Special Areas Programmes	1900.00	0.00	1900.00	132.68	6.98
	4711	Capital Outlay on Flood Control Projects	469.49	0.00	469.49	54.36	11.58
	4801	Capital Outlay on Power Projects	4579.57	0.00	4579.57	512.44	11.19
	5054	Capital Outlay on Roads & Bridges	34999.67	0.00	34999.67	10661.85	30.46
	5055	Capital Outlay on Road Transport	200.00	0.00	200.00	49.90	24.95
	5452	Capital Outlay on Tourism	16174.75	0.00	16174.75	607.06	3.75

Total	III	CAPITAL ACCOUNT OF ECONOMIC SERVICES	62139.58	0.00	62139.58	12926.99	20.80
TOTAL		I+II+III	130107.08	0.00	130107.08	26895.62	20.67

1:3 Capital Expenditure.

The overall expenditure in the Capital sector is only 20.67 percent which constitute 12.74 percent of the State Gross Domestic Product (GSDP).. The Capital expenditure is usually met from the borrowed sources and meant for creating material asset for sustainable development of the state. Timely implementation of the scheme with planned strategy is paramount importance. As the schemes being at implementing stage, the expenditure have not been accounted for in the civil accounts which tend to indicate the low trend of expenditure in the first half yearly report. The low trend of expenditure in the table shall obviously be obviated as and when the final completion of the scheme is achieved.

PART V

Guarantees Given by the State Government

One of the fiscal management principles envisaged in the Sikkim Fiscal Responsibility and Budget Management Act 2010 is to manage the guarantees at sustainable level. As per the Sikkim Government Guarantee Act 2000 the ceiling on total outstanding Government guarantee in a year is restricted to three times of the State's tax revenue receipts of the second preceding year. The outstanding sums guaranteed by the State Government as on the date of review is within the permissible limit prescribed by the Guarantee Act-2000.

PART VI

As per the Sikkim Fiscal Responsibility and Budget Management Act, 2010, Read with Sikkim Fiscal Responsibility and Budget Management (Amendment) Act, 2011, the prudent and the sustainable debt management consistent with the fiscal stability and sustainability through limits on state Government's borrowings, including off budget borrowings is one of the Fiscal Management Principles to be adopted by the State Government. Maximum debt stock as per centum of Gross State Domestic Product (GSDP) as on the end of fiscal year 2013-14 is 58.8 . In conformity with the targets recommended by Thirteenth Finance Commission , the Ministry of Finance , Government of India , calculated the incremental borrowings during the fiscal year to 3.00 percent of GSDP. Accordingly the Budget 2013-14 has assessed the resources for its Annual Plan 2013-14 to Rs 312. Crore. A statement based on the Civil Accounts (September 2013) containing the details of Borrowings is depicted under Table VI.

Table VI
PUBLIC DEBT INCLUDING SMALL SAVING, PROVIDENT FUND.

Rupees in (lakh) Up to 30.9.2013)

Heads of Accounts		Receipt	Payment	Balance.
6003	Internal Debt of the State Government	6380.83	3133.60	3247.23
6004	Loans & Advances from Central Govt.	90.17	384.43	-294.26
7610	Loans and Advances.	10.21	29.60	-19.39
Total	Public Debt	6481.21	3547.63	2933.58
8009	State Provident Fund.	10676.53	10989.00	-312.47
8011	Insurance and Pension fund.	147.36	86.02	61.63
Total		17305.10	14622.65	2682.45

Against the targeted Fiscal Deficit of 3 percent of GSDP, prescribed by the Finance Ministry, Government of India, in consonance with the Fiscal Law adopted by the State Government, the borrowings undertaken is only 0.25 percent relative to GSDP. (GSDP 1039600 lakhs). Given the trend of the borrowings in the first half year, the State government shall be well within the fiscal parameter during the year.