



**GOVERNMENT OF SIKKIM  
FINANCE, REVENUE & EXPENDITURE DEPARTMENT  
FINANCE COMMISSION DIVISION**

**HALF YEARLY REVIEW OF THE  
TRENDS IN RECEIPTS AND  
EXPENDITURE IN RELATION TO  
BUDGET 2014-15**

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

## **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 potential budgetary outcomes; and
- (c) the remedial measures the Government proposes to take.

Review document for the six month period April-September 2014 is presented herewith.

## PART II

### **1 Introduction: Fiscal Policy Overview.**

For the purpose of implementing a rule based fiscal management system for deliverance of efficient public service, the State 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 2014-15 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 2014-15 is on the basis of data covering the period from 2004-05 to 2013-14 RE. The budget 2014-15 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 2014-15.**

The budget estimate 2014-15 4 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 13<sup>th</sup> finance Commission, though the trend indicates the higher growth rate for Sikkim. The budget 2014-15 has assumed GSDP figure of Rs.12232 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 13<sup>th</sup> Finance Commission Report is 6.75 percent of GSDP , the Budget Estimate of 2014-15 has assumed the growth rate of Own Tax and Own Non Tax revenue at the rate of 4.10 and 2.80 per cent respectively . The assumption is based on the trend of growth in the preceding years. The Medium Term Fiscal Policy document 2014-15 to 2016-17 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 33.40 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 13.40 percent which indicates slightly increase as compared to previous year. 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 2014-15 is shown under Table I

**Table I**  
**Budget Profile 2014-15**

( As percentage to GSDP)

1	<b>Revenue Receipts (2+9+10)</b>	<b>43.8</b>
2	<b>Own Tax Revenue(3+4+5+6+7+8)</b>	4.1
3	Income Tax	0.0
4	Sales Tax	2.1
5	State Excise Duty	1.0
6	Motor Vehicle Tax	0.2
7	Stamp Duty and Registration	0.1
8	Other Taxes	0.7
9	<b>Own Non Tax Revenue</b>	<b>2.8</b>
10	<b>Central Transfer (11+12)</b>	36.9
11	Tax Share	7.8
12	Grants	29.1
13	<b>Revenue Expenditure</b>	<b>33.4</b>
14	<b>General Services (15+16+17)</b>	<b>10.0</b>
15	Interest Payment	2.0
16	Pension	2.7
17	Other General Services	5.3
18	<b>Social Services (19+20+21)</b>	<b>12.3</b>
19	Education	6.3
20	Medical and Public Health	2.3
21	Other Social Services	3.8
22	<b>Economic Services</b>	<b>10.6</b>
23	<b>Compensation and Assignment to LBs</b>	<b>0.5</b>
24	<b>Capital Expenditure</b>	<b>13.4</b>
25	Capital Outlay	13.2
26	Net Lending	0.2
27	<b>Revenue Deficit (13-1)</b>	<b>-10.4</b>
28	<b>Fiscal Deficit (13+24-1)</b>	<b>3.0</b>
29	<b>Primary Deficit (28-15)</b>	<b>1.1</b>
30	<b>Outstanding Debt</b>	<b>28.3</b>

Source : Medium Term Fiscal Plan for Sikkim 2014-15 to 2016-17

## 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's Own Tax Revenue constitutes 9.28 percent relative to the Budget Estimate and 4.10 per cent to GSDP. The sales tax (VAT) is the major source of own tax revenue. The realization of 44.78 per cent in the first half year is obviously an indication for improvement though not to the level of expected target. The receipt from Excise Duty is also a significant contributor to the *State Own Tax Revenue*. Achievement of 48.01 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 but for the year 2014-15 it has shown some decline. The achievement of 48.99 percent (as compared to 54.36 percent during the same period during 2013-14) by the mid of the financial year is not as expected. The achievement of other two sectors "Stamp Duties and Other Taxes" are the average performers. The performances of these sectors are public oriented and as such the scope for any increase is limited. The overall achievement of Own Tax Revenue in the first half of the Financial year is 43.77 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 36.90 per cent relative to GSDP. Total receipt up to the review period is 28.82 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 the 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( 2014-15) (Rupees in lakh)**

	<i>Items</i>	<i>B.E 2014-15</i>	<i>April-Sept. 2014</i>	<i>% to budget</i>
1	<b>Revenue (2+8+9)</b>	<b>536207.36</b>	<b>164535.88</b>	<b>30.69</b>
2	<b>Own Tax revenue(3+4+5+6+7)</b>	<b>49739.35</b>	<b>21770.42</b>	<b>43.77</b>
3	Sales Tax	25944.70	11618.08	44.78
4	State Excise Duties	12093.00	5806.32	48.01
5	Motor vehicle Tax	1881.60	921.71	48.99
6	Stamp Duty and registration Fees	770.46	395.80	51.37
7	Other Taxes	9049.59	3028.51	33.47
8	<b>Non Tax Revenue</b>	<b>34768.48</b>	<b>12590.35</b>	<b>36.21</b>
9	<b>Central Transfers (10+11)</b>	<b>451699.53</b>	<b>130175.11</b>	<b>28.82</b>
10	Tax Devolution	95614.30	39889.41	41.72
11	Grants	356085.23	90285.70	25.36

Source: Civil Accounts for Sept,2014

## **1:2. Non –Tax Revenue.**

The profile of the Non–Tax Revenue, in the first six months of the current financial year 2014-15 presented in Table III

Non Tax Revenue constitutes 2.80 percent to the GSDP. Income from the power sector is quite significant in terms of constitution of non tax revenue pool which constitutes 34.80 per cent (after taking net of lottery expenditure). However, the total realization up to the review period is only 39.37 percent . It calls for prudent mechanism to address the shortcomings to avoid the adverse impact on the financial resources of the state treasury. The achievement of revenue under General Services is 36.73 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 36.00 crore. The achievement as per the record is only 2.17 crore which constitute 6 percent only in the first half of the fiscal year which is very poor. 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 42.31 percent against the estimated target of Rs.189.56 crore against the revenue expenditure of Rs 800.00 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 Tourism Department in relation to the generation of revenue in the first half of the fiscal Year has not been very promising by recording only 38.61 percent. The reasons may be multiple but the issues need to be addressed to maintain the fiscal balance. It is to maintain the revenue account balance and build up a revenue surplus for use in capital formation and productive expenditure that are the pillars of 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 has paid a very encouraging dividend during the last financial year. The revenue realized during 2013-14 under the Medical and Public Health in the first half year itself was more than the annual target. However, during the current year, the revenue realization under Health has seen a dip in relation to the target set. Aggregate achievement under the Social Sector is 49.02 percent.

Overall revenue achievement of the departments under Economic Sector in the first half of the financial year is 35.22 percent. The half yearly Civil Accounts of the current financial

year indicates the positive trend of revenue in the sectors like Animal Husbandry, Food Storage and Warehousing and Co-operation. However, the revenue size of these departments is very small to make any remarkable effect. Achievement of revenue by the sectors like Crop Husbandry, Minor Irrigation, Forest & Wildlife, Power and Village and Small Industries are not positive indicators and tend to offset 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 30.69 per cent relative to the estimated target of total revenue receipt which comprise tax revenue of 43.77 per cent, non tax revenue of 36.21 percent and central transfer including Grants in –aids for 28.82 per cent. Achieving only 30.69 per cent by the end of September 2014 is not a positive indicator. Besides, the significant credit relates to the reimbursement of Pensions and salaries from the Government of India. This shall obviously tend to 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 underperformed 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 , State Lotteries, Tourism, Crop Husbandry, Water Supply & Sanitation, Forest and Road Transport to achieve their targets which constitutes a major share of own state revenues.

**Table -III**

<b>NON-TAX REVENUE (Rupees in lakh) 2014-15</b>					
<b>Revenue Head</b>			<b>Budget Estimate 2014-15</b>	<b>Receipt upto April-Sept 2014</b>	<b>Percentage to B.E</b>
	<b>A</b>	<b>GENERAL SERVICES</b>			
	<b>0049</b>	<b>Interest Receipts</b>	3105.00	3005.26	96.79
	<b>0050</b>	<b>Dividends and Profits</b>	150.00	0.00	0
	<b>0051</b>	<b>Public Service commission</b>	1.00	12.67	1267
	<b>0055</b>	<b>Police</b>	5532.28	596.13	10.78
	<b>0056</b>	<b>Jails</b>	0.20	0.00	0
	<b>0058</b>	<b>Stationary and Printing</b>	189.56	80.21	42.31
	<b>0059</b>	<b>Public Works</b>	567.96	142.13	25.02
	<b>0070</b>	<b>Other Adm. Service</b>	1024.81	1159.16	113.11
	<b>0071</b>	<b>Contributions and Recoveries towards Pension and other Retirement Benefits.</b>	500.01	176.35	35.27
	<b>0075</b>	<b>Misc. General Services.(78723.50) Gross</b>	3600.02	216.51	6.01
<b>Total</b>	<b>A</b>	<b>GENERAL SERVICES</b>	<b>14670.84</b>	<b>5388.42</b>	<b>36.73</b>
	<b>B</b>	<b>SOCIAL SERVICES</b>			
	<b>0202</b>	<b>Edu, Sports, Art &amp; Culture</b>	134.10	50.64	37.76
	<b>0210</b>	<b>Medical and Public Health</b>	250.00	123.39	49.36
	<b>0215</b>	<b>Water Supply and Sanitation</b>	390.60	141.68	36.27
	<b>0216</b>	<b>Housing</b>	55.00	28.48	51.78

	<b>0217</b>	Urban Development	34.50	55.21	160.03
	<b>0220</b>	Information and Publicity	15.02	6.14	40.88
	<b>0230</b>	Labors and Employment	10.00	33.30	333
	<b>0235</b>	Social Security and Welfare	1.25	0.14	11.2
	<b>0250</b>	Other Social Services	6.00	0.44	7.33
<b>Total</b>	<b>B</b>	<b>SOCIAL SERVICES</b>	<b>896.47</b>	<b>439.42</b>	<b>49.02</b>
	<b>C</b>	<b>ECONOMIC SERVICES</b>			
	<b>0401</b>	Crop Husbandry	91.00	14.25	15.66
	<b>0403</b>	Animal Husbandry	90.01	51.96	57.73
	<b>0405</b>	Fisheries	8.00	2.74	34.25
	<b>0406</b>	Forest and Wildlife	1535.00	571.04	37.2
	<b>0407</b>	Plantation	500.00	0.00	0
	<b>0408</b>	Food storage and Warehousing	7.00	7.20	102.86
	<b>0425</b>	Co-operation	0.16	0.55	343.75
	<b>0515</b>	Other Rural Dev. Programme	150.00	73.30	48.87
	<b>0702</b>	Minor Irrigation	30.00	0.52	1.73
	<b>0801</b>	Power	12110.00	4767.77	39.37
	<b>0851</b>	Village and small Industries	25.00	10.71	42.84
	<b>0852</b>	Industries	58.00	10.54	18.17
	<b>0853</b>	Non Ferrous Mining and Metallurgical Industries	8.00	6.82	85.25
	<b>1055</b>	Roads Transport	4300.00	1132.72	26.34
	<b>1452</b>	Tourism	280.00	108.10	38.61
	<b>1475</b>	Other General Economic Services	9.00	4.29	47.67
<b>Total</b>	<b>C</b>	<b>ECONOMIC SERVICES</b>	<b>19201.17</b>	<b>6762.51</b>	<b>35.22</b>
<b>Total</b>	<b>A+B+C</b>	<b>NON TAX REVENUE</b>	<b>34768.48</b>	<b>12590.35</b>	<b>36.21</b>

Source: Annual Financial Statement 2014-15 & Civil Accounts, Sept,2014



## 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 deters 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 resultant slow trend of the expenditure especially in Capital Sector is a logical sequence. The average trend of expenditure in the Revenue Sectors is only 37.19 percent. Capital sector has remained at 23.03 percent Significant portion of the 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 ( 2014-15 up to September 2014)					(Rupees in lakhs)	
	Sectors	Budget Estimate			Expenditure	Percentage to B.E
		Plan	Non Plan	Total		
<b>A</b>	<b>Revenue Account (1+2+3+4)</b>	<b>182583.01</b>	<b>226189.75</b>	<b>408772.76</b>	<b>152002.85</b>	<b>37.19</b>
1	General Services	5023.13	117252.15	122275.28	52640.59	43.05
2	Social Services	85354.18	65014.98	150369.16	64319.47	42.77
3	Economic Services	92205.70	37449.58	129655.28	34258.11	26.42
4	Grants in Aid and Contribution.	0.00	6473.04	6473.04	784.68	12.12
<b>B</b>	<b>Capital Account (1+2+3)</b>	<b>161679.62</b>	<b>0.00</b>	<b>161679.62</b>	<b>37235.85</b>	<b>23.03</b>
1	General Services	21092.63	0.00	21092.63	4112.43	19.5
2	Social Services	52020.59	0.00	52020.59	7599.83	14.61
3	Economic Services	88566.40	0.00	88566.40	25523.59	28.82

#### 1:2 Revenue Expenditure.

The overall expenditure under Revenue Account is 37.19 percent and that of Capital sector has remained at lower figure of 23.03 percent of the total provision for the year. Expenditure profile of Revenue as well as of Capital Expenditure has been tabulated in Table V below.

Table -V

EXPENDITURE (Rupees in lakh)							
			2014-15				
		Heads of Accounts	BUDGET ESTIMATE			EXPENDITURE	
			Plan	Non Plan	Total	Expenditure April-Sept.	Percentage to B.E
			B.E	B.E			
	<b>A</b>	<b>GENERAL SERVICES</b>					
	2011	Parliament/State/Union Territory Legislature	0.00	1586.36	1586.36	925.10	58.32
	2012	President, Vice President/Governor,	0.00	578.90	578.90	261.82	45.23
	2013	Council of Ministers	0.00	1416.13	1416.13	767.09	54.17
	2014	Administration of Justice	169.00	4288.88	4457.88	1222.25	27.42
	2015	Elections	0.00	1874.65	1874.65	1157.96	61.77
	2020	Collection of Taxes on Income & Expenditure	0.00	113.92	113.92	59.25	52.01
	2029	Land Revenue	79.00	1345.55	1424.55	743.71	52.21
	2030	Stamps & Registration	0.00	20.00	20.00	4.82	24.1
	2039	State Excise	0.00	540.50	540.50	297.34	55.01
	2040	Taxes on Sales, Trade etc.	148.00	513.76	661.76	288.26	43.56
	2041	Taxes on Vehicles	0.00	196.50	196.50	119.09	60.61
	2045	Other Taxes & Duties on Commodities & Services	0.00	6918.47	6918.47	68.48	0.99
	2048	Appropriation for reduction or avoidance of debt	0.00	1200.00	1200.00	1200.00	100
	2049	Interest Payments	0.00	23990.27	23990.27	8764.77	36.53
	2051	Public Services Commission	0.00	305.84	305.84	173.69	56.79
	2052	Secretariat -General Services	168.00	3647.17	3815.17	2017.93	52.89
	2053	District Administration	70.07	1210.55	1280.62	638.67	49.87
	2054	Treasury and Accounts Administration.	200.00	1544.54	1744.54	747.38	42.84
	2055	Police	1183.00	26184.42	27367.42	13156.91	48.08
	2056	Jails	0.00	553.88	553.88	283.36	51.16
	2058	Stationery and Printing	250.00	550.45	800.45	409.05	51.1
	2059	Public Works	994.73	1532.22	2526.95	1137.72	45.02
	2070	Other Administrative Services	1761.33	2837.55	4598.88	2308.90	50.21
	2071	Pensions and Other Retirement Benefits	0.00	33086.55	33086.55	15670.53	47.36
	2075	Miscell. General Services	0.00	1215.09	1215.09	216.51	17.82
Total	<b>A</b>	<b>GENERAL SERVICES</b>	<b>5023.13</b>	<b>117252.15</b>	122275.28	<b>52640.59</b>	43.05
	<b>B</b>	<b>SOCIAL SERVICES</b>					
	2202	General Education	31082.79	45654.31	76737.10	43217.08	56.32
	2203	Technical Education	47.00	0.00	47.00	29.64	63.06
	2204	Sports and Youth Services	661.00	336.03	997.03	395.18	39.64
	2205	Art and Culture	430.87	422.37	853.24	305.80	35.84
	2210	Medical and Public Health	16061.74	9767.32	25829.06	7531.48	29.16
	2211	Family Welfare	1714.00	0.00	1714.00	838.29	48.91
	2215	Water Supply & Sanitation	2119.60	1397.32	3516.92	1318.27	37.48
	2216	Housing	19029.26	523.89	19553.15	3278.23	16.77

	2217	Urban Development	3336.73	791.58	4128.31	<b>698.70</b>	16.92
	2220	Information and Publicity	657.00	405.97	1062.97	<b>479.37</b>	45.1
	2225	Welfare of S/C, S/T and Other Backward classes.	3531.50	425.04	3956.54	<b>693.05</b>	17.52
	2230	Labour & Employment	441.00	256.45	697.45	<b>280.70</b>	40.25
	2235	Social Security & Welfare	5122.01	970.28	6092.29	<b>1910.79</b>	31.36
	2236	Nutrition	1019.68	123.37	1143.05	<b>446.01</b>	39.02
	2245	Relief on Account of Natural Calamities	0.00	3125.13	3125.13	<b>2638.71</b>	84.44
	2250	Other Social Services	100.00	762.43	862.43	<b>228.94</b>	26.55
	2251	Secretariat- Social Services	0.00	53.49	53.49	<b>29.23</b>	54.65
Total	<b>B</b>	<b>SOCIAL SERVICES</b>	<b>85354.18</b>	<b>65014.98</b>	150369.16	<b>64319.47</b>	42.77
	<b>C</b>	<b>ECONOMIC SERVICES</b>					
	2401	Crop Husbandry	9688.81	3579.15	13267.96	2389.98	18.01
	2402	Soil & Water Conservation	2292.00	662.92	2954.92	413.43	13.99
	2403	Animal Husbandry	1272.70	2243.38	3516.08	1649.93	46.93
	2404	Dairy Development	142.00	63.50	205.50	75.01	36.5
	2405	Fisheries	68.44	457.46	525.90	255.80	48.64
	2406	Forestry & Wild Life	11614.05	3385.90	14999.95	2610.47	17.4
	2407	Plantations	40.00	425.50	465.50	88.05	18.92
	2408	Food, Storage & Warehousing	878.28	1880.41	2758.69	1247.99	45.24
	2425	Co-operation	132.00	970.20	1102.20	544.45	49.4
	2435	Other Agricultural Programmes	2318.00	0.00	2318.00	19.60	0.85
	2501	Special Programmes for Rural Development	2420.40	0.00	2420.40	1534.68	63.41
	2505	Rural Employment	14195.00	0.00	14195.00	2361.17	16.63
	2506	Land Reforms	618.12	0.00	618.12	0.00	0
	2515	Other Rural Development Programmes	7434.51	289.25	7723.76	2492.83	32.27
	2575	Other Special Area Programmes	200.00	0.00	200.00	0.11	0.06
	2702	Minor Irrigation	14292.91	353.40	14646.31	798.05	5.45
	2711	Flood Control & Drainage	200.00	10.00	210.00	0.00	0
	2801	Power	3961.00	9354.53	13315.53	8329.88	62.56
	2810	Non-Conventional Sources of Energy	150.00	0.00	150.00	50.00	33.33
	2851	Village and Small Industries	2215.23	852.12	3067.35	1044.85	34.06
	2852	Industries	2988.00	40.00	3028.00	339.58	11.21
	2853	Non-ferrous Mining & Metallurgical Industries	171.60	251.07	422.67	183.46	43.41
	3054	Roads and Bridges	2566.83	7353.52	9920.35	4005.89	40.38
	3055	Road Transport	842.00	4137.48	4979.48	2500.72	50.22
	3425	Other Scientific Research	697.00	0.00	697.00	94.48	13.56
	3435	Ecology and Environment	156.00	0.00	156.00	26.44	16.95
	3451	Secretariat-Economic Services	7634.75	64.70	7699.45	174.46	2.27
	3452	Tourism	1626.00	556.19	2182.19	634.09	29.06
	3454	Census Surveys & Statistics	1088.67	354.34	1443.01	301.10	20.87
	3456	Civil Supplies	0.00	62.18	62.18	30.88	49.66
	3475	Other General Economic Services	301.40	102.38	403.78	60.73	15.04
Total	<b>C</b>	<b>ECONOMIC SERVICES</b>	<b>92205.70</b>	<b>37449.58</b>	<b>129655.28</b>	<b>34258.11</b>	<b>26.42</b>

	<b>D</b>	<u>GRANTS IN AID &amp; CONTRIBUTION</u>					
	<b>3604</b>	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	0.00	6473.04	6473.04	784.68	12.12
Total	<b>D</b>	<b>GRANTS IN AID &amp; CONTRIBUTION</b>	0.00	6473.04	6473.04	784.68	12.12
<b>TOTAL</b>		<b>REVENUE EXP (A+B+C+D)</b>	<b>182583.01</b>	<b>226189.75</b>	408772.76	<b>152002.85</b>	<b>37.19</b>
SECTOR	<b>I</b>	<b>CAPITAL ACCOUNT OF GENERAL SERVICES</b>					
	<b>4055</b>	Capital Outlay of Police	2777.30	0.00	2777.30	870.49	31.34
	<b>4059</b>	Capital Outlay on Public Works	18315.33	0.00	18315.33	3241.94	17.7
Total	<b>I</b>	<b>CAPITAL ACCOUNT OF GENERAL SERVICES</b>	<b>21092.63</b>	<b>0.00</b>	<b>21092.63</b>	<b>4112.43</b>	19.5
SECTOR	<b>II</b>	<b>CAPITAL ACCOUNT OF SOCIAL SERVICES</b>					
	<b>4202</b>	Capital Outlay on Education, Sports, Art and Culture	7141.82	0.00	7141.82	438.97	6.15
	<b>4210</b>	Capital Outlay on Medical and Public Health	7705.18	0.00	7705.18	8.40	0.11
	<b>4215</b>	Capital Outlay on Water Supply and Sanitation	11660.37	0.00	11660.37	3720.90	31.91
	<b>4216</b>	Capital Outlay on Housing	1577.00	0.00	1577.00	1296.05	82.18
	<b>4217</b>	Capital Outlay on Urban Development	22056.75	0.00	22056.75	2032.10	9.21
	<b>4220</b>	Capital Outlay on Information and Broadcasting	200.00	0.00	200.00	0.00	0
	<b>4225</b>	Capital Outlay on Welfare of SC, ST & OBC	910.29	0.00	910.29	28.41	3.12
	<b>4235</b>	Capital Outlay on Social Security & Welfare	769.18	0.00	769.18	75.00	9.75
Total	<b>II</b>	<b>CAPITAL ACCOUNT OF SOCIAL SERVICES</b>	<b>52020.59</b>	<b>0.00</b>	<b>52020.59</b>	<b>7599.83</b>	14.61
SECTOR	<b>III</b>	<b>CAPITAL ACCOUNT OF ECONOMIC SERVICES</b>					
	<b>4401</b>	Capital Outlay on Crop Husbandry	223.65	0.00	223.65	105.46	47.15
	<b>4403</b>	Capital Outlay on Animal Husbandry	181.52	0.00	181.52	1.87	1.03
	<b>4405</b>	Capital Outlay on Fisheries	204.29	0.00	204.29	13.02	6.37
	<b>4406</b>	Capital Outlay on Forestry and Wildlife	171.74	0.00	171.74	0.00	0
	<b>4408</b>	Capital Outlay on Food Storage & Warehousing	371.43	0.00	371.43	0.00	0
	<b>4425</b>	Capital Outlay on Co-operation	550.00	0.00	550.00	0.00	0

	<b>4435</b>	Capital Outlay on other Agricultural Programmes	0.00	0.00	0.00	0.00	0
	<b>4515</b>	Capital Outlay on other Rural Development Programmes	2637.01	0.00	2637.01	105.08	3.98
	<b>4575</b>	Capital Outlay on other Special Areas Programmes	2400.00	0.00	2400.00	476.61	19.86
	<b>4711</b>	Capital Outlay on Flood Control Projects	570.00	0.00	570.00	110.05	19.31
	<b>4801</b>	Capital Outlay on Power Projects	6420.41	0.00	6420.41	548.03	8.54
	<b>4859</b>	Capital Outlay on Telecommunication and Electronic Industries	150.00	0.00	150.00	0.00	0
	<b>4860</b>	Capital Outlay on Consumer Industries	195.00	0.00	195.00	21.00	10.77
	<b>5054</b>	Capital Outlay on Roads & Bridges	36057.66	0.00	36057.66	17558.35	48.7
	<b>5055</b>	Capital Outlay on Road Transport	200.00	0.00	200.00	54.21	27.11
	<b>5425</b>	Capital Outlay on Other Scientific and Environmental Research	50.00	0.00	50.00	0.00	0
	<b>5452</b>	Capital Outlay on Tourism	38118.69	0.00	38118.69	6529.91	17.13
	<b>5475</b>	Capital Outlay on Other General Economic Services	65.00	0.00	65.00	0.00	0
Total	<b>III</b>	<b>CAPITAL ACCOUNT OF ECONOMIC SERVICES</b>	88566.40	0.00	88566.40	25523.59	28.82
<b>TOTAL</b>		<b>CAPITAL EXP (I+II+III)</b>	<b>161679.62</b>	<b>0.00</b>	<b>161679.62</b>	<b>37235.85</b>	<b>23.03</b>

### 1:3 Capital Expenditure.

The overall expenditure in the Capital sector is only 23.03 percent which constitute 13.40 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 of paramount importance. 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 2014-15 is 55.90% as per the recommendation of the 13<sup>th</sup> Finance Commission. 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 2014-15 has assessed the resources for its Annual Plan 2014-15 to Rs 367 Crore. A statement based on the Civil Accounts (September 2014) containing the details of Borrowings is depicted under Table VI.

**Table VI**  
**PUBLIC DEBT INCLUDING SMALL SAVING, PROVIDENT FUND.**

Rupees in (lakh) Up to 30.9.2014)

Heads of Accounts		Receipt	Payment	Balance.
6003	Internal Debt of the State Government	15272.13	2556.85	12715.28
6004	Loans & Advances from Central Govt.	62.81	480.91	-418.10
7610	Loans and Advances.	82.03	7.40	74.63
Total	Public Debt	<b>15416.97</b>	<b>3045.16</b>	<b>12371.81</b>
8009	State Provident Fund.	11965.12	16124.31	-4159.19
8011	Insurance and Pension fund.	160.41	8.67	151.74
Total		<b>27542.50</b>	<b>19178.14</b>	<b>8364.36</b>

Source- Civil Accounts for September,2014

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 and given the trend of the borrowings in the first half year, the State Government shall be well within the fiscal parameter during the year.